Gender and Ethnicity 2024 Pay Gap Report

Sanctuary

Introduction

At Sanctuary our goal is to be a diverse, inclusive organisation where our people thrive and meet our customers' needs with fairness and empathy.

As outlined in our diversity and inclusion strategy 'Inclusion for All', we are committed to using and improving data to set ambitious targets, gauge the impact of our activities and track progress towards our goals.

Though there is no requirement to publish our ethnicity pay gap, we are choosing to include this along with our gender pay gap.

By gathering, analysing and sharing this additional range of data we are both improving our understanding of our own areas for development and, we hope, encouraging others to do likewise.

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Understanding our pay reporting

All companies with a headcount of 250 or more employees must report annually how they pay men and women. The decision to report on how we pay different ethnic groups is entirely voluntary. This report is based on Sanctuary's pay and bonus data as at the snapshot date of 5 April 2024.

Gender pay looks at the difference between average male and female earnings across a group of workers, regardless of the role they are in, expressed as a percentage of male earnings.

Gender pay is different from equal pay. Equal pay looks at ensuring everyone, regardless of gender, is paid the same for the same work. Sanctuary has robust processes in place to make sure that men and women are paid equally for doing equivalent roles. This includes regular reviews of pay levels across the organisation.

Ethnicity pay looks at the difference between average earnings of white and ethnic minority employees. The gap is expressed as a percentage of white employee earnings.

How the data is presented

For gender pay, the data is reported for the Group overall and then for each of the legal entities that have more than 250 people. These do not always correspond with the brands or operations that our customers and employees would know. To help understand the statistics, the table on the next page describes who works in each entity. The numbers included are full pay relevant employees.

Legal entity	Employees	Women	Men
All businesses within the Sanctuary Group (including those with less than 250 employees)	13,122 employees who work within the Group including those working within the legal entities listed below, plus an additional 728 employees who work in smaller business areas such as Student services and Development	8,922	4,200
Sanctuary Housing Association	3,251 employees who work for Sanctuary's corporate centre including HR, finance, technology, procurement and communications as well as the employees who work in development, our supported living schemes and who serve our social housing customers	2,149	1,102
Sanctuary Care Limited	6,223 employees who work in our care homes and supporting services	4,989	1,234
Sanctuary Care Property (1) Limited	459 employees who work in our care homes and supporting services	386	73
Sanctuary Home Care Limited	940 employees who provide care in older people's homes and in some of our extra care schemes	722	218
Sanctuary Maintenance Contractors Limited	1,521 employees who work as maintenance operatives, gas engineers, cleaners and facility managers	222	1,299

How the data is presented

There are five pie charts displayed, firstly for the Group as a whole and then for each of Sanctuary's legal entities. The first pie chart reflects the gender of total full pay relevant employees and the following four pie charts show the gender at the respective quartiles of pay, so the first quartile includes lowest paid employees and the fourth quartile includes the highest paid employees.

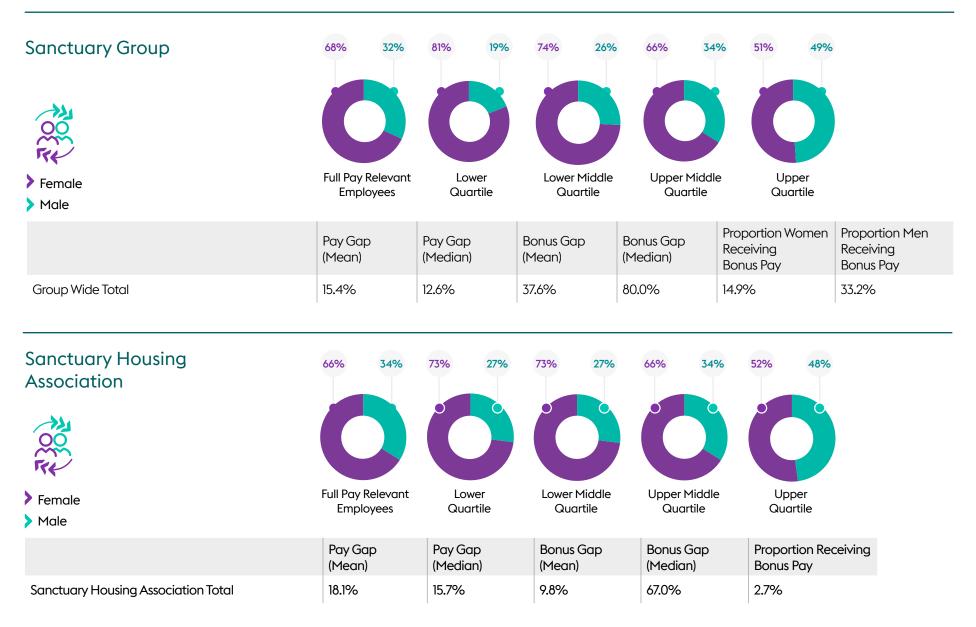
For ethnicity pay, the data is reported for Sanctuary Group as a whole. The total number of employees reported is higher than for our gender pay reporting as it includes people in business entities that are smaller than 250 people, for example our Student business which provides student accommodation.

For both gender and ethnicity, mean earnings are the average - they are calculated by adding up all hourly earnings and dividing them by the number of employees. Median earnings come from ranking all earnings from lowest to highest and identifying the number in the middle. Statisticians tend to prefer median values to mean ones but we present both here.

A positive value in the gender pay gap reporting reflects the percentage that men are paid more than women. In ethnicity pay gap reporting, it reflects the percentage that white employees are paid more than ethnic minority employees. A negative value indicates the percentage that women are paid more than men or ethnic minority employees are paid more than white employees. As an example, if a gender pay gap is given as 6.4%, this means that, on average, men earn 6.4% more than women or if a gender pay gap is given as -6.4%, this means that, on average, women earn 6.4% more than men. The higher the number, the larger the pay gap.

We have not included data for those who have not shared their ethnicity in the mean and median calculations.

Our gender pay gap



Our gender pay gap

Sanctuary Care Property (1) Limited Total



-0.2%

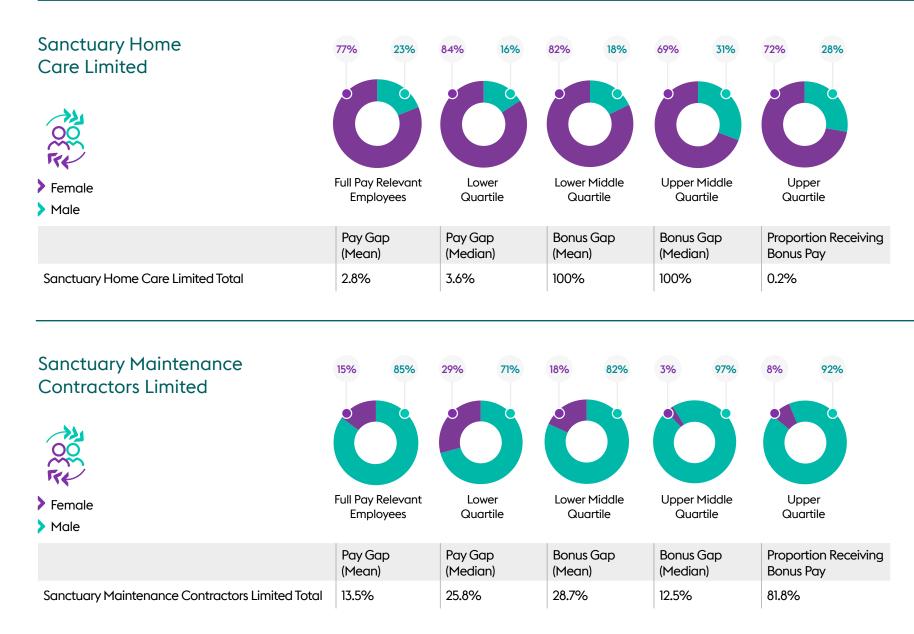
35.6%

0.0%

22.8%

0.5%

Our gender pay gap



Assessing our gender data

Our overall Group median pay gap has fallen to 12.6%. This is due to a significant increase in pay of Sanctuary's lowest paying roles, which are largely held by women.

The overall effect has been to increase the Group's median pay level for women, reducing the gap with the median pay level for men.

The pay gap persists because, in common with many large UK employers, there are more women in the lowest paying roles and fewer women in the highest paying roles.

Our analysis suggests that gender stereotypes, held and reinforced by wider society, are part of the root cause for our gender pay gap. Some jobs are still seen as for women and others for men. In general, those seen as male roles are higher paid.

For example, the majority of Sanctuary's maintenance repair operatives are male, whereas the majority of maintenance cleaning employees are female. The difference in these roles accounts for the pay gap in this operation. Across the whole organisation, although there are fewer men, proportionally more are found in the higher paid roles resulting in mean and median pay gaps.

Sanctuary recognises the issue and is proactively encouraging more women and men to consider roles beyond the stereotypes that constrain their choices.

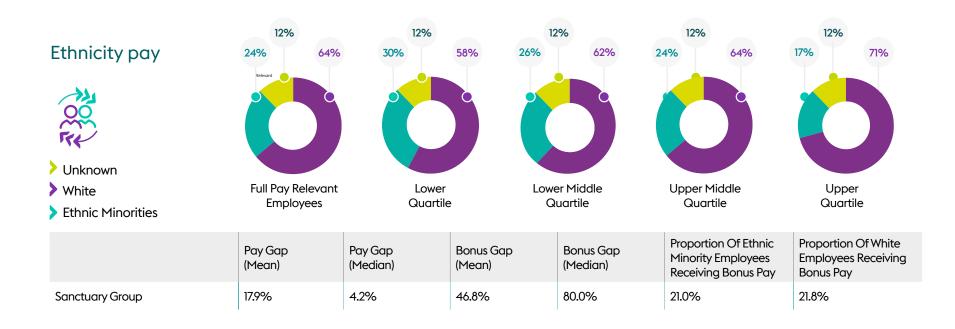
As indicated by the bonus data, Sanctuary does not have a culture of incentivising performance through large bonus payments. This year there is a bonus pay gap in Sanctuary Maintenance Contractors because more men work in these roles than women.

Our ethnicity pay gap

Our whole workforce at the time of reporting, including those working in Scotland, was 13,122 people. 3,206 were from ethnic minority groups, 8,369 were white, and 1,547 chose not to share their ethnicity.

There are five pie charts displayed for the organisation as a whole. The first pie chart reflects the make up of the whole Group, breaking down the ethnicity mix into two broad categories - white and ethnic minority.

The following four pie charts show the make up at each quartile of pay. The first quartile shows the lowest paid employees and the fourth includes the highest paid employees.



Assessing our data

Our median ethnicity pay gap has fallen to 4.2%. This reduction is largely because of an increase in the number of ethnic minority employees working in our residential care operation in higher paid locations. However, because of acquiring businesses that did not gather ethnicity data, there has been an increase to 12% of employees for whom no ethnicity data is held. We are therefore being careful not to make assumptions about this decrease.

In terms of bonus payments, the median bonus payment was higher for white employees than ethnic minority employees. The vast majority of ethnic minority and white employees receiving bonuses received the same amount. In a small number of business areas, a handful of employees were paid higher bonuses. These arose for two different reasons. Either the roles were in sales, where commission is paid, or the roles were in project delivery where bonuses were paid to recognise performance during a period of significant growth activity. In both situations, most of the employees in those roles were white.

"Commitment to taking focused action to attract talented people from under-represented groups, including ethnic minorities, into our senior leadership teams."

We know that there is much more to understand. Research finds that the pay gap both mean and median can be influenced by a variety of factors including geographical location, the nature of roles, gender and whether employees were born in the UK or overseas. We also appreciate that the umbrella term 'ethnic minorities' spans a diverse range of ethnic minority groups and that the pay gap varies between them. Our data analysis has informed our diversity and inclusion strategy, which includes a commitment to taking focused action 'to attract talented people from underrepresented groups, including ethnic minorities, into our senior leadership teams'.

Actions we are taking

To make continuous progress towards our goal of being a diverse, inclusive organisation where our people thrive and meet customers' needs with fairness and empathy, we have committed to:

- > attract, retain and develop diverse talent.
- > provide accessible and inclusive services and workplaces.
- > embed an inclusive culture.
- > monitor outcomes.

To deliver a step change in our diversity and inclusion performance, our objectives include to:

Attract, retain and develop diverse talent

- We are delivering an improvement programme, informed by a deep dive analysis into our recruitment practice by an external inclusive recruitment specialist. All recruitment employees have undertaken additional training and are now leading three working groups to improve attraction, recruitment and selection practices.
- We are developing our internal pipeline of diverse talent, for example by delivering an internal talent programme designed to build director-level skills.
- We continue to tackle gender imbalance in Technology, Construction and Care, for example by growing our Women In Construction Group. Following data analysis, for each of those business areas, we have set ourselves aspirational targets to achieve by 2030, holding relevant Executive Directors accountable.

Provide accessible and inclusive services and workplaces

- We are creating an inclusive and balanced environment for our colleagues to work in through both the renewal and creation of new workspaces across the country.
- We are embedding an approach that delivers fair access for all, for example by delivering new platforms that are accessible to a wider audience in an intuitive and mobile way. My Sanctuary and e-hub projects connect thousands of our employees to benefits and wellbeing resources, as well as to our diversity networks.

Embed an inclusive culture

- We deliver a celebratory annual programme of events including International Women's Day in March, Cultural Diversity Day in May, PRIDE in June/July, National Inclusion Week in September, and International Day of Persons with Disabilities in December.
- We are supporting the development of four diversity networks (Parent Network, PRISM our LGBTQIA+ network, Race Equality Network, and Disability Network) and the delivery of their workplans.
- We have connected thousands of our employees through Viva Engage and our e-hub.
- We sponsor or partner with external organisations to provide allyship and grow our own diversity and inclusion capability. For example with <u>Leadership 2025</u>, <u>Investors in People</u>, <u>Disability Confident</u>, <u>Business Disability Forum</u>, <u>Inclusive</u> Employers, Worcester City PRIDE, Purple Space.

To hold ourselves to account for equality of opportunity beyond gender pay gap and ethnicity pay gap reporting, we are enhancing our data insight and accountability for change. This year, action includes:

- developing our engagement survey analysis so that we can understand outcomes for colleagues by sex, ethnicity, disability, sexual orientation, age and religion/belief.
- > developing our Diversity and Inclusion Dashboard so that it allows users to look at what the data is telling us about how included those different groups feel.
- > using the insight from the dashboard to identify where strategically we need to focus efforts to improve our culture and practice to ensure more equitable outcomes.

Diversity and inclusion in the workplace

We are proud of our progress but aren't complacent. There is more to do. Our 2024-2026 'Inclusion for All' strategy spells out the steps we will take to make progress towards our goal of being 'a diverse, inclusive organisation where our people thrive and meet customers' needs with fairness and empathy'.

We confirm that our gender pay gap data calculations are accurate and meet the requirements of the regulations.



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Craig Moule
Group Chief Executive



Nicole Seymour Executive Director - Corporate Services