



# Nest Corporation Ethnicity pay gap report 2021

# Mean and median ethnicity pay gap



**18.3%**

## Mean hourly pay gap 2021

A gap of £6.39 per hour. This gap has reduced by 2.1 percentage points since 2018, when we started reporting.

**13.2%**

## Median hourly pay gap 2021

A gap of £3.99 per hour. This gap has reduced by 6.7 percentage points since 2018.

- › Overall, both our mean and median hourly pay gaps have reduced since we started reporting in 2018.
- › However, Black, Asian and ethnic minority staff on average are still paid less than their White colleagues.

## Mean bonus

**27.1%**



A gap of £442.61. This is 12.4 percentage points lower than the gap in 2020.

2021 is the first year since 2018 where our mean bonus gap between Black, Asian and ethnic minority employees has reduced.

In 2018 the mean bonus gap was 13.8%. This increased to 35% in 2019 and 39.5% in 2020.

## Median bonus

**0%**



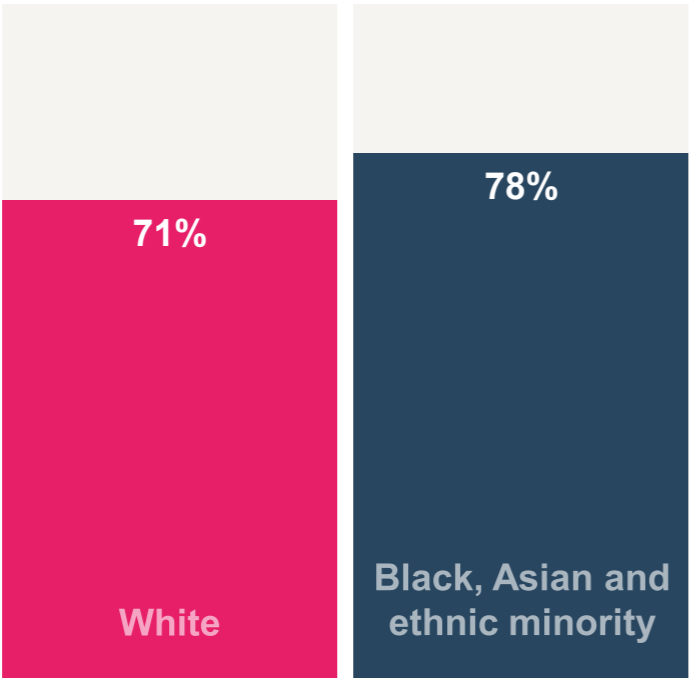
A gap of £0. In 2020 the median bonus for White employees was £1,000 higher than that of Black, Asian and ethnic minority employees.

This is the first year where there has been no median bonus difference between white and Black, Asian and ethnic minority colleagues.

In 2018 employees of colour received a median bonus 56% higher than their white colleagues, this switched to a 63% lower median bonus in 2019, and 50% in 2020.

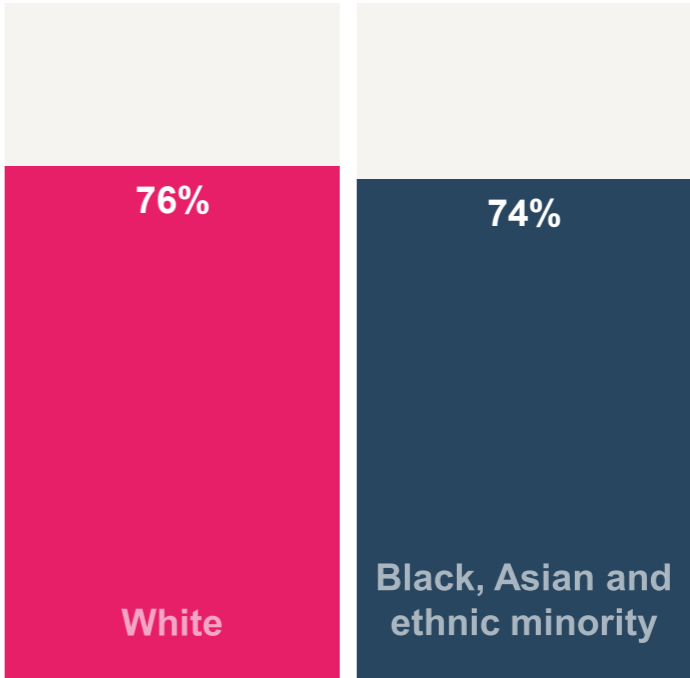
# Proportion of employees who received a bonus

March 2020



	Total	No. who received a bonus	Proportion %
Black, Asian and ethnic minority	87	68	78
White	220	157	71

March 2021

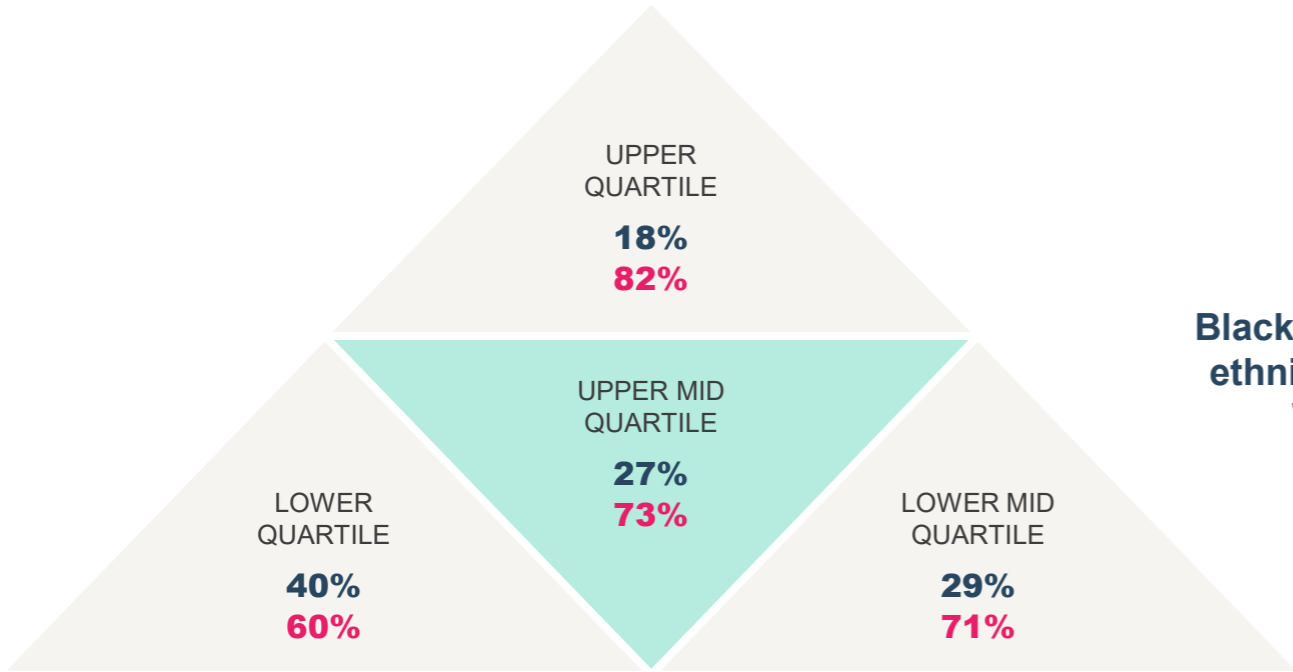


	Total	No. who received a bonus	Proportion %
Black, Asian and ethnic minority	88	65	74
White	240	183	76

# Quartile pay representation...

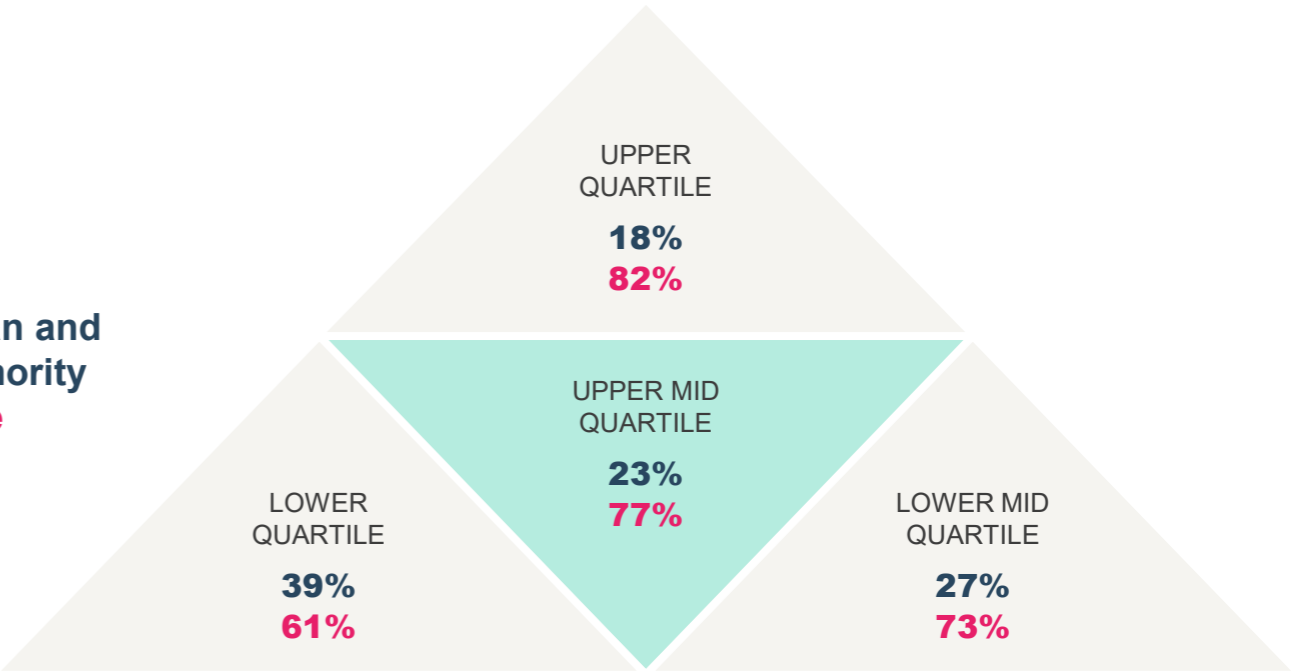
...of Black, Asian and ethnic minority and White employees

March 2020



Black, Asian and ethnic minority  
White

March 2021



- › **Nest overall:** Black, Asian and ethnic minority 28%, White 72%. Anyone who marked their ethnicity as 'prefer not to say' is not included in this data.
- › Black, Asian and ethnic minority employees are significantly under-represented in the upper pay quartile and over-represented in the lower pay quartile.

- › **Nest overall:** Black, Asian and ethnic minority 27%, White 73%. Anyone who marked their ethnicity as 'prefer not to say' is not included in this data.
- › Black, Asian and ethnic minority employees are significantly under-represented in the upper pay quartile and over-represented in the lower pay quartile.
- › Overall, the representation of employees of colour has stayed relatively the same since 2018.

# What is Nest doing to address our ethnicity pay gap?

## Understand the experiences of employees of colour

- › We've hosted Nest-wide 'Let's talk about race' sessions to understand the experiences of people of colour in the UK and the workplace.
- › We've held focus groups with our employees of colour to gain in-depth understanding of their experiences at Nest. We've used this understanding to draw up a corporation race action plan.

## Set up a race and social diversity working group

- › We've established a race and social diversity working group championed by our CEO, Helen Dean, and Managing Director of Nest Experience, Gavin Perera-Betts.
- › The working group is focused on acting as a critical friend, championing change and sharing lived experiences.
- › The working group has an action plan focused on employee experience, leadership, development and social outreach.

## Talent analysis

- › We've undertaken an analysis of our employee talent and potential. This is an annual exercise.
- › We're using this information to build our talent management and development package we offer to employees.
- › We want to nurture and develop diverse talent at Nest and recognise the important role data plays in doing this.

## Recruitment

- › We've launched a new applicant tracking system which anonymises CVs and mitigates against bias at the shortlist stage.
- › We recognise that attracting and nurturing diverse talent is a key part of addressing our pay gap. That's why we're participating in programmes like #10000 Black Interns.



## What next?

- › We recognise that there's a considerable amount of work ahead of us to improve the representation of Black, Asian and ethnic minority employees at the senior level.
- › We have set ourselves a target of having at least two Black directors by 2025 and one member of the Executive Committee to be a person of colour.
- › We're acknowledging the importance of talent and development and are building a data infrastructure that will enable us to make targeted interventions.
- › We'll work with our race and social diversity working group to deliver their action plan as well as deliver our corporation-wide race action plan.
- › We'll continue to work with our partners and suppliers to improve the diversity in our sector through initiatives such as the Diversity Project.



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