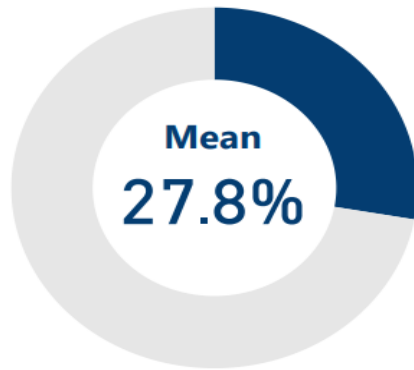




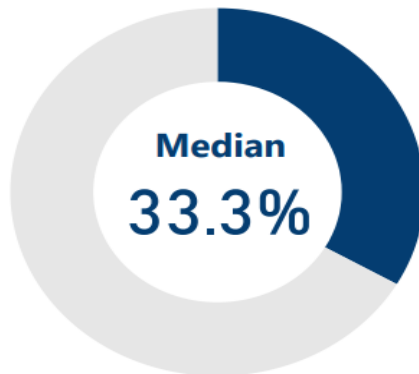
CAA 2023 Pay Gap Report

Pay Gaps at a Glance as of 31st March 2023

Gender Pay Gap

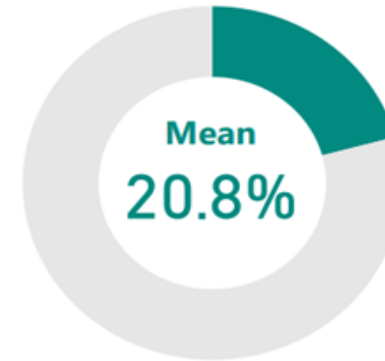


Down from 2022 by
0.8%

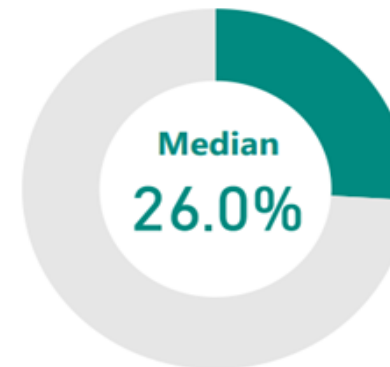


Down from 2022 by
0.2%

Ethnicity Pay Gap



Down from 2022 by
2.3%



Up from 2022 by
2.7%

Introducing our 2023 Pay Gap Report for the period 1 April 2022 to 31 March 2023



Pay gap reporting highlights the value and importance of the CAA's continued objective to promote diversity and inclusion in everything that we do. It is only by reviewing our position annually that we can monitor what progress we are making in reducing pay gaps that exist and to identify areas that require improvement.

Our challenge remains constant – to continue to reduce our 'mean' and 'median' pay gaps, we need to grow representation across all roles and particularly at more senior levels.

2021 saw the launch of our three-year Diversity and Inclusion Strategy, which includes aspirational goals for greater representation of colleagues from female and minority ethnic backgrounds at more senior levels. As we enter the final year of the strategy in 2023/2024, it is fair to say that we have made significant progress towards achieving those goals and targets.

A Foreword from Jonathan Spence, our Executive Diversity & Inclusion Sponsor:

The 2023 pay gap report is the seventh that the CAA has published, since mandatory gender pay gap reporting was introduced in 2017 for organisations employing 250+ employees or more.

The analysis that was undertaken for 2023, continues to show an improvement in reducing our gender pay gap, with a reduction in the 'mean' gender pay gap of 0.8 of a percentage point and 0.2 of a percentage point for the 'median' gender pay gap since the 2022 pay gap analysis was undertaken. Nonetheless, we remain committed to reducing these pay gaps further and are focussed on making sure the actions we have in place to address these are effective.

Separately, as part of our on-going commitment to greater transparency, for the third consecutive year, we have undertaken an analysis and published details of our ethnicity pay gap. The analysis showed that our 'mean' ethnicity pay gap has improved and reduced by 2.3 percentage points since 2022, but that our 'median' ethnicity pay gap has increased by 2.7 percentage points since our last report in 2022. Although, partly positive with the reduction to the 'mean' ethnicity pay gap, the increase in the 'median' ethnicity pay gap, overall, illustrates that there is still more work for the CAA to do to ensure that colleagues from minority ethnic colleagues backgrounds are represented at all levels across the CAA, particularly at senior levels.



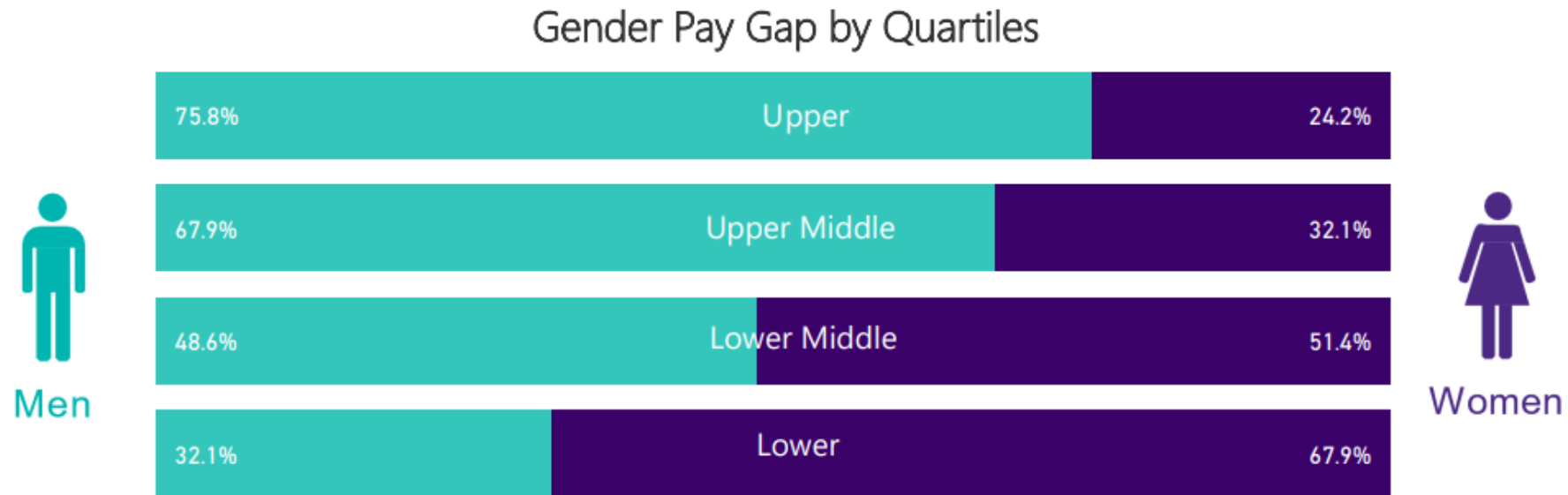
Mean and Median Gender Pay Gaps

For 2023, our 'Mean' Gender Pay Gap is 27.8% and our 'Median' Gender Pay Gap is 33.3%. From our first report in 2017, we continue to see year-on-year improvements in reducing the level of pay gaps that exist, but there is still more work to be undertaken to reduce our gender pay gaps further still (NB: the year-on-year trends are illustrated in the table below).

Average	March 2023	March 2022	March 2021	March 2019	March 2017
Mean	27.8%	28.6%	30.2%	31.9%	34.0%
Median	33.3%	33.5%	35.2%	40.9%	41.6%

Our Gender Representation by Quartiles

To address our pay gap, we need to continue to see an increase in female representation at senior levels of our organisation. Since our last analysis and report in 2022, we have seen a decrease of 0.4 of a percentage point in the level of female representation in our upper quartile. However, we have seen an increase of 0.5 of a percentage point in the level of female representation in the upper middle quartile. Male representation in the upper quartile has increased by 0.4 of a percentage point but decreased by 0.5 of a percentage point in the upper middle quartile and coupled with a reduction of 0.9 of a percentage point of female representation in the lower quartile has helped to reduce overall ‘mean’ and ‘median’ pay gaps.



Mean and Median Gender Bonus Gaps

Bonuses do not play a significant part in the CAA's reward model and pay arrangements. However, this year we paid a £1,000 to all eligible colleagues, resulting in a 'median' gender bonus gap of 0.0%. In terms of our 'mean' gender bonus gap, the main factors behind the increase are that there was a slight increase in the proportion of men in the upper quartile, whilst at the same time there was a corresponding slight decrease in the proportion of women in the same quartile. Consequently, whilst £1,000 is a lower percentage of men's pay than women's pay, the increase in the number of men in the upper quartile combined with the decrease in women in the upper quartile has led to an increase in the gender bonus gap. Coupled with a steeper decrease in the proportion of women compared to men receiving a bonus in the reporting period, has directly led to the increase in the Gender Bonus Gap from that reported in 2022.

The reference period for the bonus analysis was 1st April 2022 to 31st March 2023.

Percentage of Relevant Employees Receiving Bonus Pay

- Men – 67.9%
- Women – 72.9%

Bonus pay gap

- Mean – 5.02%
- Median – 0.00%

Mean and Median Ethnicity Pay Gaps

For 2023, our 'Mean' Ethnicity Pay Gap is 20.8% and our 'median' Ethnicity Pay gap is 26.0%. This illustrates that since our last analysis was conducted for the 2022 report, the 'Mean' Ethnicity Pay Gap has reduced by 2.3percentage points, but that the 'Median' Ethnicity Pay Gap has increased by 2.7 percentage points.

In summary, the increase in the 'Median' Ethnicity Pay Gap for 2023 may be attributed to the fact that although the number of colleagues from minoritised ethnic backgrounds in each of the four quartiles increased, it appears that the number of white colleagues in the upper two quartiles increased at a faster rate compared to ethnic minority colleagues. In contrast, the reverse is true for the lower two quartiles, where the number of colleagues from minoritized ethnic groups in each increased at a faster rate than white colleagues. In addition and coupled with that the proportion of colleagues who have declared themselves as coming from a minoritized ethnic group, which has increased from 10.8% to 11.2%, it could be argued that improved diversity at junior levels has resulted in an increase of colleagues from minoritized ethnic groups falling into the lower quartiles (NB: the year-on-year trends are illustrated in the table below).

	March 2023	March 2022	March 2021	March 2020
Mean	20.8%	23.1%	23.0%	28.1%
Median	26.0%	23.3%	25.7%	26.6%

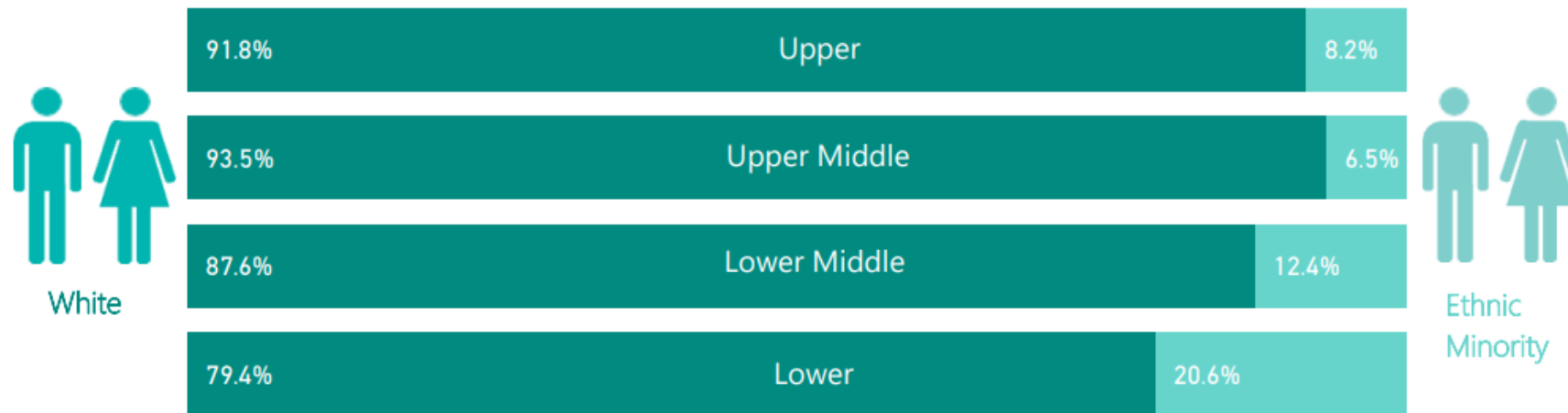
Our Minority Ethnic Representation by Quartiles

To address our pay gap we need to see a sustained increase in the representation of minority ethnic colleagues at senior levels of our organisation. From our last report, whilst we have seen an increase of 1.1 percentage points in terms of representation in the upper quartile, we have also seen a decrease of 1.7 percentage points in representation at the upper middle quartile.

In the lowest two quartiles, the lower middle and lower, representation has increased in both since the last report in 2022, by 0.1 of a percentage point and by 2.5 percentage points respectively.

We continue to focus on encouraging colleagues to self-declare their ethnicity, where they have not already done so. This aims to improve confidence in how representative our pay gap data is and to help ensure that we put the right actions in place to address these.

Ethnicity Pay Gap by Quartiles



Mean and Median Ethnicity Bonus Gaps

Bonuses do not play a significant part in our reward model and pay arrangements. However, this year we paid a £1,000 to all eligible colleagues, resulting a 'median' ethnicity bonus gap of 0.0%. In terms of our 'mean' ethnicity bonus gap, the main factors behind the decrease from 2022 relates to the increase in the proportion of minority ethnic colleagues in the upper quartile, which increased by 1.1 percentage points, . At the same there was a corresponding decrease in the proportion of white colleagues in the same quartile, down by 1.0 percentage point. Consequently, whilst £1,000 is a lower percentage of minority ethnic pay than white colleagues' pay, the increase in the number of minority ethnic colleagues in the upper quartile combined with the decrease in the number of white colleagues in the upper quartile has led to a decrease in the ethnicity bonus gap.

The reference period for the bonus analysis was 1st April 2022 to 31st March 2023.

Percentage of Relevant Employees Receiving Bonus Pay

- White Employees – 71.6%
- Ethnic Minority Employees – 68.2%

Bonus pay gap

- Mean – -0.9%
- Median – 0.0%

Our on-going commitment to closing our pay gaps



As in previous years, the dedication from our Diversity & Inclusion Board and colleagues' network to make a tangible difference to the experience of all of our colleagues and progress against our targets has continued. To build a truly inclusive culture requires focus, building on success and learning from others. This year has seen:

- Progress towards the attainment of our aspirational goals and objectives, under our 3-year Diversity & Inclusion (D&I) Strategy launched in 2021. For example, ensuring that Directorates have their own local plans that include any positive changes that they can make
- The commencement of planning to consider how successful the D&I Strategy has been in contributing to a reduction in our gender and ethnicity pay gaps. For example, in March 2024, a review of the impact of the Strategy will commence, including how successful it has been in contributing to the reduction of our pay gaps.
- A further increase in self-declaration rates for colleagues from a minority ethnic background.
- Consideration given to how and where we advertise our roles and other opportunities, both externally and internally. For example, in addition to our current mechanisms, making better use of more diverse networks and platforms to advertise our opportunities.

Notes on Methodology

Our statutory gender pay gap reporting under the Regulations is based on an overall average across all roles and seniorities at the snapshot date 31st March 2023. For more information on the methodology, please visit the government's website at [Making your calculations](#).

We used the same methodology when calculating our ethnicity pay gaps. At the snapshot date, our minority ethnic population accounted for 11.2% of our workforce based on 89.2% of colleagues self-identifying their ethnicity. By comparison, our March 2022 data was based on our minority ethnic population being 10.8% of our workforce (with 87.2% of colleagues self-identifying their ethnicity at that time), representing a positive improvement of 2% in declaration levels.

By voluntarily publishing data on our Ethnicity Pay Gaps, we are underlining our on-going commitment to greater transparency and to use it as a positive driver for change.

Pay Gap

Fourth Report, Snapshot date: 31 March 2020

Fifth Report, Snapshot date: 31 March 2021

Sixth Report, Snapshot date: 31 March 2022

Seventh Report, Snapshot date: 31 March 2023

Bonus Gap

Fourth Report, Snapshot date: 1st April 2019 to 30th March 2020

Fifth Report, Snapshot date: 1st April 2020 to 30th March 2021

Sixth Report, Snapshot date: 1st April 2021 to 30th March 2022

Seventh Report, Snapshot date: 1st April 2022 to 30th March 2023