



March 2025

Diversity pay gap report 2024



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Introduction



When we published our Diversity and Inclusion (D&I) strategy five years ago, we set out our ambition to foster a diverse and inclusive culture where difference is celebrated and valued. A key part of this work is ensuring that our people feel respected and appreciated.

Katherine Easter, Chief Operating Officer

Monitoring our pay gaps enables us to acknowledge and confront any barriers to our people being rewarded appropriately. Following the equal pay legislation wasn't a concern but we felt pay gap data could help with understanding any systemic issues that might exist. We began reporting on the gender pay gap eight years ago, and the ethnicity pay gap five years ago. This year we continue to go beyond statutory requirements by reporting on our ethnicity pay gap, and our disability and long-term health condition pay gap.

It's encouraging to see that we have made improvements in both the ethnicity pay and bonus gaps this year. The proportion of ethnic minority employees in the highest pay quartile is at its highest since we began reporting on the ethnicity pay gap in 2020.

Our progress on closing our gender pay gap over the last eight years compares favourably with the financial services sector, however, our progress is far slower than we would like. Both women and ethnic minorities remain underrepresented in the areas of the PPF that command higher pay and bonuses, such as our investment team, as is reflected in the broader industry.

Our D&I ambitions are a key part of our [Sustainability strategy](#), which we published in 2023. We have been working to increase representation across all areas of diversity at the PPF, and we're delighted that female representation in senior management reached 48 per cent in August 2024. Despite making good progress in increasing ethnic minority representation across the organisation, it is disappointing that we have not reached our target of 25 per cent ethnic minority representation at senior levels. We have encouraged staff to disclose whether they have a disability or long-term health condition (LTHC), and it's positive to see that more than eight in 10 employees felt comfortable to share this information in 2024.

Our senior leadership team has recently been working with the Board and employees across the organisation to identify the areas where we would like to make the most impact in the years ahead. We look forward to sharing our new Diversity, Equity and Inclusion strategy that will set out our commitments later this year.

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Reporting on our ethnicity pay gap

We began reporting voluntarily on our median ethnicity pay gap in 2020 as part of our commitment to be at the forefront of D&I best practice. This gap is the difference in median hourly earnings between white employees and employees from all ethnic minority groups combined¹.

We are pleased to see an improvement in both the median and mean ethnicity pay gaps this year. The median ethnicity pay gap has fallen from 15.9 per cent in 2023 to 10.0 per cent in 2024, and the mean ethnicity pay gap has fallen from 14.6 per cent in 2023 to 7.4 per cent in 2024.

One reason for this improvement is that the proportion of ethnic minority employees in the highest pay quartile has increased over the year (28.9 per cent in 2024; 22.3 per cent in 2023) and is at its highest since we began reporting in 2020.

The lowest pay quartile still has the highest proportion of ethnic minority employees, however, with ethnic minority employees making up 41.2 per cent of that quartile. This reflects our work to bring in diverse talent at junior levels and support development with varied opportunities. We predict these actions will drive long-term change in our ethnicity pay gaps and introduce a career that may have previously been a less obvious choice.

The proportion of ethnic minority employees that received a bonus in the year remains lower than the proportion of white employees that received a bonus (75 per cent of ethnic minority employees received a bonus, compared with 82 per cent of white employees).

There has been an improvement in both the median and the mean bonus pay gaps since 2023, but our ethnicity bonus pay gaps remain high. We know that ethnic minority employees are underrepresented in our investment team, an area of the organisation that commands higher pay and bonuses. Attracting diverse talent is a challenge in our industry and the diversity of our investment team reflects the established profile of the sector.

When we compare the pay and bonus data of white employees with the same data from employees in the four prescribed ethnic groups listed by the Office of National Statistics², we continue to see that the largest pay gaps exist between our white and black employees. This is because we don't have enough black representation in senior positions.

We provide all managers with guidance on how bias can affect decision making at various points of the employee lifecycle including awarding performance ratings which influence pay decisions. We have panels to moderate ratings to ensure consistency in how performance is managed. We frequently review our processes in this area to ensure continual improvement and to challenge ourselves that the right people are getting the right opportunities to excel.



Ethnic groups: Mean, median and bonus pay

Calculation	Asian/Asian British	Black/Black British	Mixed ethnic group	Other ethnic group	2024	2023
Difference in median hourly rate of pay	-5.7%	21.1%	14.5%	4.1%	10.0%	15.9%
Difference in mean hourly rate of pay	-6.5%	27.4%	14.1%	-13.0%	7.4%	14.6%
Difference in median bonus pay	19.9%	35.1%	28.7%	-20.7%	27.1%	35.5%
Difference in mean bonus pay	35.8%	70.9%	75.7%	21.9%	53.9%	55.7%

A negative percentage means that white employees earn less than that group, on average.

Proportion of employees receiving bonus pay
Data was taken at 31 March 2024

Ethnic minority

75%



White

82%



	Ethnic minority	White
2023	75%	85%
2022	79%	88%
2021	78%	85%
2020	57%	76%

1. In the absence of specific guidelines, we've used the same methodology we use to calculate the gender pay gap.
2. <https://www.ons.gov.uk/methodology/classificationsandstandards/measuringequality/ethnicgroupnationalidentityandreligion#ethnic-group>

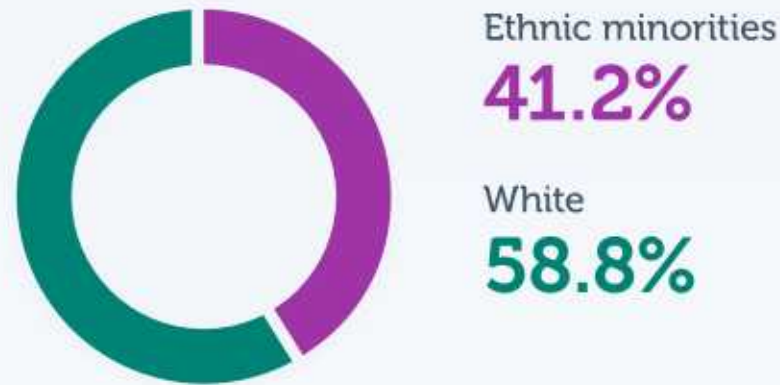
Reporting on our ethnicity pay gap continued

Ethnicity representation by quartile

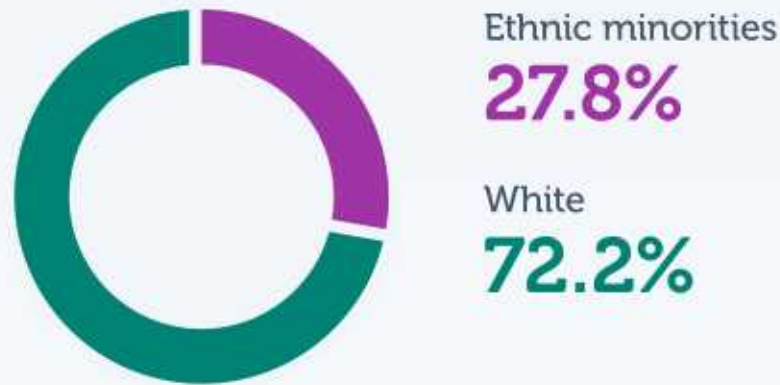
Data was taken at 31 March 2024

● Ethnic minorities ● White

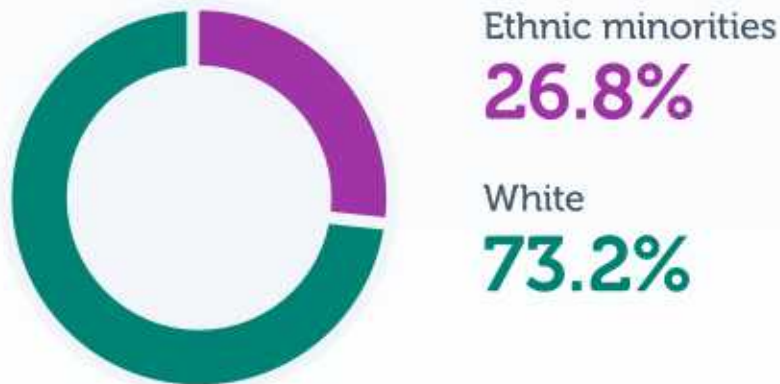
Lower pay quartile



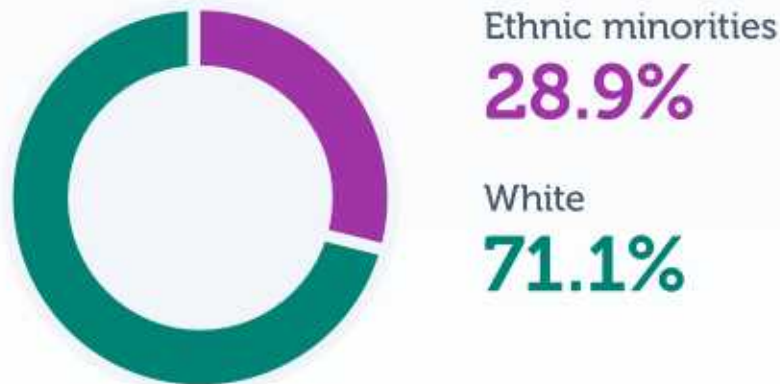
Lower middle pay quartile



Upper middle pay quartile



Upper pay quartile



Year-on-year results

Lower pay quartile

2024	41.2%	58.8%
2023	45.7%	54.3%
2022	40.2%	59.8%
2021	40%	60%
2020	43%	57%

Lower middle pay quartile

2024	27.8%	72.2%
2023	22.3%	77.7%
2022	29.7%	70.3%
2021	28%	72%
2020	29%	71%

Upper middle pay quartile

2024	26.8%	73.2%
2023	26.6%	73.4%
2022	20.9%	79.1%
2021	21%	79%
2020	22%	78%

Upper pay quartile

2024	28.9%	71.1%
2023	22.3%	77.7%
2022	25.3%	74.7%
2021	21%	79%
2020	22%	78%

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Our progress on our ethnicity representation targets

We signed the Business in the Community Race at Work Charter in 2019 and we've been applying its seven standards across the PPF. We want to see our employee population reflect the ethnic diversity of the local area where our head office is based in Croydon, South London.

When we set ourselves ethnicity representation targets in 2020, we felt strongly that it was important to aim high and set targets that would challenge us. Since setting the targets, we've reviewed all our policies and processes, including our recruitment approach, to remove any unintended barriers and make them more inclusive. We offer a reverse mentoring scheme, which helps to build awareness of the challenges faced by ethnic minority employees, and foster a culture where all experiences, skills and ideas are leveraged.

We reached our target of nine per cent representation of black employees across the organisation in 2023 and that figure has remained stable up to March 2024. While we fell short of meeting our goal of 30 per cent ethnic minority representation by December 2023, we exceeded the target three months later, with the proportion of ethnic minority employees increasing to 31.5 per cent in March 2024.

We continue to ensure that we appoint to our senior manager population via internal promotion and attracting new talent. We were disappointed not to have reached our targets to achieve 25 per cent ethnic minority representation and 4.4 per cent black representation at senior manager level by December 2023. Ethnic minority representation at senior manager level has stayed stable since September 2023 (17.5 per cent in September 2023; 17.4 per cent in March 2024), and black representation at senior manager level decreased from 1.6 per cent in September 2023 to 1.4 per cent in March 2024. We will set out new targets in this area in our upcoming Diversity, Equity and Inclusion strategy.

Hitting our targets is just one part of measuring our success and we are proud of the work we've done to nurture diverse talent, such as our internal development programmes, coaching and beginning to embed development plans for underrepresented groups.

Our internship and apprenticeship opportunities, including our work with Investment20/20, helps to bring talented young professionals into our industry. We support the Diversity Project, an initiative that champions a more inclusive culture in the savings and investment industry, and this year we also took part in the 10,000 Black Interns Programme, run by the 10,000 Interns Foundation.

I want to make sure the PPF attracts and nurtures talent from underrepresented groups in roles across the organisation. I'm committed to ensuring we set challenging targets to improve ethnic diversity at senior levels.

Michelle Ostermann, Chief Executive Officer



Gabriel joined our Technology team in December 2024.

I discovered the PPF through the 10,000 Black Interns programme while studying for my master's in AI & Data Science. During my six-week internship, I contributed to data visualisation and data engineering, and gained valuable knowledge from team members. I was offered a full-time role at the PPF in December, and I'm now focused on implementing data engineering, building reports, expanding my knowledge in Investment & Credit Risk, and gaining exposure to various business areas. I'm excited to be working on numerous interesting projects and continuously expanding my skills.

Gabriel, Junior Data Engineer

The Race at Work Charter – our seven commitments

We signed the Business in the Community Race at Work Charter in 2019 and we've been applying its seven standards across the organisation:

- 1 Appointing an executive sponsor for race. Our sponsor is Dana Grey, Chief Risk Officer and Chair of the Diversity and Inclusion Sponsorship Group.
- 2 Capturing ethnicity data and publicising progress.
- 3 Committing at board level to a zero-tolerance of harassment and bullying.
- 4 Making equality in the workplace the responsibility of all leaders and managers.
- 5 Taking action that supports ethnic minority career progression.
- 6 Supporting race inclusion allies in the workplace.
- 7 Including Black, Asian, Mixed Race and other ethnically diverse-led enterprise owners in supply chains.

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Our median gender pay gap has remained stable over the year¹, at 17.8 per cent in 2024 compared with 17.5 per cent in 2023. Despite having made great progress on reducing our mean gender pay gap over the last three years, it's disappointing to see the gap widened during the year, up from 15.8 per cent in 2023 to 19.0 per cent in 2024.

Our gender pay gap exists because our highest paid roles in areas such as investment are overrepresented by men. This reflects gender imbalances inherent in the financial services sector, where these are traditionally male-dominated fields.

Another contributing factor to this year's increase in the mean gender pay gap is likely to be due to several women in high paying roles leaving the organisation, leading to a slight decrease in female representation at the highest paid levels.

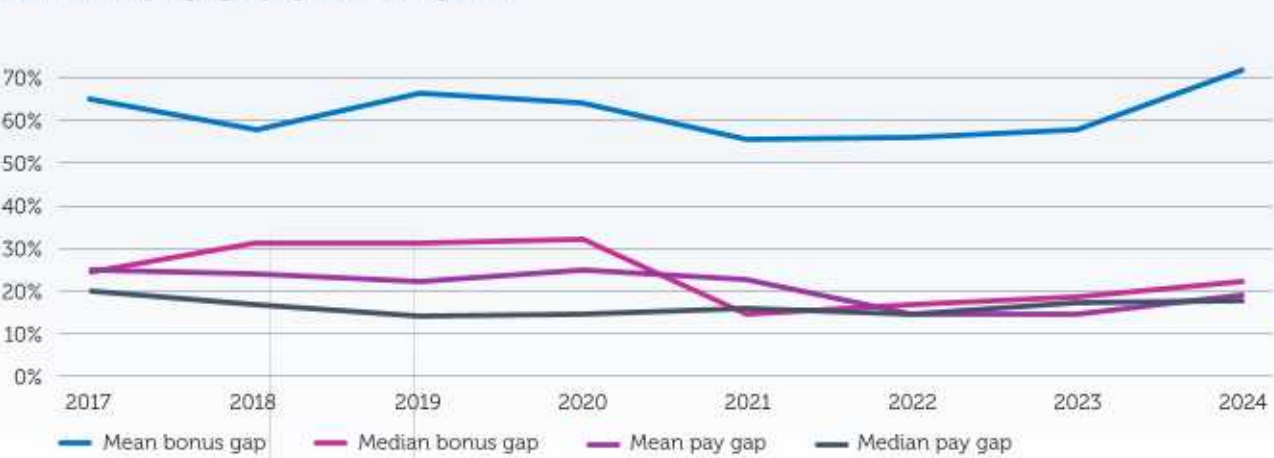
We are not yet seeing the impact of new appointments, such as Michelle Ostermann, our Chief Executive, on our pay gap data. As Michelle joined the PPF in April 2024, her appointment is not included in the data for this report, which was taken at 31 March 2024.

We have a long way to go to close our gender pay gap. We are working to attract, secure and retain more women for senior roles, and we support initiatives driving wider societal change, such as the [Women in Finance Charter](#).

Gender: Mean, median and bonus pay

Calculation	2024	2023	2022	2021	2020	2019	2018	2017
Difference in median hourly rate of pay	17.8%	17.5%	16.6%	15.9%	15.7%	13.4%	17.1%	20.4%
Difference in mean hourly rate of pay	19.0%	15.8%	16.6%	23.9%	25.0%	22.6%	23.7%	25.0%
Difference in median bonus pay	21.9%	19.3%	17.6%	16.2%	31.0%	30.7%	30.6%	24.1%
Difference in mean bonus pay	71.5%	59.8%	57.3%	57.9%	65.1%	66.0%	59.1%	64.3%

Gender pay gap year on year



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1. Data was taken at 31 March 2024.

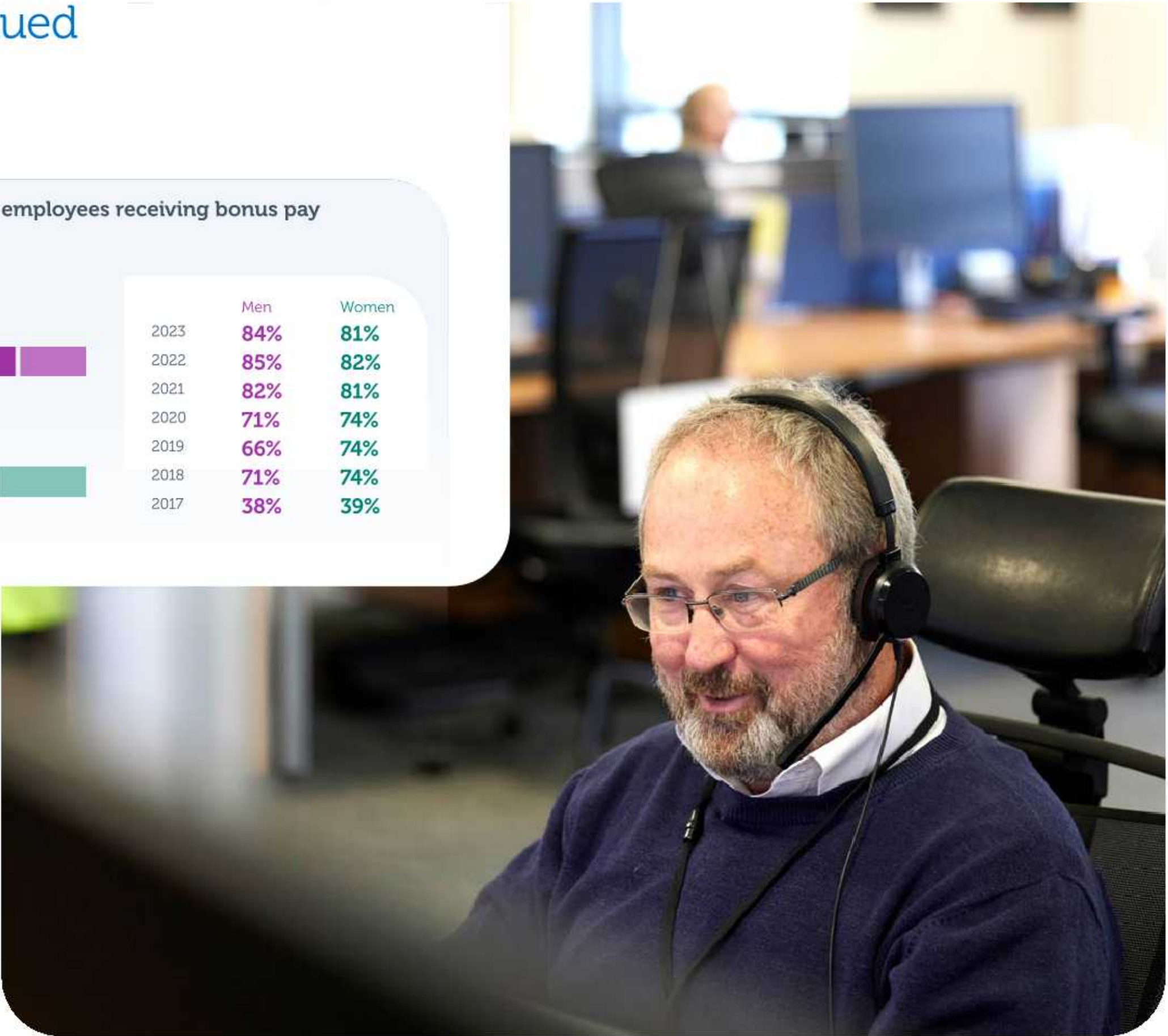
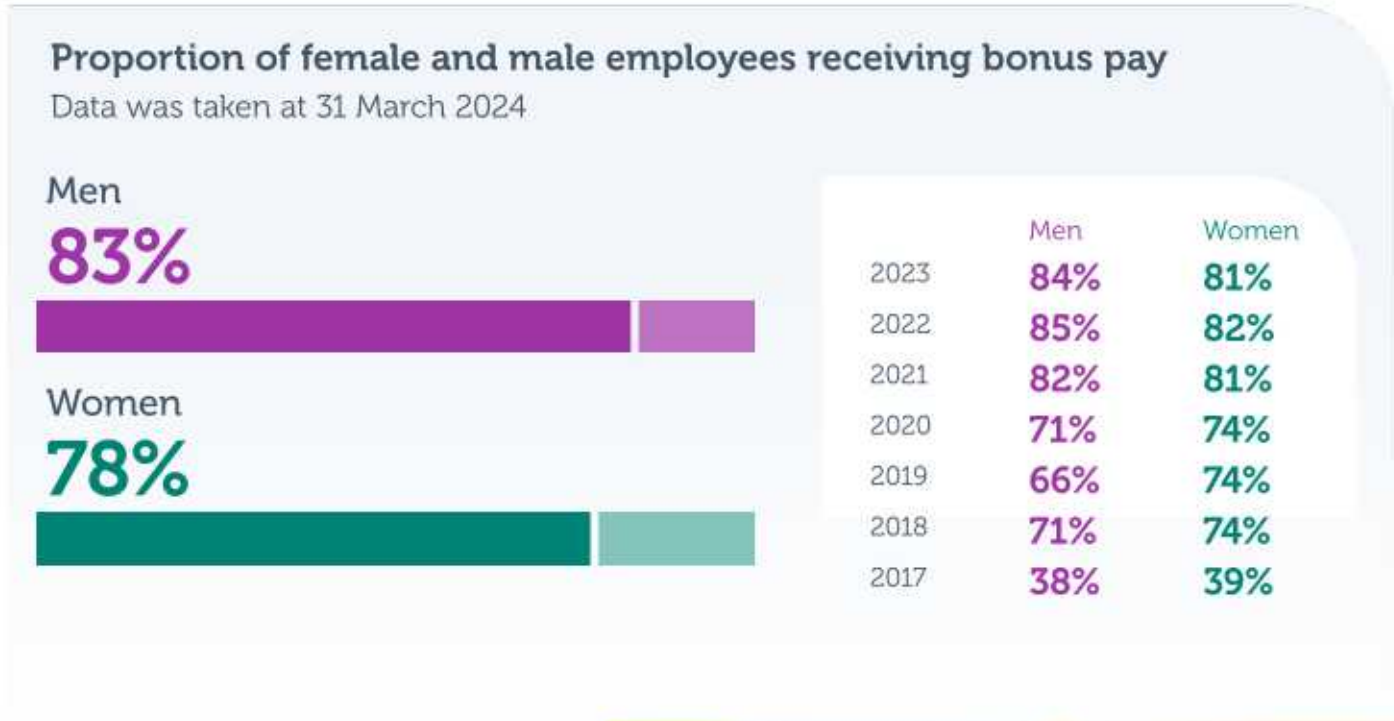
Reporting on our gender pay gap continued

Our bonus pay data for the year shows that 83 per cent of men and 78 per cent of women received bonuses in 2024. The median bonus pay gap increased slightly over the year from 19.3 per cent to 21.9 per cent, although it remains lower than it was in 2020. Unfortunately, we saw a sharp rise in the mean bonus pay gap this year, from 59.8 per cent in 2023 to 71.5 per cent in 2024.

Our bonus pay gaps are due to the high proportion of men in our investment team, with individuals in this area receiving higher bonus amounts.

As bonuses cannot be reported as full-time equivalent for part-time employees, our greater proportion of female part-time employees may also distort our bonus gaps (8.1 per cent of our workforce are women who work part-time hours, whereas men who work part-time hours make up 2.9 per cent of our population).

Both our median gender pay and bonus gaps have fallen since we started reporting on them in 2017, which puts us at the forefront of progress in the financial services sector. The sector as a whole has seen a small improvement in the median pay gap and an increase in the median bonus gap during this period.



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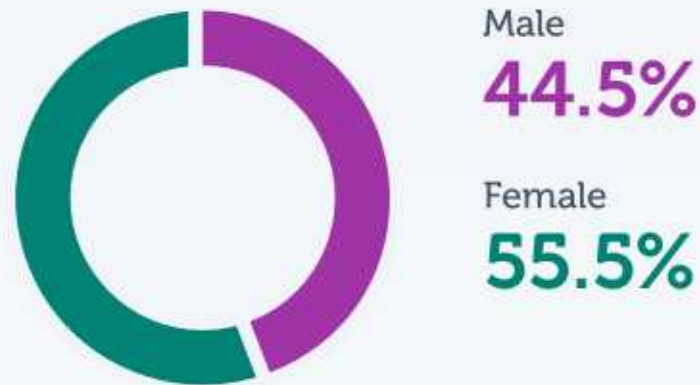
Reporting on our gender pay gap continued

Gender representation by quartile

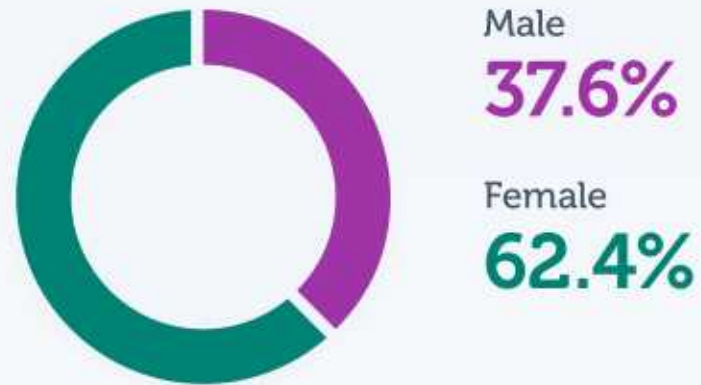
Data was taken at 31 March 2024

Male Female

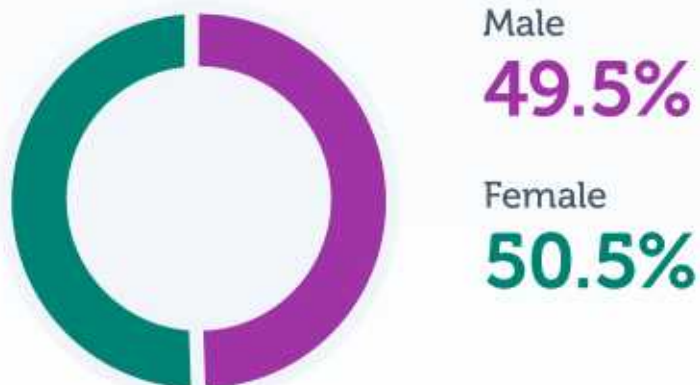
Lower pay quartile



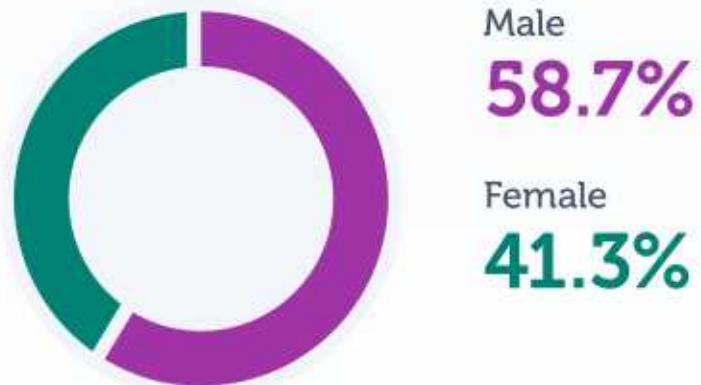
Lower middle pay quartile



Upper middle pay quartile



Upper pay quartile



Year-on-year results

Lower pay quartile

2024	44.5%	55.5%
2023	44.4%	55.6%
2022	43.5%	56.5%
2021	47%	53%
2020	46%	54%
2019	51%	49%

Lower middle pay quartile

2024	37.6%	62.4%
2023	40.7%	59.3%
2022	42.1%	57.9%
2021	41%	59%
2020	41%	59%
2019	43%	57%

Upper middle pay quartile

2024	49.5%	50.5%
2023	48.6%	51.4%
2022	51.9%	48.1%
2021	52%	48%
2020	54%	46%
2019	52%	48%

Upper pay quartile

2024	58.7%	41.3%
2023	60.2%	39.8%
2022	58.9%	41.1%
2021	63%	37%
2020	62%	38%
2019	61%	39%

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More women in senior leadership

We are proud that half of our Board members are women, and that women make up 66.6 per cent of our Executive Committee. We remain committed to improving representation of women in the PPF’s senior management and higher-paid positions.

As part of our pledge, we signed the [Women in Finance Charter](#) in 2018. The charter is a commitment by HM Treasury to improve gender balance across the financial services sector.

Having met our target to reach 40 per cent female representation in senior management in 2020, we extended our target to 45 per cent by December 2023. Although we did not meet that target on time, we were pleased to have exceeded it by August 2024, when female representation in senior management reached 48 per cent.

We remain focused on developing our pipeline of future female leaders through offering our people access to mentoring, coaching, development programmes and networking opportunities. Our ultimate long-term goal is to achieve gender parity at the PPF.

In the year up until March 2024, 54.5 per cent of individuals who were offered positions at the PPF were female candidates. We ensure that we are an employer of choice for women by supporting flexible working wherever feasible. We have partnered with [Career Returners](#), who support people who have taken extended career breaks return to employment. We are also focused on creating a menopause-friendly organisation.

"When I decided to rejoin the workforce after a two-year break, I was determined to find a position that aligned with my career goals. I was provided dedicated mentorship and career coaching in my initial months at the PPF via Career Returners."

Priyanka, Credit Risk Manager

"In addition to providing a coach for Priyanka, Career Returners provided coaching sessions for myself as her hiring manager. The aim is to allow for the best possible onboarding experience for someone who is returning to work, which helps to set the stage for their success."

Arno, Head of Credit Risk

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I am proud that we have improved female representation at senior levels over the last five years, ensuring that our leadership reflects the diverse talent within our organisation. I will continue to champion progress towards a more inclusive future.

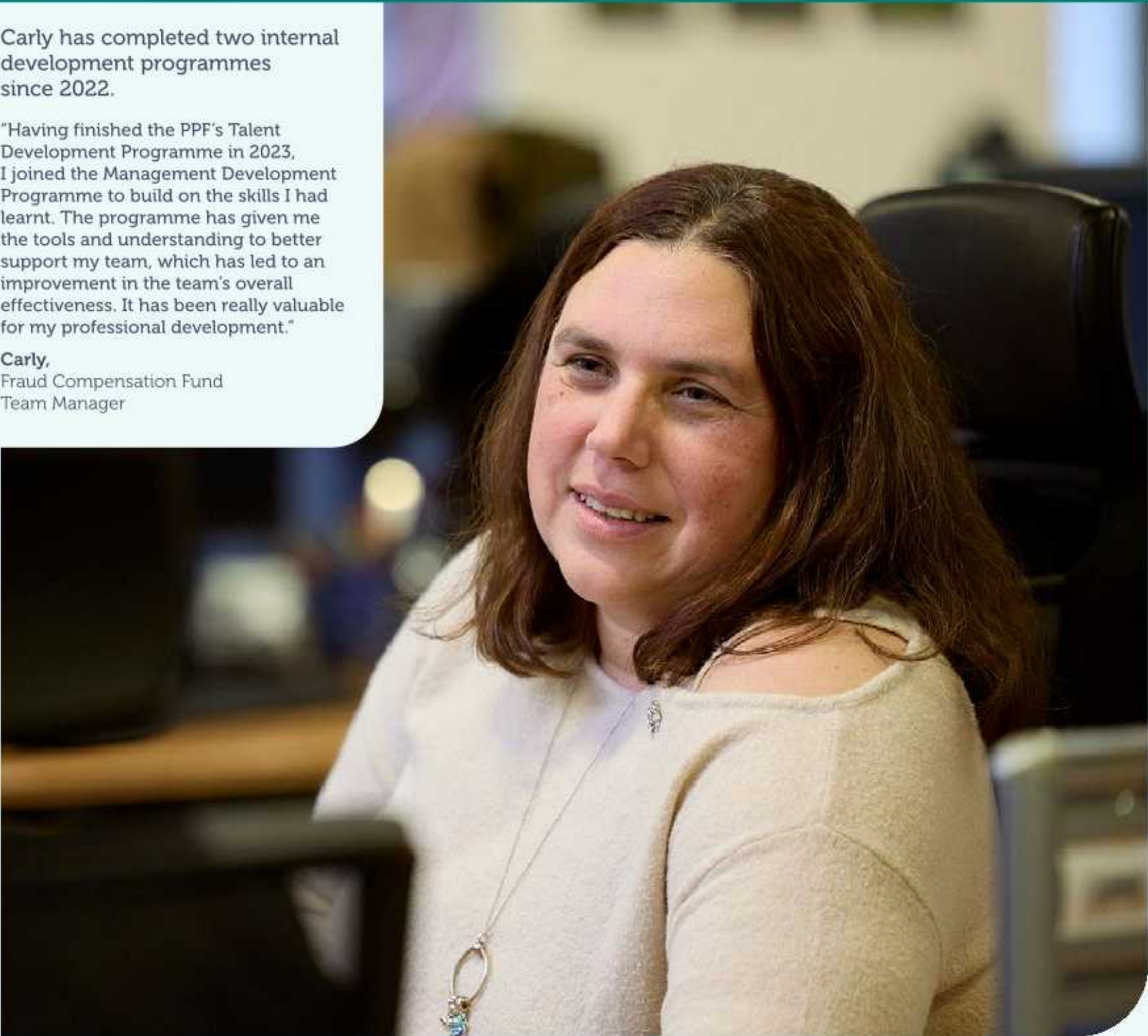
Kate Jones, Chair

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Carly has completed two internal development programmes since 2022.

"Having finished the PPF’s Talent Development Programme in 2023, I joined the Management Development Programme to build on the skills I had learnt. The programme has given me the tools and understanding to better support my team, which has led to an improvement in the team’s overall effectiveness. It has been really valuable for my professional development."

Carly,
Fraud Compensation Fund
Team Manager



1. Data taken at the end of March 2023.

Reporting on the disability pay gap

This is the third year we’re reporting on our disability and long-term health condition (LTHC) pay gap. This year, 82 per cent of PPF employees disclosed whether or not they have a disability or LTHC, with 25 per cent identifying as having a disability or LTHC.

We are delighted to see further improvement in both the median and the mean disability pay gaps since 2023. While the mean disability bonus pay gap has stayed stable since 2023, the median disability bonus pay gap has increased over the year.

82%
of employees disclosed whether they have a disability or LTHC

(2024)

25%
of employees identify as having a disability or LTHC

(2024)

Disability and long-term health conditions: Mean, median and bonus pay

Calculation	2024	2023	2022
Difference in median hourly rate of pay	-3.1%	-2.4%	2.0%
Difference in mean hourly rate of pay	5.2%	8.2%	11.1%
Difference in median bonus pay	10.8%	3.3%	4.1%
Difference in mean bonus pay	41.4%	41.6%	49.3%

A negative percentage means that employees who have not identified as having a disability or LTHC earn less than those who have, on average.

Disability and long-term health conditions representation by quartile

Year-on-year results

No self-certified disability or long-term health condition Self-certified disability or long-term health condition

Lower pay quartile



Lower middle pay quartile



Upper middle pay quartile



Upper pay quartile



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Our bonus pay figures show that 89.9 per cent of employees who disclosed having a disability or LTHC received a bonus in the year, whereas 82.1 per cent of employees who do not have a disability or LTHC received bonus pay.

We have several partnerships with external organisations, including disability equality charity Scope, to ensure that our vacancies are being shared with their communities. We ensure our recruitment process encourages disabled applicants to share more details and feel confident in applying for a role at the PPF. Applicants are supported with personalised reasonable adjustments during the interview process, and we aim to have the right adjustments in place for new joiners from their first day in the role.

Our dedication to recruiting, supporting and retaining people with disabilities and long-term health conditions has been recognised by the Disability Confident Scheme. In 2024 we retained our Disability Confident Leader status following an external testing process.

Our employee-led Diverse Ability Action and Awareness Group (DAAAG) supports employees who are affected by any disability, neurodivergence or long-term health condition, and raises awareness and provides guidance for all colleagues.

Proportion of employees receiving bonus pay 2024

Self-certified disability or LTHC

89.9%



No self-certified disability or LTHC

82.1%



	Self-certified disability or LTHC	No self-certified disability or LTHC
2023	84.1%	82%
2022	85%	83.5%

Chani joined our Resolutions team in 2024, having previously held roles in our Pensions Administration and Contact Centre teams.

"Since I've joined the PPF's DAAAG group I feel like part of a community. I have fibromyalgia, which causes consistent pain. It's a hidden disability that affects everyone differently. For me it leads to other things like fatigue, insomnia and difficulty walking. I can also have seizures and migraines. Every manager I've had at the PPF has been understanding, and my current team is amazing. It's really helpful to have such a supportive team around me."

Chani,
Resolutions Case Handler



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Find us on social media to follow our
progress on diversity and inclusion



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Statement

We confirm that the data and information in this statement is accurate. In accordance with the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 the Pension Protection Fund is required to carry out Gender Pay Gap Reporting.

Kate Jones,
Chair