



## **GENDER PAY GAP REPORT - April 2018**

The Government introduced legislation that made it mandatory for organisations with 250 or more employees to report annually on their gender pay gap. This legislation is covered by the Equality Act 2010. As HR Director for Costco Wholesale I am responsible for publishing our gender pay gap figures under the new reporting requirements.

The gender pay gap shows the difference in the average pay between all men and women in our workforce, this is different to equal pay. Equal pay deals with the pay difference between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman. Costco believes in transparency in all aspects of their pay rates and it is the role that attracts the salary and benefits, which are the same base level irrespective as to whether they are male or female.

For salaries we used a snapshot data on 12th March 2018, the relevant pay period was 26th February to 11th March 2018 payroll. For bonuses we used the period 1st April 2016 to 31st March 2017, the 12 months before the snapshot of salaries.

- In Costco UK we have a total of 6804 employees
- We have 5933 hourly employees
  - 2784 female (47%)
  - 3149 male (53%)
- We have 871 salaried employees
  - 306 female (35%)
  - 565 male (65%)
- All of the figures detailed below show the difference between the average earnings of men and women in our organisation expressed as a percentage
  - Mean Gender Pay gap is 10.7%
  - Median Gender Pay gap is 1.4%
  - Mean Bonus Gender Pay gap is 46.6%
  - Median Bonus Gender Pay gap is 13.7%
  - Proportion of males receiving a bonus payment is 63.5%
  - Proportion of females receiving a bonus payment is 60.7%
  - Proportion of males in lower quartile is 53.1%
  - Proportion of females in lower quartile is 46.9%
  - Proportion of males in lower middle quartile is 57.7%
  - Proportion of females in lower middle quartile is 42.3%
  - Proportion of males in upper middle quartile is 56.7%
  - Proportion of females in upper middle quartile is 43.3%
  - Proportion of males in upper quartile is 60.9%
  - Proportion of females in upper quartile is 39.1%

These calculations have been obtained utilising the mechanisms set out in the Gender Pay Gap Reporting legislation. The national average (using the annual survey of hours and earnings figures) is currently 18%.

Explanation of figures reported:

- As a membership cash and carry warehouse the sector has historically attracted a higher proportion of male employees as a result of the perception of the roles and working conditions.
- We value length of service as an integral part of people development which is reflected in the diverse nature of the salaries paid for the same role. Consequently any newly appointed management position will be remunerated at an entry level rate which is the same for male and female and within clearly defined bandings which reflect length of service within the position
- Performance of either the location or department has a direct impact on potential to earn bonus within salaried positions, however hourly bonus payments are not performance related but length of service and are guaranteed payments.

Actions:

- Continuous recruitment for the role irrespective of gender via our Hire for Success programme which focuses on the behaviour rather than skill - the right person for the job and then we can train them
- Maintain our over 50%+ full time ratio (of hourly employees) within the business to allow flexibility and a balance of work / life for all employees
- Costco's promise to promote from within by development of self learning, job specific training, mentoring and leadership skills
- Although we have progressed in closing this gap we continue to promote the importance of gender and diversity equality within our business. One of the pillars of this approach is our Journeys network primarily for females within the business but supported by all management within the business. Journeys promotes self development, readiness for promotion, confidence building and structured career mentoring programmes