



RESTAURANTS

Gender Pay Gap Results - 2021

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.



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 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.



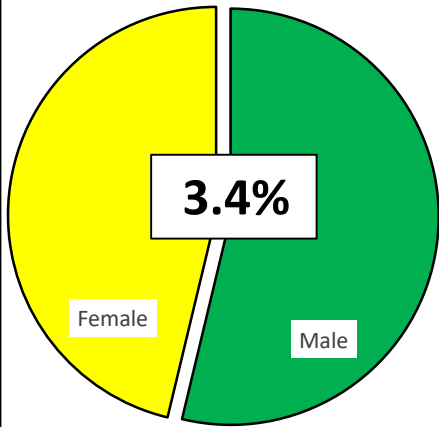
Continued Impact of Covid-19

- The figures in this report cover all employees working on 5th April 2021.
- On that date we had 4066 employees however Covid-19 was still having a significant impact on the hospitality sector as it also had in the previous Gender Pay Gap reporting period.
- Dine-in hospitality was still closed on our snapshot date, with our restaurants only open for take-away and delivery via our delivery partners. We had 2012 employees working across the business, and the remainder of our workforce had been furloughed. Furloughed employees are excluded from the legislated formula for calculating the Gender Pay Gap.
- The results for 2021 are based on 49.5% of our total workforce and as a result do not reflect our true pay gap. As we did on 2020, to ensure full transparency and to continue our strategic focus in this area, we also reviewed what the pay gap would have been if all of our employees worked on the 5th April 2021, in addition to the gap we have to report from a legislative purpose.
- For bonus reporting, the data covers anything paid from 6th April 2020 to 5th April 2021, given the impact of that Covid-19 had, bonus was extremely limited during this time.



Our Results

Mean

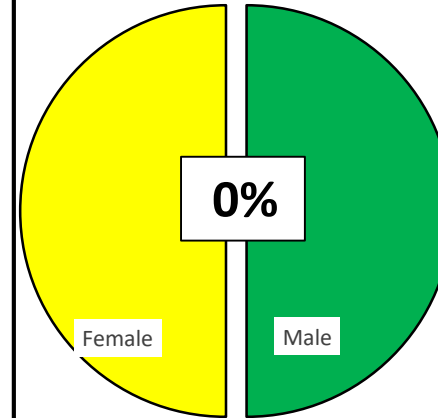


This is calculated by comparing the average pay rate of men and women at Pizza Hut (UK) Limited.

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



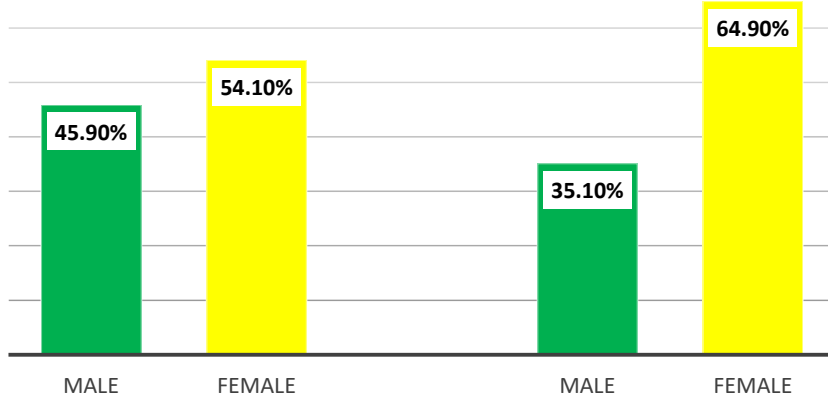
If there were two lines of employees, one of all our female employees and one of all our male employees, and each line went from the lowest paid to the highest paid, the median pay gap is the difference in pay between the middle employee in the female line, and the middle employee in the male line.

Our mean pay gap is 3.4% and our median has no gap. Without the impact furlough our pay gap would be 7.5% (mean) and our Median would remain with no gap. 97% of our workforce is based in our restaurants where we continue to see a higher proportion of applications for front of house roles being from younger female candidates, this impacts our mean pay gap due to the large number of young female employees and our pay rates are driven by age.

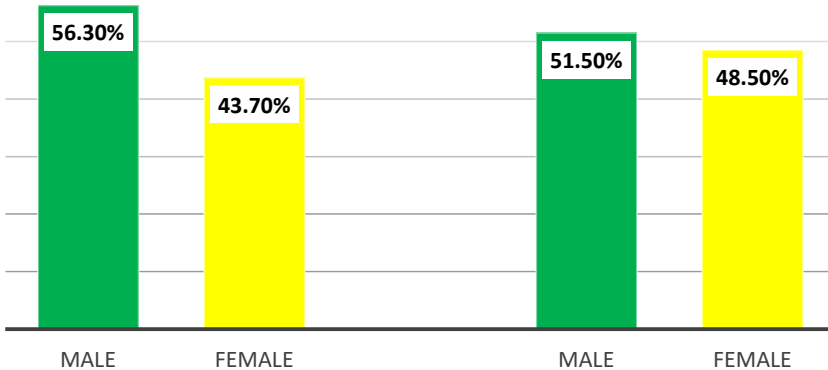


Pay Quartiles

Lower Band



Upper Band



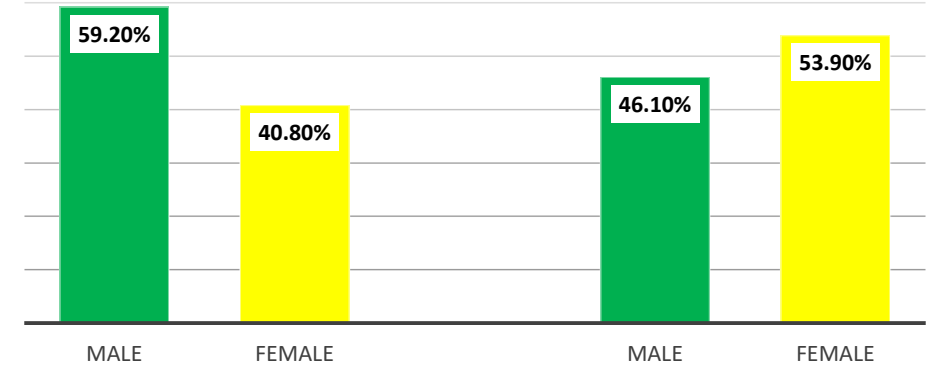
Our pay quartiles are calculated by listing every employee from the highest to the lowest paid. This is then split into four equal groups, and we look at the proportion of males and females in each group.

Again the figures are distorted by furlough as they only contain 49% of our employees.

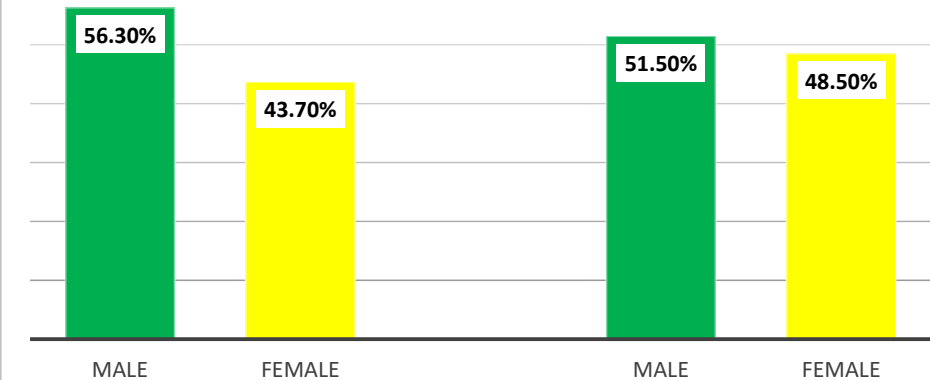
We have more females under the age of 18 applying for, and working in our front of house entry level positions such as server. Our upper middle and upper pay bands are very close to a 50/50 gender split, with a slight leaning to more female employees.

We are continuing to review how we encourage female applicants to apply and internally progress to our higher salaried positions in restaurant management

Lower Middle Band



Upper Band



Bonus Pay Gap

- Our bonus schemes for 2020/2021 were suspended due to the impact of the pandemic. Outside of the pandemic our bonus schemes are solely based on business performance. Both our restaurant and head office bonus schemes are based on sales and profit performance of the business with each individual restaurant being given pre-defined targets. Employees become eligible for bonus once they reach restaurant Management level.



Understanding the pay gap

- From our pay gap figures as of April 2021 without the impact of the pandemic (so our full workforce vs just those working) we know that:
- More females are hired into our hourly paid roles than males. 73% of our hourly paid under 23's are female, so whilst our pay structure is gender blind it is also in line with the government age pay bands. This means that due to the significantly higher number of our hourly paid under 23's are female it has an impact on the median Gender Pay Gap.
- We have made progress in the proportion of female Restaurant General Managers we now employ, seeing an 8% increase since April 2020. Now 42% of our Restaurant General Managers are female.
- Many of our high sales restaurants however are still led by male Restaurant General Managers. These restaurants generate higher levels of remuneration as our salary bandings are based on the sales volume of the restaurant.
- We recognise that we need to:
- Increase female representation at all levels of our restaurant management teams. Since 2020 we have seen an increase in the proportion of females at the entry level management role of Shift Manager, so now 44% of our shift managers are female, last year this number was 34%. However in our Deputy Manager role we have seen a slight decline and now have 39% female.
- We need to continue to encourage, support and enable our female general managers to lead our larger sales volume restaurants.
- As we saw in our data last year, more females are attracted to our flexible management role which gives them both service and management shifts, the proportion of female managers in this role has reduced by 2% – 60% of this group is now female, and given the increase in the proportion of females in the Shift Manager role it would seem that some have moved into this role. However fewer are moving into the salaried deputy manager roles so we need to explore this further.
- We offer enhanced maternity, paternity and parental leave along with a flexible working patterns and working practices including both part time Restaurant General Manager and Deputy Manager positions. The proportion of part-time managers has increased over time, however is still a small proportion of the overall salaried management population. We need to do more to promote this and remove the templates that hospitality has around working patterns.
- We also offer part-time, remote working, and hybrid working for our head office teams, and have a higher proportion of people taking up these flexible roles.



Chief People & Marketing Officer

