



GENDER PAY GAP REPORT 2021/22



BY APPOINTMENT TO
HER MAJESTY THE QUEEN
SUPPLIERS OF ARTISAN
BAKERY GOODS
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THE BREAD FACTORY
LONDON

WHAT IS THE GENDER PAY GAP?

The gender pay gap is the difference between the average earnings of men and women across a workforce. In many places, sectors and roles, men have earned (and continue to earn) more than women, even when the work is comparable. As well as being unfair, this imbalance serves to perpetuate gender-based stereotypes and discrimination. Reducing the gender pay gap, as well as being the right thing to do, increases productivity.

In the UK, the gender pay gap has narrowed considerably in the last decade, since the introduction of the Equality Act 2010 and further, gender-specific regulations. Indeed, some segments of the population now have women earning more than men. The aggregate picture, however, is still one in which the average man earns more than the average woman.

WHAT DO WE HAVE TO REPORT?

Publicly reporting differences in pay between male and female employees has been shown to impact the gender pay gap. Since 2017, UK-based companies with more than 250 employees have been required to report their gender pay gap. This involves compiling the following data:

- The percentage of men and women in each earnings quartile
- The mean (average) gender pay gap, based on hourly pay
- The median (middle) gender pay gap, based on hourly pay
- The percentage of male and female employees awarded a bonus
- The mean (average) gender pay gap for bonus pay
- The median (middle) gender pay gap for bonus pay

Companies collate these figures based on their payroll data as at 5 April each year (known as the snapshot date).

MEAN VS MEDIAN

The **mean** is calculated by adding all the hourly pay rates (or bonuses) for all female employees, then dividing the total by the number of female employees. This can then be compared with the mean hourly rate for men, which is calculated in the same way.

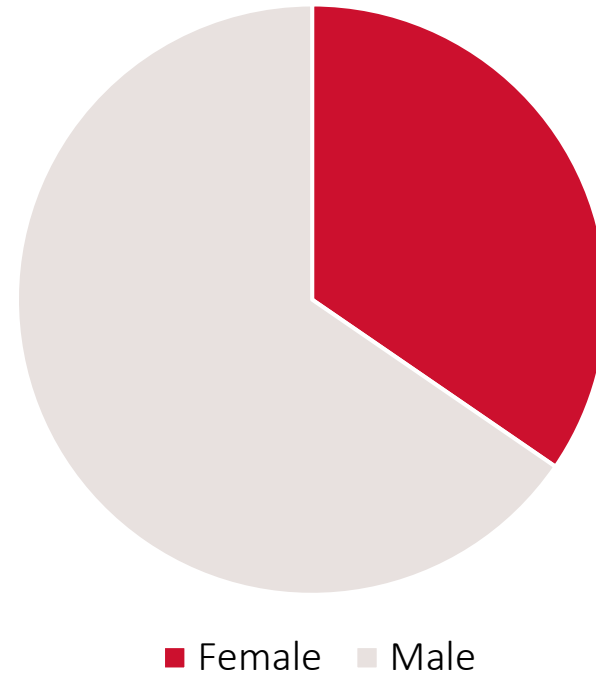
The **median** is the middle point between the highest hourly rate and the lowest hourly rate. While this is still important, the mean (average) rate is the most useful. This is because the median role for female employees may be at a different level to the median for male employees.

OUR STATUTORY REPORT



On the snapshot date, TBF employed a total of 671 people, of which 232 were women and 439 were men (35 per cent and 65 per cent, respectively).

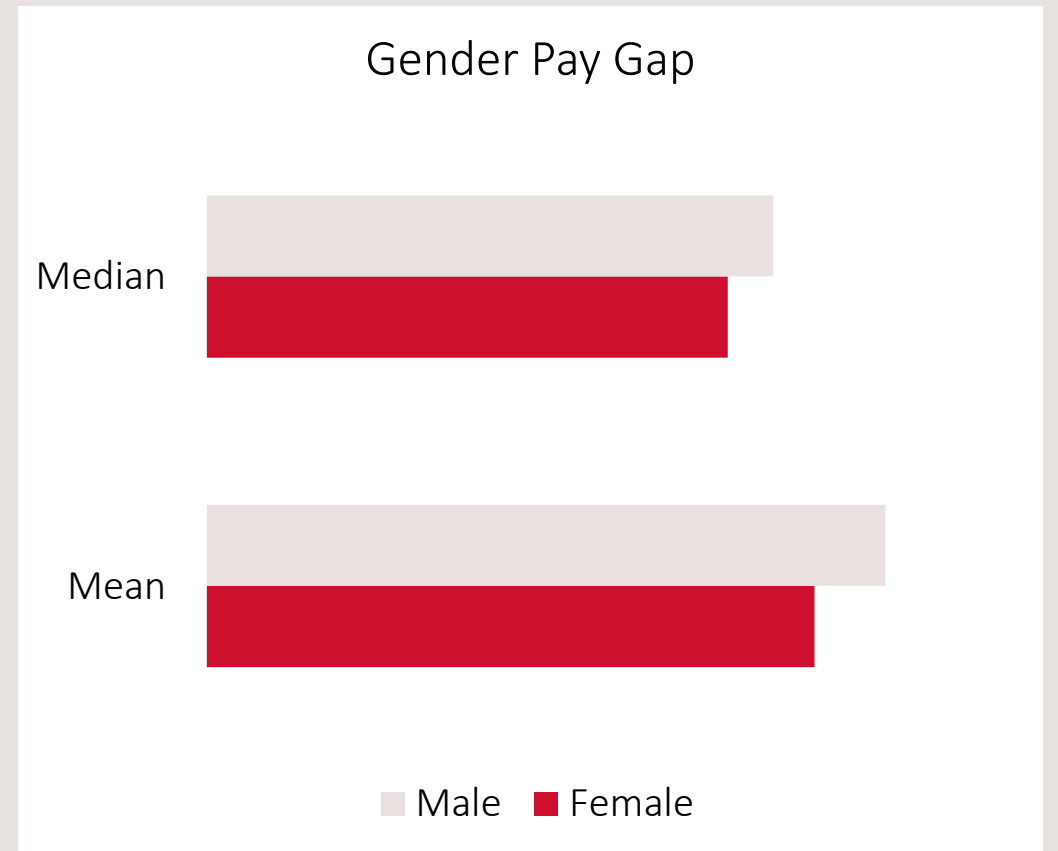
Gender Split



GENDER PAY GAP



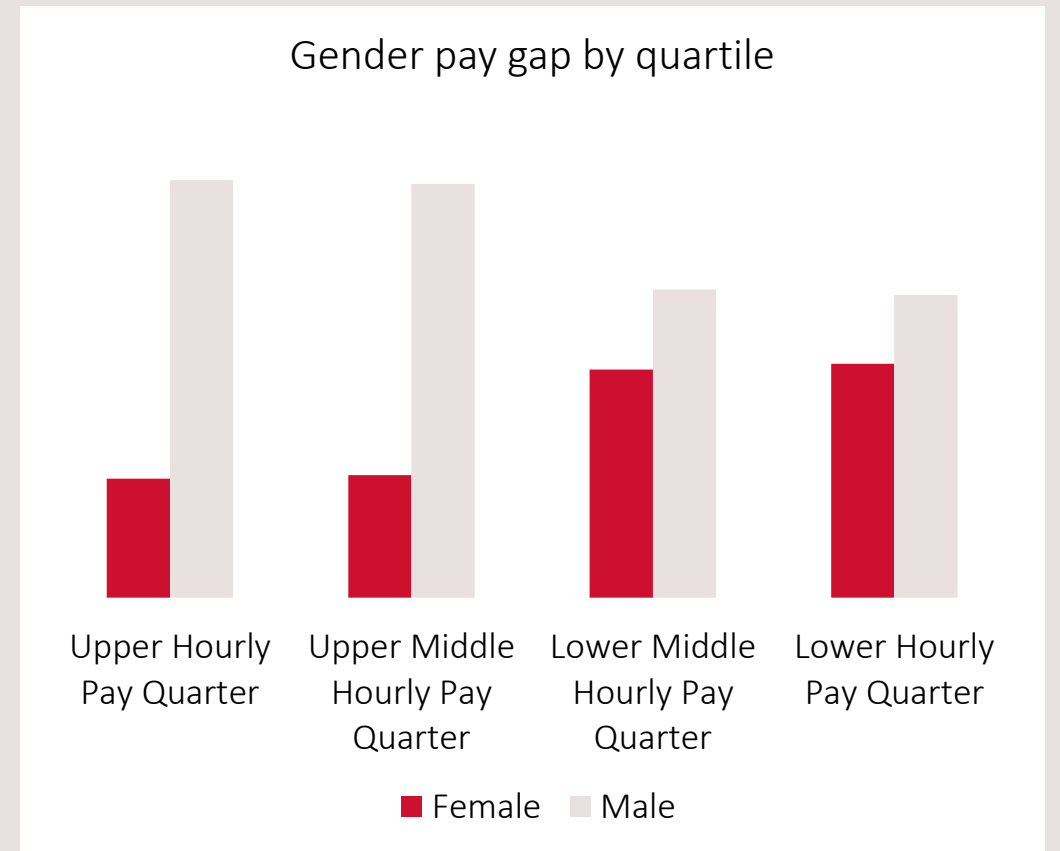
The *median* pay gap was ten per cent, meaning the middle-earning female employee earned 10 per cent less than the middle-earning male employee. The *mean* pay gap was eight per cent, which means the average female employee earned eight per cent less than the average male employee.



GENDER SPLIT BY PAY QUARTILE



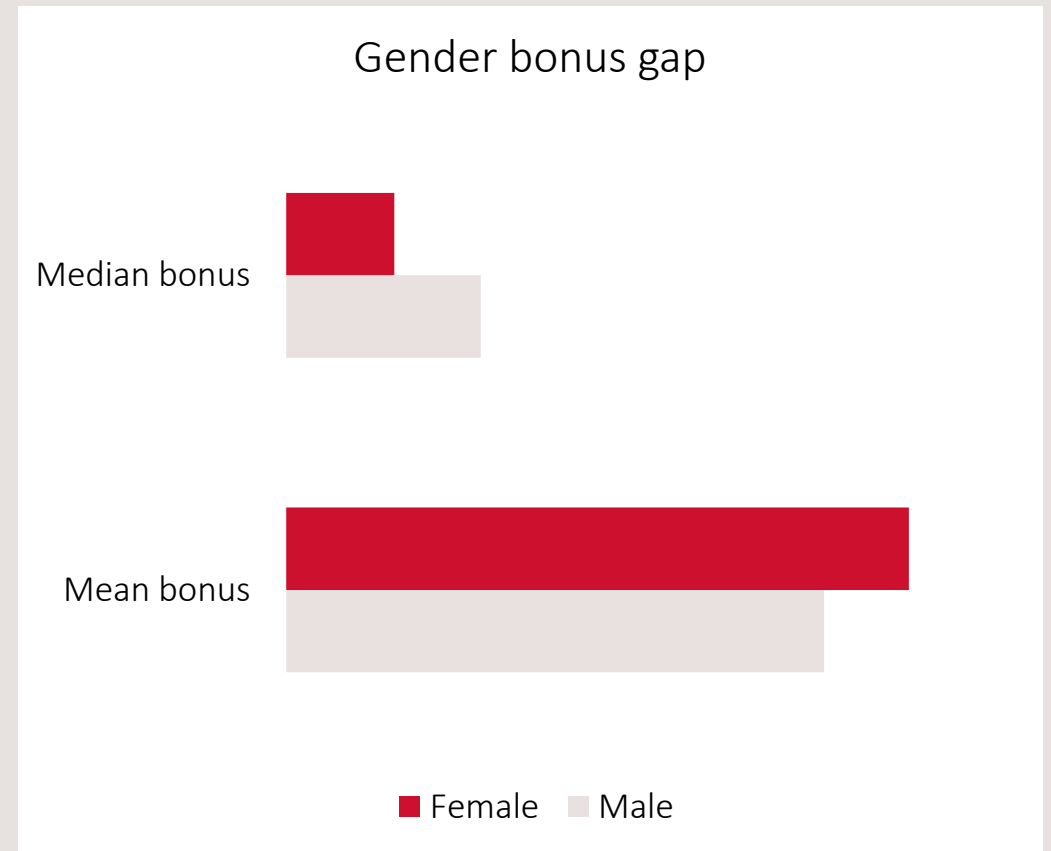
When we divide employees into pay quartiles, we can see that the number of men is only a little higher than the number of women. However, higher paid roles are disproportionately occupied by men, by around three to one.



GENDER BONUS GAP



At the time of the snapshot, 21 per cent of all staff had received a bonus in the previous 12 months. Broken down by gender, 25 per cent of male staff and 14 per cent of female staff had received a bonus. The *median* bonus paid to a woman was 79 per cent higher than the median paid to a man. However, the *mean* female bonus was 14 per cent lower than the mean male bonus.



BENCHMARKS



In trying to understand our gender pay position, it can be helpful to compare our results to those of our sector and the nation as a whole.

According to the Office for National Statistics (ONS), the gender pay gap for all employees in the UK was 15.5 per cent. This variance is driven (at least in part) by the under-representation of women at managerial and/or higher paid roles.

In our sector ('Food preparation and hospitality trades'), the gender pay gap is typically two per cent. This narrow variance is driven mainly by the national minimum wage, with the majority of staff typically employed at or slightly above this floor level. We currently pay above the National Minimum Wage for all roles.



COMMENTARY



Last year, our median pay gap was eight per cent, and our median pay gap 14 per cent. Since then, we have increased the median gap slightly, to ten per cent. However, we have closed the mean gap to eight per cent.

Our results for the four pay quartiles are roughly the same as last year, with many more men occupying higher-paid roles than women.

Baking can be a physically demanding occupation, and the volumes we bake mean taller, stronger workers are better suited to many operations roles. This has led to an historic skew towards men in our production facilities. As we grow, we are beginning to mechanise some of these tasks, enabling us to recruit a wider range of abilities.

Historically, many operations roles have been filled by European migrants, who have been mostly male. Brexit and the covid lockdowns have highlighted our over-reliance on this cohort.

Last year's furlough period made reporting especially difficult. Our bonus gap is a function of our complex management, pay and reward structure which we are planning to rationalise.



ACTION PLAN



Although our figures are consistent with industry averages, we recognise we could do much more to reduce the gender pay gap across all metrics. To do this, we will improve pay and benefits, develop our employee value proposition, and tackle bias.

Pay and benefits

We will review and harmonise pay bands across our support centre teams, leading to greater transparency about salary both internally and when advertising roles.

We will review our maternity leave and sick leave provisions, as we believe these cause us to lose applicants, especially those wanting to start a family.

We will implement clear bonus and remuneration guidelines based on roles and deliverables, rather than being negotiated on an ad hoc basis.



ACTION PLAN



Employee Value Proposition (EVP)

Historically, all contracts have been full-time, which we believed to offer the best job security and pay. Covid saw us introduce more flexible working arrangements and some part-time contracts. We will do more of this, as it benefits our operations and means we can recruit from a wider range of applicants.

We are working on our employer branding, recruitment campaign approach and EVP to target a broader cohort of applicants, more effectively

We will work closely with team leaders to ensure shifts finish on time to enable colleagues to meet out-of-work commitments.

We have started delivering an apprenticeship with 12 female applicants and four males, and a younger age profile than our typical recruits.

We are working with employability partners to proactively identify opportunities for people from disadvantaged backgrounds, who are disproportionately female.



ACTION PLAN



Tackling bias

We use various channels to source the best talent, including recruitment agencies for senior and salaried roles. This can lack transparency and cause us to recruit 'more of the same'. Having grown our recruitment resource, we'll bring more of this process in-house, evaluating gender imbalance at each stage of the recruitment journey, challenging hiring managers to increase diversity at every stage. We will build on existing equality and inclusion training to understand and mitigate for biases, starting with our hiring managers and with support from our People Team.

We want to evolve our People Team to a business-partner model rather than being a reactive support team. This will enable us to implement succession plans, and provide constructive challenge to hiring managers to ensure they achieve a good gender balance.

Improving our gender equality is part of a long-term project. It will not be an overnight fix. However, we believe this action plan will lead to a virtuous circle of improvement as women are more visible in the business and more eligible for senior roles, with gender imbalance being more frequently acknowledged and addressed.

