

WHITBREAD PLC

WHITBREAD



GENDER & ETHNICITY
PAY GAP REPORT 2022



INTRODUCTION



INTRODUCTION BY RACHEL HOWARTH, CHIEF PEOPLE OFFICER

I am encouraged that our mean Gender Pay Gap has continued to improve since our last representative reporting in 2020. Our 2022 mean Gender Pay Gap is 9.8%, a reduction of 1.85 percentage points from our 2020 report, and our median Gender Pay Gap is 5.21%. The reduction in this gap is largely attributed to the significant pay increases we have awarded, over the last 12 months, for our hourly paid team members. This is explained in more depth on page 5.

In addition to this, we are proud to have increased our female representation in our senior leadership population to 43%, which has led to Whitbread being named in the Top 10 in the last FTSE Women Leaders report. We have a stretching target to get to 45% female representation in our leadership population by 2026, which will continue to drive our progress.

This year, our mean Ethnicity Pay Gap is -2.57%, and our median Ethnicity Pay Gap is -3.72%. It is fantastic news that overall within Whitbread, we have no Ethnicity Pay Gap when we compare white colleagues with all other ethnic groups. The slight negative gap is due to higher levels of ethnic diversity in areas of higher pay (e.g. London and the South East). This is explained in more depth on page 7.

We recognise that for our Ethnicity Pay Gap, these statistics cover all ethnicities, and we are aware that within these different communities there are different pay gaps and different experiences. We are committed to driving change through greater representation, and our targets for ethnic minorities in leadership roles (8% representation by 2023, rising to 10% by 2026) will continue to drive change.

You will find out more about our pay gap analysis, as well as the work we're doing to build an inclusive culture, in the report that follows.

Rachel Howarth

RACHEL HOWARTH
CHIEF PEOPLE OFFICER
30 September 2022

CREATING AN INCLUSION CULTURE THROUGH OUR COLLEAGUE NETWORKS

GENDER EQUALITY



We are extremely proud to be part of our Gender Equality Network here at Whitbread. Since our launch one year ago, our Gender Equality network has continued to grow and become a collective voice to influence change across our business.

Over the last year we've focussed on our celebrations for International Women's Day, listened to our teams about areas of importance to them, and used this to set ourselves up with key areas of focus that are relevant for our teams and Whitbread.

Our areas of focus are Family, Flexibility and Gender Related Health.

Our inclusion networks have an important role - to drive change, and bring together our diverse Whitbread family. 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.

We encourage all our teams to join us - to find out more, please join our Yammer Group by clicking [here](#), or check out the Diversity and Inclusion hub [here](#).

NATHAN BATTLE AND SALLY KING
NETWORK LEADS - GENDER EQUALITY NETWORK



RACE, RELIGION AND CULTURAL HERITAGE



The Race, Religion and Cultural Heritage Network's mission is to improve experiences and outcomes for under-represented minority groups, giving them a platform and forum where they can be their authentic selves, whilst educating & recruiting allies to help build a better tomorrow for Whitbread.

The network is committed to driving meaningful change which is purposefully inclusive and supports our workforce from diverse backgrounds.

We do this by:

- › Listening to our minority groups
- › Amplifying minority voices
- › Consulting on policies that affect minority groups
- › Celebrating what makes us different

Over the last 12 months, we've celebrated Diwali, Ramadan, Eid, Race Equality Week, Black Inclusion Week and more. We've looked at improving canteen options for Support Centre. We've led listening groups to deepen Whitbread's understanding of the experiences of our Black colleagues, and are working in close partnership with the business around the ongoing actions in this area.

Representation of our ethnically diverse colleagues, particularly in more senior roles, continues to be a key priority for our business, and as a network we look forward to continuing to play our part to create equitable opportunities for development and progression. We've still got a long journey ahead, but we're proud of the work achieved so far.

We encourage all our teams to come and join us. To find out more, please join our Yammer Group by clicking [here](#), or check out the D&I hub [here](#).

ARASH KANG AND YASMIN MUKHIDA
NETWORK LEADS - RACE, RELIGION AND CULTURAL HERITAGE NETWORK



WHAT IS A PAY GAP?

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

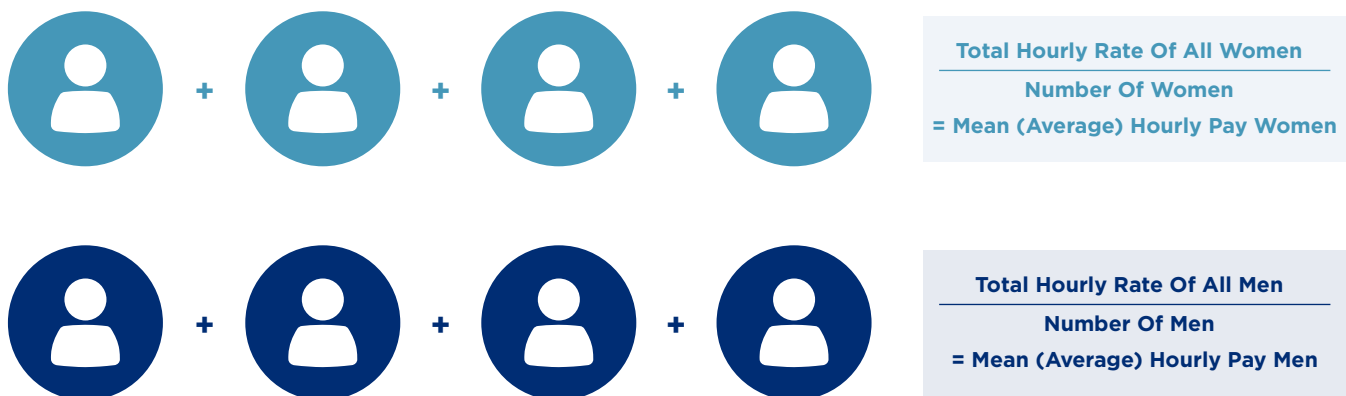
the gap between these numbers across genders.

For our ethnicity pay gap, we have used the same approach, comparing ethnically diverse colleagues with white colleagues.

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.

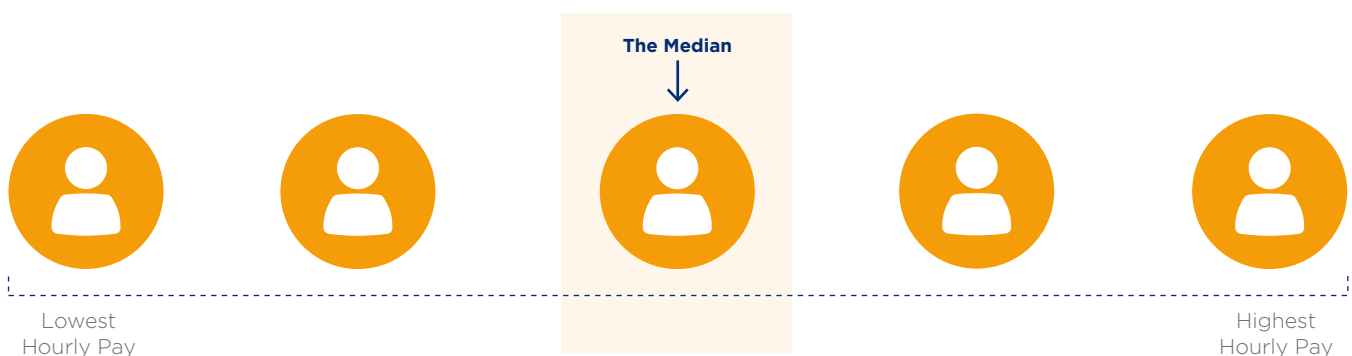
MEAN

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. We do the same with ethnically diverse and white colleagues.



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. We do the same with ethnically diverse and white colleagues.



UNDERSTANDING OUR 2022 PAY GAP: GENDER

Our 2022 mean Gender Pay Gap has reduced by 1.85 percentage points from our last representative pay gap report in 2020, to 9.8%.

This reduction in pay gap in this time has been driven by two things:

- › **We are proud that we have made a significant investment into pay to our site based teams. The total percentage pay increase that has been awarded to our site based teams, in particular our hourly paid colleagues, is higher than the standard increase that everyone else received during this time. As our hourly paid team members have more female representation, this has reduced our pay gap.**
- › **Our female representation in senior leadership during this time has increased, from 34% in 2020 to 43% in April 2022. This has also had a positive impact, reducing our pay gap.**

The remaining mean pay gap of 9.8% continues to be driven by the structure of our employee base, with a significantly higher mix of women within our hourly paid roles. 67% of our front line teams are female vs 49% of our salaried managers in Operations, and 43% of our senior leadership roles.

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, structurally difficult to change and has increased slightly from 65% in the last three years.

By contrast, at Support Centre we have a larger mean Gender Pay Gap which is driven by fewer females in our largest, most senior roles, particularly in functions such as IT, Finance and Property. In these areas, we continue to focus on representation, through recruitment and talent pipelining, alongside creating an environment where people of all gender identities can be their best.

OUR GENDER BONUS PAY GAP

As part of our 2022 Gender Pay Gap Reporting, bonuses paid in May 2021 were included in this calculation. This was a highly unusual bonus payment, driven by the pandemic, where a one off payment was given to a larger number of colleagues, including a large proportion of hourly paid team members, to acknowledge exemplary efforts during the previous pandemic hit year. We are proud to have given these payments, which were fantastic news for all our teams and very well received. Due to the structure of our workforce, with more females in our hourly paid roles, this has driven an exceptional increase in our Gender Bonus Pay Gap, to 72.68%. The nature of the bonus is incomparable with previous payments, based on a different group of colleagues receiving this payment.

GENDER IDENTITY

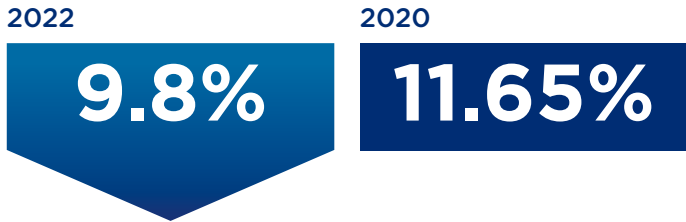
As part of our commitments to inclusion, we take our responsibility towards our non-binary and gender-fluid colleagues very seriously and are proud to be a recognised Stonewall Gold Employer in 2021. Gender Pay Gap regulations mean we must identify our colleagues as men and women: however, we actively support our teams of all gender identities through our inclusion strategy and our LGBTQ+ inclusion network GLOW. You can find out more about GLOW in our Diversity and Inclusion report, available on the Whitbread website.



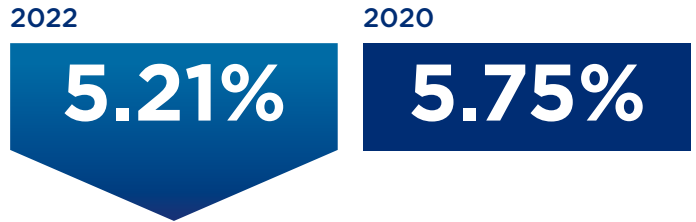
UNDERSTANDING OUR 2022 PAY GAP: GENDER IN NUMBERS

Due to 2021 reporting being an unrepresentative year, comparisons are vs 2020 pay gap reporting.

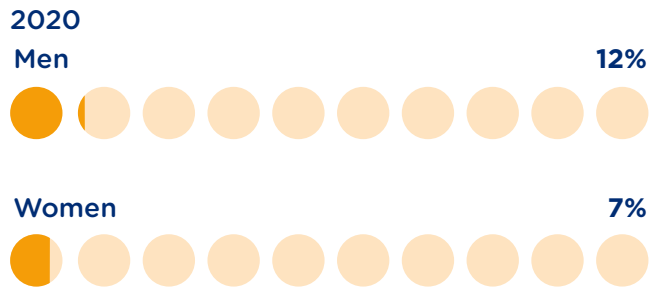
MEAN GENDER PAY GAP



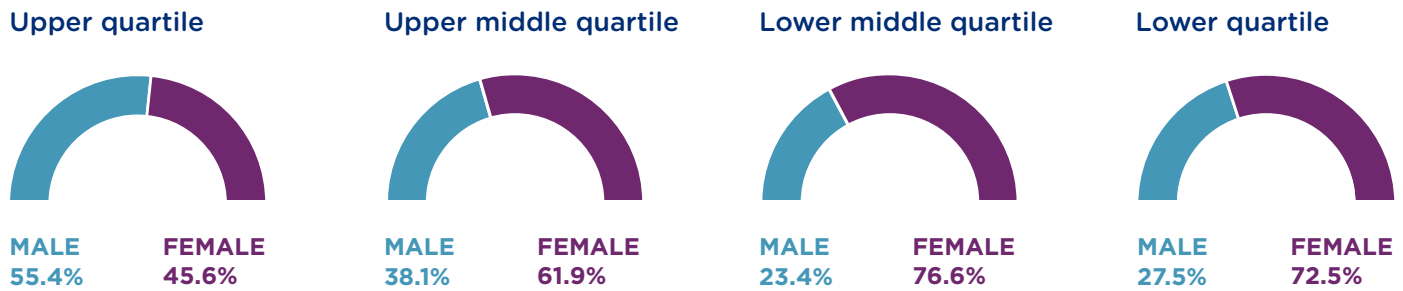
MEDIAN GENDER PAY GAP



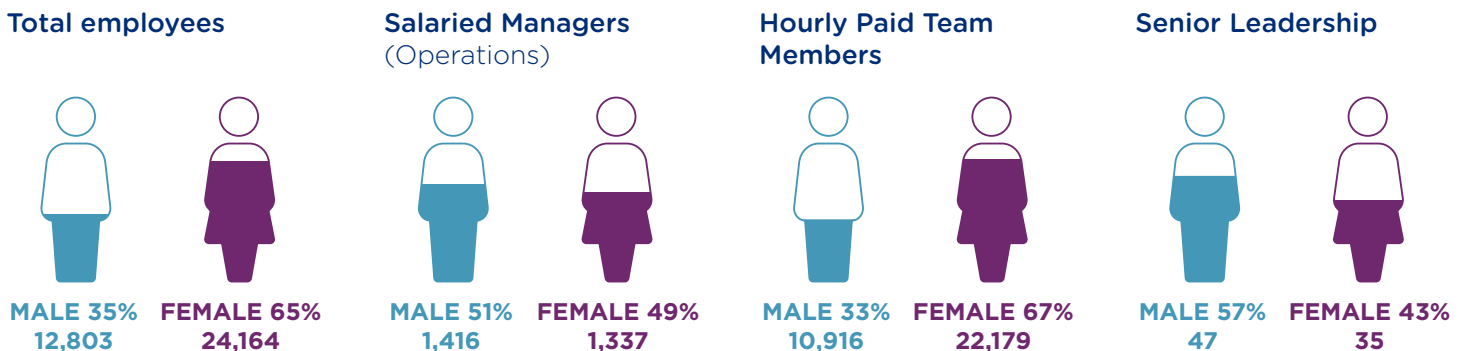
COLLEAGUES RECEIVING A BONUS



PROPORTION IN EACH QUARTILE BAND 2022



THE MAKE UP OF OUR WORKFORCE



UNDERSTANDING OUR 2022 PAY GAP: ETHNICITY

Overall, we have no mean Ethnicity Pay Gap when we compare our ethnic minorities with white colleagues across the whole of Whitbread.

The analysis does show that within our Premier Inn and Restaurants sites, our ethnic minority groups do not have a pay gap to white colleagues. In fact, within our sites we have very small pay gaps favourable to our ethnic minority groups, with a gap of -2.57%. This is due to many of our ethnically diverse team members working in areas such as London and the South East, which will result in higher average pay, as we pay a premium hourly rate in these locations. This contributes to the lack of ethnicity pay gap within our site operations.

Within our UK Support Centre, in a similar way to gender, we have larger mean ethnicity pay gap, driven by a higher mix of Black, Asian, mixed ethnic or other ethnicity team members in our more junior roles; whereas we have a higher mix of white colleagues in our highest paid roles, mainly within our senior leadership population. In these areas, we continue to focus on representation, through recruitment and talent pipelining, alongside creating an environment where people of all cultures, backgrounds and ethnicities can be their best.

VOLUNTARY DISCLOSURE

We are proud that across Whitbread, 89% of our UK based teams have told us their ethnicity voluntarily. This is a great indication of the special culture that we have in Whitbread, based on trust and transparency. When compared to pre-pandemic, our disclosure rate has increased, which correlates with our increased focus on Diversity and Inclusion and our visible commitments. This high level of disclosure across the business allows us to create our ethnicity pay gap and share the insights and actions with our teams.



MEAN ETHNICITY PAY GAP

2022



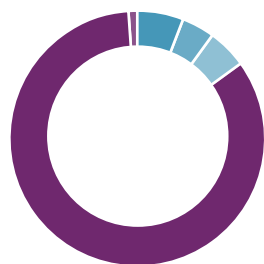
MEDIAN ETHNICITY PAY GAP

2022

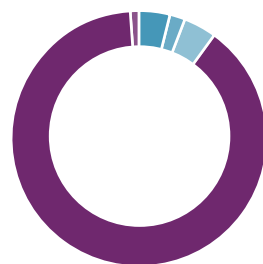


THE MAKE UP OF OUR WORKFORCE

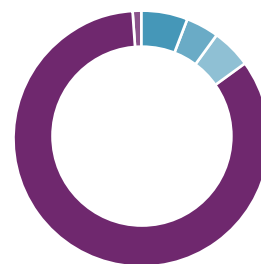
Total employees



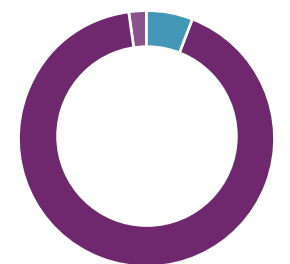
Salaried Managers (Operations)



Hourly Paid Team Members



Senior Leadership



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 2022 Gender and Ethnicity Pay Gap Report provides information on the measures we are taking to address our imbalance in representation. We know gender and ethnicity are two ways individuals may identify, and our Diversity & Inclusion strategy recognises more than this, allowing a broader and intersectional focus.

OUR DIVERSITY COMMITMENTS



Targets for senior leadership population



Targets for middle management population



Invest in a diverse talent pipeline



Collect data to understand how our teams identify

OUR INCLUSION COMMITMENTS



Equip our teams to be confident and capable in D&I



Active networks that give minority groups a voice



Review our policies and practices



Celebrate key events

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) rising to 10% and 45% by 2026. Underpinning these targets are our recruitment and selection practices, and a commitment to developing future leadership talent.

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 Gender Equality Network and our Race Religion and Cultural Heritage network, both sponsored by individuals from our Executive Committee
- › 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

This year has been a year of continuing our progress, both in terms of representation as well as championing greater inclusion, across all under-represented communities.



Sponsored by our Gender Equality Network, we have:

- › We are proud to have signed the Wellbeing of Women Menopause Pledge, and are committed to becoming a menopause friendly employer. This is an independent accreditation to ensure we are supporting those transitioning through menopause while at work.
- › Made measurable progress against our diversity targets in leadership, from 34% female representation in 2020 to 43% in April 2022. Our targets of 40% representation by end of 2023, extending to 45% in 2026, which are aligned to Executive remuneration, will ensure our focus will continue.
- › Celebrated key events throughout the year relevant to gender, including International Women's Day, International Non-Binary Day, World Menopause Day, International Men's Day and Trans Awareness Week.

Sponsored by our Race, Religion and Cultural Heritage Network, we have:

- › Completed a programme of listening with our Black community, to understand their experience of working at Whitbread, additional barriers they face and what we can do to remove them.
- › Made measurable progress against our diversity targets in leadership, with 6% representation in April 2022. Our targets of 8% representation by end of 2023, extending to 10% in 2026, which are aligned to Executive remuneration, will ensure our focus continues.
- › Celebrated key events throughout the year including Diwali, Ramadan, Eid, Windrush Day, Black Inclusion Week and Black History Month.

We will continue to build on this progress in 2022 and 2023. Our plans for the upcoming year include a strengthened approach to talent development, pipelining of talent with a focus on diverse talent from under-represented backgrounds, particularly at our Support Centre where we see our larger pay gaps.

We are proud to have four Inclusion Networks across Whitbread, driving our D&I commitments through amplifying the voices of our under-represented groups.

STATUTORY DISCLOSURES

	PAY GAP		BONUS GAP	
	MEAN	MEDIAN	MEAN	MEDIAN
Whitbread Plc	9.81%	5.21%	72.68%	31.96%

WHITBREAD PLC	MALE	FEMALE
% Receiving bonus	51.75%	51.69%
% Salaried receiving bonus	77.64%	81.71%

WHITBREAD PLC	PROPORTION OF MALES & FEMALES IN EACH QUARTILE BAND		PROPORTION OF HOURLY RATE VS SALARIED IN EACH QUARTILE BAND	
	MALE	FEMALE	HOURLY	SALARIED
Upper Quartile	54.4%	45.6%	60.3%	39.7%
Upper Middle Quartile	38.1%	61.9%	96.3%	3.7%
Lower Middle Quartile	23.4%	76.6%	99.9%	0.1%
Lower Quartile	27.5%	72.5%	99.3%	0.7%

I confirm that the gender pay and bonus gap calculations and the data provided for Whitbread Plc are accurate.

Rachel Howarth

RACHEL HOWARTH
CHIEF PEOPLE OFFICER
30 September 2022