



RESTAURANTS

Gender Pay Gap Results - 2020

Introduction

At Pizza Hut Restaurants we are an equal opportunity employer and believe pay, bonus and position should be a reflection of performance over any other factor. All our employee pay reviews are conducted against that criteria, with our restaurant team member pay also a reflection of age in line with government age bandings for national minimum wage.



What is Gender Pay Gap reporting

- In 2017 the Government introduced new legislation which meant that all companies who have 250 employees or more must publish their Gender pay gap data. We welcomed this legislation and the focus it places on the issue of Gender Pay gap – encouraging businesses to do more to support women at all levels of their organisations.
- We acknowledge that for reporting purposes, legal regulations ask us to identify our employees as men and women however we would like to note that not everyone identifies as their legal gender status. We whole heartedly embrace and support our non-binary team members, and those who do not identify as their legal gender. We work hard to ensure that everyone feels welcome, part of the Pizza Hut family and free to be their true self.
- The gender pay gap measures the difference in the average pay of men and women across an entire organisation, regardless of role or the nature of their work, and can be the result of many factors, including the number of men and women in each role, or the total number of men and woman in the organisation.



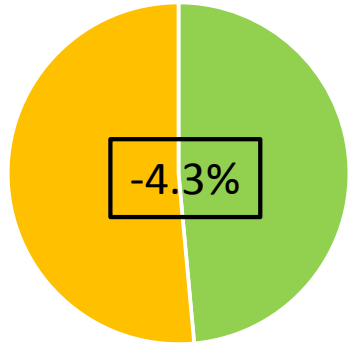
Impact of Covid-19

- The figures in this report cover all employees working on the “snapshot date” of 5th April 2020.
- On that date we had 5882 employees however due to closure of dine-in hospitality on 21st March and the significant impact this had on our business, we had 348 employees working in critical key roles, including 47 restaurants which remained open providing a food delivery service to local communities and key workers. The remainder of our workforce had been furloughed, however furlough pay is not included in the legislated formulae for calculating gender pay gap.
- Therefore our results for 2020 are based on 5.9% of our total workforce and as a result do not reflect our true pay gap. For full transparency and to ensure we continue our strategic focus in this area, we also reviewed what the pay gap would have been, had all our employees worked on the 5th April 2020.
- For bonus reporting, the data covers anything paid from 6th April 2019 to 5th April 2020.



Our Results

Mean

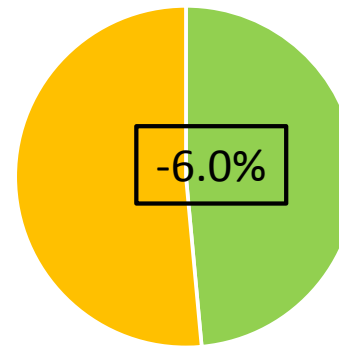


This is calculated by comparing the average pay rate of men and women at Pizza Hut (UK) Limited.

How we work this out is: we first add up the pay of all the male employees and divide this number by the total number of male employees at the company.

We then do the same thing for all the female employees. The mean Gender Pay Gap is the difference between these two figures

Median

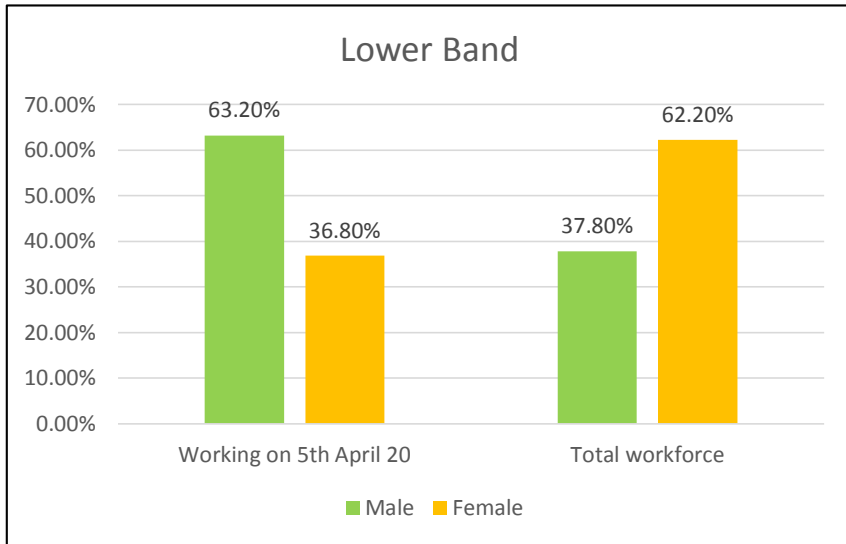


If there were two lines of employees, one of all our female employees and one of all our male employees, and each line went from the lowest paid to the highest paid, the median pay gap is the difference in pay between the middle employee in the female line, and the middle employee in the male line.

Both our mean and median pay gaps show a negative pay gap of -4.3% and -6% respectively which is a result of more females in a senior leadership role working on the snapshot date. However without the impact of COVID-19 and furlough our pay gap would be 7.3% (mean) and 6% (median). 97% of our workforce is based in our restaurants where we continue to see a higher proportion of applications for entry level front of house roles being from female candidates.

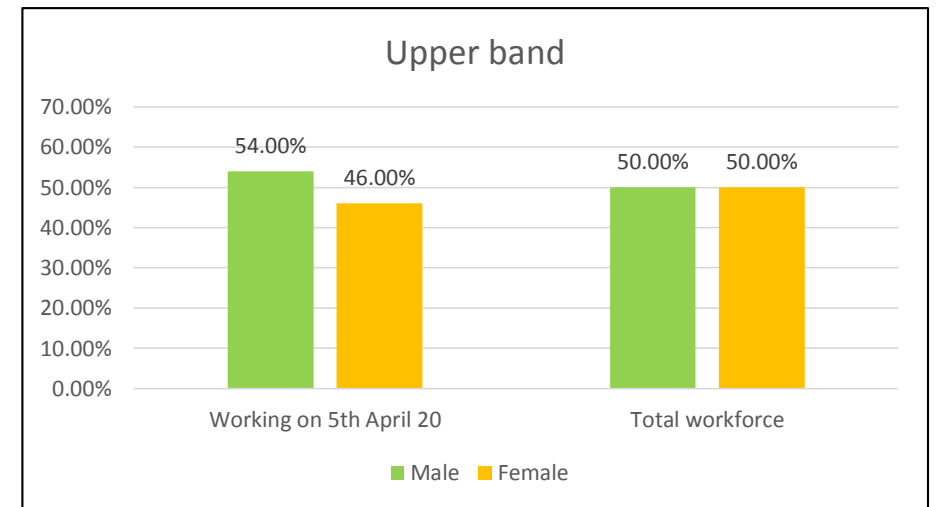
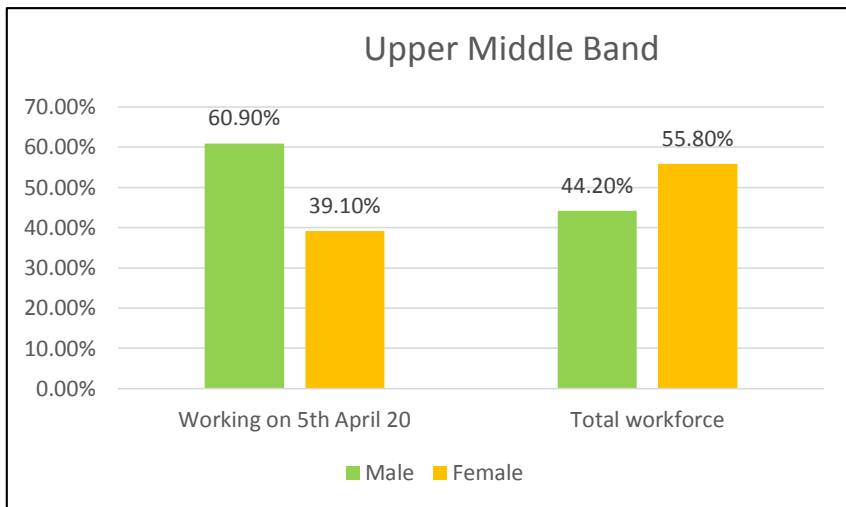
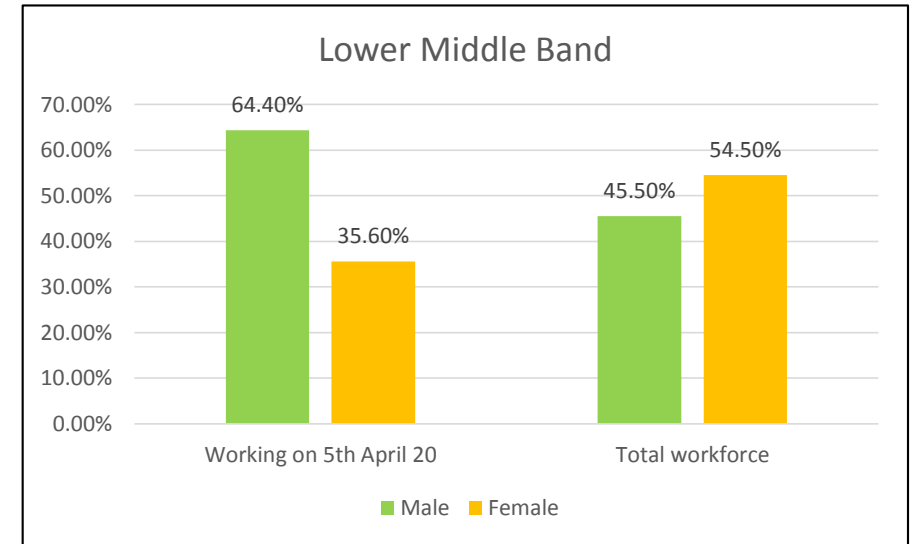


Pay Quartiles



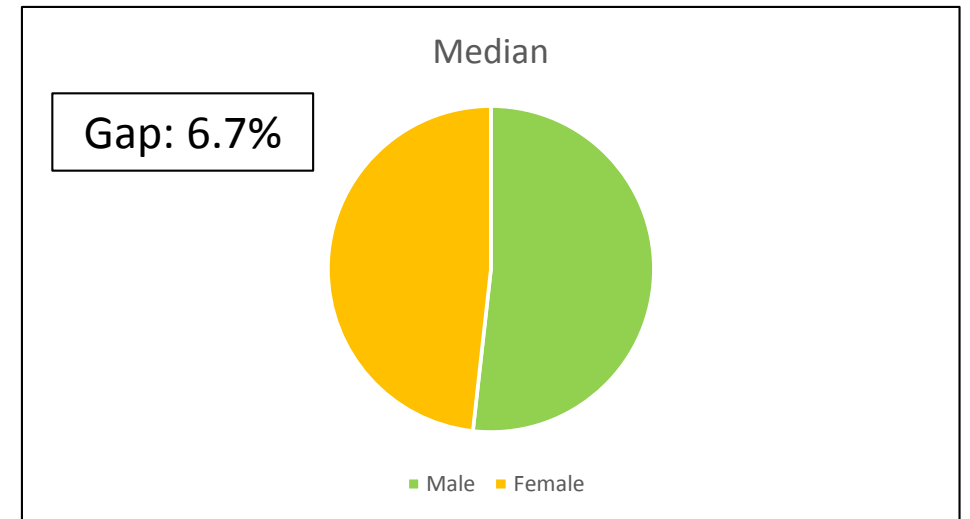
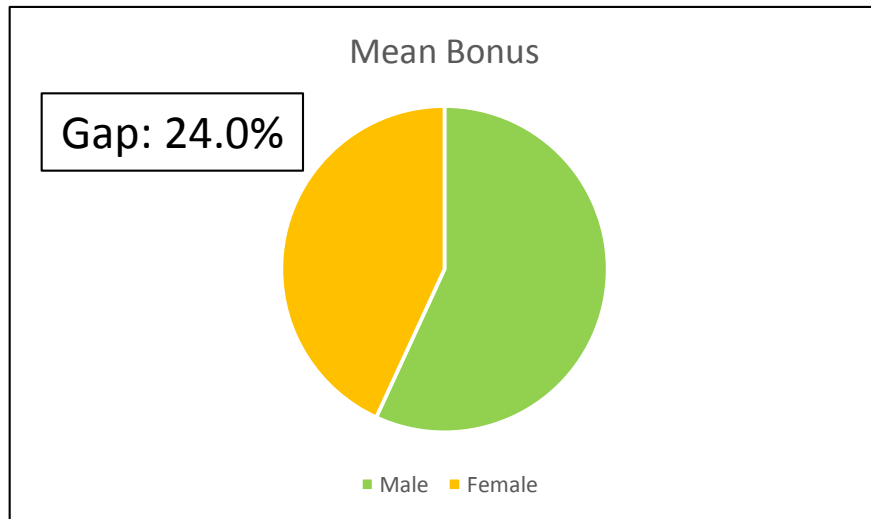
Our pay quartiles are calculated by listing every employee from the highest to the lowest paid. This is then split into four equal groups, and we look at the proportion of males and females in each group.

Again the figures are distorted by furlough.



Bonus Pay Gap

- Bonus is calculated on business performance with no gender consideration taken into account. The calculation for 2019/2020 was based 100% on the profit performance of each individual restaurant against pre-defined targets. Employees become eligible for bonus once they reach restaurant Management level.
- Head office bonus is calculated against a combination of individual performance against pre-defined targets and the holistic profit performance of the business.



Understanding the pay gap

From our pay gap figures as of April 2020 without the impact of COVID (so our full workforce vs those working) we know that:

- Whilst we have seen a slight increase in the number of female Restaurant General Managers (RGMs), the majority of our high sales restaurants are led by male RGMs. These restaurants generate higher levels of remuneration and bonus.
- We have more females under the age of 18 applying for, and working in our front of house entry level positions such as server. Our upper middle and upper pay bands are very close to a 50/50 gender split, with a slight leaning to more female employees.
- We are continuing to review how we encourage female applicants to apply and internally and progress to our higher salaried positions, both in the kitchen and restaurant management.

We recognise that we need to:

- Increase female representation of our restaurant management roles, particularly at the entry levels which are currently 41% for our deputy managers and 40% for our shift managers.
- We need to encourage, support and enable our female general managers to lead our larger sales volume sites, as our pay structures for our RGMs are linked to the size of our restaurants.
- We can see that more females are attracted to our flexible management role which gives them both service and management shifts – 62% of this group is female however fewer move into deputy manager roles so we need to explore this.
- We offer a good range of benefits including enhanced maternity, paternity and parental leave along with a flexible working patterns and working practices, including part time RGM opportunities and remote working for our head office teams. We need to do more to promote this and remove the templates that hospitality has around working patterns.



Chief People & Marketing Officer

