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HOTEL
Chocolat.

GENDER PAY REPORT
2020

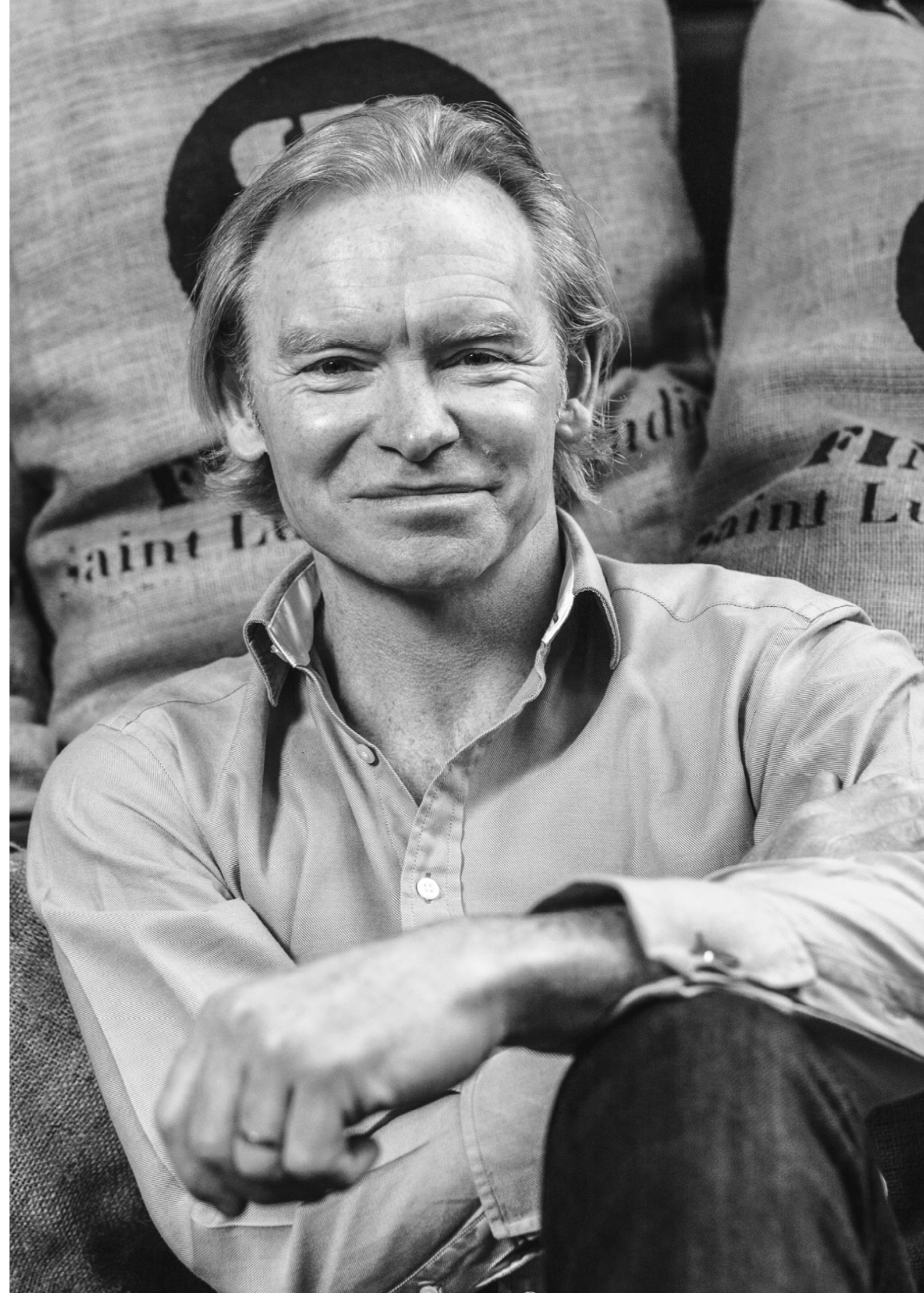
INTRODUCTION FROM ANGUS THIRLWELL, CEO HOTEL CHOCOLAT

People are the key ingredient to our success and we're proud to have a culture that allows our team to thrive. We want every employee to have a chance to develop their career and grow with us, because when people grow, our business grows.

We have a diverse and inclusive workplace where everyone feels a sense of belonging and is able to be themselves. It's important that everyone is able to make the best use of their skills and talents, free from discrimination or harassment, with decisions that are based on merit. We're 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 average earnings of men, compared to average earnings of women. We use the calculations set out by the government to generate the pay gap figures.

The gender pay gap is not to be confused with equal pay. Equal pay is about how much employees are paid for doing the same or similar work that's considered of equal value. We pay our employees according to their role, regardless of their gender. Because of the way the government asks us to report the pay gap, it means that even when pay is equal, there may still be a pay gap.

We recognise that the gender pay gap only covers males and females and that's because of the way we are asked to report by the government. We respect that some of our employees may have a different gender identity and we actively support them with our inclusive approach and through our LGBT+ network.

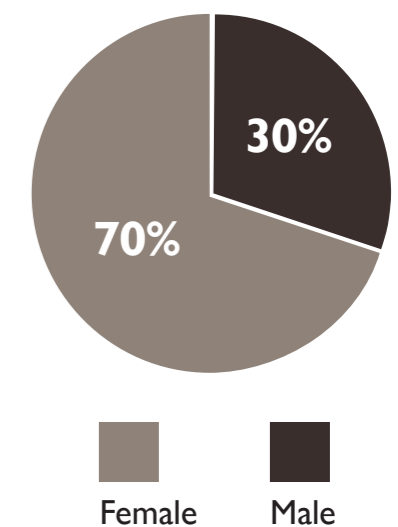
WHO WORKS FOR HOTEL CHOCOLAT?

With ambitious growth plans, the number of employees is growing all the time but at the date of the report, we had 1749 permanent employees, an increase of 201 year on year. 63% of the new roles were filled by women and 37% by men. The new roles were spread fairly evenly across all parts of the business and although we've seen an increase in the number of men hired during the last year, the numbers are not enough to swing the overall gender split of the workforce which remains 70% female and 30% male.

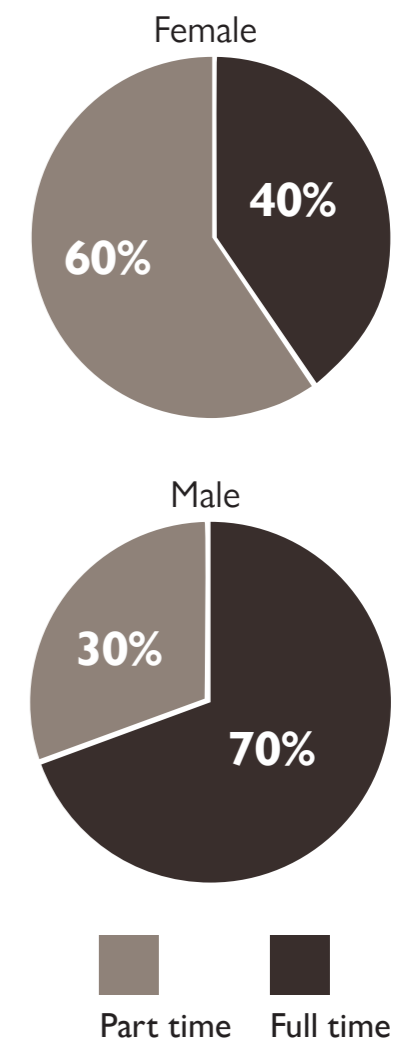
It's important to us to be able to offer flexible working options, this is particularly true in retail stores where we offer a wide range of roles and large number of part-time opportunities.

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; 60% of women work part-time versus 30% of men. The male split has remained the same, whilst the number of females working part time has decreased by 3% from 63% last year.

Employee mix by gender



Employee mix by part and full time



SUMMARY OF RESULTS: YEAR ENDED APRIL 2020

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 19.4% Median² 8.7%

National Average (per ONS)

Mean¹ 14.6% Median² 15.5%

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 19.4%.
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 8.7%.

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

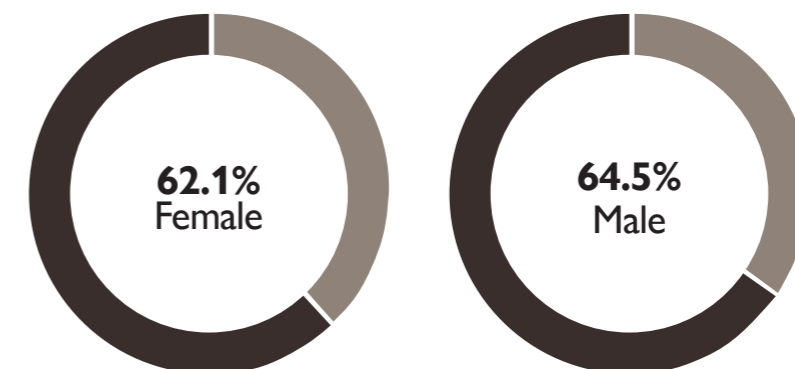
Everybody working for Hotel Chocolat is included in our company bonus scheme. 62% of women and 64.5% of men received a bonus in 2019-2020.

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. The gender bonus gap is reported below:

Gender Bonus Gap

Mean 83.9% Median 43.2%

PERCENTAGE OF EMPLOYEES RECEIVING A BONUS



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 consistent for men and women in equivalent roles, working the same number of hours.

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.

OUR COMMITMENTS

We believe that gender pay is just one important element of a broader agenda to encourage diversity and inclusion. We're actively working on a number of initiatives to increase diversity and promote inclusion across the business. We've provided D&I training for everyone across the business, we've introduced new inclusive recruitment practices as standard and we've got a number of employee driven networks aligned to different strands of diversity who are driving a truly inclusive culture.

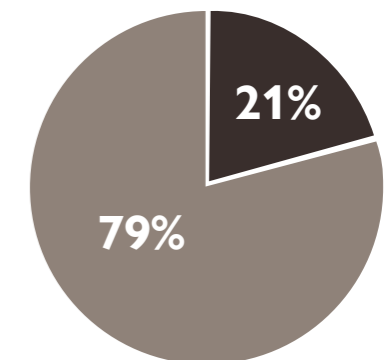
DECLARATION

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

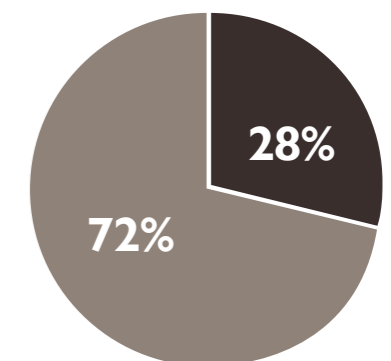


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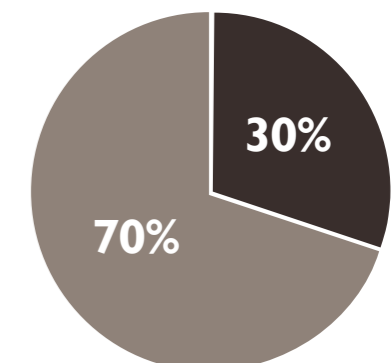
Lower pay quartile



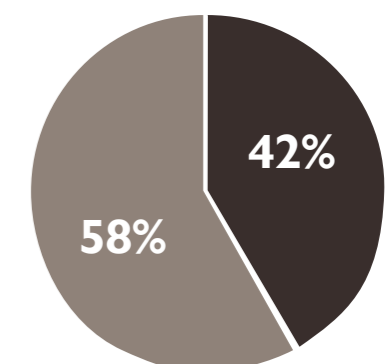
Lower middle quartile



Upper middle quartile



Upper pay quartile



Female Male