



Hotel Chocolat Gender Pay Report 2019

HOTEL
Chocolat.
BRITISH CACAO GROWER



It's our mission to make the best chocolates on the planet. We're as committed to this as we are to living by our values of originality, authenticity and ethics across our business. Our deep sense of fairness extends to our employees, cocoa farmers, customers and future generations.

We are confident that all employees, male and female, are paid fairly for the valuable roles they fulfil across Hotel Chocolat.

Angus Thirlwell, CEO and Co-founder, Hotel Chocolat

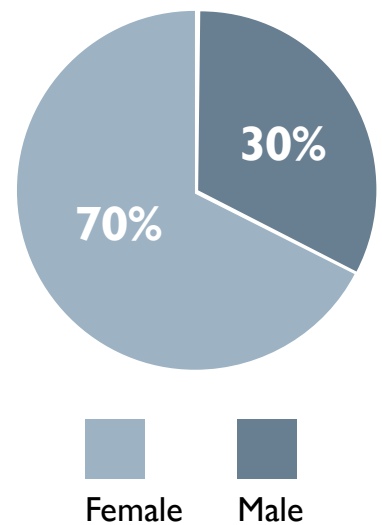
Hotel Chocolat Gender Pay Report

WHAT IS THE GENDER PAY GAP?

The gender pay gap measures the difference between earnings of men compared to the earnings of women, and is not to be confused with equal pay, which is the legal requirement that men and women are paid the same for the same work.

At Hotel Chocolat we strive to create a working environment in which all individuals are able to make the best use of their skills and talents, free from discrimination or harassment, and in which all decisions are based on merit. We are confident that all of our employees are paid fairly and consistently for the same roles.

Employee mix by gender



WHO WORKS FOR HOTEL CHOCOLAT?

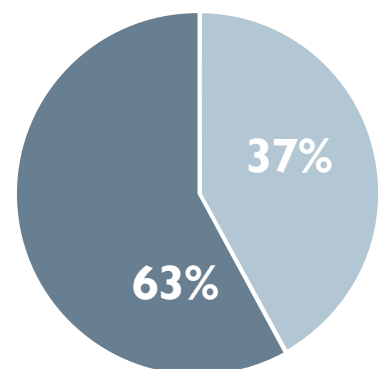
We are growing all the time but at the date of the report we had 1593 permanent employees, an increase of 96 employees year on year. 75% of the new roles were filled by women and 25% by men. The majority of the new roles were in stores, a result of the company opening 15 more shops in the year. Overall 70% of our employees are female and 30% are male:

It's important to us to be able to offer flexible working options, this is particularly true in retail stores where we offer a wide range of roles and large number of part-time opportunities.

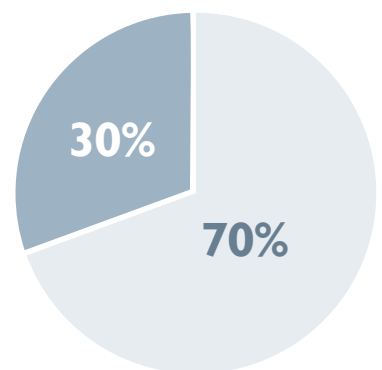
Not only does this suit the differing circumstances of our employees, it also allows us to attract individuals from a diverse talent pool. Across the business the proportion of women working in part-time roles is higher than men; 63% of women work part-time versus 30% of men:

The number of women working part time has increased from 61% to 63% and the number of men working part time has decreased from 33% to 30%.

Female
63% work part time



Male
30% work part time



Part time Full time

Summary Of Results: Year Ended April 2019

GENDER PAY GAP

We are confident that all of our employees are paid fairly for the roles they fulfil. The gender pay gap is reported below:

Hotel Chocolat Gender Pay Gap

Mean¹ **19%** Median² **6%**

National Average (per ONS)

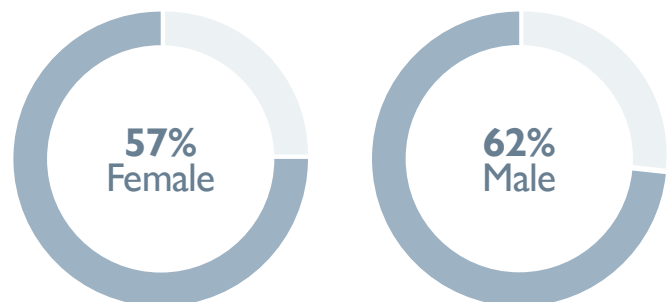
Mean¹ 17% Median² 9%

1. The mean gap divides the total pay of all women by the total number of hours worked and compares this with the total pay of all men divided by the number of hours worked, this gap is 19%.
2. The median gap ranks all women from lowest to highest paid, and all men from lowest to highest paid and then compares the middle woman with the middle man, this gap is 6%.

The majority of our employees work in retail stores, where we have a higher proportion of female employees and rates of pay tend to be lower than for central support office. Our hourly rates are consistent for the same role.

GENDER BONUS GAP

Everybody working for Hotel Chocolat is included in our company bonus scheme. 57% of women received a bonus in 2018-19 and 62% of men received a bonus:



Whereas the gender pay gap compares the hourly pay rate for men and women, the bonus gap compares the total bonus value received in the year. Bonuses are paid as a fixed percent of annual earnings, so those working more hours will receive a larger bonus. For example, a person working 30 hours per week on the same hourly rate as a person working 20 hours per week will receive a bonus that is 50% larger. This means the bonus gap for Hotel Chocolat is 37%, while the median gap is 27%.

Our gender bonus gap exists because our bonus scheme includes the whole business, therefore the pool of people it takes into account is very diverse. When working out the gender bonus gap, the required calculation does not take into account the different levels of part-time roles for men and women. Therefore the gap looks large, but in reality bonuses are absolutely consistent for men and women in equivalent roles, working the same number of hours.

Gender Bonus Gap

Mean **37%** Median **27%**

Gender Demographic Per Pay Quartile

We are required to report the proportion of males and females in four equal sized quartile groups. Each pay quartile includes one quarter of the total workforce, sorted in ascending order of pay. We have more women than men in all four quartiles, but the ratio of women to men is not as high in the top quartile.

The proportion of women in the upper pay quartile increased from 58% in the prior year to 59%.

OUR COMMITMENTS

We believe that gender pay is just one important element of a broader agenda to encourage diversity. We strive to create a working environment in which all individuals are able to make best use of their skills and talents, free from discrimination or harassment, and in which all decisions are based on merit. We are committed to a sustainable, balanced agenda which promotes diversity and inclusion across the business.

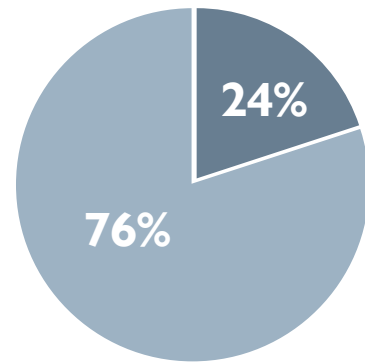
DECLARATION

We confirm that Hotel Chocolat's gender pay calculations are accurate and meet the requirements of the regulations.

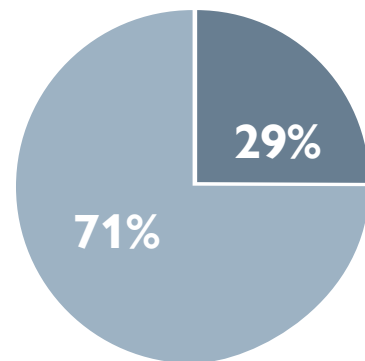


Angus Thirlwell, CEO and Co-founder, Hotel Chocolat

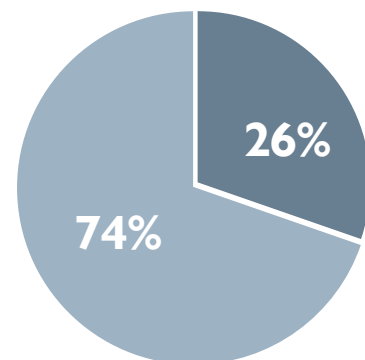
Lower pay quartile



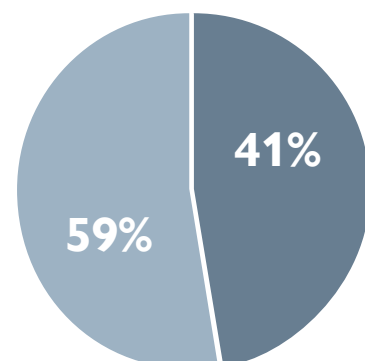
Lower middle quartile



Upper middle quartile



Upper pay quartile



Female Male