



Carnival UK Gender Pay Report Shoreside

August 2021

Introduction

Carnival UK, as part of the wider Carnival Corporation, is committed to a positive and just corporate culture, based on inclusion and the power of diversity. In 2020, we launched our Culture Essentials. These describe the behavioural expectations we have for all our people and that will, when consistently brought to life, embed inclusive mindsets and actions throughout our organisation.



Speak Up



Respect & Protect



Improve



Communicate



Listen & Learn



Empower

Carnival UK approaches inclusion holistically, recognising that no-one is defined by one element of their identity alone. However, 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 taken. We've been striving to increase the representation of women at Manager level and above. Whilst between April 2017 and April 2019, we increased female representation in the upper salary quartile from 30% to 39%, we saw a 2% drop in female representation this time around. We are determined to achieve greater balance and we are committed to continuing and improving upon our inclusive approach to recruitment and progression.

Simon Palethorpe
President, Carnival UK

“...a positive and just corporate culture, based on inclusion and the power of diversity.”

What is this report about?

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This report provides details of Carnival UK's gender pay gap as at 5 April 2020 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 2020.

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 2020.

Gender pay gap summary



Gender pay gap summary

Key Dates

- The 2020 Snapshot is 5 April 2020 therefore April payroll data has been used to calculate our gender pay gap
- Bonuses earned from period 6 April 2019 - 5 April 2020 have been used to calculate our bonus gap

Headlines

- Carnival UK results show a small improvement to April 2019 data
- Our median pay gap has decreased from 37% to 36% and the mean has also reduced from 37% to 36%
- Mean and median bonus gaps remain high but have reduced greatly; mean has fallen from 81% to 70% and median has fallen from 97% to 46%
- Males are underrepresented in quartiles 1-3 but account for 63% of the fourth quartile, meaning females are overrepresented in the first three quartiles but account for 37% of the fourth quartile

Achieving gender balance

Achieving gender balance

Our latest gender pay gap figures show a mean and median gender pay gap of 36%, a modest percentage point reduction in each case. 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 whole 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 females are underrepresented in maritime and engineering disciplines. We believe these patterns are seen across the industry and require a longer term strategy to address them, so we will be working beyond our own organisation in order to drive change.

We have seen a more significant reduction in our bonus gaps. Whilst still much higher than we would like, the mean bonus gap has notably reduced by 11% to 70% and the median bonus gap has seen a significant 51% reduction to now sit at 46%. It should be noted that the 2019 median bonus gap was inflated due to a one off £50 Christmas bonus awarded to employees below Manager level, the majority of whom were female.

While marginal, we are pleased to have seen sustained improvement in reducing our gender pay gaps. We don't believe this is down to one endeavour but has been achieved through a number of initiatives, with those undertaken in the year preceding the reference date of 5 April outlined overleaf.

Achieving gender balance (cont)

Attraction and recruitment

- Recommended tool in use for line managers to remove gender-biased language from job descriptions and role advertisements
- Striving for 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

Growth

- 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

Engagement

- 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 and headline sponsor of the Southampton 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 Employee Experience Groups, providing a mechanism for employee voice and improved engagement

Policy and data

- Introduced a Transgender Equality and Transitioning at Work policy, which outlines the support colleagues can expect from the business and guidance for managers of individuals transitioning gender
- Re-written our 'family friendly policies' (maternity, paternity, adoption leave) to make the tone more supportive but also to de-genderise the language, to move away from the assumption that 1 x male and 1 x female is the 'standard' family set up
- Improved our use of data, through investment in our HR system, to highlight unintentional barriers or outcomes in our employee experience and will continue to progress our collection and use of data.

It will come as no surprise that since the snapshot date for this report, the coronavirus pandemic has had a profound impact on cruising, however we have not lost sight of the importance of inclusion. Regular wellbeing check ins have taken place since the beginning of the pandemic and line managers have worked to understand and support the challenges and needs of each individual, enabling them to flexibly balance their own needs with their work. Many of our employees have had to take on additional caring responsibilities including home schooling and have been encouraged, from the outset, to make whatever adjustments are necessary to their working patterns to accommodate this additional challenge. Through regular company communications, we've asked everyone to be open about their working environment and challenges, to trial different ways of working and we have heartily welcomed children and pets on Zoom meetings.

As we move forward and return to operations, we are holding on to those aspects of remote working that have supported inclusion, through championing a flexible, hybrid working approach. The recovery of our business and our future success depends on our ability to create the right environment for our people. We're striving for a culture of trust, openness and care, where our Culture Essentials naturally infuse everything we do and we'll continue to use them to guide us on our path to greater diversity, equity, inclusion and belonging in our organisation.

Getting into the detail



Mean and median gender pay gap



	Mean	Median
2020	36%	36%
2019	37%	37%
2018	44%	41%
2017	44%	38%

Narrowing the gap

Our mean gender pay gap has reduced by 8% and our median gap by 2%, since reporting began, and there is more to be done. 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 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, 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.

Quartile	 Ratio (%) April 2019	 Ratio (%) April 2020
Lower Quartile	22:78	21:79
Lower Middle Quartile	28:72	29:71
Upper Middle Quartile	41:59	43:57
Upper Quartile	61:39	63:37

Our original goal was to meaningfully increase the representation of women at Manager level and above by April 2019. We really shifted the dial and female representation in the upper quartile increased from 30% in April 2018 to 39% in April 2019. Unfortunately, this has now dipped slightly to 37%.

We want to see greater balance here, through continuing our inclusive approach to recruitment and progression.

Gender bonus gap

	Mean	Median
2020	70%	46%
2019	81% <small>75% when excluding £50 voucher</small>	97% <small>60% when excluding £50 voucher</small>
2018	83%	75%
2017	86%	72%

Since the previous reporting year, we have seen a 11% reduction of the mean bonus gap and a 51% reduction in the median bonus gap. This is partially attributable to the temporarily heightened gap in 2019, due to a £50 reward voucher issued to employees, the majority of whom were female. However, even accounting for this, we have seen a significant movement in the right direction. There has been a 16% reduction in the mean bonus gap and a 26% reduction in the median gap since reporting began. We are committed to further improving the gap 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.

Bonus pay

Employees who were paid bonus

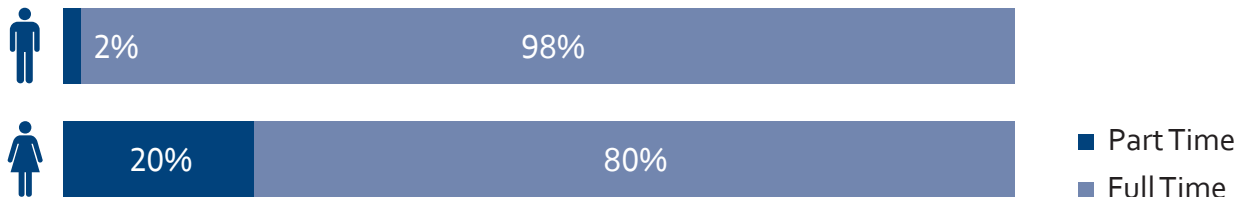


When calculating the gender bonus gap, bonuses...

- 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 2020.

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.*”



Simon Palethorpe
President, Carnival UK



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