

AccorInvest UK

Gender Pay Gap Written Statement

Accor UK Business & Leisure Ltd are fully compliant with all relevant legislation and wholly committed in our duty to report our Gender Pay Gap findings for the year end 2022.

As outlined by the Government, the Gender Pay Gap is an analysis of the difference between the average (mean or median) earnings of men and women across a workforce. From 2017, employers who have 250 or more employees on a selected date each year must comply with regulations on gender pay gap reporting. Gender pay gap calculations are based on employer payroll data drawn from the specific date each year.

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Gender Pay Gap reporting enables us to review and analyse our headline figures to understand the extent of our gender pay gap and how our actions and decisions can help us to close this gap. The annual reporting process for Gender Pay Gap allows us to better track how our business decisions in recruitment, attraction, compensation & benefits impact and contribute to our aim in being a diverse and inclusive employer.

This is our annual gender pay gap report for the snapshot date of 5 April 2022.

- Our mean gender pay gap is **7.07%**
- Our median gender pay gap is **3.58%**
- Our mean gender bonus gap is **30.16%**
- Our median gender bonus gap is **28.11%**
- The proportion of male employees receiving a bonus is **60.85%**
- The proportion of female employees receiving a bonus is **61.34%**

Table 1: Pay quartiles by gender

The below table shows our workforce divided into four equal-sized groups based on hourly pay rate. Band A includes the lowest-paid 25% of employees (the lower quartile) and band D covers the highest-paid 25% (the upper quartile). A quartile is one of four equally sized groups created when you divide a selection of numbers that are in ascending order into four. The "lower quartile" is the lowest group. The "upper quartile" is the highest group.

Band	Description	Males	Females
D	Includes all employees whose standard hourly rate places them in the upper quartile	62.59%	37.41%
C	Includes all employees whose standard hourly rate places them in the upper middle quartile	51.55%	48.45%
B	Includes all employees whose standard hourly rate places them in the lower middle quartile	50.17%	49.83%
A	Includes all employees whose standard hourly rate places them in the lower quartile	43.28%	56.72%

The figures in this table have been calculated using the standard methods used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Why do we have a gender pay gap?

Our snapshot date of 5th April 2022 represents a critical moment since the coronavirus pandemic period where earnings of the workforce were impacted due to the furlough scheme. This skewed the previous reporting data as we had less relevant employees that could be captured in the report, resulting in uncertain and inaccurate findings. However, the snapshot date of 5th April 2022 includes a larger sample of relevant employees.

It was also important to note that for context, 2022 was a difficult year for the hospitality industry. Business was booming with high occupancy rates whilst simultaneously, hotels were struggling to recruit for the staff they had lost during the covid pandemic. Brexit also continues to have an impact on the labour market, especially for critical roles in hospitality.

An initiative that AccorInvest embraced was the Kickstart Scheme which provides funding to employers to create jobs for 16 to 24 year olds on Universal Credit. However, the employees from the Kickstart scheme were on our payroll being paid National Minimum Wage as per the government guidelines.

The Gender Pay Gap compares the average pay between men and women. As an employer, AccorInvest is proud to be paying all

employees above the National Living Wage and has clear salary gradings for all jobs based on market benchmark. This ensures that all employees undertaking the same/similar role is paid fairly.

Our gender pay gap for 2022 shows that as of the snapshot date, we had almost a 50/50 split in our workforce between males and females. We can see in our gender pay gap that there has been a shift in the gender balance across all 4 quartiles. In terms of the overall population, out of 2,320 relevant employees, we had 1,204 males and 1,116 females included in the report, resulting in 48.1% in terms of our gender split in the total workforce. Nonetheless, it is still possible to have a gender pay gap as it depends on the number of men and women in each job.

Legally, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

We are committed to equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or anything else listed above). We:

- carry out regular pay and benefits audits;
- evaluate job roles and pay grades to ensure fairness;
- Providing clear metrics & guidelines during annual salary increase & bonus processes.

Our bonus pay gap

The bonus gap is the difference between the bonus pay or incentives that are paid to male and female employees. Like the gender pay gap, only relevant employees who received a bonus are included in the calculation. Typically, all employees are eligible to take part in the annual bonus scheme subject to performance & financial objectives being met. Furthermore, depending on your role/band, your bonus entitlement will vary. 2022 was an unprecedented time for us and

additional incentives were paid in 2022 such as enhanced recommend and friend payments and an additional multiplier paid to staff on top of their bonus entitlement. Whilst the bonus pay gap is unusually high, the Company is confident that employees performing the same role are entitled to an equal bonus opportunity. That being said, the bonus scheme is being reviewed for 2023 given the cost of living crisis and changes in the labour market. Bonuses are therefore being reviewed by the company in order to continue improving our bonus pay gap.

We are confident that our gender pay gap is not a pay issue; we know this because our approach to pay is gender neutral by design and our analysis shows that our pay gap is driven by the structure of our workforce.

The table above shows our workforce divided into four equal-sized groups based on hourly pay rate. Band A includes the lowest-paid 25% of employees (the lower quartile) and band D covers the highest-paid 25% (the upper quartile). If we had no gender pay gap, there would be an equal ratio of men to women in each band. However, instead, we have a higher representation of male colleagues in Bands B, C and D with a higher female representation in Band A.

What are we doing to address our gender pay gap?

Our Gender Pay Gap shows that as a Company, we are progressing in reducing the gap compared to previous years. This demonstrates that we are moving in the right direction in reducing our gender pay gap and we are committed to doing everything we can to reduce the gap. However, we also know this is a difficult task. For example, we have no control over what people choose to study or the career choices that they make.

So far, we have taken the following steps to promote gender diversity:

- **Enhanced Salary Increases:** In 2022, the Company increased hotel employees wages substantially over 3 salary increases within the same year. This would impact the employees that fall under the lower and lower middle quartiles as the salary increase campaigns brought consistency to hourly wages, and enabled the company to pay its staff over the London Living Wage. As you can see in the table above, the lower middle quartile consists of an almost even gender split, and with more female employees in the lower quartile. This campaign enabled the company to increase salaries and apply consistency to wages which we believe will contribute in reducing our gender pay gap in the years to come.
- **Salary Review:** The Company has an annual salary review process whereby all employee's salaries are reviewed to ensure

consistency in job roles and to ensure they are signed with the job evaluation/grading metrics used by the organisation. These metrics are also a benchmark for how the company pays its employees in comparison to the market.

- **Encouraging internal mobility:** In liaison of our managing partner, Accor Hotels, the Company is ensuring that all employees are aware of vacancies within the company should they wish to apply and progress into different roles. We value our employees; and being able to retain our talent and distribute skills & experiences is critical to our approach. We support and enable our Heads of Departments in our hotels to move into their first General Manager positions, and we ensure all employees are aware of all opportunities to encourage mobility within the company for personal and professional development.
- **Flexible Working:** As an employer, we are proud of the flexible opportunities we provide to employees across the organisation. The nature of hospitality requires flexibility which we promote and support within the business. However, as per the table above, the demographics within each quartiles will be an influential factor to our mean and medial gender pay gap, which cannot be completely controlled. We will continue to provide the foundations to enable a flexible culture including review of policies and process such as family friendly policies. In our HQ's, we are proud to be successfully implementing hybrid working to allow employees to work flexibly and manage their own work/life balance.

By themselves, none of these initiatives will remove the gender pay gap - and it may be several years before some have any impact at all. However, this report demonstrates the actions we deem to be important to drive this change to tackle our gender pay gap. Nonetheless, every year we will tell you what we're doing to reduce the gender pay gap and the progress that we're making.

Any further initiatives launched throughout the year will be reported on the company intranet.

I, **Alice Neubert, VP Finance UK & Benelux**, confirm that the information in this statement is accurate.

