

MACDONALD
HOTELS & RESORTS

GENDER PAY GAP REPORT 2017

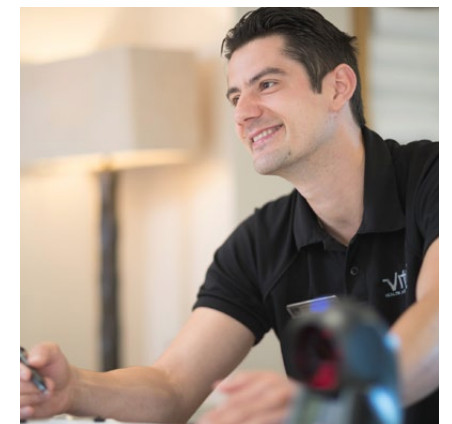
FOREWORD

With the support of our dedicated workforce, Macdonald Hotel & Resorts has become one of the UK's best-loved hotel companies with over 40 premium hotel sites across the UK, Spain and Portugal. We value the diversity of our workforce, and believe that the best results are achieved by committed people from a variety of different backgrounds, ethnicities and gender.

This report provides details of the gender pay gap for Macdonald Hotels Limited and Macdonald Resorts Limited, both of which have more than 250 employees. The gender pay and bonus gaps have been calculated using the standard methodologies outlined in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

It is important to note that the gender pay equality, as set out in the prescribed methodologies, is not the same as equal pay for equal work. The gender pay gap shows the differences in the average pay between men and women. It does not measure equal pay, which deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value.

We are committed to the principle of equal opportunities and equal treatment for all employees and are therefore confident that the gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather the gender pay gap is the result of the roles in which men and women work within the company and the salaries that these roles attract in the labour market.



MACDONALD HOTELS LIMITED SUMMARY:

- For Macdonald Hotels Limited, the headline results of a 1.6% mean pay gap and nil median pay gap compare favourably against the Office for National Statistics (2017) national mean and median of 17.4% and 18.4% respectively. Indeed, our nil median pay gender pay gap also significantly outperforms the national result of 5.4% for the accommodation and food sector.
- Our gender pay gap is primarily driven by men holding more of the senior leadership roles within the company. There are also a higher number of part-time and flexible roles held by women.
- The percentage of male and female employees receiving bonus payments is relatively similar. However, men are typically receiving smaller bonuses than women, with the mean bonus pay gap of negative -1.7%, and the median is -6%. This is because the business functions in our company that are incentivised via bonuses tend to have a higher proportion of women (note, the overall female: male split being 55%:45% respectively).

Over the next five years we expect to see an increase in the number of females in senior leadership roles with Macdonald Hotels Limited and Macdonald Resorts Limited, (e.g. 62% of our current graduate pool are female) and are confident that current and future initiatives will reduce the gender pay gap and allow all employees to thrive.



Jason McBurnie
Group Finance Director

MACDONALD RESORTS LIMITED SUMMARY:

- For Macdonald Resorts Limited, we have a mean gender pay gap of 1.2% and nil median pay gap. As with Macdonald Hotels Limited, this compares favourably against the Office for National Statistics (2017) national mean and median.
- Our gender pay gap is primarily driven by men holding more senior leadership roles within the company. There are also a higher number of part-time and flexible roles held by women.
- The percentage of male and female employees receiving bonus is equal, however there is a significant difference in the mean and median bonus payments with women typically receiving much larger bonuses.

UNDERSTANDING THE PAY GAP – MACDONALD HOTELS LTD

PAY GAP

MEAN PAY GAP

16%

MEDIAN PAY GAP

0%

Impacted by more men currently occupying senior leadership roles.

BONUS PAY GAP

MEAN BONUS PAY GAP

-17%

MEDIAN BONUS PAY GAP

-6%

% RECEIVING A BONUS PAYMENT



7%



6%

Men are typically receiving smaller bonuses than women, and the business functions that are incentivised via bonuses tend to have more women.

% OF EMPLOYEES IN EACH QUARTILE



TOTAL

45%



TOTAL

55%

LOWER QUARTILE

TOTAL

44%

TOTAL

56%

LOWER MIDDLE QUARTILE

TOTAL

49%

TOTAL

51%

UPPER MIDDLE QUARTILE

TOTAL

35%

TOTAL

65%

UPPER QUARTILE

TOTAL

51%

TOTAL

49%

When looking at the proportion of men and women in each quartile, there are marginally more women in each, with the exception of the upper middle quartile, which has many more women.

UNDERSTANDING THE PAY GAP – MACDONALD RESORTS LTD

PAY GAP

MEAN PAY GAP

12%

MEDIAN PAY GAP

0%

Impacted by more men currently occupying senior leadership roles.

BONUS PAY GAP

MEAN BONUS PAY GAP

-60%

MEDIAN BONUS PAY GAP

-53%

% RECEIVING A BONUS PAYMENT



6%



6%

Men are typically receiving smaller bonuses than women, and the business functions that are incentivised via bonuses tend to have more women.

% OF EMPLOYEES IN EACH QUARTILE



TOTAL

39%



TOTAL

61%

LOWER QUARTILE

TOTAL

26%

TOTAL

74%

LOWER MIDDLE QUARTILE

TOTAL

54%

TOTAL

46%

UPPER MIDDLE QUARTILE

TOTAL

34%

TOTAL

66%

UPPER QUARTILE

TOTAL

41%

TOTAL

59%

When looking at the proportion of men and women in each quartile, there are more women in each, with the exception of the lower middle quartile, which has slightly more men.

CLOSING THE GAP



RECRUITMENT:

- Macdonald Hotels & Resorts operates a transparent approach to recruitment, supported by the latest recruitment technology and a Company Careers website, where all jobs are advertised. Compensation range is established prior to recruitment commencing and benefits are consistent across each level of contract.
- We have a consistent approach to recruitment and onboarding supported by an internal Talent Acquisition manager and recruitment and on-boarding technology.
- At the heart of our culture is a passion to ensure that we attract and retain the best person for every job, and maintaining unbiased selection processes is one of the key tools in doing this.



MANAGEMENT COMMITMENT:

- Business leaders are informed, targeted and held accountable for employee turnover and employee engagement measured by an external annual staff survey. Results are analysed at Board and unit level to ensure a positive and consistent approach to the welfare and leadership of our staff across the Company.



TEAM MACDONALD TALENT POOL:

- We're dedicated to ensuring the applicant pool for senior roles is as diverse as possible.



TEAM MEMBERS STAFF SURVEY:

- We conduct an annual survey which included all Macdonald Hotels and Resorts Team Members, based in our hotels and in our central support offices. Responses are examined based on a number of factors which includes gender. This ensures we can monitor employee satisfaction and respond to any suggestions as may be appropriate.

We confirm this statement is accurate and is approved by the Macdonald Hotels Limited Board of Directors.
Signed on its behalf by,

Gordon Fraser
Deputy Chairman & Group Managing Director

Jason McBurnie
Group Finance Director