



WHITBREAD

Whitbread's Gender Pay Gap Report 2017

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All UK companies with over 250 employees are required to report on their gender pay gap, this gives us an opportunity to further understand and address gender imbalance in different populations within our workforce.

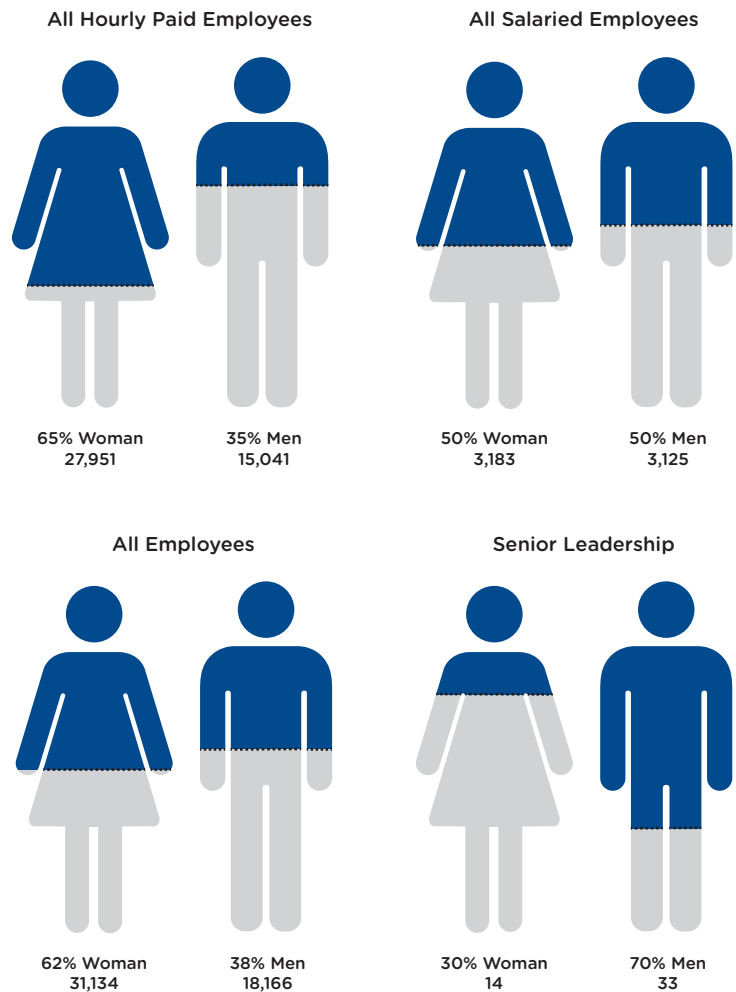
As a customer focused business, Diversity and Inclusion is vital for us. We believe that to put the customer at the heart of everything we do we must ensure that our teams are as diverse as the communities we serve.

Understanding our workforce and our communication to our teams

We are confident that we offer equal pay for equal work across the group and in all roles.

As a hospitality business we have more employees in our site operations relative to our support offices; **96% of our 49,300 UK employees* are employees in customer facing teams** in Operations working in over **3,400 of our outlets** across the country. To cover our operational requirements, 87% of our total workforce are hourly paid and 65% of our hourly paid employees are women. This is further demonstrated in that 50% of our top quartile of employees hold hourly paid operational roles.

Our workforce therefore has a strong bias towards operational roles which are mainly held by women.



*Population taken from all active employees on 1st April 2017

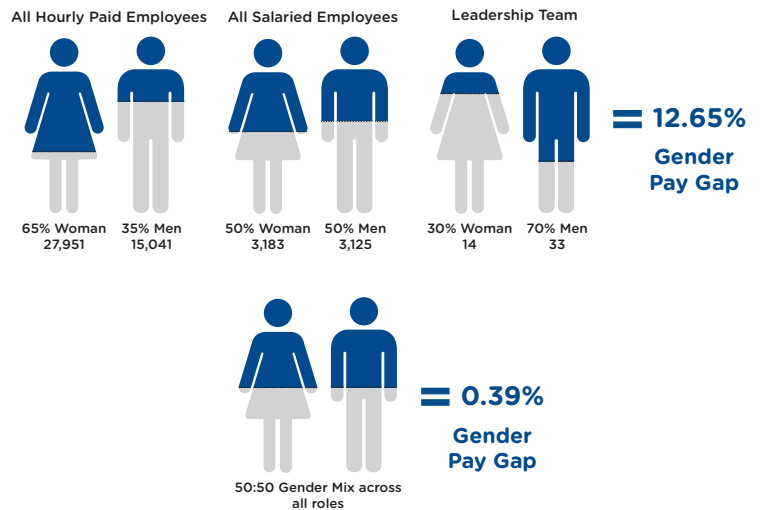
What is the gender pay gap and what is driving it?

The gender pay gap is formed by taking the calculated hourly rate of all women and the calculated hourly rate of all men in our UK business, finding the mean and median and then determining the gap between these numbers across genders.



The Gender Pay Gap

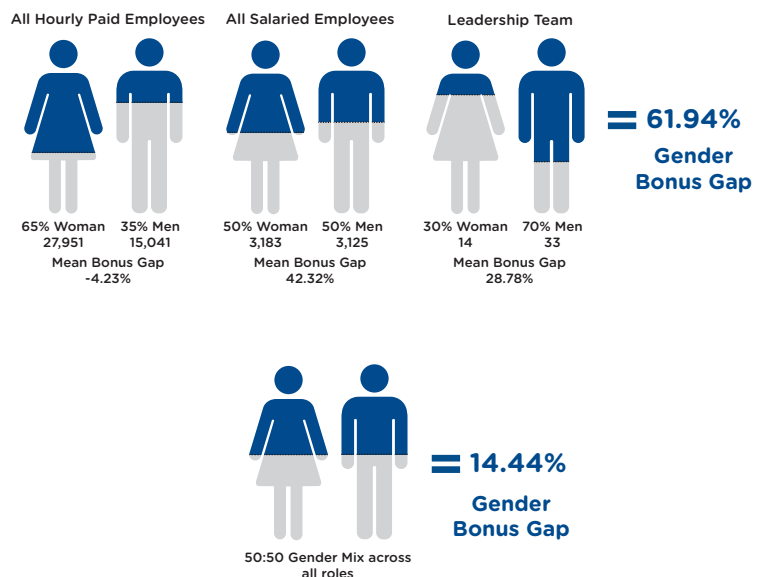
The gender pay and bonus gap is reflective of our minority representation of 27% females in our senior leadership team and a majority representation of 65% women in our customer facing teams. Different roles also require different market driven pay requirements and the representation of men and women in these roles will contribute to a gender pay gap.



We have worked hard to ensure that our people are paid equally for equal work and we are confident that our gap is not an equal pay issue and our analysis shows that if we apply a 50:50 gender mix across our grades, our pay gap would reduce from **12.65% to 0.39%**.

The Gender Bonus Gap

We believe in broad participation in incentive schemes, for as many of our teams as possible; **63.69% Male and 64.4% female** employees across our whole workforce received a bonus payment over the last 12 months, hourly paid and salaried.



Our schemes vary across the types of roles within our businesses and include voucher led schemes for many customer facing roles and senior incentive schemes which compete to attract talent from other FTSE50 businesses. Our Bonus Gap of **61.94%** reflects the weighting of more males in the senior leader bonus schemes.

Our customer facing teams are the largest part of our business and here the bonus gap is **-4.23%** which reflects our majority female workforce of 65% women in hourly paid roles.

If we apply a 50:50 gender mix across our grades our bonus gap would reduce from **61.94% to 14.44%**.

What are we doing to address gender imbalance?

Whitbread is taking measures to address gender balance in senior roles as a core part of our Diversity strategy. At the heart of our philosophy is the belief that our industry is one of the few in which people from any background can flourish and where we can support a career from entry to leadership.

With many women joining Whitbread in customer facing roles, we believe we can be a company that achieves gender parity at the highest level. Currently:

- We have 44% female representation on our main board
- We have over 30% female representation in our Whitbread Leadership Forum, across our top 200 roles and including our female CEO

However we recognise we have much further to go and we will continue to address three main areas:



Address the barriers to progression:

Through internal research we know that a reduction in female representation in our business begins at middle management level. We are taking action through our WOW (“Women of Whitbread”) group to identify and tackle the barriers to progression from this level to our senior management and senior leader positions across Whitbread. Some of these barriers have been identified and include general awareness of how women can progress, which has led us to collaborate with the 30% Club external mentoring programme for this specific population; and flexible working in senior roles, which has led us to review our flexible working approach for all.



Challenge recruitment and succession:

As part of our wider D&I initiative to improve gender, ethnicity and age representation, we challenge ourselves on our external recruitment practices and our succession plans. When recruiting for senior positions we request a diverse slate of candidates with focus on gender and we are working on doing everything we can to ensure balance in our talent pipelines. Within our talent processes we review and report the balance of the succession plans for our senior roles across all functions to ensure long term success.



Set targets and measure:

Across all of Whitbread we promote, respect and value differences to create an inclusive environment. We want to create an environment where there are no barriers to entry and no limits to ambition. Our ability to grow as an organisation depends on our ability to attract, develop and retain diverse teams as we believe that a diverse organisation encourages better innovation and decision making. We are emphasising this belief with the measurement of D&I in a meaningful and transparent way.

We have signed up to the 30% Club and joined their mission to ensure that we have a minimum 30% representation in our senior leadership teams. We take this work seriously and therefore we have broken down targets for each area of the business to address imbalance in a focused and meaningful way.

In addition, we are committed to the recommendations outlined in the Hampton Alexander Review, November 2016, which include:

- Targets for number of women in leadership positions
- Gender balance reporting at all organisational levels
- Work with our external partners to address gender balance outside of our organisation
- In addition to our internal practices, we will continue to apply expectation to external search firms to assist us in bringing female senior leaders into our teams.

Statutory disclosures

Whitbread All Entities is an additional figure, not legally required, which combines Whitbread Group Plc and Costa Ltd

Entity	Pay Gap		Bonus Gap	
	Mean	Median	Mean	Median
Whitbread All Entities	12.65%	5.45%	61.94%	7.72%
Whitbread Group Plc	14.83%	6.63%	67.32%	0.00%
Costa Ltd	7.36%	0.00%	38.48%	3.84%

Whitbread Group PLC	Male	Female	Costa Ltd	Male	Female
% Receiving Bonus	53.07%	52.16%	% Receiving Bonus	88.44%	90.31%

Whitbread Group PLC	Proportion of males and females in each quartile band		Proportion of Hourly and Salaried	
	Female	Male	Hourly	Salaried
Top Quartile	42.73%	57.27%	52.16%	47.84%
Upper, Middle Quartile	53.19%	46.81%	94.73%	5.27%
Lower, Middle Quartile	75.08%	24.92%	99.51%	0.49%
Lower Quartile	72.95%	27.05%	99.78%	0.22%

Costa Ltd	Proportion of males and females in each quartile band		Proportion of Hourly and Salaried	
	Female	Male	Hourly	Salaried
Top Quartile	57.78%	42.22%	46.81%	53.19%
Upper, Middle Quartile	65.19%	34.81%	95.14%	4.86%
Lower, Middle Quartile	65.87%	34.13%	99.74%	0.26%
Lower Quartile	64.55%	35.45%	100.00%	0.00%

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	Means (The average of numbers)	Median (The middle of numbers)	UK Average Median	UK Average Mean
Whitbread All Entities	Mean	Median	Mean	Median
Gender Pay Gap	12.65%	5.45%	18.1%*	Not yet reported
Gender Bonus Gap	61.94%	7.72%	Not yet reported	Not yet reported

Whitbread All Entities	Proportion of males and females in each quartile band		Proportion of Hourly Rate VS Salaried in each quartile band	
	Female	Male	Hourly	Salaried
Top Quartile	49.44%	50.56%	49.96%	50.04%
Upper, Middle Quartile	56.54%	43.46%	95.57%	4.43%
Lower, Middle Quartile	69.26%	30.74%	99.40%	0.60%
Lower Quartile	71.64%	28.36%	99.85%	0.15%

Whitbread All entities	Male	Female
% Receiving Bonus	63.69%	64.40%

*<https://www.gov.uk/government/news/gender-pay-gap-reporting-goes-live>

I confirm that the Gender Pay and Bonus Gap calculations and the data provided for Whitbread Group PLC and Costa Ltd are accurate.

Louise Smalley

Group HR Director

