

Gender Pay Gap Report



Introduction

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 are pleased that the Government is shining a light on the issue of the Gender Pay Gap, encouraging businesses to do more to support women at all levels of their organisations.

At Nando's we believe that gender diversity is just one of many goals we are aiming for in our Diversity and Inclusion strategy and we're working hard to make sure we have a well-rounded plan in place.

To be as transparent as possible, and to get the most out of this exercise, we've not only provided and explained our headline numbers and where they've shifted, we've also outlined some of the steps we've taken and our plan to promote diversity across our business more broadly this year.



Our culture

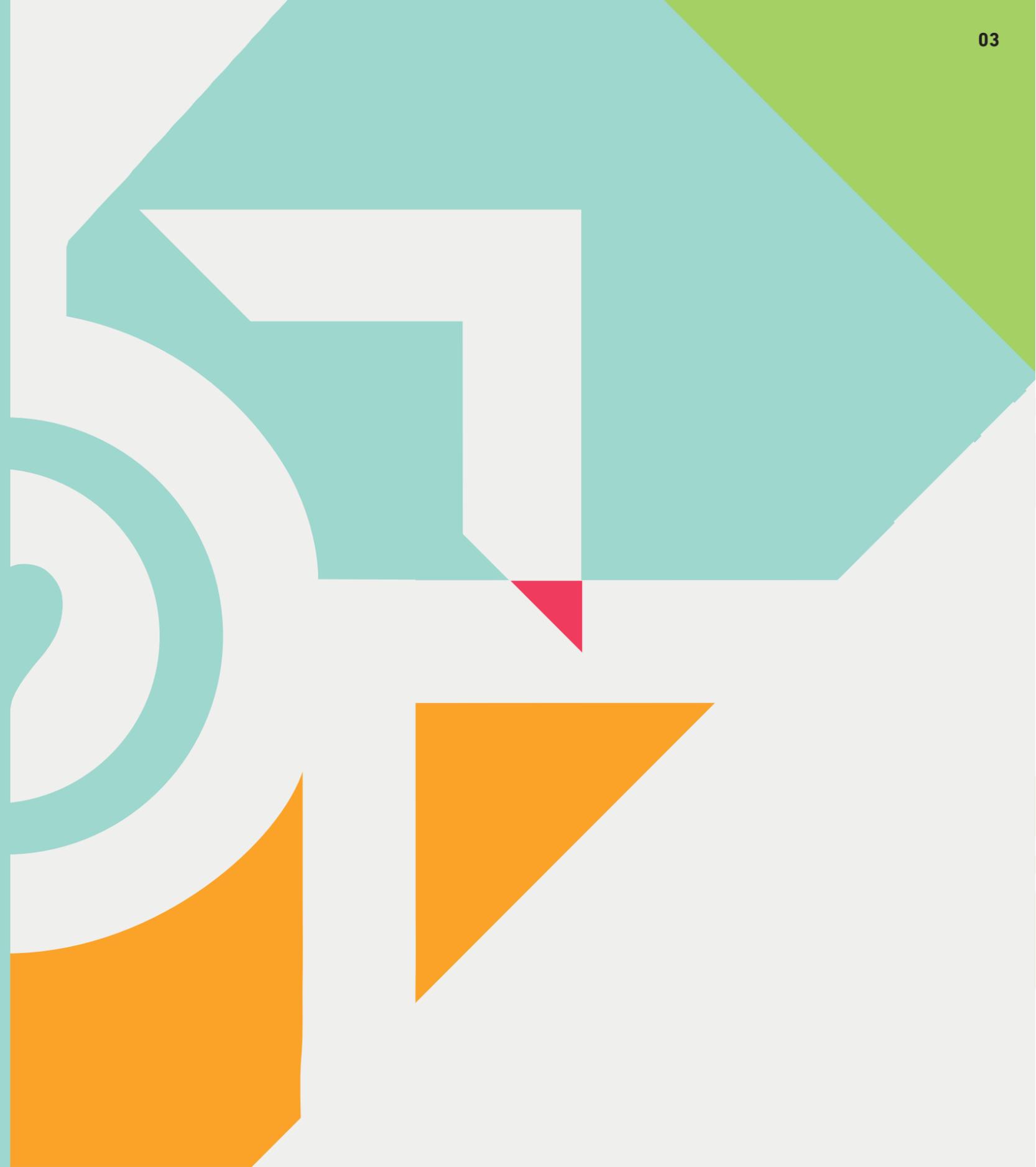
Everyone is welcome

At Nando's, we take pride in our South African heritage and our roots are firmly founded in the spirit of the Rainbow Nation: a mix of people with different backgrounds coming together to make good things happen. We passionately believe that our cultural strength comes from our differences.

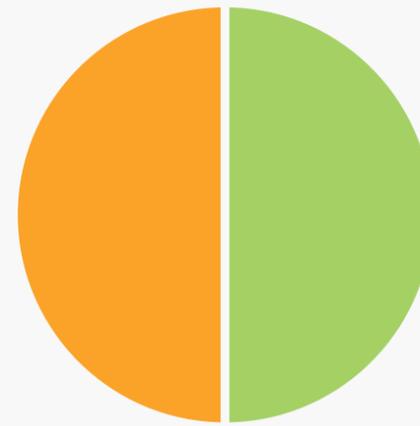
Family is one of the values we cherish the most, and one of our central attitudes is "Be true to yourself", because we want everyone to feel comfortable bringing their whole self to work. Upholding a culture that creates a sense of belonging, embraces difference and is truly inclusive for everyone, is at the heart of who we are, and always will be.

We're proud to welcome anyone who shares our values and attitudes and will always work on ways to be even more open. We've committed to doing everything we can to make sure anyone who joins us knows they have a home here at Nando's and truly feels part of our family.

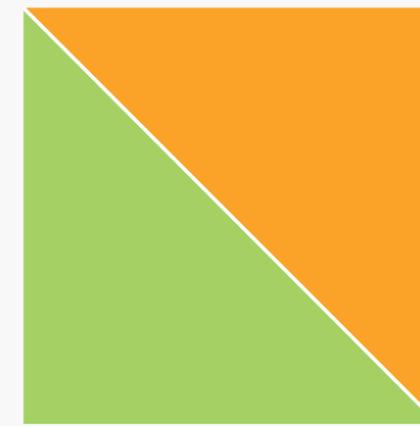
Our belief that Everyone is Welcome and all the things we're doing to put that belief into practice are some of the most important reasons that people are attracted to our brand, and why they stay. We're so passionate about this that all of our markets around the world are focusing on it collectively as a brand.



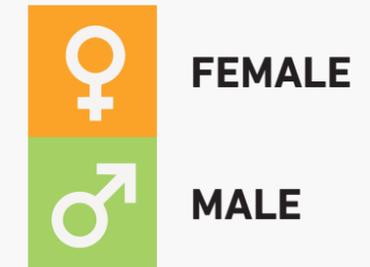
What is Gender Pay Gap reporting?



GENDER PAY GAP



EQUAL PAY



The **Gender Pay Gap** is a measure of the difference in the average pay of men and women across the whole business, **regardless of the work they do and the role they hold**. As a result, it is different to Equal Pay, which is about men and women being paid the same when they do the same job.

WHO

The figures in this report cover every single one of the 17,282 Nandocas (what we call our employees) we have in the UK, including everyone in our restaurants and everyone in our Central Support teams.

WHEN

For the pay reporting we have used the data for everyone who worked for us on the “snapshot date” of the 5th April 2018. For bonus reporting, the data covers anything paid from 6th April 2017 to the 5th April 2018.

WHAT

The Government has asked companies to report the following sets of figures:

- Median and mean Gender Pay Gap
- Median and mean gender gaps in bonuses, and the percentage of people who received a bonus payment
- Pay quartiles

The Gender Pay Gap at Nando's

MEDIAN PAY GAP:

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

OUR MEDIAN PAY GAP IS

1.2%

This figure is much lower than the average median gender pay gap for the UK as a whole, which is 17.9% (according to the Office for National Statistics), and the median in our industry, which is 3% (based on ASHE survey estimates).

The median is also lower than our previous report at 1.4%, which shows our progress.

MEAN PAY GAP:

This is calculated by comparing the average pay rate of men and women at Nando's. How we work this out is; we first add up the pay of all the male Nandocas at Nando's and divide this number by the total number of male Nandocas at the company. We then do the same thing for all the female Nandocas. The mean gender pay gap is the difference between these two figures.

OUR MEAN PAY GAP IS

6.5%

This gap is due to the fact that there are more men in senior roles at Nando's than women. We've decreased our gap significantly from the previous report where it was 11.43%.

The figure of 6.5% is lower than the UK average of 17.1% (Office of National Statistics) and in line with the mean in our industry of 9.5% (based on ASHE survey estimates).

Bonus pay

Our gender pay gaps in bonuses are higher than we would like so we've analysed our data in detail to establish what has driven these numbers. As mentioned, we have more men than women in the most senior roles at the company, and these people inevitably receive higher bonuses, which impacts the overall figures.

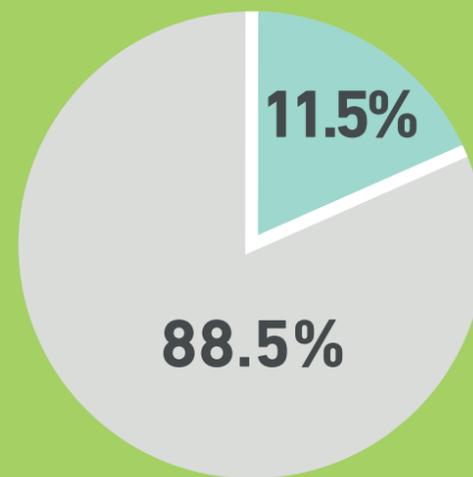
We're eager to do more to support women to reach the most senior levels of our business, and we've made good progress, for example the proportion of Area Managing Directors who are female has doubled in the last year. We are proud of this as our turnover in senior leadership roles is currently sitting at 4%. Therefore shifting our results will come mainly from our roles created from growth. Creating Diversity at Senior Leadership level will remain a key focus for us over the coming years.

Due to some changes we made to our Partnership incentive scheme there was an additional payout in the year we're reporting on, this has further exaggerated the bonus pay gap in Nando's.

To calculate our annual Bonus Pay Gap figures, we had to include anything that was paid out either as part of our Bonus scheme, or our Partnership scheme (our long term incentive scheme).

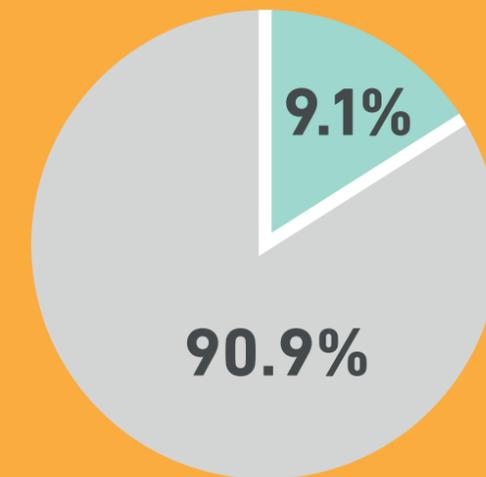
Metric	Figure
Mean	41.1%
Median	20.0%

MALES RECEIVED A BONUS/ PARTNERSHIP



■ RECEIVED A BONUS
 ■ DIDN'T RECEIVE A BONUS

FEMALES RECEIVED A BONUS/ PARTNERSHIP

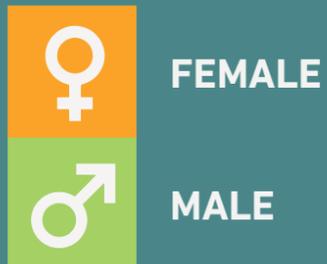


The percentage of males and females who received a bonus / Partnership pay out was very even in the period.

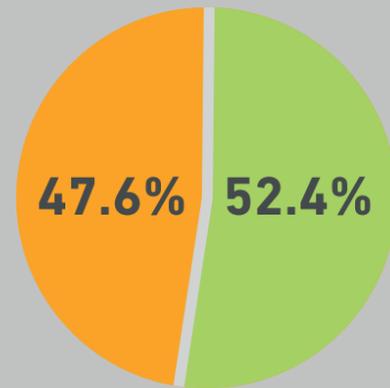
Pay quartiles

We calculated these quartiles by listing every Nandoca from the highest to the lowest paid.

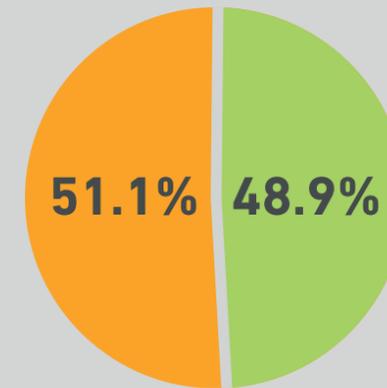
We then split this list into four equal groups, and looked at the proportion of males and females in each group.



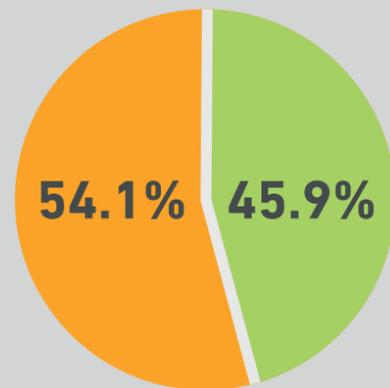
UPPER QUARTILE



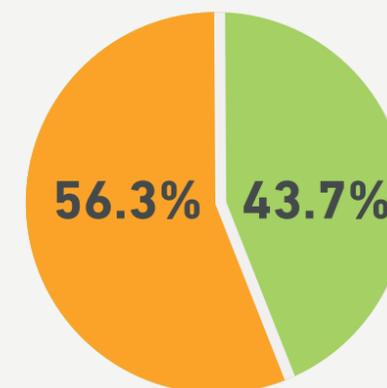
UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



LOWER QUARTILE



We are proud that overall we have a good mix of males and females across our business.

However, we know that we need to do more to progress more females into senior roles at Nando's, and that will be a key objective over the coming years.



Taking action

In our last report this is what we committed to do.

LISTENING

With a culture that places family at its heart, we listen to our Nandocas a lot. We will continue to ask the right questions through existing channels so we can collaboratively define what diversity, inclusion and belonging means to us and how we should approach this in the future. We will also start conducting surveys and focus groups specifically on this topic this year with Nandocas from all across our business.

OUR SENIOR LEADERS

Nando's has always strived to be inclusive, welcoming people from all walks of life to work with us, which is why over the next 12 months a Leadership Programme will be delivered for our Senior Leaders to address areas including; what Diversity, Inclusion and Belonging means to us as Senior Leaders, how we role model behaviours that drive diversity and inclusion, and unconscious bias. The plan is to roll this out across the business.

KNOWLEDGE AND UNDERSTANDING

We believe that the better we understand who our individual Nandocas are, the easier it will be to make well-informed decisions about our future strategy and approach. So, we've already got a large scale systems and data project up and running, helping us to better understand all aspects of diversity across our workforce.

CREATE A DIVERSITY STEERING GROUP

To build on what we hear from our Nandocas, and to educate and upskill them in diversity, inclusion and belonging, we have begun the process of establishing a diversity steering group, which will also review all our existing policies and coordinate all of our other initiatives.

So what have we done?

LISTENING

2018 was definitely the year we asked lots of questions, listened, asked some more difficult questions and listened some more. We gathered as much data as we could and really tried to understand where our greatest opportunities were and what bits we didn't feel proud of. We ran sessions to understand how people felt about our Gender Pay Gap Report and results, we asked a lot of questions in our Employee Engagement Survey and we ran listening forums with our board and central support functions, and restaurants. The output of this listening has informed our strategy and direction.

OUR SENIOR LEADERS

We have rolled out stage 1 of this plan. All of our Senior Leaders have been through a workshop where we have introduced Inclusion and Belonging Messaging and spoken about why we believe this attracts diversity. We have been clear on our 5 reasons why we need to increase diversity in our more senior roles and start to engage with our plan of how. We also explored their personal reasons for wanting to drive change and how they personally can take responsibility to create an even more inclusive Nando's as we believe that this is a collective responsibility of all our leaders.

KNOWLEDGE AND UNDERSTANDING

Our large-scale system and data project is still underway and we have now had the opportunity to feed in what data we would need captured to give us the useful outputs we need to measure, inform and keep us on track. We have also managed to feed into all of our People Functions to ensure we apply our diversity and inclusion lens to everything and remember to capture and track the right information to support individuals through their employee lifecycle. Our belief is this data will provide us with insight to enable us to track progress of our work beyond gender pay reporting.

CREATE A DIVERSITY STEERING GROUP

We are very proud of this group of people who are passionate about diversity, inclusion and belonging in Nando's. Their stories of why they want to be a part of this group have engaged more buy-in from our board than any of the stats we hold. So far, they have helped us understand where the opportunities are, they have fed into our strategy, our narrative and messaging and they are great for holding us to account on taking action in this space.

Our plans for 2019

CONTINUE TO EDUCATE, UPSKILL AND DEVELOP INCLUSIVE LEADERSHIP IN NANDO'S.

As mentioned we have rolled out stage 1 of our plan, the next stage is to deliver inclusive training, recognising unconscious bias and how to build a culture of belonging within their team.

We have also thought about all of our key leadership events and how we use these to ignite thinking and inspire us to be more inclusive leaders and encourage diversity of thinking.

FOCUS ON INTERNAL TALENT DELIVERABLES

We have spent time understanding our barriers to internal succession for everyone in our business and will focus this year on removing these barriers through inclusive training, trials and experiments. We also want to celebrate stories and myth bust some of these roles to support more diverse progression. We will continue to highlight and report and take action from this.

REVIEW ATTRACTION AND RECRUITMENT DELIVERABLES

We will partner with an expert in this field to raise awareness, upskill and educate the Talent Acquisition team so they can take ownership of reviewing our recruitment practices and removing bias from our processes to reflect our Everyone is Welcome strategy.

ESTABLISH METRICS FOR DIVERSITY, INCLUSION AND BELONGING

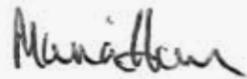
We will establish metrics to understand progress of our strategy that goes beyond gender pay reports and helps us understand if we are fulfilling our vision of a truly inclusive environment for everyone to succeed.

Our plans for 2019

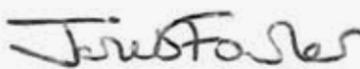
We firmly believe that focusing on Inclusion, Belonging and Diversity is the best way to drive meaningful and measurable change and future proof ourselves as a successful business. We want to make sure that everyone at Nando's feels supported to grow, develop and thrive. We also firmly believe that this continued focus starts at the top and therefore all of our Board have signed this report to demonstrate their shared commitment.

**This report has been reviewed and approved
by our Board**

Maria Horn



James Fowler



Michael Gardner



Garry Duncan



Rob Bray



Jivan De Silva



Andrew Rayner



Richard Atkinson

