

UCC COFFEE UK LTD GENDER PAY GAP REPORTING

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Equal pay, defined as “the right for men and women to be paid the same when doing the same, or equivalent, work¹” has been a feature of sex discrimination law for over 40 years, and more recently has been included within the Equality Act 2010.

Equal pay and pay discrimination are different to the Gender Pay Gap. As illustrated by the data in this report, the Gender Pay Gap is calculated by taking all employees and comparing the average pay between men and women.

Press stories, analytical writing and government data has consistently reported that a significant pay difference between male and female employees still exists. It is not against the law for men and women to have different pay, providing that the reason isn't gender-related and it's entirely possible for an employer that pays its women fairly to have a large Gender Pay Gap, and for an employer that pays its women unfairly to have a small Gender Pay Gap. As with all reporting requirements, it's the detail behind the numbers, and the systems and processes that support pay structuring, that deserves the scrutiny.

Gender Pay Gap reporting was introduced in 2017, with the regulations requiring us to publish results of our Gender Pay Gap analysis on an annual basis with the data staying available for a minimum of three years. UCC Coffee UK Ltd Gender Pay Gap 2020 and 2021 analysis is included in this statement.

¹Definition of Equal Pay by The Chartered Institute of People Development (CIPD)

GENDER PAY GAP ANALYSIS



In 2018, we committed to recruiting a greater number of female technical staff and this initiative has had a positive impact with our overall % of females increasing year on year.

Our male to female ratio as at 31 March 2021 is 75.7% male and 24% female. This high male to female ratio has consistently been present in our business and is due to the large proportion of technical roles within the business, which are predominantly held by males. When recruiting for these roles, it is unusual (but not unheard of) to secure female applicants, most likely because of the cultural tradition of engineering roles being performed by men. Some secondary schools are now offering a GCSE option in technical engineering and a female engineer started with us in 2019 through choosing this option, training at college and then entering employment with UCC Coffee UK Ltd.

The proportion of male and female employees in each quartile is illustrated here:

Proportion of males and females in each quartile band				
	Female		Male	
	2020	2021	2020	2021
Top Quartile	26.0%	18.9%	74.0%	81.1%
Upper, Middle Quartile	11.3%	13.2%	88.7%	86.8%
Lower, Middle Quartile	22.0%	22.2%	78.0%	77.8%
Lower Quartile	46.0%	43.3%	54.0%	58.9%

As you would expect from an organisation that is nearly 76% male, all quartiles have more males than females. At company director level, there is an exact 50:50 split between males and females. Our Regional Director (North), Elaine Swift, is female.

UCC Coffee UK Ltd mean and median Gender Pay Gap and Gender Bonus Gap 2020 and 2021 is illustrated below:

	Mean (average of numbers)		Median (middle of numbers)		UK Median		UK Average Mean	
	2020	2021	2020	2021	2020	2021	2020	2021
Gender Pay Gap	-13.0%	4.6%	12.6%	12%	7.4%*	15.4%**	Not yet reported	Not yet reported
Gender Bonus Gap	-85.2%	-105.9%	-5.4%	64.5%	Not yet reported	Not yet reported	Not yet reported	Not yet reported

* ONS (Office of National Statistics) 2020
 ** ONS (Office of National Statistics) 2021

The pay data reported for 2020 is from a snapshot taken on 31 March 2020 and the bonus data from the period 1 April 2019 to 31 March 2020. The pay data reported for 2021 is from a snapshot taken on the 31 March 2021 and the bonus data from the period 5 April 2020 to 31 March 2021.

UCC COFFEE UK LTD HAS A GENDER PAY GAP OF 12% IN 2021, DOWN FROM 12.63% IN 2020.

In 2020, 27.3% of the female element of our workforce received a bonus and 10.9% of the male element of our workforce received a bonus within the measurement period. UCC Coffee UK Ltd has a gender bonus gap of 65.4% (favourable to female). Currently, there is no UK average to compare this figure to. The 2021 data illustrates that UCC Coffee UK Ltd gives a higher percentage of our FEMALE employees a bonus when compared to our MALE employees, AND our female employees receive a higher bonus than our male employees. This data is driven by the size of the bonus given to the employee. Therefore, the more female employees a company has in the upper quartiles of its structure will have a positive influence on the gender bonus gap.

	Female	Male
% Receiving Bonus 2020	29.4%	17.1%
% Receiving Bonus 2021	27.3%	10.9%

The bonus reporting figures include overtime. UCC Coffee UK Ltd has a large, contractual overtime element in its field service operation – this team has 180 male employees and 1 female employee, all doing regular overtime.

To account for the male to female ratio within our business and to make our data meaningful the results have been normalised by applying a 50:50 gender split at all levels and departments.

Gender Pay Gap Reporting 2020 and 2021 based on 50:50 gender mix is illustrated below.

	Mean (average of numbers)	Median (middle of numbers)	UK Average Median	UK Average Mean
Gender Pay Gap 2020	4.1%	11.1%	7.4%*	Not yet reported
Gender Pay Gap 2021	3.6%	0%	15.4%**	Not yet reported

* ONS (Office of National Statistics) 2020

** ONS (Office of National Statistics) 2021

The data shows that when normalised, our gender pay gap reduces from 11.1% to 0% (median) or 3.6% (mean). The reasons for pay inequalities between men and women are complex and are often not linked to discrimination. Occupational choices, caring responsibilities that are often linked to part time working, the gender mix of a particular company leading to a higher concentration of women in certain job roles, availability of overtime, commission and internal job move practices all have a real effect. Conversely, certain 'held wisdoms', such as men being the 'breadwinner', can negatively affect pay for men and women. Higher value is also sometimes placed on roles that supposedly need qualities typically demonstrated by men, and the potential for women on maternity leave missing out on promotion opportunities can also influence the pay that is set for a role and the individual in that role.

UCC COFFEE PAY SYSTEMS

At UCC Coffee UK Ltd we operate a broadbanding pay system. All pay structures have their advantages and disadvantages, however broadbanding best suits our culture through its discouragement of a 'pecking order' and allows for our fast pace and persistent change. There are four very wide bands made of similar job families. A band assignment guide helps managers decide which role sits in what band.

A key advantage from broadbanding is that our employees can move laterally within the same band and gain a pay rise and do not have to look outside the business to access a new challenge. In 2021, 11.7% of our team moved to a new role within our business - a high number. If we limited pay into smaller, more narrow pay bands we would lose some of our ability to be agile in this way. Naturally, this could have an impact on our Gender Pay Gap.

The majority of our part time workers are female, whereas the majority of internal vacancies are full time. However, we actively support flexible working and will encourage managers to attempt to accommodate working patterns into any role. Starting salaries for new hires are taken from the banding system and then tailored for the marketplace to best attract talent to our adverts, however again this range is not prescriptive. When offering a starting salary a line manager will consider current salary, salary expectation, experience, qualifications, skills, the availability of talent in that local marketplace and the future potential of that candidate.

Our recruitment covers the entirety of the UK and Ireland and different regions have different pay variations. Salary reviews are based on a matrix made up with company performance and individual performance with a range of salary increases that can be awarded. People doing the same job role (regardless of gender) can receive a different pay increment, meaning that we will always have differences in pay for the same job. We believe that this is the most appropriate method of delivering a pay system free from gender bias.

A companywide focus on quality time with line managers through the use of one-to-one's, SMART goal setting, the use of feedback and development opportunity discussions, means that incidences of formal grievances is very low, and non-existent when it comes to equal pay and pay issues. Most employees find that they can settle any disputes informally during this process. An annual employee survey asks for employees opinions about working for UCC Coffee UK Ltd and allows identification of any managers who need support with the one-to-one process. New managers are trained on making the most of this process. Overall, UCC Coffee UK Ltd's people data reads well. Our turnover rate is 4% under UK average, with exit data tracking positively. Our absence rate is in line with the UK average and we have an 87% staff engagement rate.

Summary

From analysing Gender Pay Reporting as a whole, cross checking against all of the complexities listed above and coupling it with other HR processes and analytics, we are confident that we are not experiencing a pay or bonus gap due to gender.

We have reviewed the latest guidance on how to close the gender pay gap from Gov.UK's **Actions to close the gender pay gap** to inform our reporting on our Gender Pay Gap and to help shape our strategies moving forward...

Effective actions These actions have been tested in real world settings and found to have a positive impact. **1. Include multiple women in shortlists for recruitment and promotions** When putting together a shortlist of qualified candidates, make sure more than one woman is included. Shortlists with only one woman do not increase the chance of a woman being selected. **2. Use skill-based assessment tasks in recruitment** Rather than relying only on interviews, ask candidates to perform tasks they would be expected to perform in the role they are applying for. Use their performance on those tasks to assess their suitability for the role. Standardise the tasks and how they are scored to ensure fairness across candidates. **3. Use structured interviews for recruitment and promotions** Structured and unstructured interviews both have strengths and weaknesses, but unstructured interviews are more likely to allow unfair bias to creep in and influence decisions. Use structured interviews that: i) Ask exactly the same questions of all candidates in a predetermined order and format ii) Grade the responses using pre-specified, standardised criteria. This makes the responses comparable and reduces the impact of unconscious bias. **4. Encourage salary negotiation by showing salary ranges** Women are less likely to negotiate their pay. This is partly because women are put off if they are not sure about what a reasonable offer is. Employers should clearly communicate the salary range on offer for a role to encourage women to negotiate their salary. This helps the applicant know what they can reasonably expect. If the salary for a role is negotiable, employers should state this clearly as this can also encourage women to negotiate. If women negotiate their salaries more, they will end up with salaries that more closely match the salaries of men. **5. Introduce transparency to promotion, pay and reward processes** Transparency means being open about processes, policies and criteria for decision-making. This means employees are clear what is involved, and that managers understand that their decisions need to be objective and evidence-based because those decisions can be reviewed by others. Introducing transparency to promotion, pay and reward processes can reduce pay inequalities. **6. Appoint diversity managers and/or diversity task forces** Diversity managers and task forces monitor talent management processes (such as recruitment or promotions) and diversity within the organisation. They can reduce biased decisions in recruitment and promotion because people who make decisions know that their decision may be reviewed. This accountability can improve the representation of women in your organisation. Diversity managers should: i) Have a senior/ executive role within the organisation ii) Have visibility of internal data iii) Be in the position to ask for more information on why decisions were made iv) Be empowered to develop and implement diversity strategies and policies

However, we are looking to improve in specific areas including:

- Recruiting a greater number of female technical staff - an apprenticeship route in relevant office based teams will help achieve this and began in September 2019.
- Ensuring that our part time staff (many of whom are female) feel confident to apply for alternative roles that are advertised as full time and have their hours meaningfully considered, as a positive way of promoting opportunities.

UCC Coffee UK Ltd is a diverse business with manufacturing, service, technical, operational, office and field-based staff. Our great ethnic diversity adds depth to the business, creating well-rounded solutions and promoting inclusion as a 'business-as-usual' theme. Gender is just another part of this inclusive culture and as the business continues to grow, we will always look for more and better ways to promote inclusivity on all fronts. These initiatives are reflected and brought to life in our strategies, objectives and individual goals, for both the current year and as part of longer term planning. An example is in 2021 we have carried out a full training programme on Diversity and Inclusion with all our line managers.



THE TOTAL
COFFEE SOLUTION

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