

# STARBUCKS EMEA LTD. GENDER PAY GAP REPORT 2021



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## ABOUT STARBUCKS EMEA LTD.

This report looks at the gender pay gap across the 324 partners (employees) at Starbucks EMEA Ltd. Partners is the term that we use for 'employees' as we all have shares in the business.

Starbucks EMEA Ltd. is the headquarters for Starbucks in Europe, the Middle East and Africa. Located in London, Starbucks EMEA Ltd. partners are responsible for the licensing and management of the Starbucks business within the 43 markets in the region and provide brand management and support services.

This is only the second time that Starbucks EMEA Ltd. is reporting on its gender pay gap, with the number of partners employed exceeding 250. A separate report continues to detail the gender pay gap across the approximately 3,600 partners at Starbucks Coffee Company (UK) Ltd. – the part of the company responsible for the retail and wholesale of gourmet coffee, tea and related products in the UK, and which includes partners working within companyoperated Starbucks stores, as well as Support Centre partners supporting UK stores.

## **MESSAGE FROM LISA ROBBINS**

#### **VP PARTNER RESOURCES STARBUCKS EUROPE, MIDDLE EAST AND AFRICA**

At Starbucks, creating a warm and welcoming environment where everyone can thrive is at the heart of everything we do. It's because we are driven by our mission: to inspire and nurture the human spirit one person, one cup and one neighbourhood at a time.

In compliance with gender pay gap legislation under the Equality Act 2010, Starbucks continues to submit two separate Gender Pay Gap Reports, one for Starbucks Coffee Company (UK) Ltd. – the company that runs and supports our company– operated UK stores.

And this report, which represents Starbucks EMEA Ltd. Starbucks EMEA is the headquarters of Starbucks in Europe, the Middle East and Africa and we now have over 300 partners (employees) working within our London based head office, overseeing the licensing and management of Starbucks across 43 markets in this region, and providing brand management and support services. This document outlines the gender pay gap for these office-based partners in our EMEA headquarters, and we are particularly encouraged to see that women represent a significant proportion of partners within the two most senior quartiles of our organisation (Quartile 3 – 56.8% and Quartile 4 – 40.7%). However, there is still work to do to progress even more women to these levels within our organisation. This is particularly the case with Quartile 4 – as the differences in pay (particularly bonuses) outlined within this document can be accounted for mainly by the greater number of men than women at this level within our organisation.

To support with this, over the course of 2021 we have further established and enhanced our Women's Impact Network (WIN) within our region. With over 100 members, the group is one of four partner networks established in EMEA. WIN's purpose is to empower every woman to find their own version of success, and like all the Partner Networks, the group plays a powerful role supporting our partners, representing their diverse voices and



holding us to account as we continue to work towards greater inclusion, diversity and equity within our organisation.

We also continue to run a Women's Leadership Network, providing top-talent with the opportunity to hear from external speakers on topics that aid their career development and to provide networking opportunities.

Building on our investment over the course of 2021, we have made significant further investments in support of partner wellbeing, inclusion and diversity – details of which is outlined in this report.

We are proud of the progress that has been made this year. We know there is still work to do and will continue our commitment going into 2022 and beyond.

Lisa Robbins

### WHAT IS GENDER PAY GAP REPORTING?

UK gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing how large the pay gap is between their male and female employees.

### There are six calculations:

- 1. Mean gender pay gap (this number is the average)
- 2. Median gender pay gap (halfway point between the highest and lowest pay)
- 3. Mean bonus gender pay gap
- 4. Median bonus gender pay gap
- **5.** Proportion of males receiving a bonus and proportion of females receiving a bonus payment
- **6.** Proportion of males and females when divided into four groups ordered from lowest to highest pay

Gender pay reporting is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. The gender pay gap shows the difference in the average pay between all men and women in a workforce.

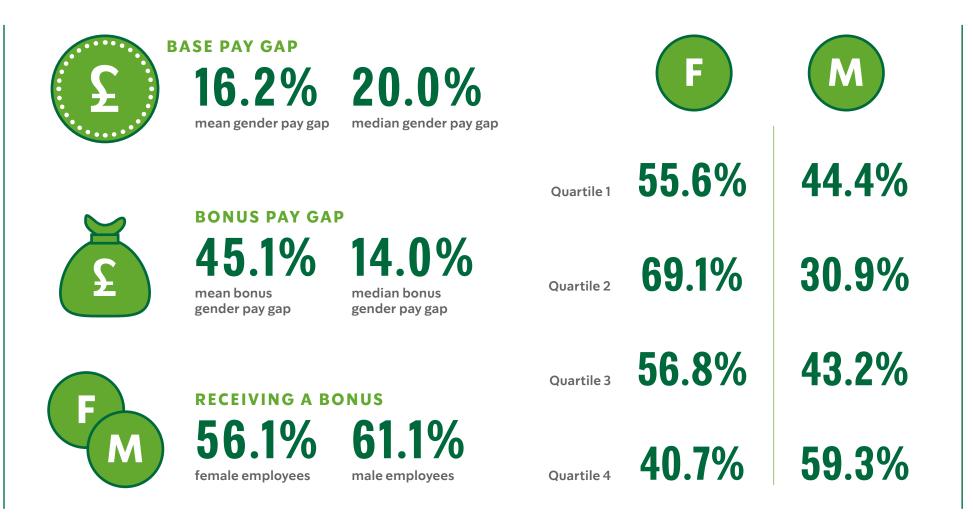
## Understanding mean and median gender paygap:

The mean gender pay gap shows the percentage difference in average pay between men and women across the business.

The median gender pay gap is the percentage difference when we compare the middle point of all female partner salaries in our business and all male partner salaries.

The proportion of men and women awarded bonus pay over the same 12 month period is also reported.

## **STARBUCKS GENDER PAY GAP SUMMARY**



## OUR RESULTS AND WHAT THEY MEAN

Despite this being our second year of reporting on the gender pay gap for Starbucks EMEA Ltd, we are encouraged by progress with our mean pay gap between male and female. For 2021 the mean pay gap between male and female is 16.2%, which is a 2% improvement on our 2020 pay gap of 18.3%.

The number of females who received a bonus has also increased in 2021 to 56.1%. This is a 15.3% improvement on 2020 figure of 40.8%

Despite the significant increase in females receiving a bonus in 2021, our bonus pay gap between male and female for 2021 mean (45.1%) and median (14%) has increased.

These results are reflective of the fact that there are more men than women in our most senior levels within the organisaion, and moreover, a higher weighting of bonus which was paid out in 2021, compared to that of 2020. An illustration of this is if the bonus of those on the EMEA Leadership Team (9 partners) were removed from these results then the mean bonus pay gap would fall by approximately 35% to 10%.

The results also highlight that an area the business should continue to focus on is supporting women to progress to management, and particularly senior management roles within the organisation. Although in 2021 the percentage of females in quartile two has increased, representation levels in quartiles three and four (our highest earners) remain flat on 2020. Our total female population for Starbucks EMEA Ltd is 53%, whereas our highest earners (quartile 4) are represented by 40.7% female

While these results compare favourably to other organisations of similar size, our industry and companies with a similar organisational structure, they also highlight the need for a continued focus on developing a pipeline for women into senior roles within the organisation. In addition, it's important that we continue exploring flexible working and development opportunities, particularly given the challenges that COVID has brought and the ongoing impact this has had on women and primary caregivers in particular.



## **ACTION PLAN**

We need to continue our focus on developing a pipeline of women into senior roles, and for a number of years we have had in place a Women's Leadership Network which provides top-talent with access to external speakers and networking opportunities.

We continue to build on the investment into wellbeing, inclusion and diversity programmes which we initiated in 2020. These include our EMEA Inclusion Advisory Council, I&D training and development, and a host of inclusive hiring practices, including diverse gender balanced interview panels and the introduction of blind CVs.

Our Women's Impact Network (WIN), which we also launched to the region in 2020, continues to provide an exciting platform to help the business champion gender equality. This group of over 100 partners have a number of key themes, including a strategic pillar on organisational change. We continue to utilise and partner with the WIN team to advocate and influence positive change. In addition to building and enhancing on this work, then we are pleased to report that we have invested in a series of new inclusion and diversity-based commitments for 2022, which shall specifically help with our gender pay action planning and include:

- the introduction of diverse balanced shortlists for senior leadership posts;
- promotion and opening of all support centre vacancies with an option of flexible-working;
- introduction of a diverse future talent leadership programme;
- complete audit of our partner life cycle policies, benefits and procedures.

Although these new measures shall take time to embed and see the flow-through on matters such as our gender pay gap reporting, we do believe that they will keep us true to our mission and values and help set us up to be an even more inclusive business.

We are committed to helping every partner reach their full potential, and look forward to continuing to push forward as a business and hold ourselves accountable.



For media inquiries, please contact <u>PressEMEA@starbucks.com</u>