

GENDER PAY 2019

As a human rights organisation we believe fundamentally in equality of opportunity for all. Similarly, as a progressive employer we know that treating all of our colleagues fairly and working together through shared principles and behaviours is not only the right thing to do but also enables us to achieve the best possible outcomes for children.

The gender pay gap is a measure that compares the difference between the average earnings of men and women in an organisation, expressed as a percentage of men's earnings. It is not a measure of equal pay which is the difference in pay between men and women for doing the same job.

UK employers with 250 or more employees are required to publish a number of specified measures of their gender pay gap annually. We welcome this transparency which fundamentally upholds equality of opportunity and fairness for all and promotes equality, diversity and inclusion in the workplace.

Our latest gender pay gap report is based on data from 5 April 2019. At this date we employed 290 full-time equivalent people with 57 (20%) being male and 233 (80%) being female. Unlike many UK organisations, female representation is high at all levels of our organisation, including in our senior leadership roles which helps to explain why our gender pay gap is comparatively low compared to the sector and wider UK economy. Disappointingly this year, as our report explains, our gap has widened slightly. But we remain committed to addressing this gap over the medium-term.

This data reflects gender identity as it is disclosed. However, the current government reporting arrangements do not allow us to reflect individuals who do not identify as male or female. We are presently exploring what arrangements we could put in place, however, based on our current disclosure rates around gender identity, this does not currently impact on any employee at Unicef UK.

GENDER PAY GAP MEASURES

Our 2019 gender pay gap is as follows:

MEAN
7.7%

The mean pay gap shows the percentage gap in average salaries of men and women. It takes into account the full range of pay in the organisation.

MEDIAN
10.1%

The median pay gap shows the percentage gap in median salaries of men and women. The median is the middle value when all the values are arranged from highest to lowest and so this is a better measure of any gap for the typical employee.

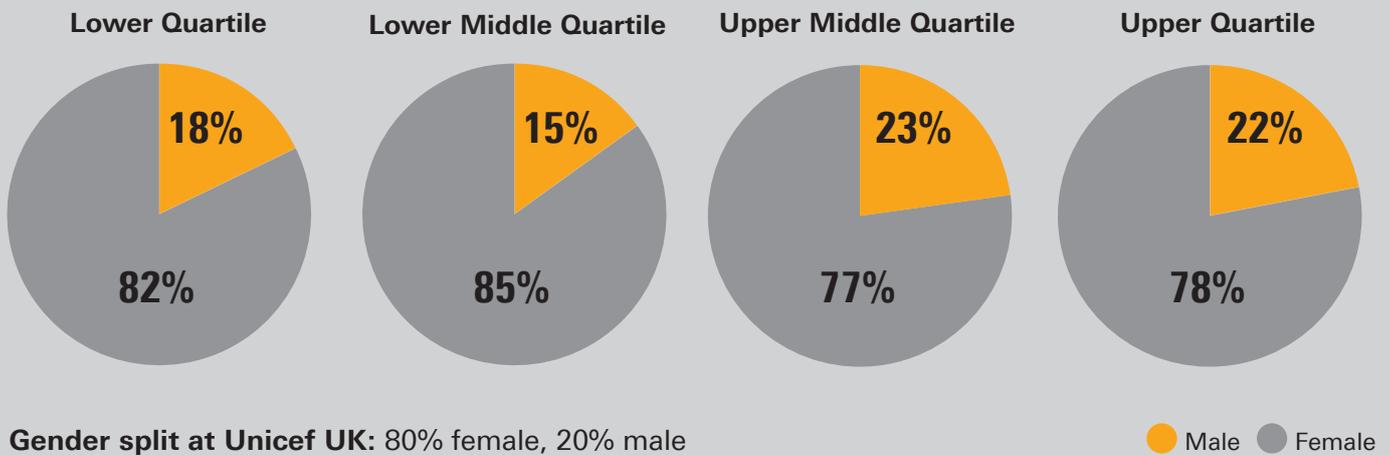
Whilst our gender pay gap is significantly lower than the UK whole-economy median level of 17.3%, (as reported by the Office for National Statistics Annual Survey of Hours and Earnings 2019), and also lower than the mean for the charities sector (9% as reported by XpertHR¹), we were disappointed to find an increase in both our mean and median gender pay gap figures from April 2018. At 5 April 2018, our mean gender pay gap was 6.2% and the median figure was 3.7%.

We have completed detailed analysis to understand this increase, and it largely results from a restructuring of, and recruitment to, senior level roles. With a workforce of our size we might expect to see variations in the gender pay gap year on year and, especially change in the pay gaps across the pay quartiles as our employee population shifts. However, we are aiming to demonstrate sustained progress in reducing our future gender pay gap through a detailed action plan.

¹ XpertHR (2019) Gender pay gap little progress made in second year, 5 April 2019

GENDER PAY QUARTILES

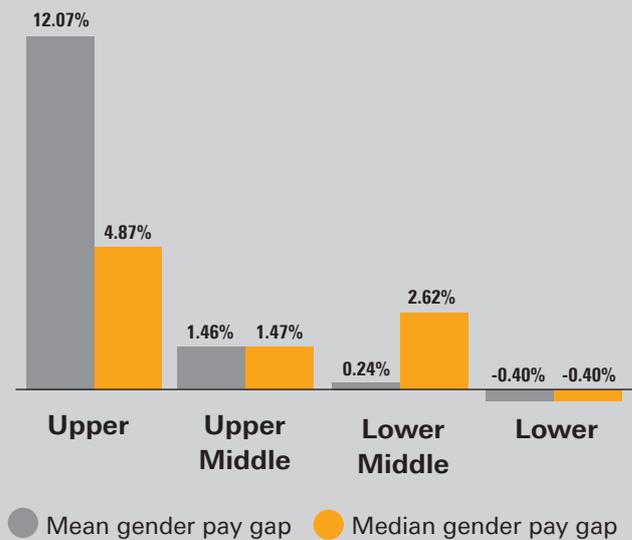
A pay quartile represents a quarter (25%) of the workforce, ranked by their hourly pay rate. The pay quartiles are then broken down by gender. The proportion of males/females in each quartile at Unicef UK is as follows:



We have a much higher representation of females across all pay quartiles (ranging from 77% to 82%); and there has been growth in the representation of women in all but one pay quartile (the upper quartile) compared to 2018. We put this down to the structure of the workforce in the sector, but also our excellent range of flexible working and parental policies, enhanced most recently by our commitment to shared parental benefits.

Analysis of the gender pay gap within each pay quartile highlights that it is the upper pay quartile - in which our Executive and Senior leaders are placed - which is the largest driver of our overall pay gap, with the mean gender pay gap being 12.1 per cent and the median 4.9% within this upper quartile. This compares adversely against the other quartiles where the pay gap is negligible.

GENDER PAY QUARTILES



ADDITIONAL PAYMENTS

Unicef UK does not currently operate a bonus scheme. However, the legislation requires us to report the following:

- The mean gender bonus gap is: 0%
- The median gender bonus gap is: 0%
- The proportion of male employees receiving a bonus is: 0%
- The proportion of female employees receiving a bonus is: 0%

UNDERSTANDING THE GAP

Observing an increase in both our mean and median overall gender pay gap figures from April 2018, we interrogated our data to understand the change. This revealed that our gender pay gap, and indeed the increase since the last reporting date, has been unwittingly driven by restructuring and recruitment at our Executive and Senior levels.

Our female representation at the senior level remains high and as part of our commitment to developing

internal talent, 25% of our senior leadership roles are held by females in their first senior leadership role and therefore appointed at a lower relative position in the salary band. For external recruitment

where we typically look to balance this approach with more experienced appointees, we have attracted a higher proportion of males than in previous years.

OUR COMMITMENT

We have implemented many positive changes since our last gender pay gap report in April 2018, and indeed over the last 12 months, which will not yet be captured in this reporting period. We remain committed to further reducing our pay gap through multiple actions, including:

- In 2019 we made a sector leading move by equalising our parental leave and pay provisions for all employees; giving 52 weeks leave and pay for 39 weeks, at different rates, to all employees who are new primary caregivers. This benefit is provided regardless of gender or sexual orientation or the route to parenthood. Women's disproportionate responsibility for care and domestic labour impacts their ability to enter, return or progress at work on an equal footing with men. Through parental leave and pay policies such as our Early Moments policy described, we're addressing gender stereotyping and ultimately reducing the gender pay gap.
- Our reward practices are transparent internally. We share the salary ranges available within different pay bands and the job levels of all our roles and the detail of our job evaluation scheme.
- We have introduced an exceptional performance award to recognise our colleagues who deliver consistent outstanding performance over and above the standard expected. To limit the discretion of managers and any bias, there is set criteria which are required to be evidenced, and thoroughly calibrated. The allocations of this award are monitored to ensure it does not contribute to a widening of our gender pay gap.
- Understanding the drivers of our gender pay gap has prompted us to strengthen our recruitment practices, in particular around recruitment salaries, to reduce the likelihood of gender pay differentials being imported from the external market.
- We will use a portion of our annual pay award to fund the upward movement of some of those employees at lower positions in their pay ranges relative to the midpoint or market rate. This should benefit the relative pay position of less experienced employees in their pay range.
- Our Diversity Steering Group and our Board of Trustees will regularly monitor our gender pay gap throughout the year, in order to understand how changes in our workforce impact the gender pay gap and what further actions or adjustments may be needed.
- Our Diversity Action Plan recognises the importance of attracting and retaining diverse and talented people with the skills, the ambition and drive to help us lead and deliver our plans. We continue to focus on increasing the number of Black, Asian and Minority Ethnic (BAME) employees, and monitor how race and other diverse identities will have an intersecting impact on the gender pay gap.
- A robust talent management infrastructure is integral to closing the gender pay gap. We have recently opened up our people management and leadership training opportunities to colleagues who are not people managers.

Claire Fox
Chief Operating Officer