

Gender Pay Gap Reporting



Introduction / Context

The Government introduced legislation last year which means that all companies who have more than 250 employees have to publish their Gender Pay Gap data.

We welcome and endorse what the government is seeking to achieve with this legislation, which is to shine a light on the issue of the Gender Pay Gap, and encourage companies to do more to support women at all levels of their organisations.

In order to be as transparent as possible, and to get the most out of this exercise, in this report we not only provide and explain our headline numbers, we also outline some of the steps we are taking at Nando's to promote diversity across our business more generally.

Our Culture

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 rainbow of people with different backgrounds coming together. As a business we passionately believe that our cultural strength comes from our differences.

Family is one of the values we most cherish, and one of our central attitudes is "Be true to yourself" – we want everyone to bring their whole self to work. So maintaining a culture that creates a sense of belonging, embraces difference and is truly inclusive for everyone is central to who we are, and always will be.

We work hard to welcome anybody who shares our values and attitudes – but we know that this is something we will always have to work on, and we are committed to doing everything we can to make sure anyone who joins us knows they have a home and feel part of a family at Nando's.



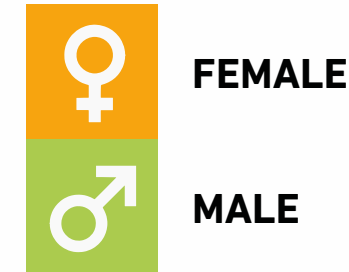
What is Gender Pay Gap reporting?



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 15,000+ Nandocas (what we call our employees) we have in the UK, including everyone in our Restaurants and everyone in our Central Support teams.

WHEN

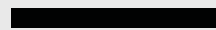
For the pay reporting we have used the data for everyone who worked for us on the “snapshot date” of the 5th April 2017. For bonus reporting, the data covers anything paid from 6th April 2016 to the 5th April 2017.

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 you picture 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.

MEAN PAY GAP:

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

OUR MEDIAN PAY GAP IS

1.4%

This figure is much lower than the average median gender pay gap for the UK as a whole, which is 18.4% (according to the Office for National Statistics), and the median in our industry, which is 5% (based on ASHE survey estimates).

OUR MEAN PAY GAP IS

11.43%

This gap is due to the fact that there are more men in senior roles at Nando's than women.

The figure of 11.43% is lower than the UK average of 17.4% (Office of National Statistics) and in line with the mean in our industry of 11.9% (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.

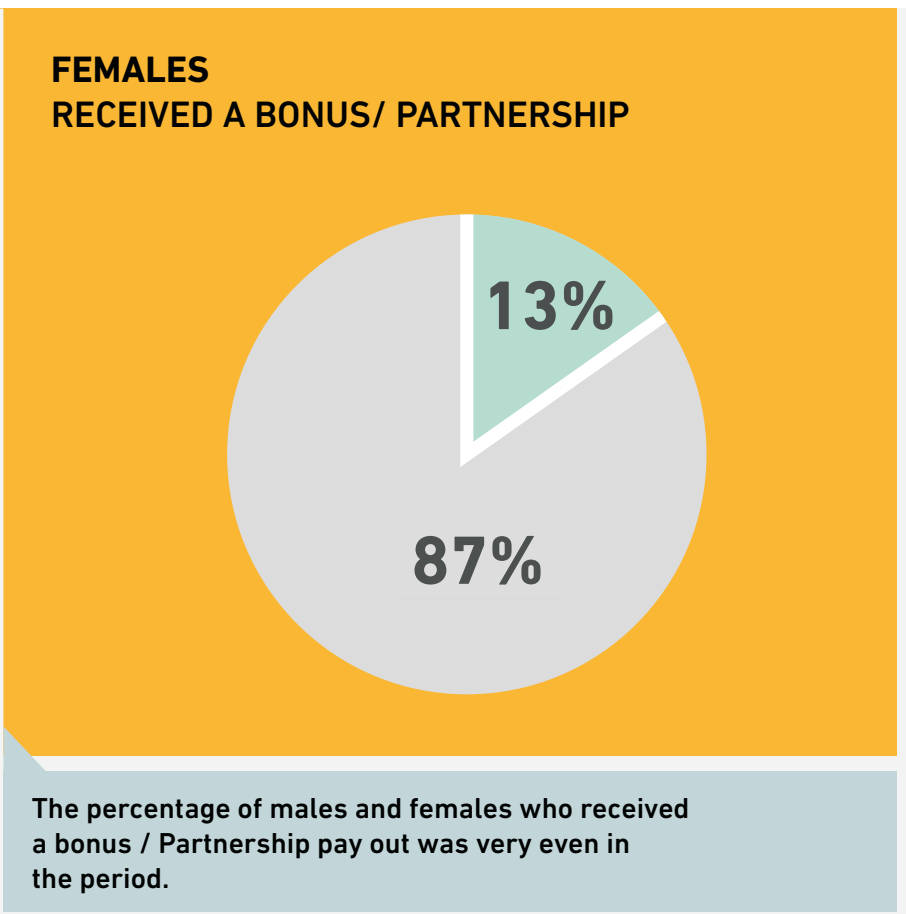
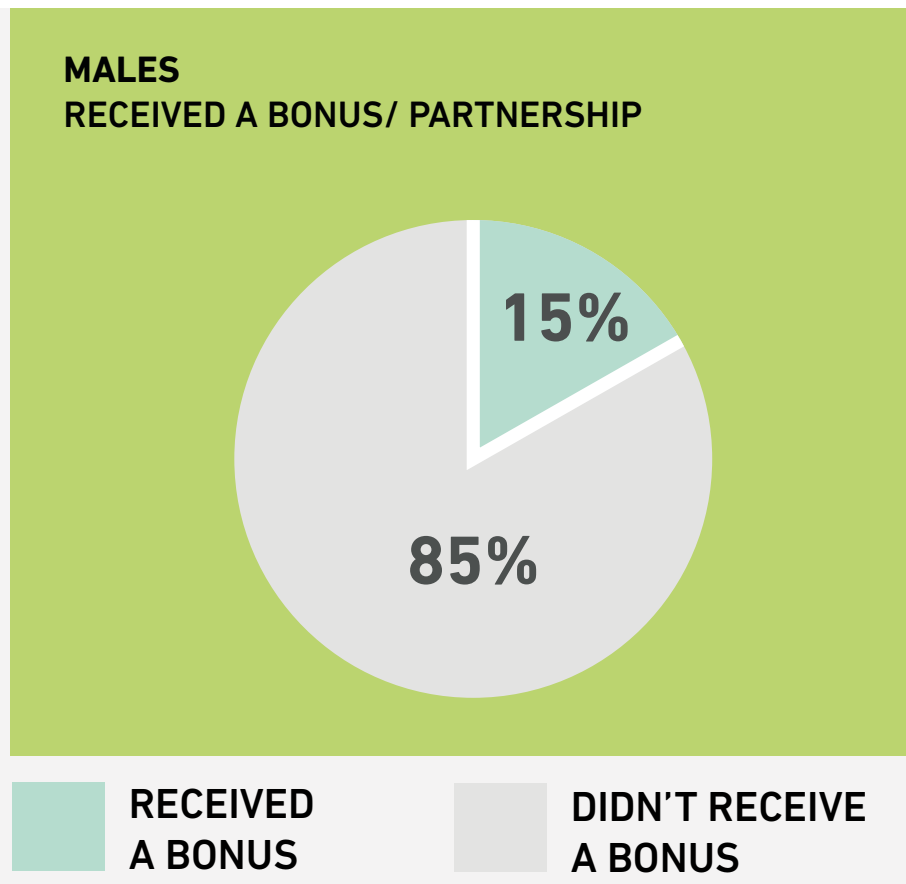
Due to some changes we made to our Partnership incentive scheme there were an unusually high number of payouts in the year we're reporting on, and this has further exaggerated the Bonus Pay Gap in Nando's.

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 increased by 13% in the last two years.

Helping women at Nando's to progress will remain a key focus for us over the coming years.

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).

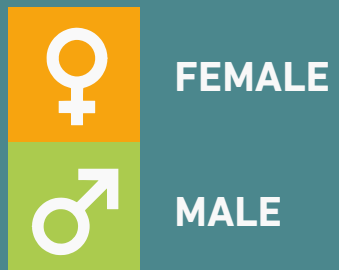
Metric	Figure
Mean	42.2%
Median	18.4 %



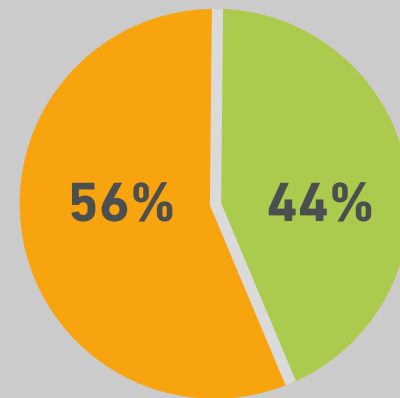
Pay Quartiles

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

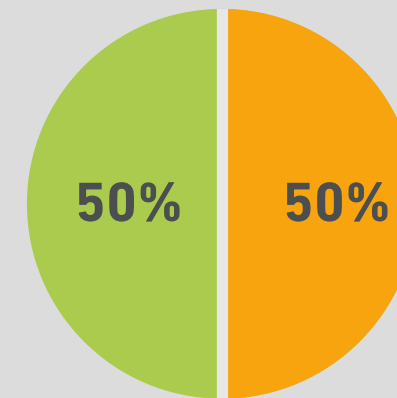
We then split this list into four equal groups, and looked at the proportion of males and females in each group.



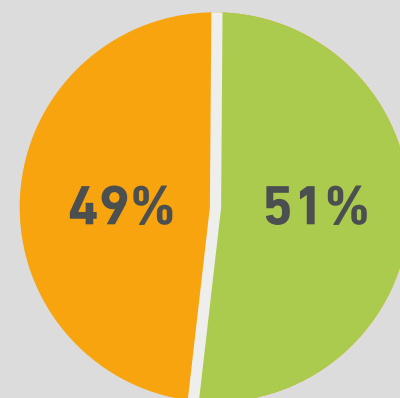
UPPER QUARTILE



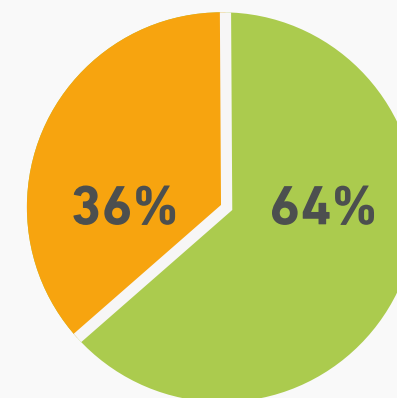
UPPER MIDDLE QUARTILE



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

At Nando's we are firmly committed to maintaining a culture that creates a sense of belonging, embraces difference and is truly inclusive for everyone, and to equip our Leaders to do so. Some of the initiatives which have helped us with these aims include:

- Running skills workshops for our managers and leaders, and creating new tools to support them, so that they are better able to help every Nandoca to progress.
- Rolling out our "grow others" principles across the business to highlight the importance of this to Nando's, and explain what we need to do to grow ourselves and each other. As part of this, we have produced a number of learning tools for Nandocas, to help all of our teams progress.
- We have reviewed all of our job adverts so they are more "gender neutral".

Our plans for 2018

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.

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.

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.

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.

Our plans for 2018

As we look to the future, we think it's really important that we create meaningful lasting change and don't focus solely on gender, focusing our energy on making continuous improvements for all our Nandocas, from the most senior to the most junior, to make sure everyone consistently feels a strong sense of inclusion. We want to make sure everyone at Nando's feels supported to grow and develop. We firmly believe that this is the best way to drive meaningful and measurable change.

**This report has been reviewed and approved
by our CEO Rob Papps.**



Nando's CEO Rob Papps