

WHITBREAD PLC

WHITBREAD



GENDER PAY GAP
REPORT 2021



INTRODUCTION

We are committed to driving positive change to enable us to be more inclusive, and demonstrate that we value difference



RACHEL HOWARTH, CHIEF PEOPLE OFFICER

Diversity and Inclusion is a key part of who we are as a business, and forms part of our commitment to being a Force for Good, under our 'Opportunity' pillar. As part of our Diversity & Inclusion (D&I) commitments, transparency around our pay gap reporting and our action plans is an important part of how we continue to champion inclusion and drive diversity within Whitbread.

Our 2021 pay gap is based on unusual circumstances. Due to the pandemic, in April 2021 the majority of our sites were closed and 82% of our teams were on furlough. This has resulted in an increase in our mean Gender Pay Gap to 21%. In this report, it is explained in detail why this figure is unrepresentative.

Our robust action plans explained on page six are based on our Diversity and Inclusion commitments – we know these are making the difference and will continue to drive change in the coming months and years.

I am proud to be part of a business where being a force for good is so important, and as part of this is committed to driving greater diversity and championing inclusion.

Rachel Howarth

RACHEL HOWARTH
CHIEF PEOPLE OFFICER
March 2022



HEMANT PATEL, EXECUTIVE SPONSOR FOR GENDER EQUALITY

I am proud to be the Executive Sponsor for the newly formed Gender Equality Network. Whilst gender diversity is very important, my passion extends to all under-represented groups.

Having representation from every group is important to ensure we have the best talent, and therefore the best people and business performance. Our guests are incredibly diverse, and mirroring this diversity in our teams helps us to make the best decisions on their behalf.

Part of our Diversity and Inclusion commitments are our stretching 2023 representation targets, across both gender and ethnicity. We want to have a representative workforce, at all levels, and these targets are one measure we have taken to ensure we are representative of both women and ethnic minorities in our most senior roles.

By monitoring our progress year by year, we can demonstrate that we value difference and champion greater diversity in years to come.

Hemant Patel

HEMANT PATEL
EXECUTIVE SPONSOR FOR GENDER EQUALITY
March 2022

UNDERSTANDING OUR 2021 GENDER PAY GAP

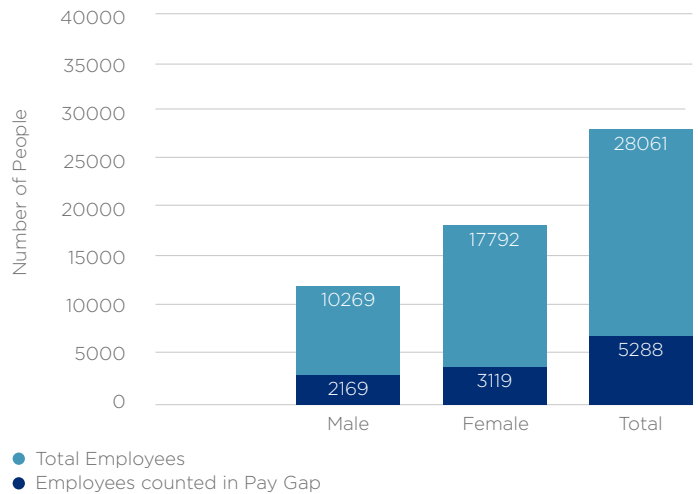
April 2021 was a difficult month for hospitality. In Whitbread, our our sites were closed due to restrictions, and 82% of our teams were on furlough.

This has significantly impacted our Gender Pay Gap for 2021, as 21,500 of our teams were on furlough and therefore removed from the calculation. Of the 5,000 who were working, these were mainly salaried managers and Support Centre, meaning an artificial shift in the mix of our teams.

Whilst our reported mean Gender Pay Gap for 2021 is 21%, based on our analysis and including those on furlough, a more representative pay gap is circa 11%, which is similar to our 2020 Gender Pay Gap.



GENDER MIX OF PAY GAP VS TOTAL POPULATION



As an inclusive organisation, we recognise all gender identities, and understand that not all our teams will identify as male or female. For the purposes of this reporting we follow the government guidance which only accepts binary genders.

Our gender pay gap continues to be driven by the structure of our employee base, with a significantly higher mix of women within our hourly paid roles, and our senior leadership roles having a more male representation.

We recognise that the flexibility and availability of hours in our hourly paid roles is often disproportionately attractive to women, which is a key driver of the female representation in our relatively lower paid roles. This is the key driver of our pay gap which is inherent in our business model, and structurally difficult to change.

At a senior level we recognise that whilst we have made some positive shifts in representation, we have more to do. We were very proud to be recognised in the FTSE Women Leaders 2021 Index in the top 10 for our Executive/Direct Reports female representation.

Our action plan to address our gender pay gap continues to focus on driving our Diversity and Inclusion commitments, through addressing the barriers that exist for our teams, creating a culture of inclusion where our teams can be their best selves, whilst driving diversity, particularly at a senior level.

WHAT IS A PAY GAP?

GENDER PAY GAP REPORTING EXPLAINED

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.

A gender/ethnicity pay gap is not the same as an equal pay gap. Equal pay is the pay difference between different people who carry out the same or similar jobs. Our Pay Gaps are concerned with the difference in the average pay between different groups over a period of time no matter what their role is. **We firmly believe in equal pay for equal work and conduct equal pay audits across both gender and ethnicity every year.**

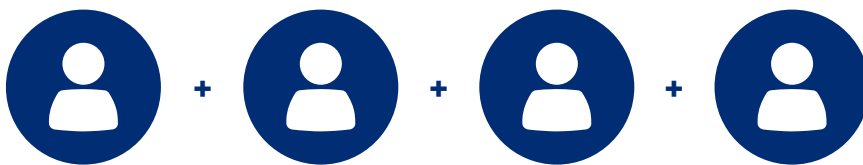
We are confident that across Whitbread, we have the frameworks in place to ensure there is no bias in our pay practices.

MEAN

The mean is calculated by taking the average pay of all of our male employees and compare this to the average pay of our female employees.



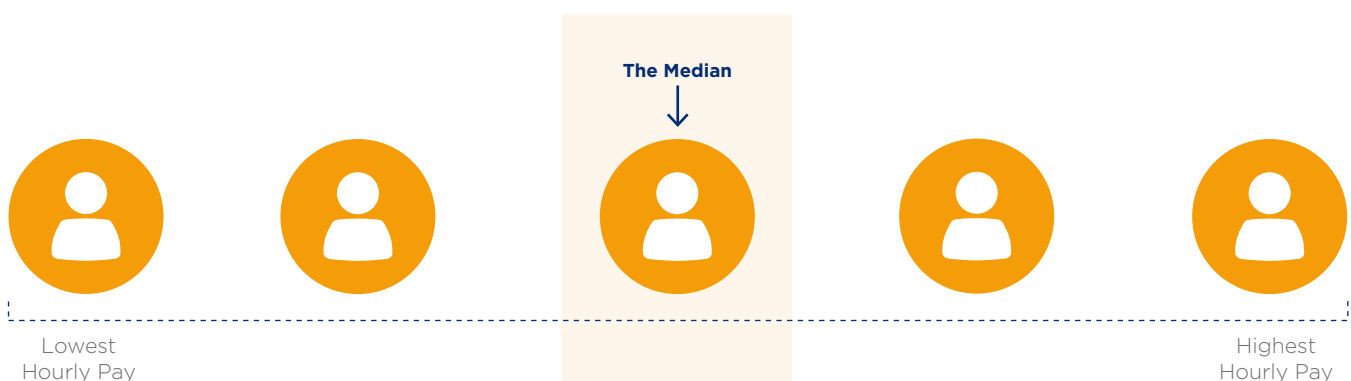
$$\frac{\text{Total Hourly Rate Of All Women}}{\text{Number Of Women}} = \text{Mean (Average) Hourly Pay Women}$$



$$\frac{\text{Total Hourly Rate Of All Men}}{\text{Number Of Men}} = \text{Mean (Average) Hourly Pay Men}$$

MEDIAN

If we were to line up our male and female employees separately from the lowest to the highest paid then the pay of the employee in the middle is the median. The median pay gap is the difference between the middle male employee and female employee.



OUR ACTION PLAN DRIVING CHANGE THROUGH GREATER REPRESENTATION

Our Diversity & Inclusion Commitments are tangible actions that will help us become more diverse and more inclusive

The 2021 Gender Pay Gap Report provides information on the measures we are taking to address our imbalance in gender representation. We know this is only one way individuals may identify, and our Diversity & Inclusion strategy is much broader than this.

OUR DIVERSITY COMMITMENTS



OUR INCLUSION COMMITMENTS



Diversity & inclusion continues to be a core part of our Force for Good strategy, highlighting our aim to drive D&I through our diversity commitments, including:

- › To have greater diversity in our leadership population, with a target of 8% ethnic minority and 40% female representation by 2023 (UK specific). Underpinning these targets are our recruitment and selection practices, and a commitment to developing future leadership talent.

However, we believe true diversity can only be achieved by creating a culture of inclusion at all levels at Whitbread, therefore we aim to champion inclusion through our following inclusion commitments:

- › Mandatory education for our leadership teams, enabling their fluency around diversity and inclusion
- › Amplifying the voices of minority groups through active inclusion networks, in particular our new Gender Equality Network and our Race Religion and Cultural Heritage network
- › Reviewing our policies and practices to make sure they are inclusive of minority groups, and most importantly deconstruct any existing or historical barriers for minority groups that our policies or practices may have created
- › Celebrating key events throughout the year

WHAT WE HAVE ACHIEVED THIS YEAR

Whilst we acknowledge we have more to do, we are pleased with what we have achieved so far.

INTRODUCING OUR GENDER EQUALITY NETWORK



Our aim is to create an environment at Whitbread where, whatever your gender identity, we have consistency in our equality of representation, reward and opportunity. We recognise individual experiences of all and welcome women, men and those who are gender diverse.

Executive Sponsorship is provided by



RACHEL HOWARTH
CHIEF PEOPLE OFFICER



HEMANT PATEL
CHIEF FINANCIAL OFFICER

This year we have focused on understanding what we can do to create an environment where all genders are able to bring their best selves to work. We have:

- › **Created a new Gender Equality Inclusion Network**
- › **Launched a workplace guide to menopause**
- › **Listened to our teams about specific issues such as gender related health, flexibility and family friendly policies**
- › **Celebrated key events throughout the year relevant to gender, including International Women's Day, International Non-Binary Day, International Men's Day and Trans Awareness Week.**
- › **We are proud to have four Inclusion Networks across Whitbread, driving our D&I commitments through amplifying the voices of our under-represented groups.**



One key action for 2022 will be to focus on developing an internal talent pipeline that will drive greater female representation at senior levels, through mentoring sponsorship and development programmes for our high potential talent.

We will continue to build on this progress in 2022. We know we have more work to do, and together we are committed to driving positive change to enable us to be more inclusive, and demonstrate that we value difference.



STATUTORY DISCLOSURES

	PAY GAP		BONUS GAP	
	MEAN	MEDIAN	MEAN	MEDIAN
Whitbread Plc	21.53%	3.04%	26.2%	36.88%

WHITBREAD PLC	MALE	FEMALE
*% Receiving bonus	42%	30%
% Salaried receiving bonus	76%	83%

WHITBREAD PLC	PROPORTION OF MALES & FEMALES IN EACH QUARTILE BAND %		PROPORTION OF HOURLY RATE VS SALARIED IN EACH QUARTILE BAND	
	FEMALE	MALE	HOURLY	SALARIED
Top Quartile	50.2%	49.8%	0.0%	100%
Upper Middle Quartile	52%	48%	56%	44%
Lower Middle Quartile	49.2%	50.8%	97.7%	2.3%
Lower Quartile	84.4%	15.6%	99.7%	0.3%