



Gender Pay Gap Report

As at 5 April 2021

The Company

Salvation Army Trading Company Ltd (SATCoL) is the trading arm of The Salvation Army in the UK and Republic of Ireland. Established in 1991 to help fund The Salvation Army's vital work with vulnerable people in the UK, SATCoL is focussed on enabling mission and providing resources to help the work of The Salvation Army.

We are a diverse business split into three key divisions: Retail, Clothing Collection and Salvationist Publishing & Supplies (SP&S). Through our network of over 200 retail outlets (charity shops, superstores and donation centres) and over 8,000 donation banks, our retail and clothing collection divisions generate funds and promote the reuse and recycling of textiles. Our SP&S division focuses on the needs of The Salvation Army church, providing uniforms, music, books and other Christian resources, whilst also leading the UK brass band recordings and sheet music sector.

The company is values driven and is committed to equal opportunities. We pay the same rate of pay for people doing the same job, regardless of gender, gender reassignment, race, religion or belief, sexual orientation, marriage or civil partnership status, pregnancy or maternity status, age or disability.

Our Employees

The company employs more women than men, with 61% of the total workforce being women on 5 April 2021. The Retail Division of the company is the largest division, employing over 65% of the workforce.

The Retail Division is typical of many other retailers with over 80% of the employees being women and with around half of these roles being part time.

As a company we operate two separate payrolls; retail employees are paid four weekly and all other employees are paid monthly. With any salary increases being in place from 1st April each year, the pay period for retail staff includes pay that is pre and post pay review, whereas the pay period for all other staff is post pay review. With the majority of the retail workforce being women, this has a negative effect on the gender pay gap.

The organisation has a lean management structure with fewer senior roles and very low turnover rates at these levels. We currently have fewer women in these senior roles which will have impacted the mean and median gender pay gap, as reported here.

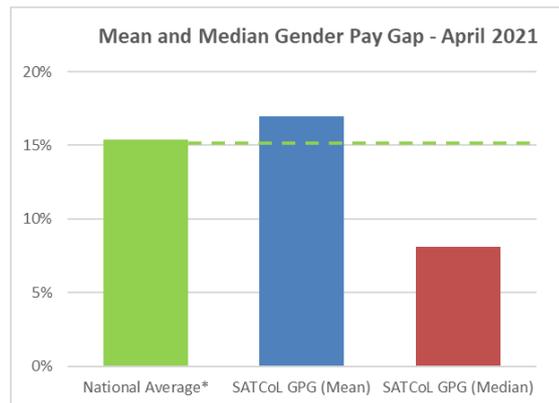
COVID

The snapshot date for this year's data falls into the period of the third COVID lockdown which resulted in all of SATCoL's retail outlets being temporarily closed and paid colleagues that couldn't work remotely being put on furlough. This is not expected to have impacted SATCoL's headline gender pay gap figures significantly due to the fact that staff rates of pay were unaffected due to company policy. However, COVID and the impact of extended lockdown periods on the business has had a significant impact on bonus payments during the year and, as a result, the gender bonus pay gap analysis for the current year should not be viewed as indicative of underlying pay trends.

Gender Pay Gap

	Mean	Median
SATCoL	16.94%	8.12%
National Average*	15.4%	

*per the ONS – Annual Survey of Hours & Earnings (ASHE) 2021 (provisional)



The Mean Gender Pay Gap

The mean, also known as the average, is calculated when you add up the wages of all employees and divide the figure by the number of employees. The mean gender pay gap is the difference between the mean wage for male employees and the mean wage for female employees.

Whilst SATCoL's mean gender pay gap, at 16.94%, has remained above the national average as at 5 April 2021, it has continued to move closer to the average over the past 12 months. Whilst the national average for 2021 is only provisional at the time of completing this report, it shows a slight increase on the previous year's final position.

The mean gender pay gap figure can be skewed by a relatively small number of highly paid employees. We do currently have a higher number of men in senior management roles which has contributed to the mean gender pay gap.

The Median Gender Pay Gap

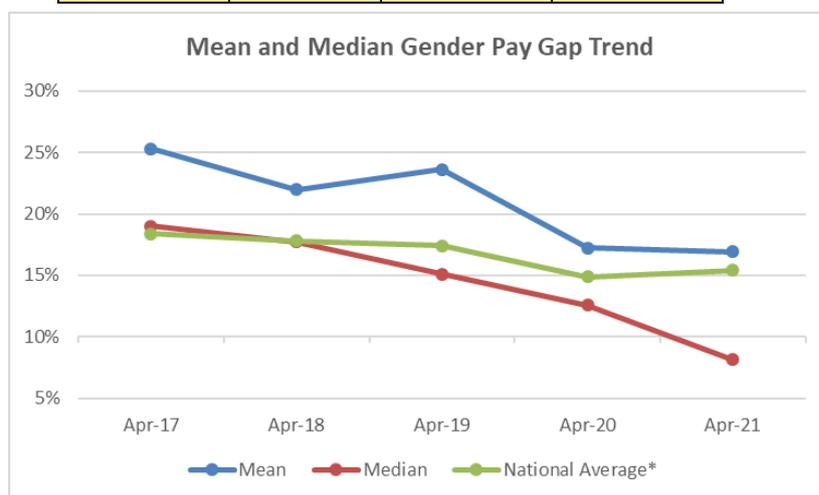
The median is the figure that falls in the middle of a range when everyone's wages are ranked from smallest to largest. The median gap is the difference between median wage for male employees and the median wage for female employees. The median is typically a better representation of the overall data.

SATCoL's median gender pay gap, at 8.12%, is below the national average and has been for the past 4 years.

The company has increased the hourly rate of employees at the lower end of the pay scales, which has contributed to this continued reduction in the median gender pay gap.

Gender Pay Gap Trend (2017 – 2021)

	Mean	Median	National Average*
April 2017	25.29%	18.99%	18.4%
April 2018	21.98%	17.70%	17.8%
April 2019	23.60%	15.09%	17.4%
April 2020	17.24%	12.59%	14.9%
April 2021	16.94%	8.12%	15.4%



*per the ONS – Annual Survey of Hours & Earnings (ASHE) 2021 (provisional)

SATCoL's gender pay gap, on both the mean and median basis, shows a reducing trend and has fallen at a faster rate than the national average since April 2017. The continuation of recruitment policies should see this continue to fall further.

Bonus Pay Gap

SATCoL believes in being able to reward employees when the company has met and exceeded profit targets. The economic uncertainty and stressed profitability that presided across the year, with extended periods of lockdown, meant that, in general terms, only standard Christmas bonuses were paid out in the year. Ordinarily, bonuses are based on the employee's contractual salary throughout the financial year.

	Percentage of Men receiving bonus	Percentage of Women receiving bonus	Mean Gender Bonus Pay Gap	Median Gender Bonus Pay Gap
Bonus	90.31%	98.80%	82.91%	0.00%

Historically for SATCoL, the mean and median bonus pay gap figures have been largely a reflection of the high number of women in part time roles and fewer women in senior roles. The figures for the year ended 5th April 2021 are far from usual as, because of the huge impact of COVID on performance, in general, only a standard Christmas bonus was paid to all staff. This explains the absence of a median gender bonus pay gap in the period. There were two exceptional cases where additional bonuses were paid in the period and in both cases, these related to roles undertaken by men. This has resulted in an abnormally high mean gender bonus pay gap for the year which is not representative of normal levels.

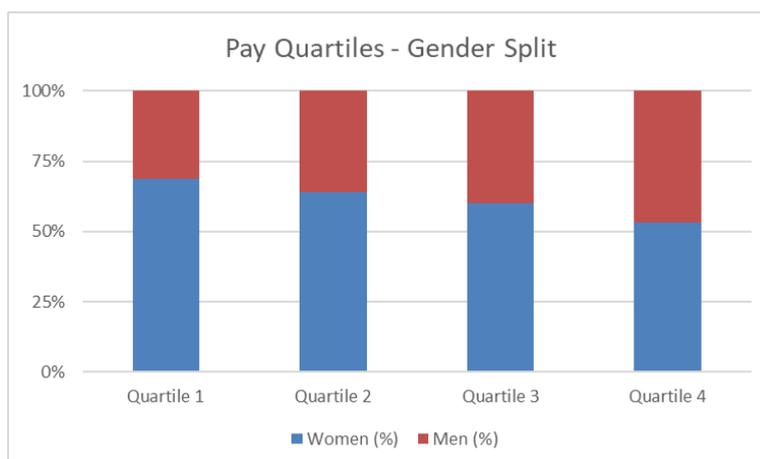
Bonus Pay Gap Trend

	Percentage of Men receiving bonus	Percentage of Women receiving bonus	Mean Gender Bonus Pay Gap	Median Gender Bonus Pay Gap
Bonus 2017	82.84 %	90.84 %	60.34 %	47.16 %
Bonus 2018	99.10 %	99.26 %	43.34 %	39.65 %
Bonus 2019	86.86%	91.33%	50.01%	43.26%
Bonus 2020	68.59%	93.95%	35.86%	42.44%
Bonus 2021	90.31%	98.80%	82.91%	0.00%

Ignoring the exceptional nature of the current year's figures, the underlying trend has been for bonus pay gaps to reduce since 2017 levels. There has been a large increase in the percentage of men that received a bonus this year as there were a high number of new drivers, most of whom were men, that joined after December 2019 and so didn't receive a Christmas bonus in the previous year.

Pay Quartiles

	Q1	Q2	Q3	Q4
Women (%)	68.69	64.14	60.10	53.03
Men (%)	31.31	35.86	39.90	46.97



In each of the pay quartiles there are more women than men, although the percentage of women in the higher quartiles is less than in the lower quartiles. In general terms, the percentages across the different quartiles have continued to even out over the past 12 months. The exception to this is the third quartile where the share of women has increased slightly to just over 60%. We continue to have a large proportion of women in part time roles in the retail division. Whilst not clear from this particular analysis, there are fewer women in the most senior roles within the company.

Main drivers behind SATCoL's Gender Pay Gap

The main drivers behind SATCoL's gender pay gap have been identified as follows:

- the traditional gender split between sectors, and the disproportionately high number of women working in retail
- a higher number of men employed within more senior management roles

- the snapshot date reflects the full impact of pay increases for our monthly payroll but not for our 4-weekly retail payroll, which has a greater proportion of female paid colleagues

A further factor that impacts SATCoL's bonus pay gap is the larger proportion of women that work part-time hours.

What have we done to close the Gender Pay Gap?

2020/21 saw the continuation of recruitment policy improvements designed to reduce gender pay gaps – giving everyone, including volunteers, a fair opportunity to apply for all vacant roles and for SATCoL to invite to interview and make appointments based solely on the best candidates.

The company has also further increased the hourly rate of employees at the lower end of the pay scales. Both of these measures have helped to successfully reduce the gender pay gap over the past 12 months.

There has been further rollout of SATCoL's essential training module on Equality, Diversity and Inclusion.

What actions do we intend to take to further reduce the Gender Pay Gap?

SATCoL will continue to offer opportunities to help people get into work, and these are offered regardless of gender, gender reassignment, race, religion or belief, sexual orientation, marriage or civil partnership status, pregnancy or maternity status, age or disability.

We will continue to make improvements to salaries for employees in the lowest quartile of the company by raising the hourly rate of sales assistants and warehouse operatives significantly above the national living wage and extending this to all employees over the age of 18.

In respect of there being more men in senior management roles within the company, as turnover rates are generally low at this level, this may continue to lead to gender pay gaps for some time. Importantly, when vacancies do arise, all appointments are made on merit, regardless of gender – as such, any individual appointments made may not directly address the gender pay gap position. Over time though, we would expect our recruitment policies to result in progress towards eliminating any gender pay gap – albeit, it is recognised that, for any company other than, perhaps, the largest employers, it is unlikely that gender pay gaps will be entirely eliminated and that a small gender pay gap, one way or the other, is to be expected.

Further business focus is planned on Equality, Diversity and Inclusion and a focus group with colleague involvement will help to raise issues and make suggestions for further improvement.

Succession planning in relation to the senior team at SATCoL will form part of business strategic planning.

I confirm that the information contained in this report is accurate.

Kevin Dare
Finance Director
1 April 2022