

Gender Pay Gap Report



Introduction - Everyone is Welcome

Inspired by our Southern African heritage we know and value the richness that diversity brings, not just in running a successful business, but in creating a better world for us all to live in. We believe in inclusivity and opportunity for all - at Nando's you will find people from every country, every race, and every religion working together and eating together.



As the impact of the Covid-19 pandemic continues to be felt around the world, it is more important than ever to ensure that we live up to our commitment to make our restaurants an integral part in every community in which we operate, especially for our people.

The uncertainty that we have all faced means that as a business we have prioritised not just the physical and mental health of our people, but also their financial wellbeing, supporting them as we navigate the pandemic together.

Introduction - Everyone is Welcome

At Nando's, it's the people that make the PERi-PERi and we are committed to creating an inclusive and respectful culture for all; one where every individual is valued, respected and can flourish, regardless of gender, race, religion, age, sexual orientation, background or outlook on life.

We thrive on the richness that diversity brings to our restaurants and support offices, and work hard to create an environment that is reflective of the diversity of our customers and the communities in which we operate.

There is no such thing as a 'typical Nandoca' (our word for employee), but what connects us all is the commitment to being open-minded, embracing and accepting of every individual. We are proud to welcome everyone who shares these values and attitudes. At the same time, we aim to create a place where our people feel they can be themselves, belong, grow and in turn deliver a great experience to our customers.

Now, in our fourth year of reporting, gender pay data has given us insight, made us challenge ourselves and put action in place to drive meaningful change.

We are proud of the work we have already done and are committed to driving more action over the coming years. We know that by empowering and enabling everyone to flourish and thrive, we can grow our business and deliver our purpose of changing lives together.




Executive Summary

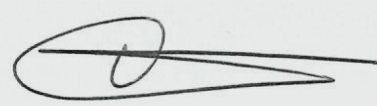
Since the very beginning, our culture has been built on our five values – Pride, Passion, Courage, Integrity - and above all else - Family. When lockdown first came into effect last year, it was simply a case of continuing to protect our people and our family. We are proud of what we have achieved in the most difficult of circumstances. Not only have we worked hard to protect all the jobs for our restaurant Nandocas, but we have made progress across the business on improving diversity, inclusion and belonging.

We firmly believe that focusing on inclusion, belonging and diversity is essential to be the business we want to be, driving meaningful change and become an inspiring, purposeful, and successful business. We have made progress but recognise that we still have more to do and we are committed and determined to ensure everyone at Nando's feels supported to develop and thrive.

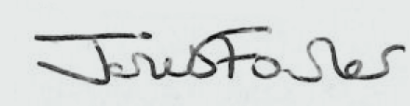
We are proud to have signed the Diversity in Hospitality, Travel and Leisure Charter and the Race at Work Charter - which publicly hold us accountable to the principles and actions set out. Everyone has a responsibility to make everyone feel welcome and part of the Nando's family, but we know and understand the critical role we play as a board. We have agreed our leadership commitments and accountabilities to support and drive our Everyone is Welcome business priority.

Colin Hill  Reviewed and approved by our Board.

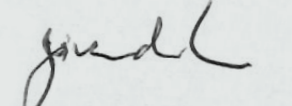
Garry Duncan



James Fowler



Jivan De Silva



Judith Irons



Michael Gardner



Richard Atkinson



Rob Bray



Sarah Fuller



Sarah Warby



What is Gender Pay Gap reporting?

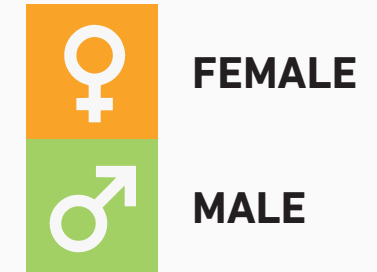
EQUAL PAY GAP AND EQUAL PAY EXPLANATION



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 business, **regardless of the work they do and the role they play.**

It is different to Equal Pay which is about men and women receiving the same pay for doing the same job.

We acknowledge that for reporting purposes, legal regulations ask us to identify our Nandocas as men and women. However, we know that not all our Nandocas identify themselves in this binary concept and we work hard to ensure all Nandocas are welcome, feel part of the family and can be themselves.

WHO

The figures in this report cover 16,709 Nandocas working in the UK as of 5th April 2020*. It includes everyone in our restaurants and Central Support offices.

WHEN

We have used the data for everyone who worked for us on the “snapshot date” of 5th April 2020*.

For bonus reporting, the data covers anything paid from 6th April 2019 to 5th April 2020.

WHAT

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

- Mean and median Gender Pay Gaps
- Mean and median Gender Pay Bonus Gaps
- The percentage of people by gender who received a bonus payment
- Pay quartiles by percentage of men and women

*The snapshot date for the purposes of the report

The Gender Pay Gap at Nando's

MEAN PAY GAP:

 / 5 = MEAN

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

6.3%

This gap is predominantly due to the fact that there are more men in senior roles at Nando's than women. We've reduced our gap from the previous year by 0.9% due to an increase in female representation across senior levels in the business. We currently have a 33% female representation at Board Level.

We are **8.3% below the UK average** and **1.4% below industry average** (14.6% UK average and 7.7% industry average: based on Office for National Statistics).

The table below shows our year on year journey for the Mean Pay Gap.

| MEAN PAY | 2018 | 2019 | 2020 |
|----------|------|------|------|
| | 6.5% | 7.2% | 6.3% |

MEDIAN PAY GAP:

 = MEDIAN

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

0%

Our reported figures this year have been somewhat affected by the coronavirus pandemic in that our Median Pay Gap has been impacted positively. Our gap is at 0% because the only pay increase implemented in 2020 was the National Living Wage, as the majority (86%) of our Nandocas are hourly paid the median rate is reflective of the population who received this increase.

This figure is much lower than the **average median Gender Pay Gap for the UK as a whole, which is 15.5%** (according to the Office for National Statistics), **and the median in our industry, which is 1.4%** (according to the Office for National Statistics).

The table below shows our year on year journey for the Median Pay Gap.

| MEDIAN PAY | 2018 | 2019 | 2020 |
|------------|------|------|------|
| | 1.2% | 1% | 0% |

Bonus Pay Gap

Our annual Bonus Pay Gap figures include anything that was paid out either as part of our Bonus scheme (which is available to all salaried Nandocas), or our Partnership scheme (our Long-Term Incentive Scheme where eligibility to participate is driven by level of role).

Our bonus pay gaps remain higher than we would like, even though we have seen minor shifts in bonuses received by our female and male Nandocas eligible for bonus. For management and leadership positions, our bonuses are related to performance.

We have more men in leadership positions both in our Patrões (General Managers) and at senior level within Operations and Central Support. We have seen over the last four years of reporting an increase in female representation in our Senior Operational roles,

in particular representation of female Area Managing Directors has tripled.

We know we still have work to do and are committed to doing this through our pledge to ensure gender parity shortlists in senior roles.

We strive to make progress in closing the gap and driving meaningful and sustainable changes. We are confident that our actions going forward will enable us in the long term to achieve this, as well as support our wider Everyone is Welcome agenda.

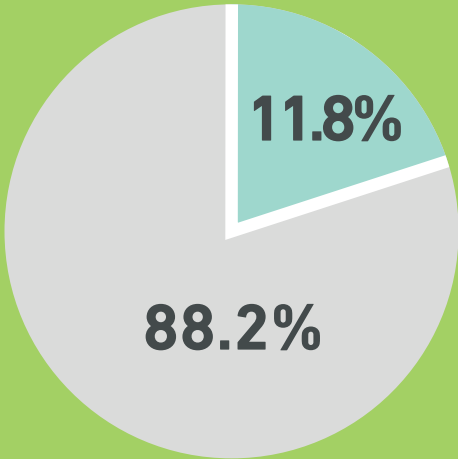
Metric Mean 44.8%

Median 17.1%

The table below shows our year on year journey for our Bonus Gaps.

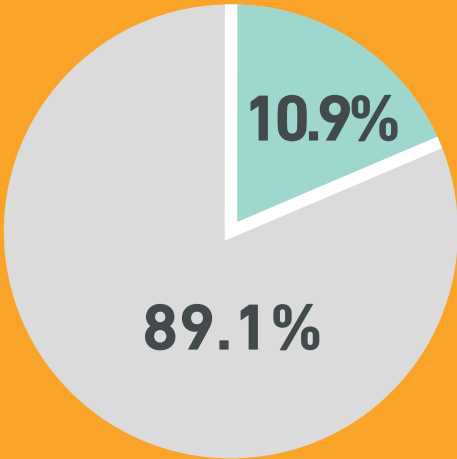
| | 2018 | 2019 | 2020 |
|--------------|-------|-------|-------|
| MEAN BONUS | 41.1% | 50.8% | 44.8% |
| MEDIAN BONUS | 20% | 19% | 17.1% |

MALES
PROPORTION OF MALES RECEIVING A BONUS



RECEIVED A BONUS DIDN'T RECEIVE A BONUS

FEMALES
PROPORTION OF FEMALES RECEIVING A BONUS



RECEIVED A BONUS DIDN'T RECEIVE A BONUS

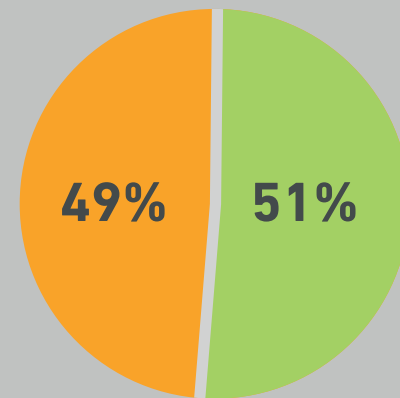
Pay quartiles

Our pay quartiles are calculated by listing every Nandoca 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.

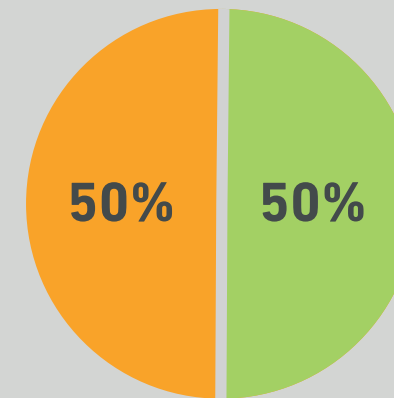
Overall from last year there has been:

- 1% increase in females in the upper quartile
- 2% decrease in females in the upper middle quartile
- All other quartiles remained static

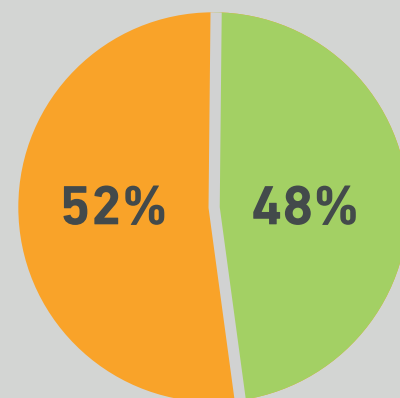
UPPER QUARTILE



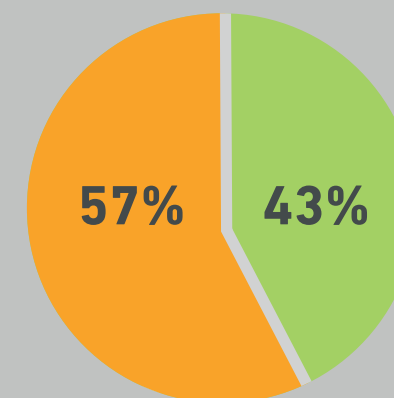
UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE



LOWER QUARTILE



MALE



FEMALE

Whilst we have made progress, we know that we need to do more to progress more females into senior roles at Nando's, and that remains a key objective over the coming years.

Understanding the Pay Gap

The analysis of our pay gap figures as of April 2020 tell us:

- Overall, we have a higher proportion of females (52%) in our restaurants in hourly paid roles.
- For our salaried Nandocas both in our restaurant and Central Support offices we have broadly 50:50 representation.
- Our bonus pay gap data includes payment received from our Partnership scheme (our Long-Term Incentive Scheme, eligibility to participate is driven by level of role). 40% of the participants in our Partnership scheme are female.
- We also have a higher proportion of men in the most senior positions within the UK business. Naturally these roles attract the higher levels of remuneration and bonuses, therefore impacting the overall mean gap bonus numbers when combined with the level of female representation in our Partnership scheme.

From further analysis we recognise that we need to:

- Increase female representation of our Patrões (General Managers), which is currently 39%. We need to encourage, support and enable our female Patrões to lead our larger sales volume restaurants, as our pay and reward structures for our Patrões are linked to the size of our restaurants.
- Continue with the focus of increasing the number of women in senior leadership positions. We have made progress in this area, mostly in Operational Management roles, however we know that to see further change will take time. As a business we have long length of service in our Patrão and leadership roles (the average being over 9 and a half years), something we are proud of. Equally, this makes it challenging when trying to increase representation, as this can only be achieved through newly created senior roles. We are putting in practices to ensure when those opportunities come up, we have equal representation on our recruitment shortlists.

Progress

Everyone is Welcome is part of our DNA, it's why people join our business and why they stay. Creating a respectful and inclusive culture is a key business priority for us, one that is imperative to our success. We are striving for the makeup of our business to be reflective of the Nandoca teams in our restaurants and aim to achieve this by focusing on three key elements to drive change.



INCLUSIVE CULTURE

Our Everyone is Welcome group is key to informing our agenda and holding us to account. They are representative of our workforce and have a passion for valuing and respecting others. Their purpose is to represent our Nandocas, discuss issues, raise awareness, and advocate change across this agenda – helping to embed a culture of inclusion.

They have already helped: shape our approach to flexible working practices, been a part of our education and awareness programmes, and provided valuable insight on barriers and opportunities to further unlock an inclusive culture.

They will continue to play a key role in our plans going forward in creating an environment of value, respect, and representation.



EDUCATION AND AWARENESS

Critical to our plans in driving long term sustainable and meaningful change are our senior leadership teams. During March 2021 we launched our Inclusive Leadership Programme. A 6-week educational programme for senior leaders to support them in building a culture of inclusivity, equity and belonging in their teams. Our aim is to enable our leaders to cross boundaries, connect with different people and embrace diversity in all aspects of how they manage and lead their teams.

We have also been working with a diversity and inclusion specialist who has helped us with the education, awareness and training of our talent acquisition and development teams. This activity has enabled us to start the review of our hiring and promotion practices, removing potential unintended biases from our processes. This has begun and we will continue to focus on areas where we need to increase representation to achieve our business outcomes.



BE THE BEST ME

We encourage our Nandocas to be themselves and actively support individuality. It is especially important to us that our people feel empowered and can maintain a healthy balance with work and home.

We want our Nandocas to grow at their own pace and become the absolute best version of themselves. Our Senior Leadership Programme has seen a good success rate with an equal split of female and male leaders progressing through the program since it started in 2016. We are proud of this and will continue to look for further opportunities.

We have also improved our family friendly benefits by investing in maternity leave, providing an enhanced package. In addition, we are also trialling opportunities to job share for our Patrões. This is available to everyone at this level, not just women. We will continue to review this trial, alongside other opportunities for flexibility.

Our plans for 2021

We are proud of the work we have done so far, but we know there is more we can do. We are committed to creating a respectful, inclusive and representative culture for all.

New actions we have taken for 2021 so far:

- We have committed to have diverse shortlists and interview panels.
- We have begun a review of our policies and management guides, to provide clear expectations.
- We have hired a new Everyone is Welcome Team enabling a dedicated focus on driving actions and initiatives forward.

Actions we will start to take in 2021

- Reverse mentoring scheme partnering senior leaders with our front line Nandocas. Creating an environment of open dialogue of discussion and feedback to ensure diverse perspectives are heard and taken into key decision forums.
- We will carry out specific listening forums with our females to understand potential barriers to and opportunities for progression. The outcomes of that listening forum will feed into our Everyone is Welcome plan for 2021 and beyond.

We will continue to:

- Engage and listen to our Everyone is Welcome steering group but increase the representation of our hourly paid Nandocas on the forum.
- Review and remove potential biases from our hiring and promotion practices so we have representation that reflect the diversity of our restaurants.
- Have talent review conversations through our Everyone is Welcome lens with the aim of increasing representation through all levels of the business. Our target is to have 50% female representation in all our talent pools.
- Setting our cultural agenda to focus on creating an inclusive environment for all through sharing stories and highlighting role models from different represented groups.