



Starbucks Coffee Company UK Ltd.

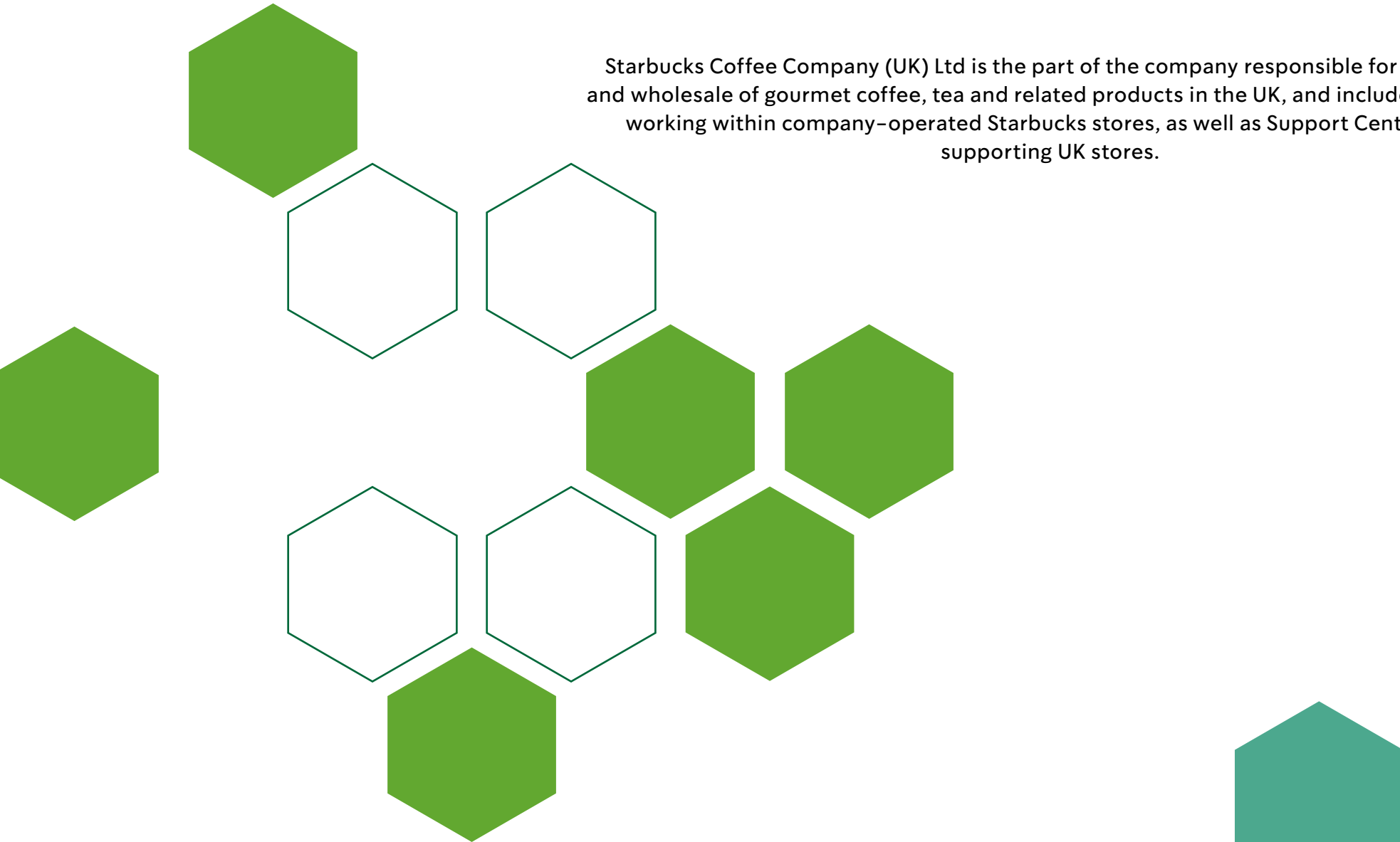
Gender Pay Gap Report

2023

About Starbucks Coffee Company (UK) Ltd

This report looks at the gender pay gap across the more than 4,900 partners (employees) employed by Starbucks Coffee Company UK Ltd. Partners is the term that we use for 'employees' as we all have shares in the business.

Starbucks Coffee Company (UK) Ltd is the part of the company responsible for the retail and wholesale of gourmet coffee, tea and related products in the UK, and includes partners working within company-operated Starbucks stores, as well as Support Centre staff supporting UK stores.



Message from Lisa Robbins

VP PARTNER RESOURCES
STARBUCKS EUROPE, MIDDLE EAST AND AFRICA



Since its beginning in 1971, Starbucks has sought to be a different kind of company – with people at the centre – balancing profitability with social conscience.

We're grounded by our mission: to inspire and nurture the human spirit, one person, one cup and one neighbourhood at a time, and integral to this mission is creating a warm and welcoming environment both in our stores and in our workforce, where everyone can thrive.

For this reason, we welcome the opportunity to once again report on our gender pay gap figures for Starbucks UK Ltd using the criteria specified as part of the gender pay gap legislation, under the Equality Act 2010, and calculated using the approach required by the regulations.

Starbucks UK mean gender pay gap for this year is 6.3% across its UK partners, remaining significantly below the UK's current national average (ONS).

Starbucks UK, like many other companies in our sector is majority female, with females accounting for 68% of our total workforce.

We are particularly encouraged to see this is reflected at all levels within our organisation, as even within the top quartile (Quartile 4) there is a significantly higher proportion of women compared to men (63.3%).

Our UK business, in line with Covid-19 recovery, has had exceptional growth across 2022, with our population growing by 30%, an additional 1300+ partners. The majority of this growth has been within our barista population and with female hires, with our female barista representation growing 38% over the year compared to the growth of male representation which was 7%.

Given this weighting of new hires, which has mainly been at the lowest paid quartile within our business, then this has extended our pay and bonus gap mean over the year. We also recognise that there remains proportionally more men in the very highest paying roles, and thus that we still have much work ahead of us to reduce our gender pay gap.

To support with this, then over the course of 2022 we have further enhanced our Women's Impact Network (WIN) in the UK. With over 200 members the group is one of four partner networks established and its purpose is to empower every woman to find their own version of success.

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.

I believe 2022 was a transformational year for our inclusion and diversity strategy, as we invested further into the partner experience and made significant commitments and took action in support of partner wellbeing, inclusion and diversity – detail of which is outlined in this report.

We shall continue to progress and prioritise our inclusion and diversity strategy, with gender equality and pay core elements.

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



Base pay gap

6.3%

mean gender pay gap

2.5%

median gender pay gap



Bonus pay gap

33.4%

mean bonus gender pay gap

0.0%

median bonus gender pay gap



Receiving a bonus

63.4%

male employees

61.7%

female employees

Proportion of employees in each quartile

Quartile 1

F 71.8%

M 28.2%

Quartile 2

F 67.0%

M 33.0%

Quartile 3

F 65.3%

M 34.7%

Quartile 4

F 63.3%

M 36.7%



Our results and what they mean

Our 2022 gender pay mean and median have slightly increased over the course of this year, with our pay mean increasing from 4% to 6.3% and our pay median from 0.3% to 2.5%.

Our pay gap has increased inline with business growth, driven by over 1300 new partners joining the business over the last 12 months and a vast majority of these new joiners being female.

Such business growth has primarily created opportunities at Barista level (which represents our lowest paid quartile earners) and female Barista population has grown in year by 27%, compared to males at 7%. This has directly flowed through to our quartile one representation where the female representation has increased by over 7% and driven the gap as referenced above.

The same factor also applies to our mean bonus pay gap which has followed suit and increased to 33% this year.

Despite some movement this year, our mean and median pay remain below the UK's current national average (median – 8.3% among full-time employees and 14.9% among all employees, ONS, 2022).

Like many other retail businesses, Starbucks UK is majority female, and this is also reflected within the top quartile of our business (Quartile 4) where there is a significantly higher proportion of women compared to men (63.3%). However, there remains a mean pay and bonus gap between women and men driven by the high weighting of females in quartile one, our lowest paid partners.

There are also still more men holding roles at the very highest level within Quartile 4, resulting in men receiving, on average, a larger bonus amount per individual. Our goals need to remain to encourage and foster opportunities for more women to progress into senior roles, whilst also looking at our entry level barista roles, which form quartile one, and how we look to attract more males into such roles.

Additional support

Across 2021/22 we introduced a host of specific inclusion and diversity commitments, aimed at improving our culture of inclusion and equity. Such measures were specifically selected to help improve our gender and gender pay equality and action planning, including;

- the introduction of diverse balanced shortlists for senior leadership posts
- promotion and opening of all head office vacancies with an option of flexible-working
- Introduction of a diverse future talent leadership programme
- New family friendly gender-blind policies starting with our support centre partners, increasing our fully paid maternity, paternity, adoption and shared parental leave to 6 months full pay
- Gender representation targets for our female leadership teams

These measures need fully embedding, whilst we also acknowledge that they are part of longer-term output and incremental positive change.

Our Women's Impact Network (WIN) is now in its third year and continues to provide a grassroots movement and platform to celebrate women's excellence and champion equality.

The WIN network has a strategic pillar on organisational change and we shall continue to partner closely across the course of this year. Specifically, plans are in place to target important issues which have a direct correlation to gender pay, including topics such as; period poverty, menopause, domestic abuse and gender pension gap. This year, we shall continue to find increased ways for our retail partners to contribute towards the WIN network, including the potential establishment of specific retail WIN chapters.

Creating a culture of inclusion and warmth and belonging is fundamental to our business success, its one of our core values and strategic business priorities.

We therefore remain committed to continuing to develop a pipeline of women into senior roles, utilising our Women's leadership network which provides top-talent with access to external speakers and networking opportunities.

Furthermore, our platform of I&D learning and development programmes, UK Inclusion & Diversity Working Group , partner lifecycle policies, processes and inclusive hiring practices, shall all continue to propel us forward and support our drive to improve gender equality

For media inquiries, please contact

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