



SALVATION ARMY  
TRADING  
COMPANY

## **Gender Pay Gap Report As at 5 April 2024**

### **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 250 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 55% of the total workforce being women on 5 April 2024. The Retail Division of the company is the largest division, employing c.65% of the workforce.

The Retail Division is typical of many other retailers with c.75% of the employees being women and with over 55% of these roles being part time.

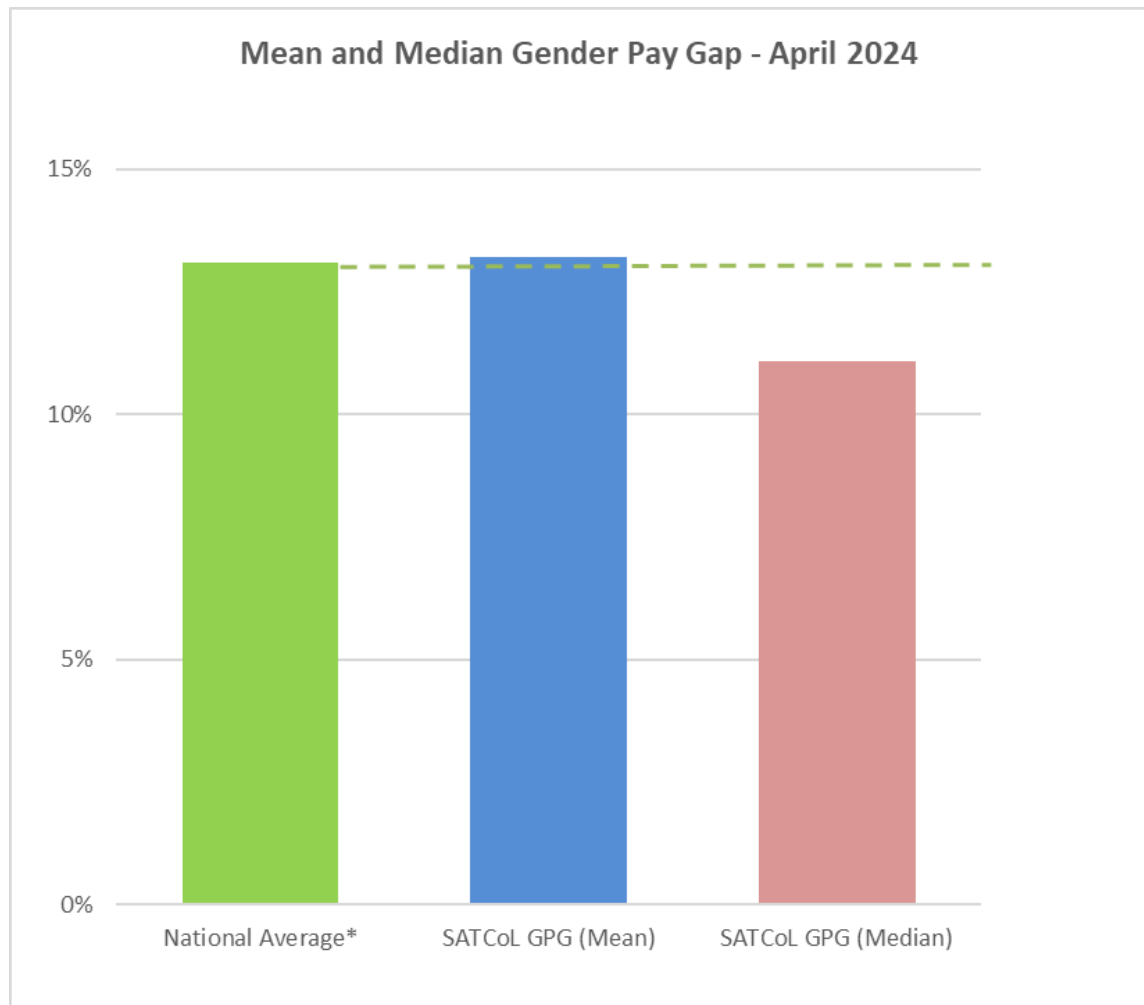
As a company we operate two separate payrolls; retail employees are paid 4-weekly and all other employees are paid monthly. With any salary increases being in place from 1<sup>st</sup> April each year, the pay period for retail staff includes pay that is pre and post pay review, whereas the pay period for all other colleagues is post pay review. With the majority of the retail workforce being women, this has a negative effect on the gender pay gap. This negative effect is particularly pronounced this year because the business opted to replace its main bonus scheme from 1<sup>st</sup> April 2024 with a commensurate increase in basic pay. The hourly pay calculation for gender pay gap reporting for the rest of the business will fully reflect this increase in basic pay whereas the hourly pay calculation for retail staff will only partially reflect this.

The organisation has a lean management structure with fewer senior roles and very low turnover rates at these levels.

## Gender Pay Gap

Mean and Median Gender Pay Gap - April 2024		
National Average*	SATCoL Total GPG (Mean)	SATCoL Total GPG (Median)
13.10%	13.21%	11.08%

\*per the ONS – Annual Survey of Hours & Earnings (ASHE) 2024



When comparing the gender pay gaps against the National Average, SATCoL's mean gender pay gap is fractionally higher than the National Average and the median gender pay gap is lower than the National Average. Both measures are significantly higher than zero – the position if female and male pay was equal across the organisation. The gender pay gap this year is particularly impacted by the split between retail (which has a much higher proportion of female employees, has a four-weekly payroll and which includes both pre and post pay review elements in the hourly pay calculation) and the rest of the business. This is because of the timing of the change in remuneration structure (with an increase in basic pay being introduced to compensate for the withdrawal of the company's main bonus scheme) from 1<sup>st</sup> April 2024.

To help to understand the potential impact on the reported gender pay gap of the 4-weekly payroll which only partially reflects the pay review that was effective from 1<sup>st</sup> April, we have separately run

our gender pay gap analysis at the half-year point (5<sup>th</sup> October 2024) when both the 4-weekly and the monthly payrolls will fully reflect the most recent pay review. This analysis shows an illustrative mean gender pay gap of 11.45% and a median gender pay gap of 6.36%.

### **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.

SATCoL's mean gender pay gap as at 5 April 2024, at 13.21%, is fractionally above the 2024 National Average.

The main factor behind SATCoL's current gender pay gap is the disproportionate gender mixes within the Retail Division (75% female) and across the rest of the business (73% male). Whilst there has been some improvement in balancing the gender split across the highest-paid senior management roles, it remains the case that there is a higher number of men in these roles which will impact the mean gender pay gap across the business.

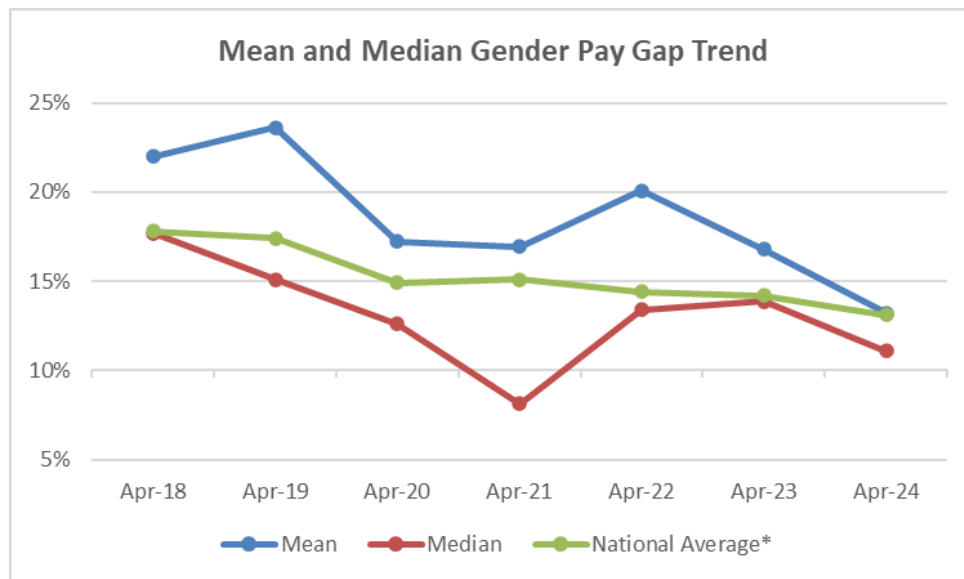
### **The Median Gender Pay Gap**

Median pay 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 the median wage for male employees and the median wage for female employees. The median will not reflect extremes at either end of the pay scale.

SATCoL's median gender pay gap, at 11.08%, remains below the National Average.

### **Gender Pay Gap Trend (2018 – 2024)**

	Mean	Median	National Average*
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%	15.1%
April 2022	20.07%	13.40%	14.4%
April 2023	16.80%	13.87%	14.2%
<b>April 2024</b>	<b>13.21%</b>	<b>11.08%</b>	<b>13.1%</b>



The underlying trend on both SATCoL’s mean gender pay gap and the median gender pay gap has been downwards despite a jump in April 2022 which saw a higher proportion of retail shop roles following a reduction in these roles in the preceding COVID-impacted year. The mean gender pay gap has been consistently higher than the National Average but, in the last year, has decreased to the extent that it is now almost in line with the National Average. The median gender pay gap has decreased further below the National Average. The fall in the gender pay gaps this year would have been even more significant if this year’s figures hadn’t been impacted by the timing of the change in remuneration structure.

The gender pay gap for the business as a whole will be improved by recruiting more males into retail shop roles and recruiting more females into the rest of the business, including higher-earning senior management roles. Most of the planned business growth in the 5-year strategic plan is on the Retail side of the business and this is likely to be where most new roles will be.

### Bonus Pay Gap

The Bonus Pay Gap is calculated on the basis of total bonus payments in a 12 month period. It doesn’t make any adjustment for part-time hours.

	Percentage of Men receiving bonus	Percentage of Women receiving bonus	Mean Gender Bonus Pay Gap	Median Gender Bonus Pay Gap
Bonus	83.93%	89.15%	30.51%	34.82%

There was a change in the remuneration structure from 1<sup>st</sup> April 2024, with an increase in basic pay being introduced to compensate for the withdrawal of the company’s main bonus scheme, but this scheme was in place for virtually the whole of the tax year. 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 the most senior roles. Bonuses were only payable after 3 months with the business and with a number of new store openings, there will have been a number of retail employees that wouldn’t have been eligible for a bonus for the full year.

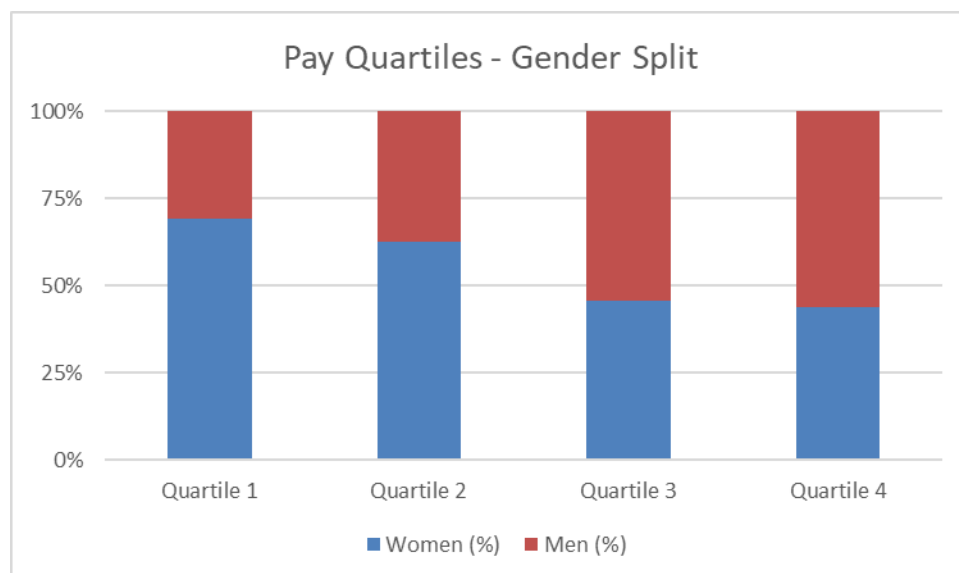
## Bonus Pay Gap Trend

	Percentage of Men receiving bonus	Percentage of Women receiving bonus	Mean Gender Bonus Pay Gap	Median Gender Bonus Pay Gap
Bonus 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%
Bonus 2022	89.25%	88.29%	42.13%	34.87%
Bonus 2023	88.03%	88.89%	38.43%	33.76%
<b>Bonus 2024</b>	<b>84.11%</b>	<b>89.15%</b>	<b>30.51%</b>	<b>34.82%</b>

Ignoring the exceptional nature of 2021's figures which were impacted by COVID and lockdowns, the underlying trend has been for bonus pay gaps to reduce since 2018 levels.

## Pay Quartiles

	Q1	Q2	Q3	Q4
Women (%)	69.07	62.54	45.70	43.64
Men (%)	30.93	37.46	54.30	56.36



In the two lower paying quartiles, there are significantly more females than males and in the two higher paying quartiles, whilst the split is more even, there are more males than females. 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 - the disproportionately high number of women working in retail and the disproportionately high number of men working in the rest of the business
- more men employed within the most 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, because their pay period reflects an element of pre pay review salaries. This year, this has been compounded by the timing of a remuneration structure change which saw a significant increase in ordinary pay fully reflected for monthly paid employees but only partially reflected for our 4-weekly paid retail colleagues in the hourly pay calculation.

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?**

2023/24 saw the continuation of recruitment policy and processes 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.

One of our past pay reviews applied a lump sum increase to all salaries. We have also applied a higher increase to Retail manager roles to reflect their responsibilities. We also continue to ensure our lowest pay rates have a margin above the real living wage rate and extend this to employees over the age of 18.

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 encourage men to apply for roles within the Retail side of the business and encourage women to apply for all roles in the rest of the business. All appointments will continue to be made on merit, regardless of gender but we can endeavour to increase awareness of the company's gender pay gap position amongst managers who will be involved in recruiting.

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 be a contributory factor to gender pay gaps for some time. When vacancies do arise, as with all vacancies, all appointments will be made on merit, regardless of gender – as such, any individual appointments made may not directly address the gender pay gap position. Over time, 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.

In terms of governance levels, we are acting on the need to have more female representation on both the Board of Directors and the Executive Management Team. Further progress has been made on this post the reporting date.

We will consider changes to the payroll structures within the business.

Equality, Diversity and Inclusion will continue to be an area of business focus, supported by the input of an external EDI consultant.

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

31 March 2025 (updated 02 May 2025)