

# Gender Pay Gap

Report 2022

**COSTA**  
COFFEE





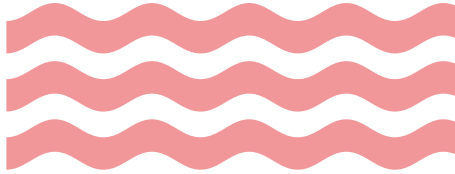
# INTRODUCTION

Under UK legislation, which came into effect in April 2017, all UK companies with 250 or more employees are required to publish gender pay gap information.

A gender pay gap isn’t the difference in pay between men and women doing the same or equivalent work – that’s ‘equal pay’. Instead, a gender pay gap shows the difference between the average pay of all women and the average pay of all men, irrespective of any differences in the work they do. As a result, it’s affected by the composition of the workforce, including the numbers of men and women in different types of jobs and at different levels of seniority.

This report reflects the calculations required under this UK legislation for Costa Coffee.

# GENDER PAY AND BONUS REPORTING



## Reporting Requirements

Companies are required to report the following information:

- Gender pay gap – the difference between the mean, and the median, hourly rates of pay for men and for women in April 2022
- Gender bonus gap – the difference between the mean, and the median, values of bonus pay for men and for women over the 12 months prior to April 2022
- Bonus proportions – the percentage of men and women who received a bonus during the 12 months prior to April 2022
- Quartile pay bands – The proportional split between males and females in each pay quartile

## Interpreting the data

In gender pay gap reporting, average pay is calculated in two different ways; mean and median. Quartile pay bands are used to show distribution of the workforce.

Mean - can be described as the ‘average’. To calculate the mean level of pay for women and for men, the pay of all women is added together and then divided by the number of women, and the pay of all men is added together and then divided by the number of men. The mean gender pay gap compares these two values.

Median - if all women were lined up in order of their pay, and so were all men, the median pay for men and the median pay for women would be the pay of the individual in the middle of each line. The median gender pay gap compares these two values.

When looking at gender pay gaps, statisticians such as the Office for National Statistics prefer to analyse median data points because these are not impacted as much by outlying values, such as the earnings of small numbers of very senior leaders.

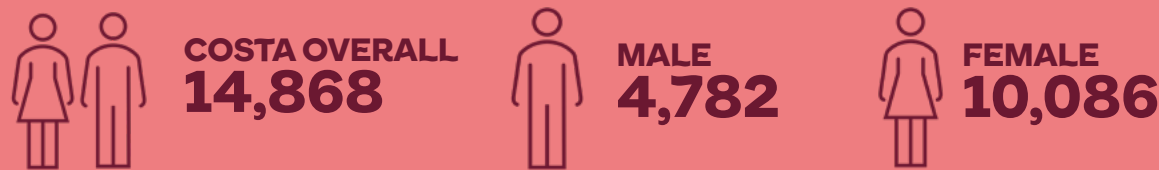
Quartile pay bands - if the total workforce were lined up in order of hourly rate of pay and then split into four groups of equal size, or quartiles, this shows the proportions of men and women in each of the four groups.

# UNDERSTANDING OUR WORKFORCE

In the UK we are proud to have been recognised as the Nation’s Favourite\* coffee shop for 13 years running. With over 1,500 Costa owned stores, most of our UK based teams work in operational roles.

Due to the nature of our business, 81% of our team members are hourly paid, enabling us to support varying operational requirements and within this population, 71% are female.

\* When World Coffee Portal asked 5,000 UK consumers ‘What is your favourite branded coffee shop chain?’, 51% cited Costa Coffee



The figures provided in this report were accurate on 5 April 2022 and relate only to UK based individuals who were employed by Costa Coffee at that time. The report does not include data relating to team members working in a further 1,200+ stores which are managed by our franchise partners, or contractors. Franchise partners, and companies providing contractors, will each publish their own individual gender pay figures as required by the government.



# COSTA COFFEE 2022 GENDER PAY AND BONUS GAP

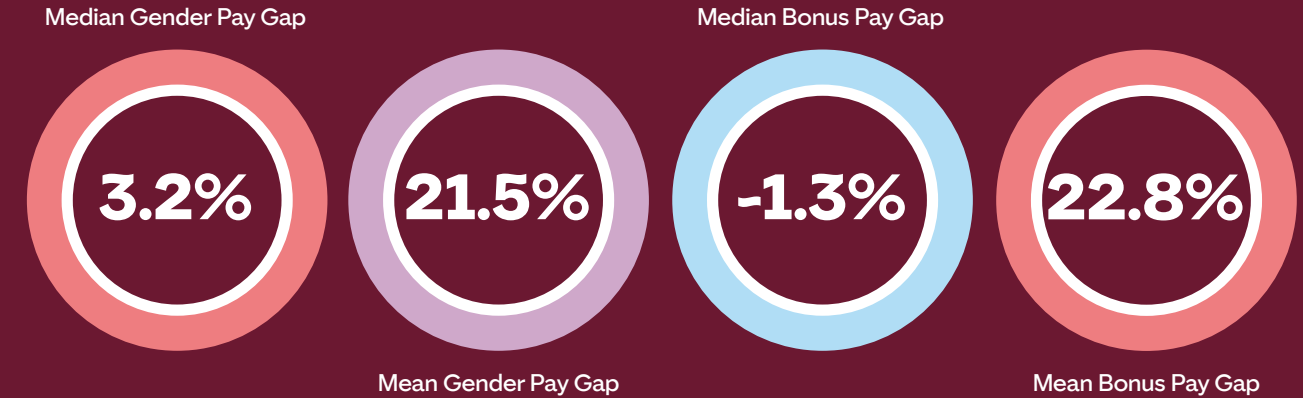
The Office for National Statistics uses the median gender pay gap figure to make comparisons. Our median pay gap is 3.2% against a national average of 14.9%.

Our mean pay gap is 21.5%. Our median bonus gap is -1.3%, and our mean bonus gap is 22.8%.

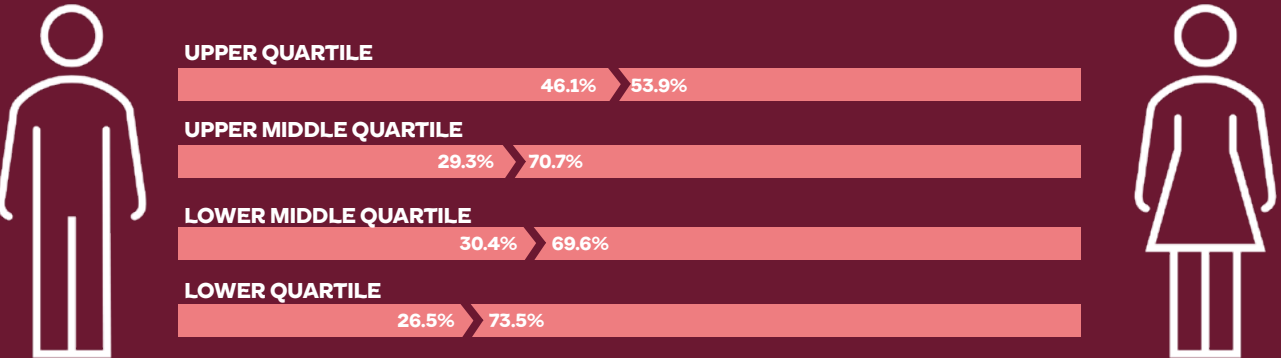
Overall, our gender pay and bonus gaps reflect proportionally more men in our leadership teams, and proportionally more women in our hourly paid, customer-facing teams.

For our management and leadership populations, including our store managers, we pay performance related bonuses. For our hourly paid team members, we use voucher schemes which do not meet the definition of bonus for the purpose of gender pay gap reporting .

At the end of 2022 those receiving a bonus included 9.5% of our female employees, and 17.9% of our male employees overall.



## Bonus Proportions



This shows the proportional split between males and females in each pay quartile.

# LOOKING TO THE FUTURE

At Costa, our mission is to inspire the world to love great coffee and we know our people make us who we are. Simply put, we’re ‘people people’.

It is important to us to create an inclusive environment and we continue to work to do so.

We provide ongoing development on the topic of creating an inclusive workplace to all people managers globally to enable them to make more conscious decisions in areas including pay.

We continue to track diversity demographics in our recruitment process to enable us to identify and address potential issues. We know we have further to go in increasing female representation in our senior leadership population. We make use of balanced shortlists to help us move towards this goal.

We also run a range of more informal events for people to get involved with.

On International Women’s Day our theme was ‘Breaking the Bias’, specifically gender bias, discrimination and stereotyping. This included a session to equip participants with some practical ways of doing this, using coaching approaches.

In 2021 we launched our ‘Together’ gender balance network, who help us to create community and promote progress. The Together Network hosts a quarterly book club which focuses on women authors, who are typically underrepresented in the publishing world. While the book is the focus the topics always touch on and connect to the real-life experiences of people in the workplace. We’ve read books from authors including Caroline Criado-Perez, Helen Lewis and Candice Brathwaite.

At our Popcorn Sessions, people have the opportunity to come together to watch a TED Talk or similar presentation related to topics such as Imposter Syndrome and work-life balance, with an opportunity to discuss the key themes presented, how this relates to our business and changes we can make as individuals to address this.

## Declaration

I confirm that the gender pay and bonus gap calculations and the data provided are accurate.

Jonathan Crookall, Chief People Officer  
February 2023



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