

CBI GENDER AND ETHNICITY PAY GAP REPORT 2023



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Foreword

Reporting on and taking action to reduce both our gender and ethnicity pay gaps has always been a priority for us, driven by our belief in the value and importance of inclusive workplaces. As a small organisation, we recognise the importance of reaffirming our commitment to a more inclusive workplace given that changes in our workforce can have a big impact on our pay data overall. We cannot be complacent, and sustainability is key; this is why longer-term actions really matter.

The reduction in gender and ethnicity pay gaps in 2023 is encouraging; we continue to make progress in key areas. We are proud that two-thirds of our Executive Committee are now female, and we are on track to achieve an even split of gender at Board level. Yet, we must do better at improving ethnic representation at all levels, including representation of Ethnic Minority colleagues in the Upper Quarter of the pay distribution.

We continue to ensure we review our pay gaps on a monthly basis and make changes where necessary through our annual processes. We are reviewing our ED&I strategy, using external benchmarks to assess our progress against.

Much has happened in the past year, and I am proud of the hard-work our teams have put in place to develop and commit to our values including integrity and respect. A renewed CBI that celebrates diversity and ensures everyone can thrive can only be achieved together. Let's make it happen.



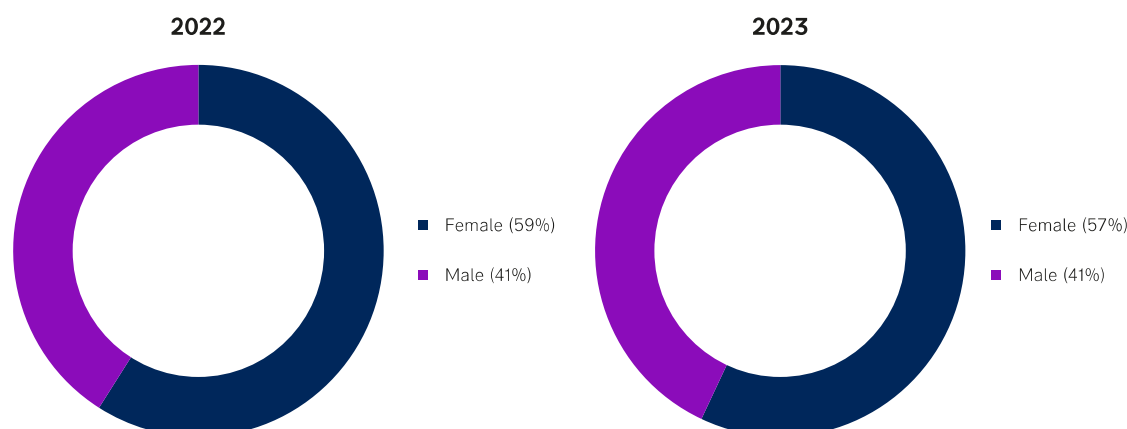
Rain Newton-Smith
CEO, CBI



Our Gender Pay Gap 2023

We have voluntarily reported on our gender pay gap data since the regulations were introduced in 2017¹ and this is therefore our seventh gender pay gap report. Our reporting follows the Government's requirements.

On 5th April 2023 (the 'snapshot' date for reporting), the CBI had 267 UK based staff of whom 57% were female and 41% were male (2% undisclosed). This is a small change since April 2022 when the split was 59% female and 41% male².



Average Gender Pay Gap

Year	Mean	Median
2023	3.4%	11.5%
2022	17.9%	19.6%

Our mean Gender Pay Gap is 3.4%, a reduction of 14.5% since April 2022. Our median Gender Pay Gap is 11.5% which is a reduction of 8.1% since April 2022.

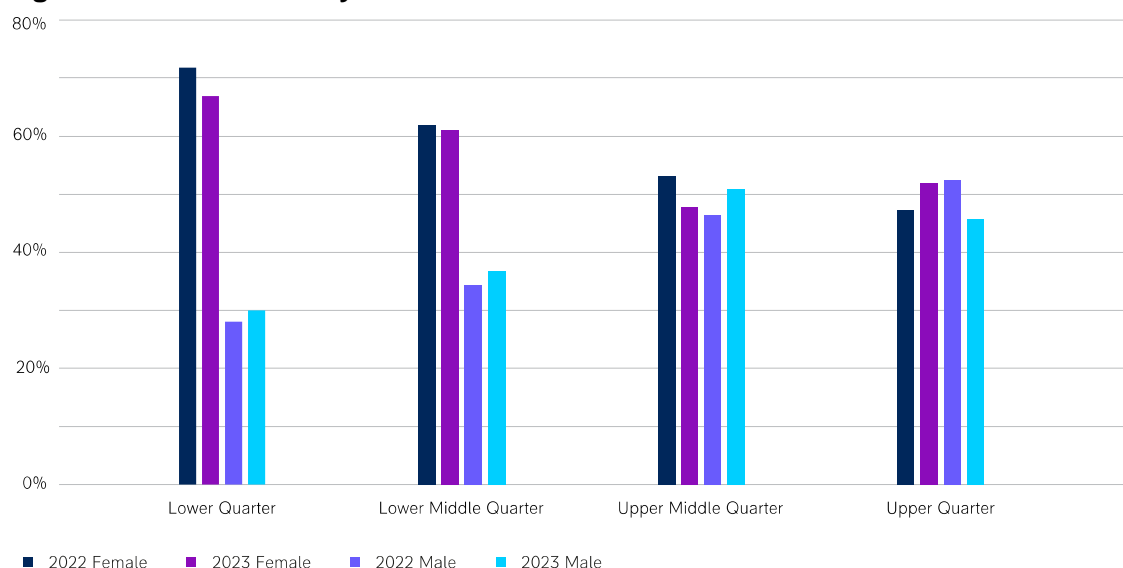
Pay Quarters

We have made progress in increasing the proportion of women in our upper pay quarters. However, although improved, there continues to be an over representation of women in lower banded roles compared to men. To significantly narrow the gender pay gap we need to achieve a better gender balance at all grades and functions within the CBI.

¹Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Requirement was to publish by April 2018

² In April 2023 the CBI had 11 international staff who are not included in the data for this report

Figure 1: Gender Per Pay Quarters



Percentage of men and women receiving bonus pay

All staff were paid the same small amount as a ‘thank you’ payment in early 2023. These payments were not in relation to individual performance but were in recognition of the work our staff did as part of the wider CBI team throughout 2022. Eligibility for this payment was based on staff working at the CBI effective 30 September 2022.

In addition, Special Contribution Award payments were made to a small percentage of staff who displayed exceptional behaviours in the year. Of awards given 62.5% were given to female staff and 37.5% to male staff.

There are a small number of sales-related roles that can earn commission. Figures are not provided here due to the small numbers of people who are eligible.

Gender Pay Gap Reporting and Equal Pay

We know that gender pay gap reporting is different from equal pay and so in January 2023 we held a full equal pay audit to check that there were no unjustifiable pay disparities between women and men doing the same work or work of equal value. Through thorough and objective moderation any areas of concern were addressed.

We will continue to undertake annual equal pay checks to ensure that our reward policies are fair and non-discriminatory.

Our Ethnicity Pay Gap 2023

We have reported our ethnicity pay gap data since 2018 and are a vocal supporter of introducing mandatory reporting. We believe that by reporting our ethnicity pay gap we are ensuring that our practice aligns with what we are asking of our members.

For benchmarking purposes, we calculate our ethnicity pay gap using the Government measures specified in the gender pay gap regulations. We group ethnicity data into two broad classifications, White staff (including White Other) and Ethnic Minority staff. We recognise the limitations of such grouping in identifying and understanding how disparities play out across different ethnic groups. Although we collect ethnicity data against the ONS categories used in the UK Census we have not disaggregated the data for this report as to do so currently risks compromising anonymity due to the small numbers in each category.

In April 2023 96% disclosed their ethnicity and of this 19% of staff were from Ethnic Minority groups and 81% of staff were White. In 2022 the ethnicity disclosure was 96% and of this 18% of staff selected Ethnic Minority groups and 78% White.

Average Ethnicity Pay Gap

Year	Mean	Median
2023	12.9%	6.7%
2022	14.7%	15.1%

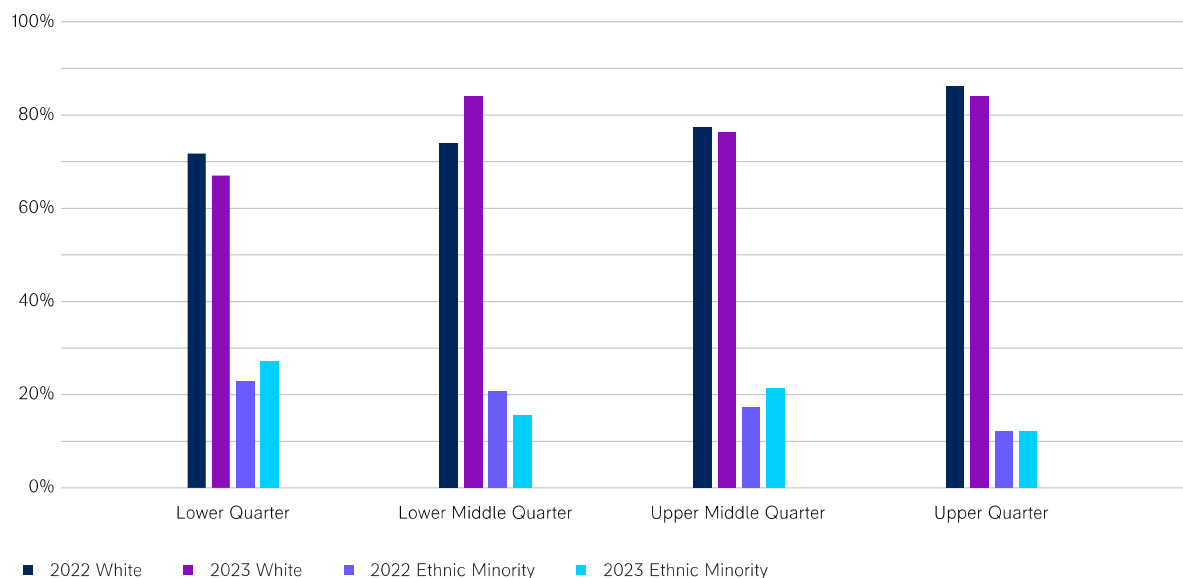
In April 2023 the mean Ethnicity Pay Gap was 12.9% and the median was 6.7%. This is a reduction from April 2022 when the mean was 14.7% and the median was 15.1%.

Pay Quarters

We have improved Ethnic Minority representation in the Upper Quarters, and this has been a major contributing factor in the reduction of the Mean pay gap figure. However, whilst Ethnic Minority representation across two of the quarters is representative of the UK workforce as a whole³, this is not the case for the Upper Quarter most notably.

³ 81.7% of people in the UK are White, and 18.3% belong to a Black, Asian, Mixed or Other Ethnic groups (2021 Census data)

Figure 2: Ethnicity Per Pay Quarters



We are aware that whilst our workforce as a whole reflects the UK ethnicity profile it does not reflect that of London⁴ where the majority of our staff are recruited from and are based. In April 2023 24% of CBI staff based in London were from an Ethnic Minority group.

Percentage of White and Ethnic Minority staff receiving bonus pay

All staff were paid the same small amount as a 'thank you' payment in early 2023. These payments were not in relation to individual performance but were in recognition of the work our staff did as part of the wider CBI team throughout 2022. Eligibility for this payment was based on those staff working at the CBI effective 30 September 2022.

In addition, Special Contribution Award payments were made to a small percentage of staff who displayed exceptional behaviours in the year. Of awards made 91.7% were made to White staff and 8.3% were made to those from an Ethnic Minority group. This was below the representation we aimed for despite the moderation process. Further work must be done to put in place measures to ensure all demographics have the opportunity and support to exhibit our behaviours fully.

There are a small number of sales-related roles that can earn commission. Figures are not provided here due to the small numbers of people who are eligible.

⁴ In London 46.2% of residents identified with Asian, black, mixed or 'other' ethnic groups, and a further 17.0% with white ethnic minorities in the 2021 Census.

Progress on narrowing our Pay Gaps

The progress towards narrowing our gender and ethnicity pay gaps continues against five priority areas outlined below:

1. Collecting and using diversity data
2. Fair recruitment and selection
3. Inclusive learning and development
4. Fair reward and progression
5. Targeted campaigns

Priority 1: collecting and using diversity data



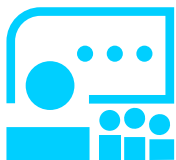
We will continue to encourage staff to share their demographic data with us. Our refreshed ED&I Strategy will promote better data collection and quality, supporting our broader diversity and inclusion goals. Our Executive Committee will continue to track the gender and ethnicity pay gap data monthly, with an extended analysis of all equity, diversity and inclusion metrics every six months in order to assess potential causes of inequity, what could be done to address these, and the impact of actions taken. We will report this data to our main Board and the People & Culture Committee, ensuring the data is visible and given oversight at the highest level of our organisational governance.

Priority 2: fair recruitment and selection



We will review our resourcing strategy and recruitment processes to ensure they promote greater diversity in our organisation underpinned by a strong workforce planning approach to support proactivity around our diversity goals. Where opportunities arise, we will work with our existing external suppliers to promote roles in ways that will reach a wider and more diverse audience. We will also work with specialist recruitment agencies to source candidates from diverse backgrounds to build greater diversity in teams.

Priority 3: inclusive learning and development



A yearly refresh of ED&I training will be planned to ensure that we keep focus on how colleagues become more diversity aware and help us to build a more inclusive workplace. We will build on our newly created organisational values, leading a programme of activity that embeds these core values. This will set out the framework we expect people to operate within and provide a compass to ensure that we make decisions that respect diversity and encourage inclusivity in all that we do, both internally and externally. All colleagues will undertake development to help them understand how to live the values and demonstrate leadership behaviours.

Priority 4: fair reward and progression



We will build on the inclusive approach to pay and reward established last year. Founded on some key principles, we will embed our annual equal pay audit, independent job evaluation, and annual benchmarking processes. Our focus will also be on monitoring and capturing feedback to inform the next full review including how we will dial up our focus around financial wellbeing and review our benefits offering considering opportunities to promote inclusion as part of this review.

Priority 5: targeted campaigns



We will build on the review of our employee network groups and newly created Diversity Ambassador's Group to ensure that they are fully integrated into our engagement structures and supporting delivery of our inclusion priorities with specific campaigns reflecting these. We are reviewing our memberships and partnership with ED&I focused organisations to demonstrate our commitment to improving the candidate and employee experience across all demographics.

August 2023

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