



Gender Pay Gap Report

As at 5 April 2020

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, our mission statement is to provide The Salvation Army with resources to enhance its mission.

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 64% of the total workforce being women on 5 April 2020. The Retail Division of the company is the largest division, employing over 70% 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.

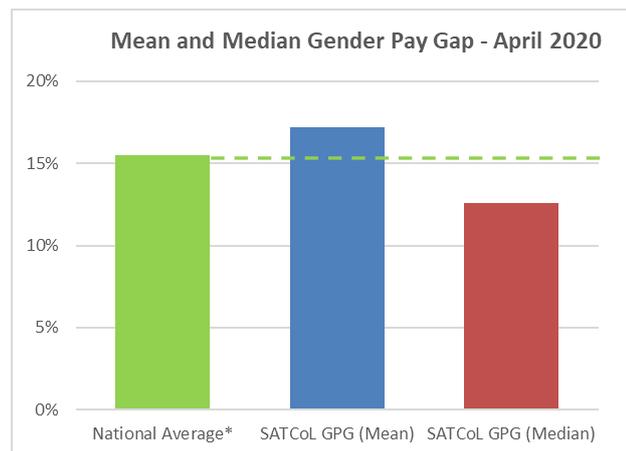
COVID

The snapshot date for this year's data falls into the period of the first COVID lockdown which resulted in all of SATCoL's retail outlets being temporarily closed, clothing collections being put on hold and staff that couldn't work remotely being put on furlough. This is not expected to have impacted SATCoL's gender pay gap figures though, as staff rates of pay were unaffected due to company policy.

Gender Pay Gap

	Mean	Median
SATCoL	17.24%	12.59%
National Average*	15.5%	

*per the ONS – Annual Survey of Hours & Earnings (ASHE) 2020



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 17.24%, has remained above the national average as at 5 April 2020, it has moved much closer to the average over the past 12 months.

This figure can be skewed by a handful 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

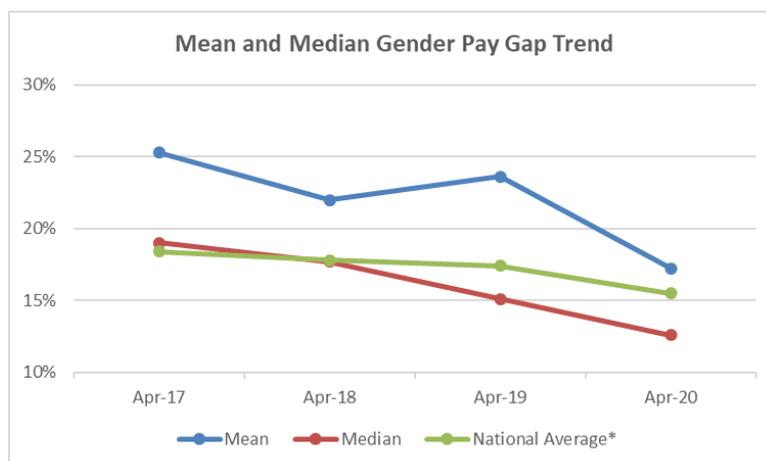
The median is the figure that falls in the middle of a range when everyone's wages are ranked from smallest to largest. The median gap is the difference between median wage for male employees and the median wage for female employees. The median is typically a better representation of the overall data.

SATCoL's median gender pay gap, at 12.59%, is below the national average and has been for the past 3 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 – 2020)

	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%	15.5%



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

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. We have continued to operate a companywide bonus scheme that all employees who are employed on the 31st March and who have passed their probation periods receive. The bonus is based on the employee's contractual salary and absence 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	68.59%	93.95%	35.86%	42.44%

The mean and median bonus pay gap figures are largely a reflection of the high number of women in part time roles and fewer women in senior roles.

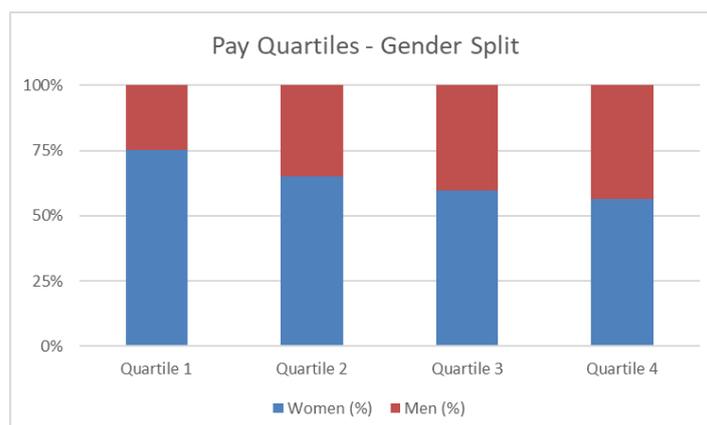
Bonus Pay Gap Trend

	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%

The bonus pay gaps have also reduced over the past 12 months. There has been a large reduction 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 hadn't completed their probation in the year and so weren't eligible for a bonus.

Pay Quartiles

	Q1	Q2	Q3	Q4
Women (%)	75.12	65.26	59.62	56.34
Men (%)	24.88	34.74	40.38	43.66



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 evened out over the past 12 months. The exception to this is the lowest quartile where the share of women has increased to just over 75%. 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 staff

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?

2019/20 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.

A new e-Learning portal has been developed and launched which incorporates an 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 staff 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.

Beverley Phillips

Finance Director, Deputy Managing Director

29 September 2021