

Introduction

Carnival UK as part of the Carnival Corporation, is committed to a positive and just corporate culture, based on inclusion and the power of diversity. Our people are the heart of the business and we're committed to developing a workforce that reflects the diversity of our communities. We think that not only is it imperative in developing a sustainable organisation, but it's also simply the right thing to do. Carnival UK continues to focus on creating an inclusive environment to attract the best talent and to enable our people to innovate and grow regardless of background, belief or preferences.

We welcome pay gap reporting as we're committed to closing our gender pay gap with long-term solutions focussed on a gender-balanced talent pipeline and supporting women to progress their careers with us. Equally, this takes time and so we're alive to tactical opportunities to bring more diversity into our business at senior level in the near term.

...a positive and just corporate culture, based on inclusion and the power of diversity.

Sture Myrmell President, Carnival UK





What is this report about?

This report provides details of Carnival UK's gender pay gap as at 5 April 2021 and the actions we're taking to address it. 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 2021. 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 2021.

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 2021.



Gender pay gap summary

Key Dates

- The 2021 snapshot is 5 April 2021 therefore April payroll data has been used to calculate our gender pay gap.
- Bonuses earned from period 6 April 2020 5 April 2021 have been used to calculate our bonus gap.

Headlines

- Carnival UK results overall are a slight regression on April 2020 data.
- Our median pay gap has increased to 38.4%, up 2.9%, and the mean has reduced to 35.8%, down just .1%.
- Representation of women in the upper quartile has, however, increased 2% to 39%.
- Mean and median bonus gaps remain very high and have not changed greatly, at 70% and 47.5% respectively.
- Year-on-year comparison will be less accurate, as when the snapshot was taken, employee numbers were much lower than previous years, due to the impact of the Covid pandemic.
- From a January snapshot we can see positive movement showing mean and median averages as 34.9% and 35.6% respectively.





Achieving gender balance

The pandemic had a significant impact on all industries, especially travel, and we're incredibly proud and grateful to our colleagues for the resilience and adaptability shown in these really challenging times. The business had to make many difficult decisions and the shape of our workforce changed considerably. Our first ship (Britannia) resumed sailings to create unforgettable holiday happiness in June and we've continued to rebuild since. The return to service has allowed us to welcome back former colleagues as well as welcome new talent to our business, and we continue to identify where we need to further grow and develop our workforce.

We have recruited an additional 256 colleagues between April 2021 and January 2022, which means that the shape of our business has changed significantly since the snapshot was taken. While the official 2021 figures indicate some regression, the reality in our business today is that good progress has been made. The snapshots taken in January 2022 indicate that our mean and median pay gaps have reduced to 34.9% and 35.6% respectively. We believe these improvements have been achieved through the actions highlighted on pages 8 and 9.



Achieving gender balance (cont)

We're committed to improving and developing the business as we strive to achieve gender balance. We take an intersectional approach to inclusion which is reflected in the examples below.

Our leaders

What we have done?

- Promoted and role modelled a flexible working culture.
- Use a tool for line managers to remove gender biased language from job descriptions and role advertisements.
- Introduced and striving for greater use of gender-balanced shortlisting and genderbalanced interview panels.
- Promotion of flexible working to applicants and our employees.

We've committed to:

- Enhance our recruitment practices/tools, building inclusion into all activity to raise the standards of recruitment.
- Specific inclusive approaches for key roles.
- Ensure our leaders have to support to develop a diverse workforce through the creation of learning resources.
- Welcome external thinking through our new relationship with Women in Hospitality, Travel and Leisure (WiHTL), Inclusive Employers, Business Disability Forum and Stonewall.
- · Developed inclusive recruitment training.
- Continued development of our leadership population with a focus on creating psychological safety.

Our people

What we have done?

- Gender neutral toilets available in Carnival House.
- Continued our engagement survey which gives us the opportunity to review employee experience by gender to diagnose areas of focus.
- Embedded hybrid working with the support of our Employee Engagement Groups to understand themes across the business.
- We changed our flexible working policy to enable flexible working from day one vs statutory requirement to offer after 26 weeks.
- Since 2017, continued our funding of Athena (gender balance colleague network).
- Continued to address inclusion matters through our core learning curriculum.

We've committed to:

- Empower colleague networks, including Athena, with events and other awareness raising activities.
- Embed a hybrid working culture, that enables colleagues to innovate and collaborate virtually and in Carnival House.
- Support colleagues to scrutinise decisions impacting our people using our DEI Impact Assessment.
- Share Speak Up toolkit and video to challenge actions and mentalities that discriminate or otherwise inhibit women staying in the business.



Achieving gender balance (cont)

Our engagement

What we have done?

- Regular drum beat of communications on the topic of inclusion including case studies, success stories and thought leadership.
- Celebrated National Inclusion Week by inviting a Martine Wright, Paralympian, to talk about the benefits of inclusion.
- Marked International Women's Day with speaking event and Q&A with Christine Duffy, president of Carnival Cruise Line and an interactive social media campaign.
- Support our Employee Experience Groups to provide employee voice and engagement.
- Signed up to Women in Hospitality, Travel and Leisure.

We've committed to:

- Increased focus on and sharing of key DEI metrics.
- Create a diversity advisory board (internal and external representation) to provide insight and strategic direction on DEI.
- Diverse representation in our employer brand collateral.
- Engaging external support as needed to rigorous pursuing diverse shortlists in our senior roles.
- Generate awareness around relevant health conditions impacting areas of our workforce.
- Strategic workforce planning for targeted areas of our business, which will highlight additional opportunities and solutions.

Our community

What we have done?

- Carnival UK Pride and headline sponsor of the Southampton Pride – increasing visibility of non-binary gender and sexuality challenges in the workplace.
- Joined a network of DEI practitioners in major Southampton-based organisation to collaborate on building a more inclusive city.
- Hosted a Princess Trust #BrilliantBreakfast event to raise money for the Women Supporting Women initiative.

We've committed to:

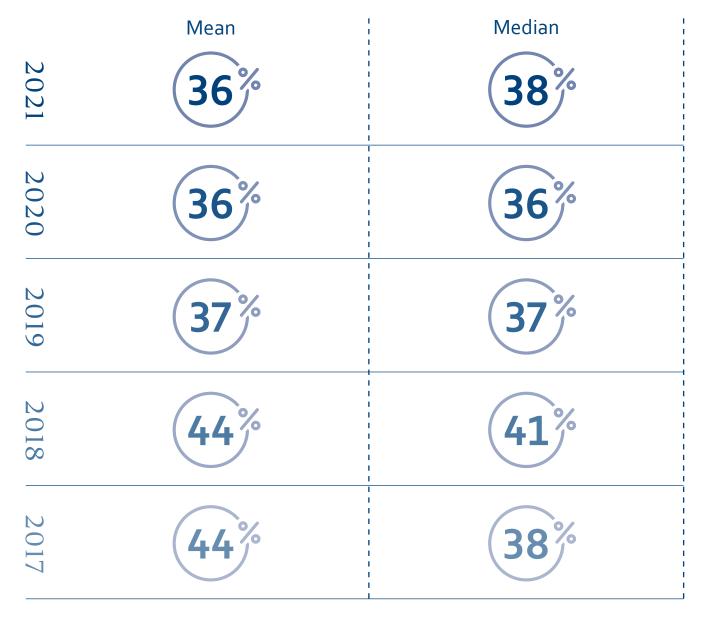
- Support the Southampton City of Culture bid process.
- Support greater diversity with our training partners (e.g. Universities).

The pandemic continues to have a profound impact on our business, but we're committed to keeping diversity and inclusion as the golden thread across everything we do. Life has changed for many of us during the past two years and we're keen to take the lessons learned and incorporate them into our vision for our future ways of working as we emerge from the pandemic.





Mean and median gender pay gap



Narrowing the gap

Since 2017, our mean gender pay gap has reduced by 8% but our median gap has regressed to where we were when reporting began, so there is more to be done. The gender pay gap is an indicator that more male employees are in positions that command higher pay and, to eradicate the gap, we need greater gender balance across the organisation. We know we need to continue increasing the number of women in senior roles in general, but we also need to analyse and address gender representation across the various teams and business areas. For example, males are underrepresented in our call centre and females are underrepresented in maritime, engineering and technical disciplines. We believe these patterns are seen across the industry and require a longer term strategy to address them. We'll therefore work beyond our own organisation, in order to drive change.



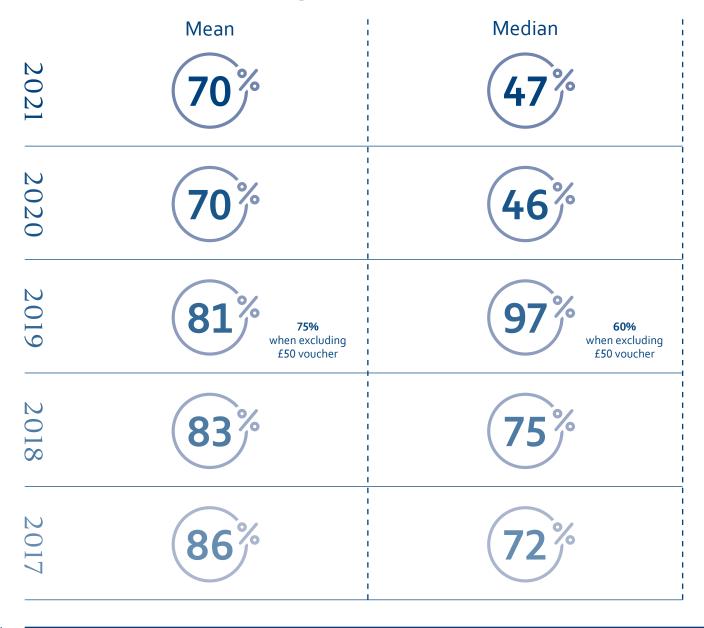
Male:Female ratio quartiles

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.

Quartile	↑: ∱ Ratio (%) April 2017	↑:↑ Ratio (%) April 2020	†:† Ratio (%) April 2021
Lower Quartile	24:76	21:79	20:80
Lower Middle Quartile	27:73	29:71	28:72
Upper Middle Quartile	38:62	43:57	48:52
Upper Quartile	70:30	63:37	61:39

Our goal remains to increase the representation of women at manager level. We have seen a positive 5% swing in the upper middle quartile, but we're yet to achieve significant progress in the upper quartile. We want to see greater balance here, through continuing our inclusive approach to recruitment and progression.

Gender bonus gap



Since the previous reporting year, we have seen no change in the mean bonus gap and a 1% increase in the median bonus gap. There has been a 16% reduction in the mean bonus gap and a 25% reduction in the median gap since reporting began. In 2019 Carnival UK widened the roles that would be eligible for a bonus meaning proportionally more women would be likely to receive this form of payment. Additionally, last year all employees below management level received a discretionary payment. The impact would lower both the male and female averages, but likely affecting the male average more. We're committed to further improving the gap over time by ultimately increasing the number of females in the most senior roles and the number of males in the more junior, bonus paying roles.

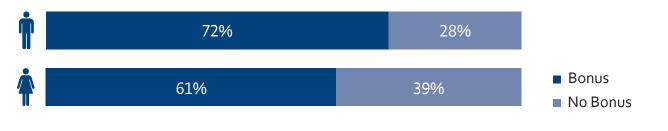
Another noteworthy factor is that due to our operational pause throughout 2020 and early 2021, we were unable to complete an annual pay review. We normally use this opportunity to address inequities across the business, therefore the recent good work into closing of our pay gap has stalled as a result.

Now that our ships are returning to service we will be reinstating our previous pay review approach.



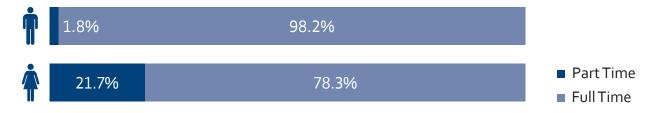
Bonus pay

Employees who were paid bonus



The reportable figures for bonus do not consider hours worked, therefore bonus figures can be adversely affected if one group are more likely to work part-time.

The proportion of bonus recipients who work part-time and full-time



Offering the option to work flexibly encourages inclusion so we'll continue to do so.

When calculating the gender bonus gap, bonuses...

- that have been pro-rated for part time employees remain pro-rated (i.e. they are not increased to their full time equivalent).
- include vouchers, money or securities.
- relate to profit sharing, productivity, performance, incentive or commission.
- include 'token' amounts, e.g. low value vouchers.
- are considered over a 12 month period to April 2020.



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.

Sture Myrmell

President, Carnival UK

