



LOLA'S CUPCAKES

Gender Pay Gap Report 2021



Mission

Lola's began in 2006, when 2 founders (both perfectionists), nurtured their passion for baking, creating a delicious range of cupcakes and cakes to enjoy for every celebration.

We have continued to honour those founding ideas, using only the finest ingredients we can find, and baking everything by hand, creating the most delicious and exciting cakes for all of our customer's celebrations.

Whilst we started in London, we've spread our wings, with stores as north as Birmingham and as south as Brighton. Our nationwide offering lets our customers enjoy Lola's no matter where they are in the UK. No Birthday celebration should be without a fresh and delicious handmade cake!

Our Values

People



Planet



Trust



Quality



People

Everything revolves around our team. We ensure a positive safe and meaningful career at Lola's. We offer training and development schemes, hardship loans, and focus on recruiting internally, to ensure those that work at Lola's get the most out of it.

Planet

We care deeply about the impact that our bakery and delivery vehicles have on the planet. We believe in the importance of constantly enhancing Lola's sustainability in these areas. The values of Sir David Attenborough, namely securing a greener future for future generations, are a source of inspiration and guidance to us and ones that underpin our attitude towards our planet.

Trust

Our customers trust us with their special celebrations, with love one's sending gifts from far flung parts of the globe. Our customers expect the highest quality. We rise to the challenge and ensure we pull all the strings to ensure our cakes arrive perfectly without a hitch.

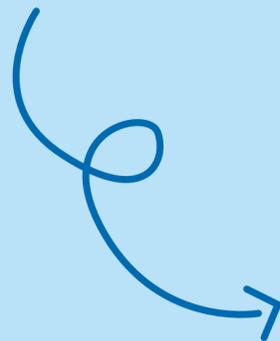
Quality

Since we were founded in 2006, Lola's has always made its products by hand, to ensure our customers receive the very best. In a world where speed and machines are seen as king, we believe in the power of handmade artistry and creativity.

What is the Gender Pay Gap ?

The gender pay gap is the difference between the average earnings of men and women across a workforce.

Since 2017, UK-based companies with more than 250 employees have been required to report their gender pay gap. This involves the following reports.



- 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



Some further explanation

Mean = Adding all the hourly pay rates/bonuses for a gender of employee i.e male or female, by the number of employees in the gender. This can then be compared to the opposite gender. This reveals how the 2 genders earn differently.

Median = This is the middle point between the highest hourly earnings rate and the lowest hourly earnings rate in both genders.

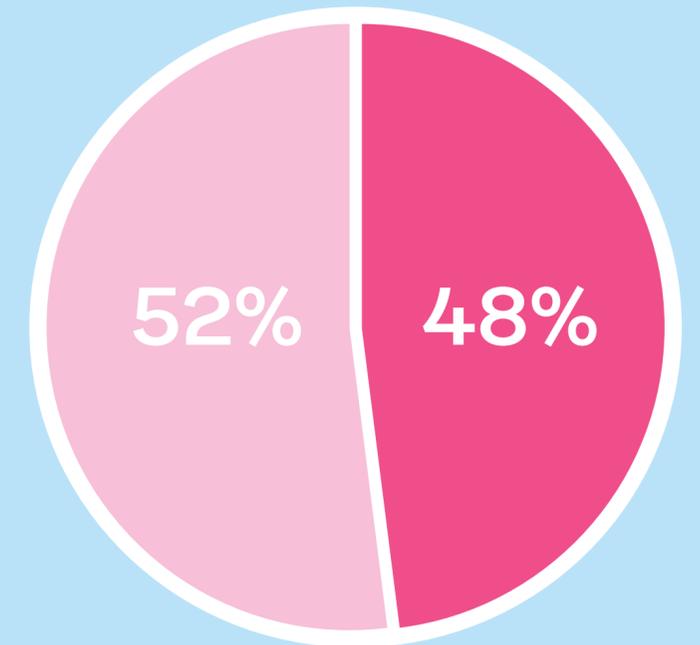


Our Report

Our reporting period is based on the 2021 year from 01/04/21 - 01/03/22

Our Team

Our snapshot date was WK52 i.e last week of 19th March 22, Lola's employed 370 Team Members of which 178 were male, and 192 were female.



Female
Male

1. Quartile Earners

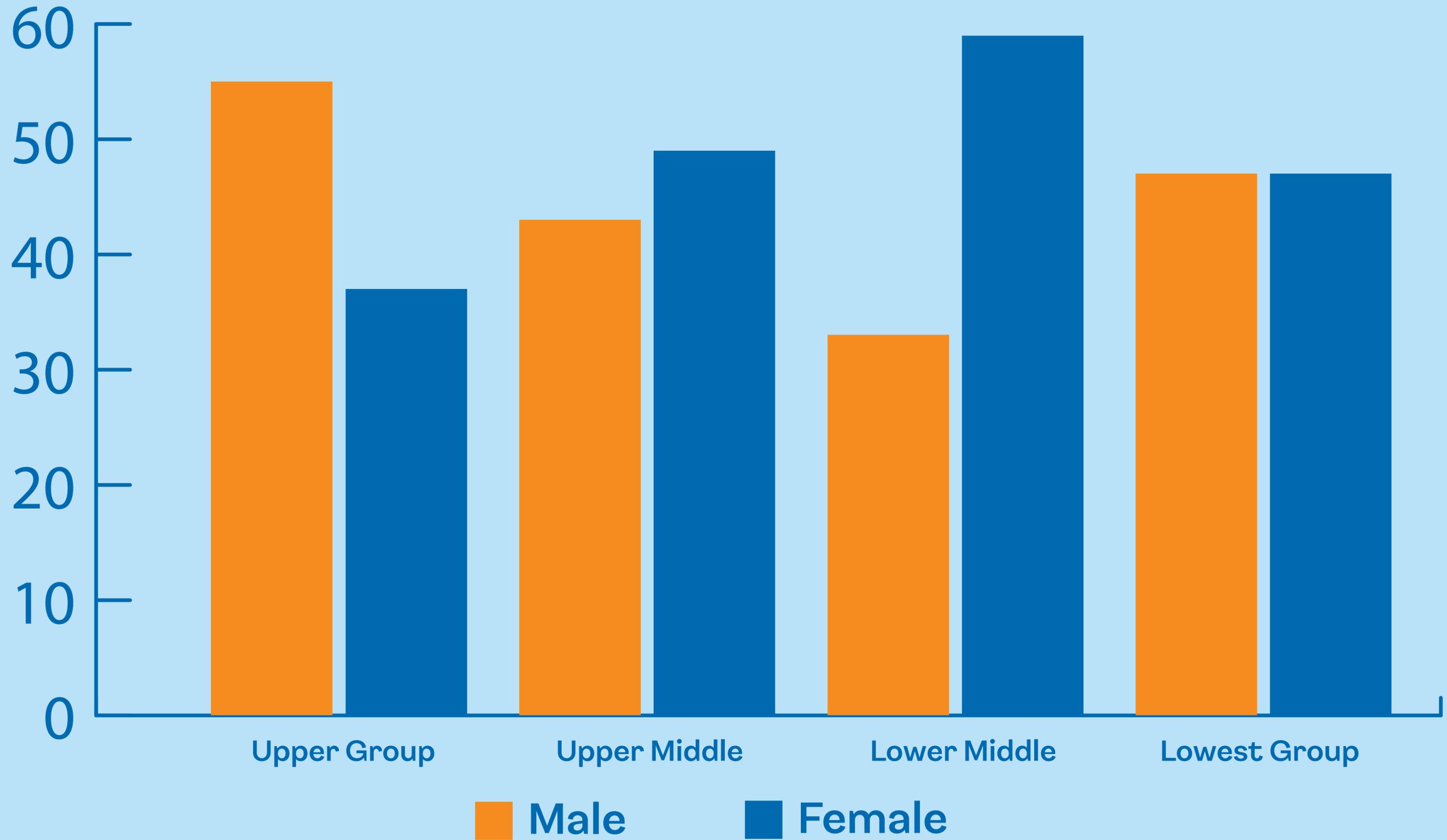
The Quartile report looks at how many men and women are in 4 pay brackets within the company.

The 4 quarters are created by taking the total number of employees $370/4 = 94$ per quarter.

Within the middle earning groups (upper middle and lower middle) there are on average 6.5% more women than men in the upper middle group, and 28.3% more women than men in the lower middle group. In the lowest pay group, there is an even number of men and women. In the upper pay group, there are 20% more men than women.

Quartile Data

| Quartile pay band | Male QTY | Female QTY | Total Number | Male % | Female % | Difference |
|-------------------|----------|------------|--------------|--------|----------|------------|
| Upper | 55 | 37 | 92 | 60% | 40% | 20% |
| Upper Middle | 43 | 49 | 92 | 47% | 53% | -7% |
| Lower Middle | 33 | 59 | 92 | 36% | 64% | -28% |
| Lower | 47 | 47 | 94 | 50% | 50% | 0% |
| Total | 178 | 192 | 370 | 48% | 52% | -4% |



Mean Gap in Hourly Rate

- Based on the hourly rate of all women, divided by the number of female team members, we can obtain an average hourly rate. We then compare this to the average hourly rate of men.
- There is a **14.3% Mean Gender Pay Gap** in hourly pay, which means **on average men earn 14.3% more than women before bonus.**
- That is **£12.52 per hour for men and £10.74 per hour for women, a difference of £1.78 per hour.**

| | Total of hourly rates | No of full time employees | Hourly rate per gender |
|--------|-----------------------|---------------------------|------------------------|
| MALE | 2229 | 178 | £12.52 |
| FEMALE | 2061 | 192 | £10.74 |

Median Gap in Hourly Rate

- The Median takes the mid point, when we add up the number of female employees and work out the middle earning point and then compared to the middle earnings point of male employees.
- The female Median rate or middle earning point was £10.14, and the male Median rate was £10.72, a gap of £0.58p. A Median result of 5.4%, which means that middle earning men, earn 5.4% more than the middle earning female employees.

Bonus Pay

In the period, 150/203 (73.9%) of Women received a bonus. In the same period 140/181 Men received a bonus (77.3%). On average 75.6%, over $\frac{3}{4}$ of the company's team members received a bonus.

The total bonus payout in 2021 was £175,461. On average women earned £490.44 bonus, and on average men earned £727.81 bonus.

The Mean Bonus Average Gender Pay Gap (i.e the average bonus Men received was more than women by) = 32.6%

The Median Bonus average Gender pay Gap was 27.8%, i.e the difference on average between the total bonus pot men received vs the total bonus pot women received.



Analysis/ Review

This is our first gender pay gap report, which as a company we were keen to undertake, in order to better understand our position on this important topic.

Our work force is very diverse, both in gender and ethnicity. From our report we can see specific roles within the business, are preferred by different genders.

This information is useful as we begin to work on closing the gender pay gap that we have identified and we can learn to understand why certain roles are preferred by different genders.

For instance, we see more male bakers, where the role can be more physically demanding. Equally, we see a greater number of men applying for the role of delivery driver, where as, we see less women applying for this role. Whilst not wishing to 'spot-light' we have however seen in the past year, an increase in the number of delivery drivers who are women within the company, which is a very positive thing in order to balance the gender better within this department.

In our bakery, the decorating of our cupcakes and cakes, on the whole tends to be done by a workforce of women. Whilst we do have some men within the decorating team, they are the minority. Again we see a far higher number of women putting themselves forward for this role.

In our stores we see a more balanced gender set taking up the roles, our senior leadership team in the stores is predominantly women, as is the management structure within the bakery, marketing departments and other areas of the company including product development and accounting.



Our report this year shows the highest earning quarter in the company, has slightly more men in than women, reflecting the senior leadership and directors of the company, who have been leading the company for over 10 years. In the middle earning categories, there are more women than men which is positive to see. There is certainly work to be done to improve the results and findings of this report. The Median average is 5.4% within this report, which shows how both men and women are at the middle point of earnings, seeing a similar level of income.

Things we do for our team



Annual birthday cake

Receive £72.50 cake allowance for you birthday each year. Ask your manager to place the order for you.



A 'me' day

Day off for very special occasion. Such as 'First day at school of your child', or similar. Apply to your manager.



Employee of the month

Rewards for employee's of the month. Your manager will notify you of this.



Staff product allowance

Put through till as "staff free cupcake" in bakery / HQ
Manager discretion.



Training & development

Up to £1000 per year on any training or development course. (Must have worked for 1 year).



Hardship loan

Should you require a short term loan in exceptional circumstances, to help you in financial difficulty, please complete this form and the directors will review your request.



Refer a friend

Receive £150 once your referral has worked for 3 months. (Max 4 per year).



Paid birthday off

Must be your birthday, cannot be deferred for a future date / not applicable if store is closed.



Enhanced maternity or paternity pay

Enhanced maternity pay is full pay for first 6 weeks, 50% of average pay for next 33 weeks, 20% of average pay for final 13 weeks. Enhanced paternity pay is 2 weeks at full pay. Eligible to those working for 3 or more years in company.



50% Employee discount

Redeemable on any products online or in-store by showing valid proof. *Voucher code updated monthly.



Cycle to work scheme

Purchase a bike up to the value of £2000 and pay off over 12 months from gross salary (tax efficient).

Conclusion & Plans

- Investigate why some roles are preferred by different genders and identify any barriers that may discourage men or women from applying for a specific role. Once these barriers have been identified, we can work to help our employees overcome these, whether they be a language barrier or a lack of knowledge of senior roles are even available for them to progress to within the business. To indentify these barriers we'll be sending out surveys and feedback forms to all members of our team.
- Once we have identified any such boundaries, we can try to encourage more women into the upper earnings management positions within the company, giving them the information and the resources they need to feel confident in putting themselves forward for such roles.

Declaration:

I confirm this information is accurate.

Asher Budwig
Managing Director
Lola's Cupcakes
22 August 2022