



WHITBREAD

Whitbread's Gender Pay Gap Report 2019

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The Whitbread Gender Pay Gap report for 2019 is our first as a focused international hotel business following the sale of Costa (in January 2019). Comparisons with the 2018 report for the Whitbread group including Costa employee data will not therefore form part of the commentary this year.

Statutory disclosures can be found on page 8.

Foreword from Louise Smalley, HR Director

We have made a commitment to put diversity at the core of our business agenda with an aim to become the most inclusive hospitality business. We recognise the importance of our team members being as diverse as the customers we serve and the communities we are a part of. We want to create industry leading employee experiences in hospitality, where all of our team members can be their best and achieve their full potential at Whitbread.

We are proud that women who work at Whitbread continue to be successful at all levels in our organisation, including senior levels where:

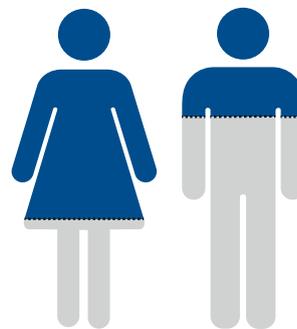
- We have over 35% female representation in our Whitbread Leadership Forum (our top c. 100 roles)
- We have a female CEO
- We have over 64% female representation in our total workforce

As this is our first year presenting our gender pay gap report as a focused international hotel business, we have taken the opportunity to reset, review and understand where our specific priorities now lie; to develop a dedicated and clear plan to improve diversity and inclusion at Whitbread at all levels of our new organisation.

As a hospitality business the majority of our employees work in our hotels and restaurants. These roles are fundamental to the success of our business, delivering outstanding service to our customers and driving operational performance. As a result, 96% of our c. 35,000 UK employees hold roles within our c. 1,230 hotels and restaurants across the country. 89% of our total workforce are hourly paid and within this population, 66% are women. Conversely, in our most senior roles 35% are females. This relative difference in the distribution of our female talent across the company impacts our gender pay gap.

We are confident that our gap is not an equal pay issue and we continue to apply gender equality audits across our workforce. We believe in equal pay for equal work across Whitbread in all our roles and we understand that our gender pay gap is driven by the distribution of women across our workforce. As a response to this, we are striving to achieve gender balance across grades and within functions; ensuring diverse teams at all levels of our business.

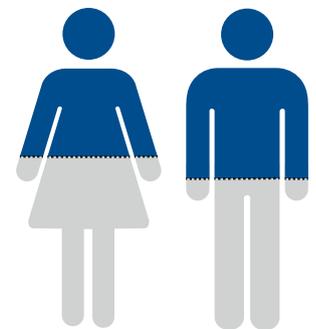
All Hourly Paid Employees



66% Women
20,909

34% Men
10,671

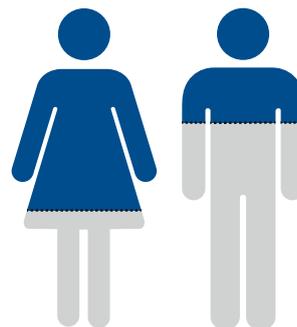
All Salaried Employees



47% Women
1,768

53% Men
2,032

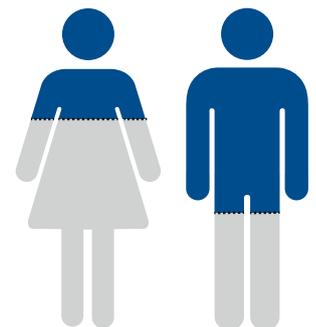
All Employees



64% Women
22,677

36% Men
12,703

Senior Leadership

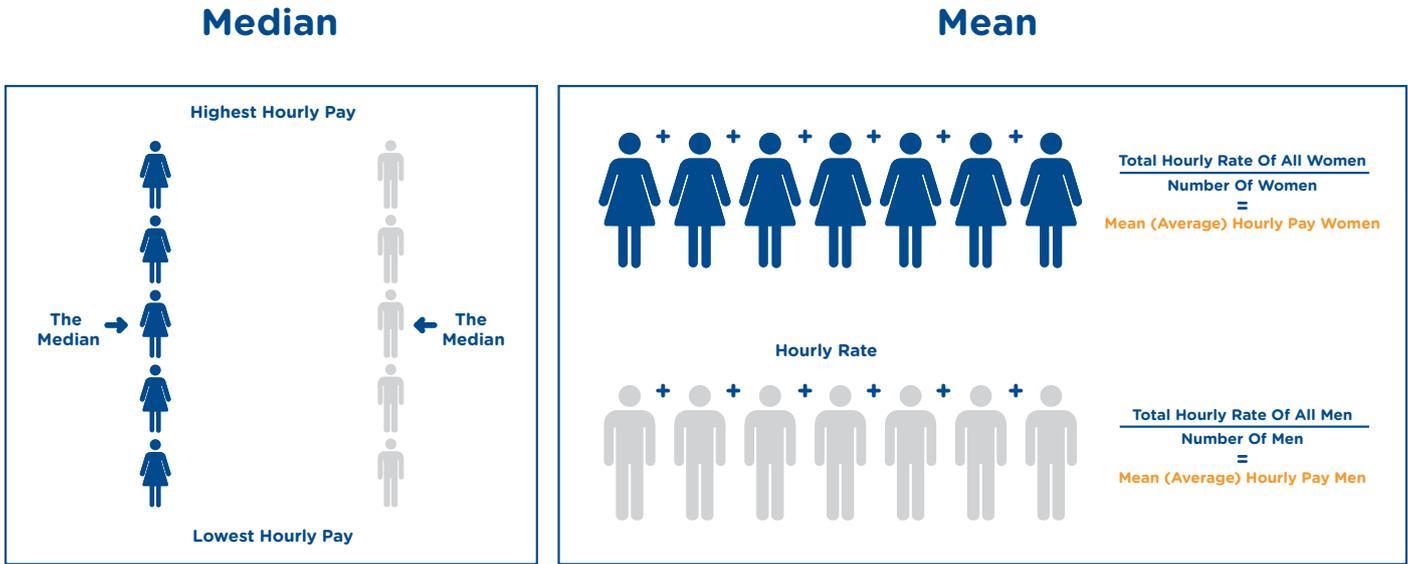


35% Women
42

65% Men
77

Gender pay gap reporting explained

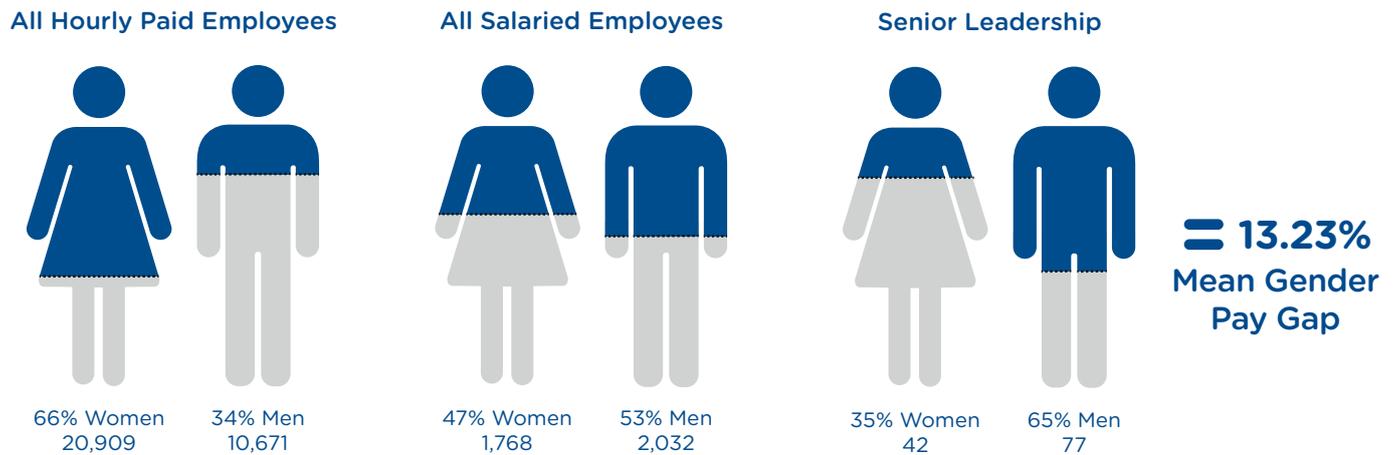
The gender pay gap is formed by taking the calculated hourly rate of all women and the calculated hourly rate of all men in our UK business, finding the mean and median and then determining the gap between these numbers across genders.



The Gender Pay Gap

Whitbread’s 2019 mean gender pay gap is **13.23%**. This is driven by the majority male representation in our senior leadership team and a majority female representation in our customer facing roles. Our median gender pay gap of 5.58% demonstrates the strong distribution of females across our business. However, across our business, our hourly paid operational roles and senior leadership roles have different pay and benefits structures aligned to the nature of the roles and the external market. At a company level, this increases the overall pay average in our business for male employees and reduces the overall average for female employees. To tackle this, we continue our efforts to increase the number of women in our senior leadership roles.

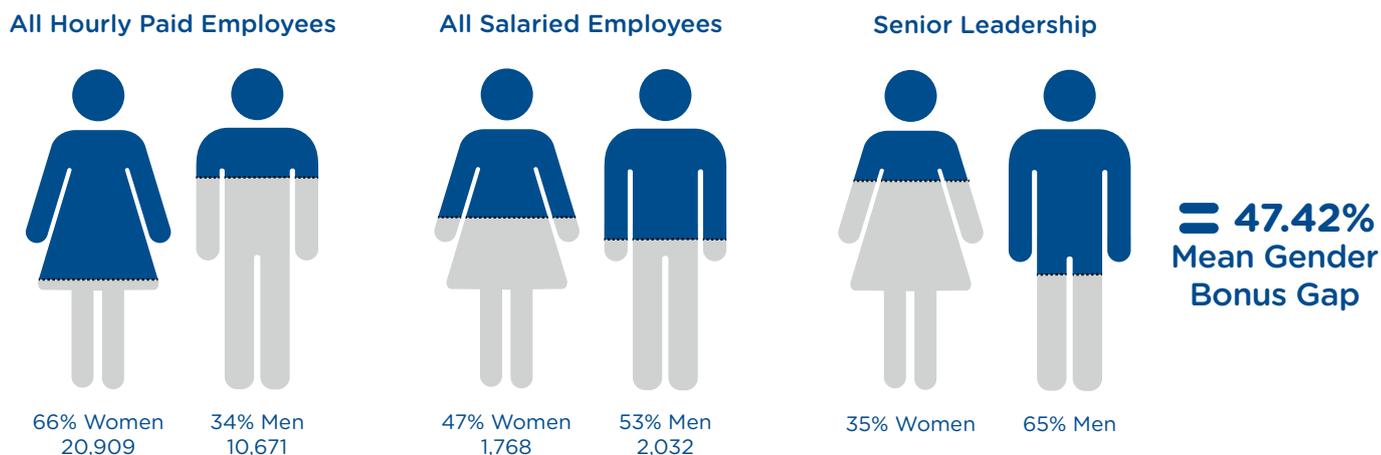
We remain committed to ensuring that our operations team members are paid fairly for their work and we consistently review our pay practices in line with the market, to ensure that we pay competitively.



Gender Bonus Gap

Whitbread's mean Bonus Gap is **47.42%** and reflects the impact of having more males than females in senior roles in our workforce. Our incentive schemes for all senior leaders are based on benchmarking the roles performed with the appropriate external market which is necessary to enable the attraction of top talent. We are therefore committed to improving the gender diversity in this population in order to reduce the mean bonus gap.

71% of male and 74% of female salaried employees across our workforce received a bonus payment in the last 12 months. We have a variety of incentive schemes across our workforce, which are not always constructed as an annual bonus or rewarded and tracked individually. For our team members in our hotels and restaurants, this includes more frequent team recognition payments and seasonal incentives as well as individual payments which all our employees are eligible to participate in. We are unable to specifically identify every individual customer service incentive awarded to team members in our operations and therefore the reportable gap number for those receiving a bonus payment excludes these.



We will be for everyone, championing inclusivity across the organisation and improving diversity

Our focus on gender is one element of our work to become the most responsible hospitality company. Our newly revised Force for Good strategy is our plan to operating in an inclusive, ethical and responsible way. The 'Opportunity' pillar, one of the three pillars of the Force for Good strategy, focuses on championing inclusivity and improving diversity. For more information, please visit our website: <https://www.whitbread.co.uk/sustainability>.

We are committed to deepen our understanding of what inclusion means to those who work at Whitbread, to ensure that everyone feels respected and represented.

What we are doing to address our gender imbalance

Women continue to be represented across Whitbread, with 64% representation overall including 35% in senior leadership roles. Despite this, our gender pay gap and gender bonus gap demonstrate our need for more gender balance across all functions, and women in our most senior leadership roles.

To achieve our gender ambition, our focus will be on specific functions, ensuring that as well as having 30% representation overall at senior leadership level, there is 30% female representation in every leadership team across the company.



Strengthening our Talent Pipeline

We want to retain and develop our diverse employees, whilst maintaining an inclusive culture. We're proud of the opportunities we create and the careers in hospitality we offer for our team members who represent different backgrounds. Hospitality is a career that many women thrive in, and our commitment is demonstrated through our 57% of Hotel Managers who are female.

At a senior leadership level, we need to support and develop high potential diverse individuals, to strengthen our succession pipeline for the largest leadership roles. We have been committed to the 30% club for several years, and continue to partner with them to specifically develop our female talent. We are committed to providing women with the leadership development required to support their career aspirations at Whitbread.



Challenging recruitment and succession

We want to attract diverse employees and believe there should be no barriers to entry at Whitbread. Whilst this is true for our team members across our hotels and restaurants, and we have strong female representation, our focus now moves to key leadership roles in specific functions, particularly highly commercial areas. Alongside strengthening our talent pipeline, we will also be looking at our external pipeline into these roles and how we attract diverse candidates into leadership roles.

We continue to proactively reach into challenging markets to attract female talent, which gives us the opportunity to highlight great role models in our recruitment campaigns. One example of this is within our Restaurants, as we strive for a better gender balance in our Kitchens. Leading the charge for this has been our Academy North Skills Academy Coach, Marie Cotterill. As part of the team responsible for educating the business around our food - from hygiene to how to cook our mouth-watering menus - she's changing perceptions and setting the standards that all our chefs live up to, serving great meals to millions of our guests every year. When she first began at her local Beefeater, she found herself in a minority of one.

"I knew I'd made the right choice - I enjoyed the job, the people, the praise from guests - but I was the only woman in the kitchen. In fact, for a few years it was only me and one other in our entire region, flying the flag for female chefs."

"There was no getting away from it, it was a male environment. I started off quite shy, but as my confidence grew, I could hold my own in any company and worked my way up to become Head Chef."



Setting new targets and measuring

For the last two years, our target has been focussed on the Hampton Alexander review and achieving 30% female representation in our leadership community as a whole. Having achieved this, we are now able to focus more specifically in 2020 on having a minimum 30% female representation in every leadership team.

Our internal targets are reflective of our ambition for inclusivity across all areas of diversity, but specifically focusing on gender and ethnicity targets, and our Executive Committee will have individual and collective accountabilities around diversity and inclusion, demonstrating our ongoing commitment for a healthy representation in our most senior roles.

Career Stories

The hospitality industry is one of the few industries that fosters a multi-faceted career and provides opportunities for everyone to develop.

Our female case studies demonstrate this potential across our business:



Premier Inn



Elaine Newbold

Operations Director, Operations

“My career started off at University when I needed a part-time job to help fund my degree and living expenses. When I graduated, I was unsure of what I wanted to do, and my line manager asked me to look at a Business Graduate scheme. I interviewed and 12 months later I was running my first restaurant. After 10 years holding several roles within operations, I decided to broaden by brand experience and was fortunate to be successful in taking a Hotel Manager role with Premier Inn.

I am now one of 5 Operations Directors for Premier Inn, where my role involves leading and delivering business performance through a team of Regional Operations Managers. I contribute towards shaping the Premier Inn portfolio and future operating model.

It doesn't matter who you are or where you start, everyone has a place and an opportunity to develop their career or themselves at Whitbread. I am proud of the leader I have become and the inspirational leaders I have had the privilege to work for, giving me the opportunity to inspire and lead others.”

Restaurants



Chloe Nash

Skills Trainer, Estate Development

“My career in Whitbread started in 2006 when I was just 17 years old. I was working part-time whilst studying Forensic Science at college. I decided to stay with Whitbread to progress my career instead, I then moved out front as a waitress and learnt new roles to become a Chef. I worked in a few Beefeaters as Head Chef, before becoming Kitchen Manager at the Longwall Beefeater.

I am now a Skills Trainer, where my role involves taking teams on a journey, whether that's opening a new Premier Inn, a restaurant or transferring team members to another brand. It's great when you open a Premier Inn or Restaurant and you get to see your teams succeed, especially since you've been with them on the journey.

There are so many talented people within our team and there is always someone that can support further knowledge and help you to develop your skill set. The one thing that has never changed about Whitbread is that it's about people and getting the best from them, that's what I love about the Company.”

Support Centre



Rio Mercedes Bischoff

People Development Manager, Reservation Centre

“My career in customer service started at age 16 with a part-time job in retail. However, I have always aspired to be a teacher, and in theory, I have achieved that by becoming a People Development Manager.

In this role, I have to ensure that all my agents are performing to the best of their ability, and they are continuously supported and feel respected. My main priority is to recognise and develop the agent's key skills, ensuring successful careers for all my direct reports.

I have had the opportunity to work with so many diverse personalities and backgrounds, giving me the opportunity to jump-start someone's career at Whitbread. I love a challenge and working in the Reservation Centre means that no day is the same! Working at Whitbread has given myself and all employees the opportunity to be who we truly are, ensuring everyone can progress within the company.”

Statutory Disclosures

| | Pay Gap | | Bonus Gap | |
|---------------|---------|--------|-----------|--------|
| | Mean | Median | Mean | Median |
| Whitbread Plc | 13.23% | 5.58% | 47.42% | 38.72% |

| Whitbread Plc | Male | Female |
|--------------------------------------|------|--------|
| *% Receiving bonus | 14% | 9% |
| % Salaried employees receiving bonus | 71% | 74% |

| 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 | 47.5% | 52.5% | 58.3% | 41.7% |
| Upper Middle Quartile | 53.9% | 46.1% | 98.8% | 1.2% |
| Lower Middle Quartile | 75.9% | 24.1% | 99.6% | 0.4% |
| Lower Quartile | 75.1% | 24.9% | 99.3% | 0.7% |

*Excludes the majority of the incentive and recognition payments for our customer facing team members who make up 89% of the organisation.

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

Louise Smalley
HR Director



January 2020