

# Gender Pay. Made at Welcome Break



Since 2017, Welcome Break, alongside all UK companies with 250 or more employees have been required to publish their Gender Pay Gap, following UK Government legislative guidelines.

Welcome Break has been committed to providing the reporting and sees that this is a huge step forward for equality and pay transparency in the workplace. Welcome Break continue their commitment to delivering an employee experience that delivers our culture and values.

The approach we take at Welcome Break is to have a fair and honest approach to the way we interact with and treat all of our people.

Welcome Break is a varied business, operating Hotels, forecourts, retail and catering units, restaurants and our support centre, with a diverse and inclusive culture.

To us, this is not about recognising or promoting one group over another, but ensuring that everybody, regardless of their age, gender, background, race or ethnicity has an equal opportunity to develop, progress and thrive within our organisation.

Our desire is to create a company and a culture that attracts and retains the best people in our industry and sector and reflects the communities that we are proud to serve. As such, it is our intent to have a balance of gender working across of our grades and business functions.

We are confident that females are paid equally for the same or equivalent job as their male counterparts.

A handwritten signature in black ink, appearing to read 'John Diviney'. The signature is fluid and cursive, written over a light blue horizontal line.

John Diviney  
CEO Welcome Break

# Understanding our pay gap

As of April 2020, the mean gender pay gap at Welcome Break is 8%, which is a slight increase on both the 2018 and 2019 figure. However, this is still significantly lower than the UK average (according to ONS data) of 17.4% (April 2019 data) and is proportionate to the 7% gender pay gap in the hospitality industry (PWC).

Whilst this is materially better than average, there remains a significant gap in the number of women in senior roles, which is important as pay and bonus gaps are also driven by the significant differences in pay and bonus opportunities between the most senior employees and the wider workforce.

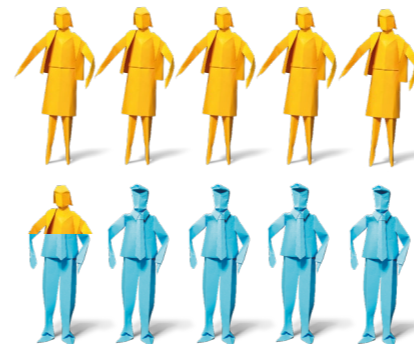
Whilst we may have had a slight increase to our gender pay gap, we have used this information to further understand the data and the diversity of our people across all areas of the business and to be able to specifically identify, target and address different groups of job roles.

For the snapshot year or April 2020, we saw our headcount reduce by 414 people (-8.37%) from 4945 to 4531 Team Members. In the same period, our female headcount has reduced by 201 (-7.7%) and our male headcount by 213 (-9.12%).

## Gender Spilt

**53.17%**

of our team are women



The pyramid structure nature of our business means that we have a high proportion of our team members who are paid hourly (3645 individuals, 80.45%).

Having spent considerable time reviewing our gender pay gap analysis, we continue to be confident here at Welcome Break that our gender pay gap is not an issue that is related to pay, but more so due to the way the business is structured and operates.

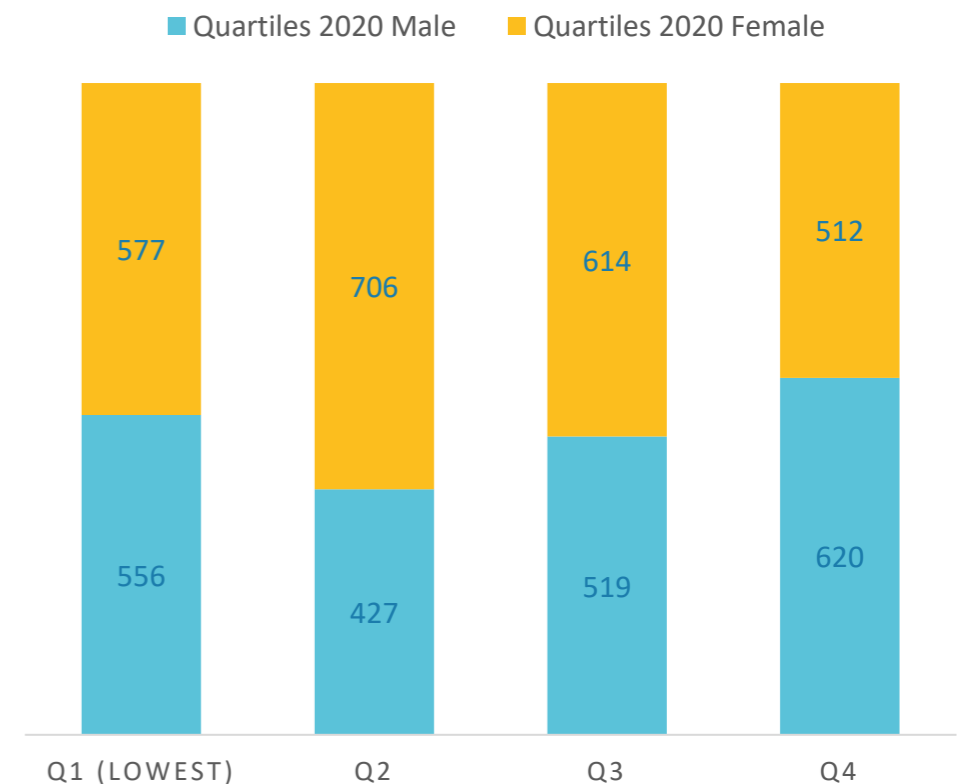
## Pay Gap

Difference between Men and Women

Mean **0%**

Median **8%**

Our approach to pay is neutral and as we have a team that is predominantly hourly paid, we remain of firm belief that our gap if caused due to the structure of our teams and business, which is not dissimilar to other retail and hospitality businesses.



The proportion of males and females in each quartile

# Understanding our bonus gap

By the nature of our business and the makeup of our Teams, our structure not only affects our pay gap, but it also influences our mean bonus gap, which is 15.34% - a change of 3.95% from 2019, where the median bonus gap was 19.29%.

## Bonus Gap

Median **-7.18%**  
Mean **15.34%**

Bonus pay gaps in hospitality companies are generally lower than other UK companies. The median mean bonus gap for all UK companies is 36% compared to 23% for hospitality companies (PWC).

The business decision to change our annual bonus scheme from a quarterly paid bonus scheme in 2017, to a scheme that was an annual bonus in 2018, 2019 and again in 2020 has proved successful in reducing the mean bonus gap.

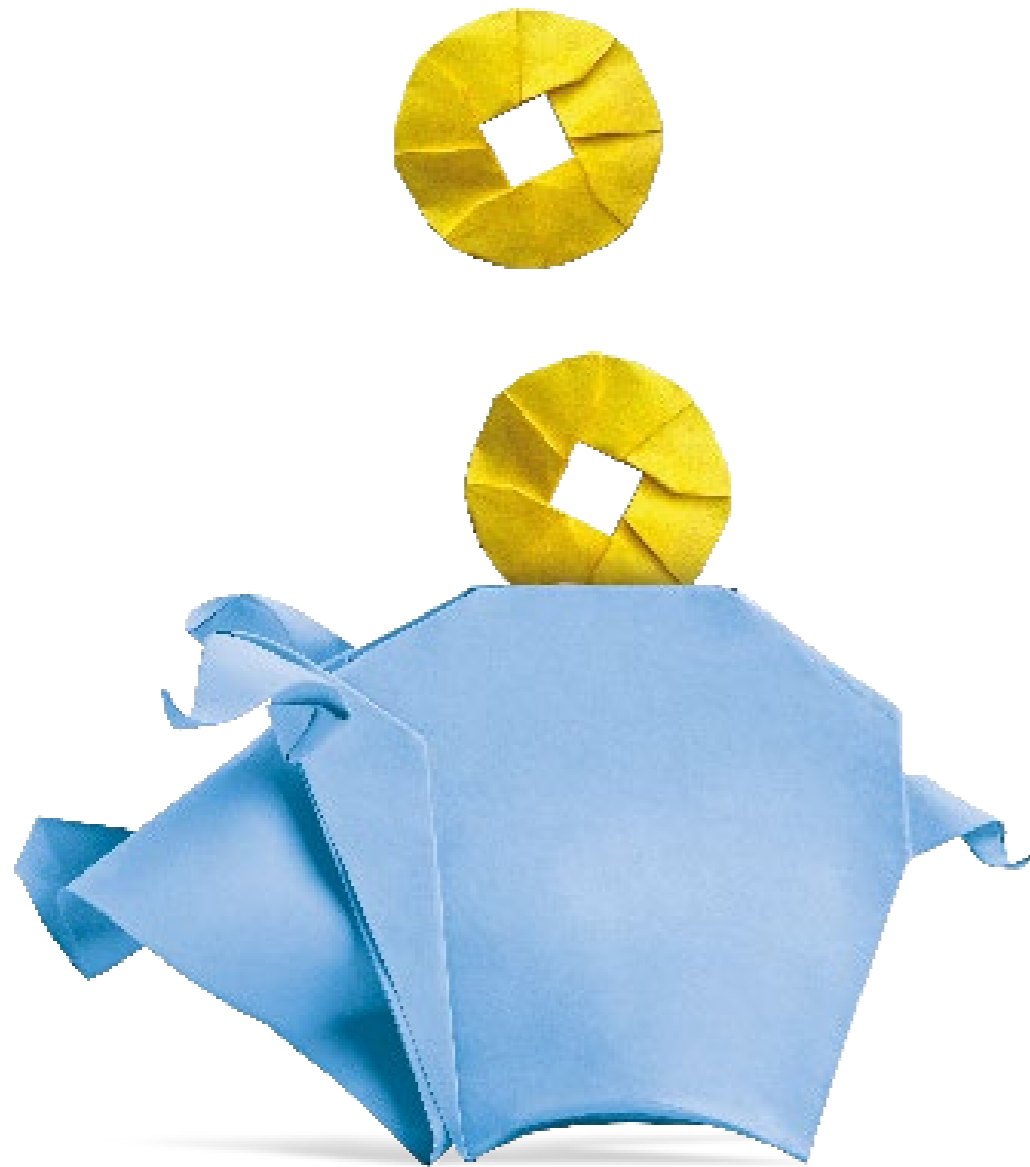
At Welcome Break, our annual bonus schemes are available to those in management salaried roles. The bonus schemes are gender neutral by design, like our pay structure, but the design of our organisational hierarchy means our structure drives our mean bonus gap in the same way it drives our gender pay gap.

In 2019, we removed incentives for our Team Members to earn bonus payments paid via our payroll and have since implemented a reward scheme whereby our Team Members are instead rewarded for living our company values, We Care, We Deliver and We are a Team. This has seen a further improvement in our bonus gap and ensuring all payments made to 'bonus' are just that.



The proportion of males and females receiving a bonus payment

# Addressing the pay gap



Whilst Welcome Break are now in the 4<sup>th</sup> year of gender pay gap reporting, we still believe that both our mean pay, and mean bonus show that we continue to have more work to do and we need to take further steps to reduce our gender differences.

As we remain confident that our gender pay gap is not related to pay, we have conducted further detailed analysis to understand what is driving the difference between male and female team members, especially where there has been a change, either positively or otherwise.

Following our report based on 2017, 2018 and 2019's data, as a business we committed to a number of actions, which we have made significant impact on.

Over the last 3 years, and more recently in the last 18 months, we have undertaken a full review of the way that we reward and remunerate our Teams.

## Annual pay reviews

Our annual pay review process for all employees is working well to ensure that we retain a fair and consistent approach to pay increases, that has transparency across the business.

## Complexity model

We introduced a model that identified how complex our sites and units are to operate and aligned our pay strategy and structure to this model.

## Payroll platform

Following a change in payroll platforms, we have also been able to make better use of technology to improve our reporting of bonus payments.

## Annual bonus scheme

Having made the decision following the 2017 reporting to move to an annual bonus scheme structure, we continue to see higher levels of retention and stability across our management roles.

# What's next?

According to the ONS Annual Survey of Hours and Earnings (ASHE) 2020, 2020 statistics relate to the pay period that includes 22 April 2020, at which time approximately 8.8 million employees were furloughed. It is important to note that it is within the snapshot timeframe that this pay period includes furloughed employees and the data sets are based on actual payments made to the employee from company payrolls and the hours on which this pay was calculated, which in the case of furloughed employees are their usual hours.

Due to the business impact of COVID-19, there are some areas where we halted activity and need to bring a renewed focus. We are committed to reviewing past actions to ensure that they remain fit for purpose and drive our thinking and decision making in our equality, diversity and inclusion strategy, as well as being focussed on the wellbeing of the individuals which we employ.

Following on from some key changes already initiated, there are some key areas that Welcome Break continue to remain focused on to address the gender pay gap over the forthcoming year.

## Gender based career progression

Our career progression paths are neutral in their design and open to all Team Members who have a desire to progress their career within Welcome Break. Team Members are selected for promotion based on their merit and ability to carry out their role.

- a. Define career path material that is gender neutral and does not inhibit female Team Members from applying for roles
- b. Internally showcase the female leaders across the business to encourage gender diversity in more senior positions

## Operating structures

Our operating structures within our retail, catering, forecourt and hotel businesses remain consistent and we aim to ensure consistency across Welcome Break for all of our Team Members, we continue to review all job titles in our hierarchy and ensure that team members who fulfil the same role, have the same job title, including reviewing roles in our Support Centre for equal job evaluation and grading. We grade our units, hotels and sites according to the complexity of running them, aligning our pay accordingly.

## Equality, Diversity & Inclusion

Being an inclusive and diverse organisation is important to Welcome Break. We continue to strive to have a place of work where all of our Team have equal opportunities in pay and progression and fairness for both our Teams and job applicants, including fair pay, regardless of gender, ethnic origin, race, religion, age or disability.

