

2020/2021 ETHNICITY PAY GAP REPORT

AAT has a strong commitment to equality and diversity both inside our organisation and within our wider membership. Through our Equality, Diversity and Inclusion (EDI) strategy, we aspire to be a workplace where all colleagues bring their whole self to work, feel included and enabled to reach their full potential.

For many years, AAT has been a leader in the financial sector on gender equality, including publishing our gender pay data, which has led to an increased focus on strengthening diversity within our organisation and among our membership. We are now publishing our ethnicity pay data for the first time, which we hope will effect similar change.

This data sets out a benchmark and gives us a goal to work towards in future years to address our ethnicity pay gap. However, we recognise that publishing the data alone is not enough; we must back this up with action. This includes signing up to the *Race at Work Charter*, setting up an Executive Sponsor for race, and undertaking further analysis to understand what's driving the data and to identify how we can support the career progression of our ethnic minority employees. We are also continuing our programme of annual benchmarking through the Employers Network for Equality and Inclusion (ENEI) and offering unconscious bias training for our staff.

Headline gender pay gap figures

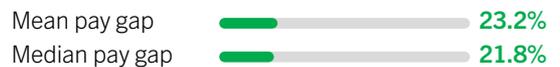
In the absence of a prescribed methodology for calculating an ethnicity pay gap, we have followed the same approach as for the gender pay gap, but this will develop in the future.

The ethnicity pay gap is defined as the difference between the mean or median hourly rate of pay that white and ethnic minority colleagues receive.

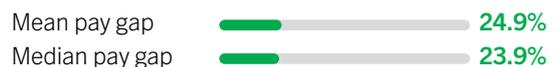
The mean pay gap is the difference between average hourly earnings. The median pay gap is the difference between the midpoints in the ranges of hourly earnings. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle-most salary.

These figures are provided below and are based on hourly rate of pay as at April 2020 and April 2021 paid at the snapshot dates of 5 April 2020 and 5 April 2021.

2020



2021

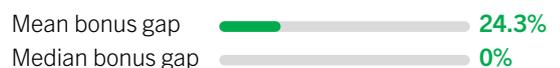


Bonuses

At AAT we have an organisation wide bonus which everyone is eligible to receive if they perform to (at least) the expected standard as agreed during the annual performance process if certain targets are met. The organisation wide bonus is the same financial amount for all staff. However, it is pro-rated for part time workers and for those who joined throughout the year with a minimum of three months in post.

In addition, the Executive team are eligible for a separate bonus scheme based on individual performance.

2020



2021



Proportion of white and other ethnic minority colleagues receiving a bonus (performance award) payment

2020



2021



Pay quartiles

The table below shows the split between white and ethnic minority staff when we order hourly rate of pay from highest to lowest and group into four equal quartiles.

2020

Quartile	White	Ethnic minority	Undeclared	Total
Lower	46%	51%	3%	52
Lower middle	64%	32%	5%	53
Upper middle	59%	40%	2%	53
Upper	78%	19%	3%	52

2021

Quartile	White	Ethnic minority	Undeclared	Total
Lower	48%	50%	2%	52
Lower middle	60%	36%	4%	53
Upper middle	68%	32%	0%	53
Upper	83%	15%	2%	52

Our next steps

- We recognise that publishing this data is a useful first step, but there are improvements that can be made to our ethnicity pay gap. Our Equality, Diversity and Inclusion (EDI) champions, made up of employees throughout the organisation, produced a strategy to engage greater inclusivity within our working environment. This strategy is under consistent review to ensure this is achieved. We also celebrate different events and initiatives, including World Cultural Day for Diversity and Black History Month.
- We have a Head of Responsible Business and Policy, who is accountable for Responsible Business activity. This includes partnering with the EDI group and developing a decision making framework. We also recently established an Executive Sponsor for race as part of our EDI champions. EDI is demonstrably embedded within AAT and this supports the Charity Code of Governance EDI pillar.
- We signed up to the *Race at Work Charter*, and are undertaking further analysis to identify to understand what's driving the data in relation to ethnicity and how we can support career progression for ethnic minority employees. Additionally, we are committed to zero tolerance of bullying and harassment.
- We have been at the forefront of the campaign to ensure compulsory ethnicity pay reporting, and will continue to push on this issue to secure further political, media and stakeholder support.
- AAT is a member of the Employers Network for Equality and Inclusion (ENEI), through which we carry out annual benchmarking to enable us to identify and take action on issues that need to be improved. ENEI also deliver our unconscious bias induction training for new starters
- We provide equality and diversity training annually for all staff, and we are building making workplace equality the responsibility of all managers into our training, policies and procedures.