



Carnival UK Gender Pay Report Shoreside

April 2020

Introduction

As a global, multi-cultural and role-diverse business, being inclusive is a strategic priority for Carnival Corporation and its brands. Here at Carnival UK, most widely recognised by our famous brands P&O Cruises and Cunard, a key organisational goal is to become Travel's Employer of Choice in the UK. We want people to choose to work here because of our inclusive community. One of our Core Values is 'Better Together'; By valuing and respecting one another's diverse perspectives we can all belong in an inclusive community.

We are fortunate to have a team of great people that all play a part in building our inclusive culture. Our Employee Experience Groups, our Belonging & Inclusion Group and our employee-led networks are helping us understand the lived experience of our people and generate ideas for improvement.

While we approach inclusion holistically, recognising that no-one is defined by one element of their identity alone, we welcome gender pay gap reporting, as it helps to create awareness of the gender balance challenge across the organisation, informing areas of focus and assessing the impact of the positive action we take.

We've been striving to increase the representation of women at Manager level and above, and to meaningfully reduce our gender pay gap. I'm really pleased to say that, between April 2017 and April 2019, we have increased female representation in the upper salary quartile from 30% to 39%. This has contributed to a 7 pt reduction in our gender pay gap over the same time period. We recognise the gap is still much wider than it should be and there is more to be done, but if we sustain this momentum we'll eliminate our gender pay gap by 2030. I continue to see the commitment, passion and will from every individual at Carnival UK to make this happen.



Josh Weinstein
President, Carnival UK

“...if we sustain this momentum, we'll eliminate our gender pay gap by 2030.”

What is this report about?



What is this report about?

This report provides details of Carnival UK's gender pay gap as at 5 April 2019 and the actions we are taking to address it. The gender pay gap measures the difference in mean and median earnings (for pay and for bonuses) between all women and all men across an organisation, regardless of position held.

Gender pay is different to equal pay. Equal pay is when there is no difference in pay between men and women who carry out the same or similar jobs. Our compensation is informed by an external job evaluation methodology, salary benchmarking and associated guidelines, to guide objective gender-neutral decision-making around pay.

We recognise that the current gender pay gap legislation does not take into account individuals who identify as non-binary. However, as an inclusive employer we strive for inclusion and fairness regardless of how individuals identify.

Mean gap explained

The 'mean' is the 'average'. The mean gender pay gap for salaries is found by comparing the mean female salary with the mean male salary, for which we look at the average hourly rate of pay of women and men at Carnival UK in April 2019. The same calculation is applied to determine the mean gender pay gap for bonuses, but for this we look at bonuses paid over a 12 month period to April 2019.

Median gap explained

The 'median' is the 'middle point' and best understood by thinking in terms of a list. If we listed the salaries of all female employees in order of highest to lowest and did the same for all male employees, the median gender pay gap is calculated by taking the salary that falls in the middle of each list and comparing them. The same calculation is also applied to determine the median gender pay gap for bonuses paid, but for this we look at bonuses paid over a 12 month period to April 2019.

Achieving gender balance



Achieving gender balance

We will continue to work towards greater gender balance and the eradication of the gender pay gap through each aspect of the employee lifecycle.

Attraction and recruitment

What we've done so far:

- Recommended tool in use for line managers to remove gender-biased language from job descriptions and role advertisements
- Introduced and striving for greater use of gender-balanced shortlisting and gender-balanced interview panels
- Sponsored the first International Women in Travel and Tourism Forum, publicly signalling our commitment to gender-balance to would-be employees and wider industry
- Promotion of flexible working to applicants and our employees

What we're working on:

- Identifying potential barriers to recruitment and determining reasonable adjustments to remove them
- Developing our Resourcing team to become experts in inclusive recruitment
- Careers event promoting STEM careers for girls

Growth

What we've done so far:

- Senior leader and key colleague inclusion training
- Built gender balance into talent and succession reviews
- Embedded inclusion within our Leadership Expectations framework
- More inclusive parental policies and enhanced support
- Athena (employee-led gender balance network) awareness raising events
- Employee Benefits Awards finalist for our campaign around menopause

What we're working on:

- Embedding inclusion within development programmes
- Further improving career conversations, understanding any barriers to progression and finding ways to overcome them
- Creating a returners programme for all, including those on maternity or adoption leave
- Increasing line manager confidence around inclusion
- Engaging with BAME networks and experts to understand the specific challenges and support needed for women of colour

Engagement

What we've done so far:

- Accredited Bronze by Inclusive Employers as part of their Inclusive Employers Standard
- Recognised International Women's Day
- Recognised National Inclusion Week
- Regular drum beat of communications on the topic of inclusion including case studies, success stories and thought leadership
- Carnival UK Pride – increasing visibility of non-binary gender and sexuality challenges in the workplace
- Shared organisation's experiences and developed organisational subject matter knowledge through external events including D&I Leaders Forum and Women in Hospitality
- Welcomed our families to Carnival UK through funded events
- Creation of our Belonging & Inclusion Group and Employee Experience Groups

What we're working on:

- Improving our use of data, through investment in our HR system, to highlight unintentional barriers or outcomes in our employee experience
- Further embedding flexible working, supported by improved technology for remote working
- Building external partnerships

Getting into the detail



Mean and median gender pay gap

Mean gender pay gap

APRIL 2018
MEAN PAY GAP



APRIL 2019
MEAN PAY GAP



Median gender pay gap

APRIL 2018
MEDIAN PAY GAP



APRIL 2019
MEDIAN PAY GAP





Narrowing the gap

Between 2018 and 2019, we reduced our mean gender pay gap by 7 percentage points. If we sustain this momentum, we will eradicate our gender pay gap by 2030. That means we need to continue with all the great work we outlined earlier.

The gender pay gap is an indicator that more male employees are in positions that command higher pay and, to eradicate the gap, we need greater gender balance across the organisation. We need to continue increasing the number of women in senior roles in general, but we also need to increase male representation in some areas and female representation in others. For example, males are underrepresented in our call centre and People Team, and females are underrepresented in maritime, engineering and technical disciplines. We believe these patterns are seen across the industry and require a longer term strategy to address them. We will therefore work beyond our own organisation, for example with Women in Maritime, in order to drive change.

Male:Female ratio quartiles

This table shows our employee group broken down into four equal sized parts (called quartiles), based on salary, from lowest (lower quartile) through to highest (upper quartile). For each quartile, the male:female ratio, along with the mean and median gender pay gap is given.

Quartile	 Ratio (%) April 2018	 Ratio (%) April 2019	Mean (%) April 2018	Mean (%) April 2019	Median (%) April 2018	Median (%) April 2019
Lower Quartile	23:77	22:78	1	-1	2	-1
Lower Middle Quartile	27:73	28:72	3	3	5	5
Upper Middle Quartile	38:62	41:59	5	4	6	4
Upper Quartile	70:30	61:39	15	13	1	5

Our original goal was to meaningfully increase the representation of women at Manager level and above by April 2019. As a result, we've really shifted the dial and female representation in the upper quartile has increased from 30% in April 2018 to 39% in April 2019. Alongside this, the mean gender pay gap for the quartile has reduced from 15% to 13%.

Although we're making great progress, the median pay gap for the upper quartile has increased from 1% in April 2018 to 5% in April 2019, driven by the fact that the most senior roles continue to be occupied by more males than females.

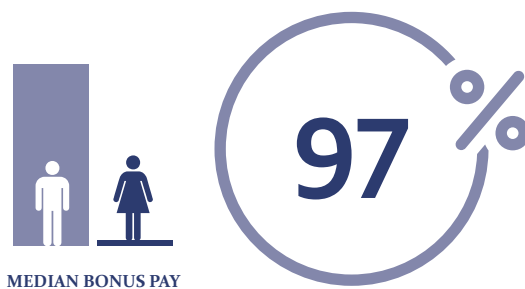
Over time, allowing for turnover, we want to see greater balance here, through continuing our inclusive approach to recruitment and progression.

Gender bonus gap

The gap between the mean bonus pay for males and the mean bonus pay for females is **81%**.



The gap between the median bonus pay for males and the median bonus pay for females is **97%**.



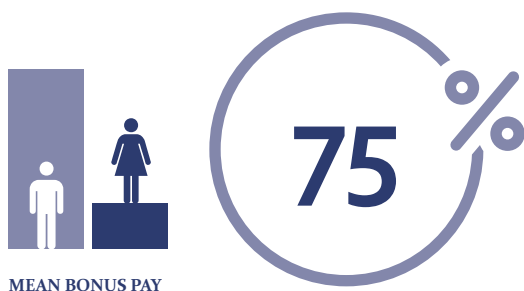
At first sight, our bonus gaps could give cause for alarm. However, a key factor here was the decision to award the majority of employees a £50 voucher in December 2018, in recognition of a successful performance year. As the majority of our employees are female, this had a direct and significant impact on the mean and median bonus gaps.

If we remove the £50 voucher from our gender bonus gap calculations, the **mean bonus gap is 75%**, an **8% fall** since April 2018. The median bonus gap is **60%**, meaning a **significant reduction of 15%** since April 2018.

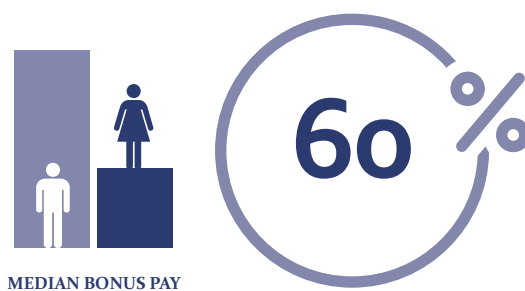
As bonuses are typically a percentage of salary, the bonus gap will be further improved over time by increasing the number of females in the most senior roles and the number of males in the more junior, bonus paying roles.

Gender bonus gap excluding £50 voucher

The gap between the mean bonus pay for males and the mean bonus pay for females is **75%**.



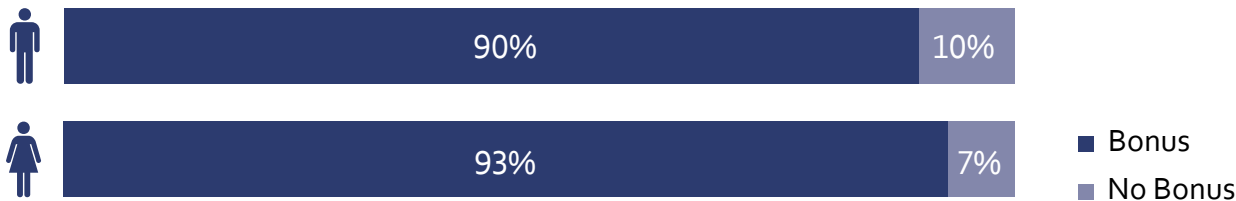
The gap between the median bonus pay for males and the median bonus pay for females is **60%**.



Bonus pay

Our decision to award the majority of employees a £50 voucher in December 2018 means that 90% of male employees and 93% of female employees received some form of bonus in the reporting period.

Employees who were paid bonus

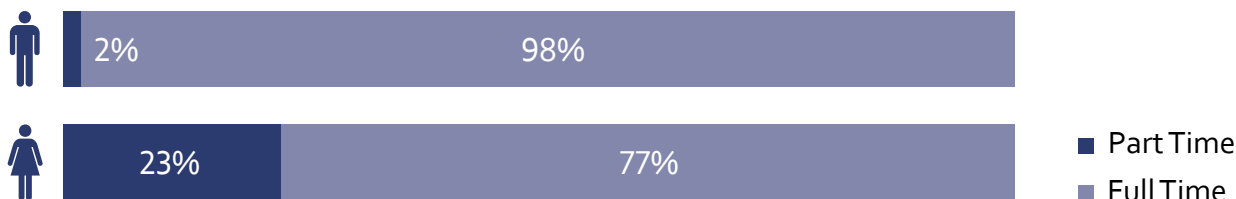


When calculating the gender bonus gap, bonuses...

- that have been pro-rated for part time employees remain pro-rated (i.e. they are not increased to their full time equivalent)
- include vouchers, money or securities
- relate to profit sharing, productivity, performance, incentive or commission
- include 'token' amounts, e.g. low value vouchers
- are considered over a 12 month period to April 2019.

It's important to call out that gender pay gap regulations require actual bonus figures to be used, so for part time employees this means the pro-rated figure. As the majority of our part-time employees are female, the bonus gap is negatively impacted by the comparison of their pro-rated bonuses with that of full time employees. However, we are proud to offer flexible working and will continue to do so.

The proportion of bonus recipients who work part-time and full-time



Statutory declaration and further information

If you would like to know more about the Gender Pay Gap Reporting Regulations, further details can be found here:

www.gender-pay-gap.service.gov.uk

In addition, ACAS has provided a full description of the reporting requirements and the distinction between gender pay reporting and equal pay here:

www.acas.org.uk/genderpay

“*I confirm the information in this statement as required by the Gender Pay Gap Reporting Regulations is accurate.*”



Josh Weinstein
President, Carnival UK

