



Carnival UK Gender Pay Report Fleet

April 2020

Introduction

This report relates specifically to Fleet Maritime Services International (FMSI), an entity within the wider Carnival group. FMSI supplies some of the onboard employees to cruise ships operated by a few brands within this group, including Carnival UK.

As a global, multi-cultural and role-diverse business, being inclusive is a strategic priority for Carnival Corporation and its brands. At Carnival UK, most widely recognised by its famous brands P&O Cruises and Cunard, a key organisational goal is to become Travel's Employer of Choice in the UK. It wants people to choose their inclusive community. One of its Core Values is 'Better Together'.

While it approaches inclusion holistically, recognising that no-one is defined by one element of their identity alone, it welcomes gender pay gap reporting, as it helps to create awareness of the gender balance challenge across the organisation, informing areas of focus and assessing the impact of the positive action taken.

Carnival UK's goal is to meaningfully increase the representation of women at officer level and above across its fleet by April 2023. Although there is still a long way to go, it's moving in the right direction. The President of Carnival UK continues to see the commitment, passion and will from every individual at Carnival UK to make a significant improvement across the company including the fleet.

Better Together

By valuing and respecting one another's diverse perspectives we can all belong in an inclusive community.

What is this report about?



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This report provides details of our gender pay gap for the onboard employees, employed by FMSI on Carnival UK's ship Britannia. It is based on data from April 2019. Britannia is the only United Kingdom registered ship within the fleet and is accordingly the only ship for which this reporting obligation applies. Due to the fluidity of employee movement onboard the fleet, this year's population of relevant employees is materially different when compared to 2018. Only 23% of the same individuals were reportable for pay in both 2018 and 2019.

The gender pay gap measures the difference in mean and median earnings (for pay and for bonuses) between all women and all men across an organisation, regardless of position held.

Gender pay is different to equal pay. Equal pay is when there is no difference in pay between men and women who carry out the same or similar jobs. Our compensation is informed by an external job evaluation methodology, salary benchmarking and associated guidelines, to guide objective gender-neutral decision making around pay.

We recognise that the current gender pay gap legislation does not take into account individuals who identify as non-binary. However, as an inclusive employer we strive for inclusion and fairness regardless of how individuals identify.

Mean gap explained

The '**mean**' is the '**average**'. The mean gender pay gap for salaries is found by comparing the mean female salary with the mean male salary, for which we look at the average hourly rate of pay of women and men at Carnival UK in April 2019. The same calculation is applied to determine the mean gender pay gap for bonuses, but for this we look at bonuses paid over a 12 month period to April 2019.

Median gap explained

The '**median**' is the '**middle point**' and best understood by thinking in terms of a list. If we listed the salaries of all female employees in order of highest to lowest and did the same for all male employees, the median gender pay gap is calculated by taking the salary that falls in the middle of each list and comparing them. The same calculation is also applied to determine the median gender pay gap for bonuses paid, but for this we look at bonuses paid over a 12 month period to April 2019.

Achieving gender balance



Achieving gender balance

Carnival UK will continue to work towards greater gender balance and the eradication of the gender pay gap through each aspect of the employee lifecycle.

Attraction and recruitment

What we've done so far:

- Focus groups in India on reasons for low applications from females
- Creation of promotional careers video featuring female protagonists
- Balanced selection panels
- Recommended tool in use for line managers to remove gender-biased language from job descriptions and role advertisements
- Attendance at Women in Engineering days

What we're working on:

- Looking at barriers to careers at sea for women
- Developing our Resourcing team to become experts in inclusive recruitment
- Careers event promoting STEM careers for girls
- Diversity considerations built into strategic workforce planning

Growth

What we've done so far:

- Senior leader and key colleague inclusion training
- Embedded inclusion within Leadership Expectations framework
- Enhanced maternity policy including how we'll help monitor the important early stages of pregnancy and enable a return to work of up to five years after the baby is born

What we're working on:

- Further embedding inclusion within development programmes
- Increasing confidence around reasonable adjustments
- Increasing understanding of barriers to female progression

Engagement

What we've done so far:

- Accredited Bronze by Inclusive Employers as part of their Inclusive Employers Standard
- Recognised International Women's Day
- Recognised National Inclusion Week
- Regular drum beat of communications on the topic of inclusion including case studies, success stories and thought leadership
- Carnival UK Pride – increasing visibility of non-binary gender and sexuality challenges in the workplace
- Shared organisation's experiences and developed organisational subject matter knowledge through external events including D&I Leaders Forum and Women in Hospitality
- Strengthened relationships with Nautical Colleges

What we're working on:

- Improving use of data to highlight unintentional barriers or outcomes in our employee experience
- Building external partnerships

Getting into the detail



Getting into the detail

Mean gender pay gap is 13%



The mean gender pay gap has **increased by 2%** year on year and the median pay gap has **increased by 9%**. It's important to remember that only 23% of those included in the data for this report were onboard and included in April 2018 figures, limiting the value of year-on-year comparison. Nevertheless, the increase is disappointing and there is more the company needs to do.

The gender pay gap is an indicator that more male employees are in positions that command higher pay and, to eradicate the gap, greater balance is needed across the fleet. This is an issue seen across the industry which requires a longer term strategy to address it. Carnival UK is therefore working beyond its own organisation in order to drive change.

Median gender pay gap is 19%



Male:Female ratio quartiles

Quartile	 Ratio (%) April 2019	Mean (%) April 2019	Median (%) April 2019
Lower Quartile	79:21	1	-3
Lower Middle Quartile	88:12	-3	8
Upper Middle Quartile	88:12	-1	0
Upper Quartile	90:10	1	-3

This table shows our employee group broken down into four equal sized parts (called quartiles), based on salary, from lowest (lower quartile) through to highest (upper quartile). For each quartile, the male:female ratio, along with the mean and median gender pay gap is given.

Female representation is significantly lower than male in every quartile. However, we are pleased to see that there is a minimal gender pay gap within each quartile. In fact, the median gender pay gap for the upper middle quartile is zero (rounded from 0.2%).

Bonus pay

Proportion of bonus recipients

Overall male/female population



50.2%



62.3%

When calculating the gender bonus gap, bonuses...

- relating to bar incentives include only those gained on Britannia
- include vouchers, money or securities
- relate to profit sharing, productivity, performance, incentive or commission
- include 'token' amounts, e.g. long service awards
- include those received between 6 April 2018 to 5 April 2019.

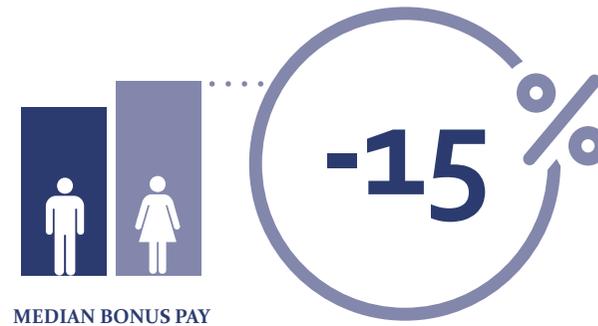
Gender bonus pay

The gap between the mean bonus pay for males and the mean bonus pay for females is -6%



The graphs show that the mean and median bonus gap is more favourable to females

The gap between the median bonus pay for males and the median bonus pay for females is -15%



Carnival UK whole fleet

As previously mentioned, under the gender pay gap regulations, Carnival UK is not required to report the situation across its whole fleet.

However it would like to openly acknowledge that female representation continues to be an issue across the wider fleet.

This is driven by several factors:

- There is a lack of female representation in more senior roles across the wider fleet operated by Carnival UK, 90% of which are held by males.
- Male employees are dominant in each quartile.
- There are a greater number of females in entry roles; 21% of entry level roles are held by females.
- The business has large groups of people dedicated to maritime, engineering and technical disciplines, which traditionally have been male-dominated industries.
- A career at sea, where individuals are away from their home and families for up to 10 months at a time, is historically a less attractive option for females.

“Carnival UK’s goal is to meaningfully increase the representation of women at officer level and above across its fleet by April 2023.”

Statutory declaration and further information

If you would like to know more about the Gender Pay Gap Reporting Regulations, further details can be found here:

www.gender-pay-gap.service.gov.uk

In addition, ACAS has provided a full description of the reporting requirements and the distinction between gender pay reporting and equal pay here:

www.acas.org.uk/genderpay

“*I confirm the information in this statement as required by the Gender Pay Gap Reporting Regulations is accurate.*”



Simon Walters
Director FMSI

