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Gender Pay Narrative

Dorchester Hotels Ltd

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1. Introduction

In light of the Government Regulations regarding Mandatory Gender Pay Gap Reporting, Gallagher Reward Consulting have been tasked with writing the Gender Pay Narrative to support the gender pay gap reporting requirements for Dorchester Hotel Ltd.

2. Foreword

As a business we have a passion for excellence and innovation, honouring the individuality and heritage of our iconic hotels. Everything we do, from our financial disciplines to our human resource policies, is focused on that aspiration. Our business comprises three key areas: The Dorchester, 45 Park Lane and the regional office which supports our London hotels. As an organisation, our vision is to be the ultimate hotel management company delivering expertise and care to our guests so they feel treasured, while cherishing our employees and ensuring our brand is celebrated worldwide.

We care for our people and recognise that they are our greatest asset. We want to ensure our workforce is diverse and inclusive and our culture continues to be open and fair. We are passionate about being an inclusive organisation and seek to provide job opportunities for everyone regardless of gender, age, background and nationality. We are committed to building an organisation which leverages individuals' unique talents so that we deliver a world-class service to our customers.

We continue our journey towards a more gender balanced organisation, building upon the action plan we established to improve our programmes and activities already in place. We have a mean gender pay gap of 7.42% favouring males, with our median gender pay gap sitting at 3.97% in favour of males. These figures compare very favourably to the national figures reported by the Office for National Statistics. We actively continue to invest in providing access to training and development opportunities to our entire workforce to encourage and promote progression across the organisation.

Females currently represent 45% of our overall workforce (down 3% in the last reporting cycle). Last year 54% of employee promotions were female (up from 53.75%), with 6% of those being promoted into management positions (down from 18.6%).

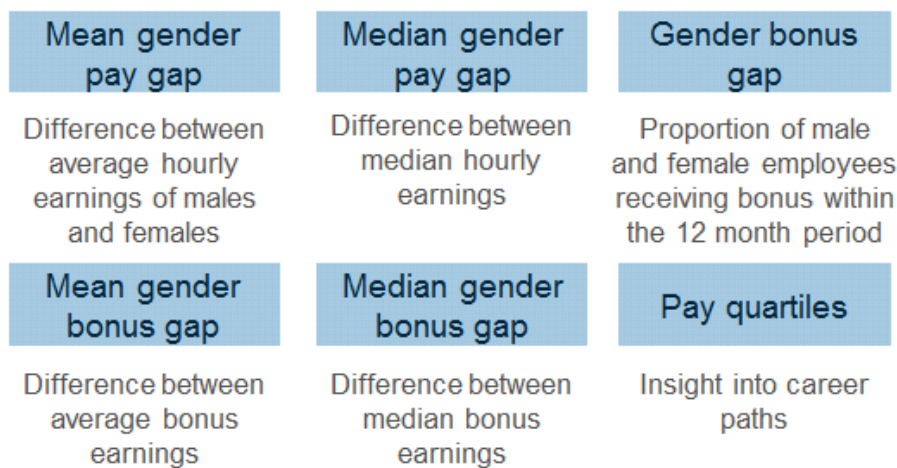
In our eighth reporting year, our leadership team continues to strive towards making our organisation a fair and balanced workplace. A number of diversity initiatives are collectively influential in taking strides towards moving Dorchester Hotels Ltd towards a more gender balanced workforce.

We continue to evolve our Women in Leadership programme, designed to highlight the importance of female capability across our organization. We continue to actively focus on increasing the proportion of female candidates identified for new roles and developing alternative recruitment pipelines. Our HR team actively supports our diversity message across the organisation by positively influencing and challenging our hiring managers to ensure they recognise how their individual behaviours and actions impact our overall ability to create an open, fair and inclusive workplace culture which reflects our company values. We have normalized conversations at all levels of the organisation around flexible working, reflecting in a higher acceptance of flexible working requests and are pleased that of these, we were able to accommodate 80% of requests from female employees.

We continue to encourage greater female representation across the organisation through a variety of initiatives and are committed to maintaining the momentum we have experienced over the last year. We believe it is even more critical at this time to remain committed and focused on equality, as we work towards a more gender balanced workforce.

3. Gender Pay Gap

Mandatory Gender Pay Gap Reporting applies to all private and voluntary sector employers in England, Wales and Scotland with at least 250 employees as of the 5th of April 2024 snapshot date. Those organisations are required to publicly report their gender pay gap metrics as follows on the government-sponsored website, with the aim of eliminating the gender pay gap:



As of the 5th April 2024 payroll, our mean gender pay gap stood at 7.42% favouring males, with our median gender pay favouring males at 3.97%:

Mean Hourly Pay Differences		Median Hourly Pay Differences	
Male Hourly Rate	£18.24	Male Hourly Rate	£15.06
Female Hourly Rate	£16.89	Female Hourly Rate	£14.47
Pay Gap	7.42%	Pay Gap	3.97%

These are both significantly below the national mean (13.9%) and well below the median (13.1%) as reported by the Office of National Statistics, 2022 (most recent published mean data) and 2024 respectively. It is worth noting that the mean (or average) can be susceptible to the influence of outliers, and therefore it is important to consider the median (the middle point of the data set) for a fair representation of the data. In situations where there are fewer outliers, the mean and median tend to be close together.

The underlying reason behind the mean gap is predominantly due to the higher representation of women in more junior roles in our organisation and higher representation of males in more senior leadership roles. Both the Food & Beverage & Hospitality sectors of the industry are typically male-dominated and this is reflected

across our organisation, recognising the majority of our roles are sourced from this industry. We know we have a lack of female representation in some of our more highly-skilled roles which is contributing to our pay gap as we have a predominance of highly-qualified males in higher-paid roles though we strive to source female talent when roles become vacant.

We are confident that all our HR processes and practices ensure that men and women are paid equally for doing equivalent jobs across our organisation. While females currently represent 45% of our overall workforce, we are pleased that consistent with last year, 25% of our Executive roles are currently being undertaken by females.

4. Bonus Payments and Participation

Our mean bonus gap currently stands at 29.98% favouring males, with our median bonus gap eliminated consistently for the third year running. We have a slightly higher proportion of female employees receiving a bonus:

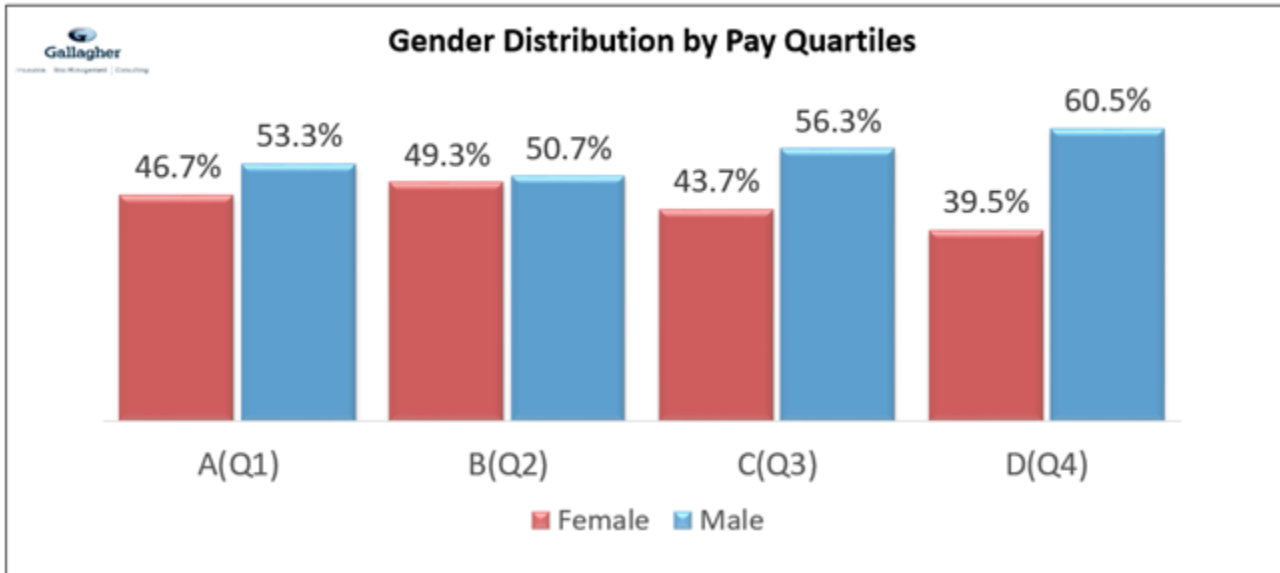
Gender	Number receiving a bonus	% Bonus Distribution	Mean Bonus Pay Differences	Median Bonus Pay Differences
Male	279	82%	£2,606	£1,000
Female	245	87%	£1,826	£1,000
Bonus Gap			29.89%	0%

In our organisation, female employees generally occupy more junior roles; in contrast, a higher number of male employees are engaged in more senior, more highly paid roles. This results in a wider range in bonus amounts received by males, relative to a much narrower range in the smaller female population, which creates the skew at the mean.

Discretionary performance-related bonuses are awarded and paid on an annual basis, taking account of company, business area and individual performance. As an equal opportunities employer, all our permanent employees irrespective of their position, age, gender or ethnicity, are eligible for bonus.

5. Career Paths and Earnings

Our gender distribution by quartiles, as defined by the regulations, show us that while female employees are well represented across quartiles generally, they are most underrepresented in the two highest pay quartiles.



HR Strategy

Our HR philosophy is to attract and retain high calibre individuals and to leverage their unique talents to help create unique guest experiences every day.

During the reporting year we have been committed to maintaining a strong focus on our values, ensuring managers are better equipped to offer alternative work patterns as a norm and encouraging conversations about flexible working to heighten employee awareness across all levels of our organisation.

We actively ensure that all our HR policies and tools proactively support flexible working across the organisation as we believe that these policies encourage our talented and driven employees to deliver results and in turn advance their careers in our organisation. We have continued to adapt our ways of working and where possible taking account of the requirements of the role, we are more open to flexible working requests which continue to be positively received. This supports our wider Diversity & Inclusion strategy as we seek to highlight the importance of inclusion across our organisation, opening up dialogue and building awareness on issues relating to respect for diversity in business.

As part of this, we continue to actively create an environment where everyone is motivated to develop and progress through innovative HR policies and practices and an encouraging environment. We proactively keep in touch with those on maternity leave and are pleased that we saw a 83% return rate in 2024 (down from 100% last year). We have enhanced support by creating a maternity pack providing key information to help our employees on their maternity journey from the outset, signposting different tools to positively impact their time off as well as their back to work experience. In this reporting cycle, we now ensure that those on maternity receive half points as part of our service charge programme, regardless of the duration of leave as well as

topping up both employee and employer pension contributions to the equivalent of enhanced maternity levels. Collectively this has been very well received.

We recognise the motivational importance of positive senior role models to inspire confidence and success. We are pleased that, consistent with last year, a quarter of our Executive roles are occupied by females. Overall 37% (down from 43%) of management positions are held by women. We acknowledge that our strategy needs to evolve to ensure that we attract a higher proportion of females into our organisation and that we actively ensure our hiring managers reflect our strategic approach to diversity.

Reward

We ensure roles are externally benchmarked on an annual basis against a comparator group of luxury hotels in the local areas we operate within, enabling us to obtain accurate market rates for each role, with each role receiving a consistent increase which is market driven and not tied to individual performance. We acknowledge pay differentials may still remain in certain cases due to factors such as length of service and seniority. Where pay differentials exist due to gender and are not justified by length of service or seniority, we ensure that every effort is made to bridge those gaps. As part of our annual performance management and pay review process we ensure that our people are being paid fairly based on their role, responsibilities, experience and performance. In this reporting cycle, we have proactively delivered targeted benefit communications to promote the existing offering and raise employee awareness.

We dialled up employee benefit communications to showcase our full offering, providing clearer navigation and positively have seen increased benefit takeup during the year.

Recruitment

We continue to ensure our recruitment approaches have a strong focus on ensuring a greater gender balance in potential candidates presented and strive to ensure that all recruitment materials reflect our inclusive employer branding imagery. This year, we enhanced our hiring practices to be more neurodiverse by implementing manager training on this subject, with all people managers completing the training. Our interview process and questions have been made more inclusive, with questions provided to candidates in advance and we have refined how we now judge CVs. This has been well received. An additional measure we have taken in this year is Inclusive Recruitment training which we have put all of our leaders through. We believe that education starts from within the organisation to ensure we are fairly and equally assessing candidates during the application process.

We are consistently developing alternative recruitment pipelines by proactively engaging with various segments of the job market and creatively utilizing different channels to enhance our employer brand. We also encourage all our hiring managers to ensure their actions consistently reflect our values in every interaction. Throughout our onboarding process, successful candidates now complete diversity and inclusion training.

Through our partnership with University First and Hospitality Connect, we are committed to promoting our industry and our brand across specific colleges and schools focused on hospitality programmes. We are leading across the hospitality sector, with two cohorts for our degree apprenticeships. We are pleased that 75% of our graduates are female (up from 58%) and we continue to work hard to increase these proportions.

Development

Employee Development is a key focus within our organisation and we are committed to making the most effective use of the talent, skills and abilities of our employees. We support the training and development of all our employees and as part of this have enhanced our Cross Exposure Programme which is designed to provide cross-functional experience where we actively encourage more females to participate. Encouragingly a female colleague from our room attendants team has transitioned to our previously all- male IT team after successfully completing her computer science degree.

We aim to ensure women are not only better represented within our organisation but most importantly supported, and have set female participation goals for each of our training programmes. We actively develop and nurture our female management capability through our Executive Mentoring programme. We rigorously apply a gender lens to all our talent development and succession planning discussions.





We recognize the younger generation are full of bright and innovative ideas that are vital to the long-term success and sustainability of our industry and are pleased that we have a well-established apprenticeship programme in its seventh year of operation. Cultivating talent from the age of 18, providing mentorship, and offering exposure to the organisation is incredibly impactful. In the last cohort of graduates, consistent with last year, all successfully secured full-time, permanent positions.

Supported by our Diversity Executive Champion, we seek to highlight the importance of inclusion across our organisation, opening up dialogue and building awareness on issues relating to respect for diversity in business. Our Diversity Committee are focused on 3 pillars – celebrate, educate and communicate – and each quarter they seek to deliver targeted activities focusing on a particular theme. During Disability Week, we invited a social media influencer with a disability to speak about their personal experiences and raise employee awareness on this important topic. They stayed at one of our properties and provided feedback on accessibility, sparking important discussions. This initiative is helping us educate our employees about both visible and invisible disabilities and fostering a culture of allyship and inclusion.

We organised health talks on breast cancer, attended by both genders, to help normalize these conversations, and conducted female-focused activities during our wellbeing week. Our managers have received mental health training, and we now have employee mental health first aiders to offer targeted support and raise awareness among our employees (over 90% of whom are female). We are dedicated to cultivating a healthier and happier workforce that is well-informed and empowered in both relationships at work and in their personal lives.

6. Year on Year Comparison

When we consider year on year comparison, we see positive trends in the form of a narrowing mean and median gender pay gap, together with a narrowing mean bonus gap. The median bonus gap has been eliminated for the third consecutive year. Encouragingly, we note increased bonus participation for both genders.

	2022	2023	2024	2024 Vs 2023
Mean Gender Pay Gap	5.53%	11.75%	7.42%	 -4.32%
Median Gender Pay Gap	0.99%	9.90%	3.97%	 -5.93%
Mean Gender Bonus Gap	-6.49%	32.12%	29.98%	 -2.14%
Median Gender Bonus Gap	0.00%	0.00%	0.00%	 0.00%
Males receiving bonus	65.74%	71.26%	82.30%	 11.04%
Females receiving bonus	60.38%	77.97%	86.88%	 8.91%

7. Closing remarks

We know and understand the reasons why we see a gender pay gap within our organisation and are committed to actively managing this differential, as we try to move towards a more gender balanced workforce.

We constantly develop and improve our HR policies and practices to encourage and promote the development and progression of all our employees. We will continue to leverage technology to help us identify areas of our organisation that need renewed focus to drive continuous improvement relating to gender equality.

Building on our values detailed below, we will continue to work with all of our employees, and regardless of ethnicity, gender, age, disability, religion or sexual orientation, provide them with opportunities to build their confidence and help them in reaching their full potential.

Our Values

- **Passion:** with pride, we enthusiastically deliver exceptional service
- **Personality:** with confidence, we take on challenges as opportunities to express our generosity
- **Respect:** with integrity and fairness, we value the diversity of people, cultures and environments
- **Working together:** with trust, we act as one team celebrating everyone's contribution and successes
- **Creativity:** with a spirit of curiosity, creativity and ongoing learning, we share creative solutions for continuous improvement

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