



Kellanova in the UK

Gender Pay Gap Report 2023



Introduction

A place at the table for everyone

Kellanova, formerly known as Kellogg Company, has a vision to become the world's best performing snacks-led powerhouse. Our 100-year legacy, trusted brands and talented colleagues will help make this a reality and continue to create a place at the table for everyone.

We are proudly committed to advancing sustainable and equitable access to food and promise to deliver 'Better Days' for 4 billion people by 2030. Understanding and embracing Equity, Diversity and Inclusion (ED&I) is pivotal to achieving this goal.

Respecting, valuing and welcoming all individuals helps us to thrive daily as a progressive organisation. ED&I feeds innovative thinking, new opportunities and fair ways of working. It positively influences how we operate to support our overarching belief:

Good business does good for our communities, planet and people.

We actively encourage our colleagues to have a voice, and one that's always heard. We have several BERGs (Business Employee Resource Groups) that empower employees to address what's important to them, their colleagues, customers and the millions of families that choose and enjoy our food.

In 2019 Kellanova became signatories of the LEAD Network 50:50 pledge. Partnering with the Network supports our ongoing efforts to attract, retain and develop a diverse workforce.

We aspire to achieve gender parity across our organisation and in December 2022, three years ahead of schedule, we reached our goal of 50:50 gender representation at manager level and above across Europe.

We strive to be a global pay equity leader and are confident that we pay men and women equally for the same job. In 2023, independent analysis showed that Kellanova Europe pays women 99.5% of what men earn in similar roles globally.

Crucial support policies for menopause, pregnancy loss and fertility treatment have been launched and embedded, offering flexibility adjustments and paid time off.

A new Domestic Abuse Policy to support affected employees by providing a safe and secure work environment was launched in 2023. In January 2024, a Co-parenting Policy was introduced, offering additional paid leave to co-parents, inclusive of LGBTQ+ families.

ASPIRE – Women is Leadership programme, effectively supports and retains our high-performing female talent and we will continue to invest in policies, processes and practices that foster ED&I at Kellanova, so that everybody has a seat at the table.

Kellanova is immensely proud to be an organisation that embodies forward momentum and creates a vibrant culture where everyone can thrive. ED&I is a bedrock of this and helps us all to excel in the interests of our colleagues, customers and communities that we represent.



Tammy Winnie
VP Human Resources,
Kellanova Europe

Understanding our Gender Pay Gap Report



What is the gender pay gap?

The gender pay gap is a measure of the difference in the average pay of all men and women across an organisation, irrespective of role or seniority. It is different to equal pay, which involves direct comparisons of people who are performing work of equal value.

Kellanova is proud to have an equal pay approach that is non-discriminatory and removes any inequality in reward and remuneration to value everyone in the roles they fulfil. The analysis in this report focuses specifically on the gender pay gap reporting requirements, including:

- The difference between the mean (average) and median (middle) hourly ordinary pay rate of male and female employees.
- The proportion of male and female employees employed in quartile pay bands (where the list of employees is put in pay order and split into quarters).
- The difference between the mean and median bonus pay of male and female employees.
- The percentage of male and female employees who were paid a bonus in the previous year.

Pay includes basic pay and bonuses received in April 2023, as well as other types of pay such as continuing allowances. It omits benefits in kind, which are not in the form of money.



Kellanova in the UK

Kellanova in the UK is made up of various legal entities, with two main employers: The Kellogg Company of Great Britain Limited (KEUK), and Kellogg Management Services (Europe) Limited (KEMC). For KEMC, we have not been required to publish gender pay gap reports since 2018, as we did not meet the minimum headcount threshold for reporting.

This year we are required to report data separately for these two entities on the government website, both of which are outlined within this report.



Bonus, refers to any additional pay relating to profit sharing, productivity, performance, incentive or commission in the form of money, vouchers or shares, share options or interests in shares. The majority of the bonuses included are from our annual incentive plan (AIP). It also includes vesting share awards and the sale of stock options made by our senior employees.

What is the difference between 'mean' and 'median'?

Mean

The mean gender pay gap is the difference between the average hourly earnings of men and women.

Median

The median pay gap is the difference between the midpoints in the ranges of hourly pay of men and women. We take all pay in the sample, list them in order from lowest to highest, and pick the middle salary.

Our gender pay data 2023

Kellogg Company of Great Britain Limited

Kellogg Company of Great Britain Limited (KEUK) is our largest legal entity in the United Kingdom, employing **776** people and accounting for **53%** of our total UK headcount. Employees are located across our Manchester and Wrexham manufacturing sites, with the total workforce made up of **102** females and **674** males. This reflects employment trends throughout the manufacturing sector.

April 2023 Findings:

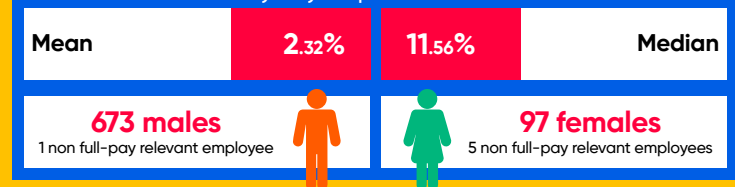
- Our mean gender pay gap is **2.32%** for the pay comparison, which is a significant reduction from last year (-3.9%).
- **72%** of our female employees were eligible for a bonus payment, which is **5%** higher than in 2022. **22%** of male employees were eligible for a bonus.
- The mean gender bonus pay gap is **16.5%**, significantly reduced since last year.

Consultations with elected Union representatives take place at pre-determined intervals to negotiate pay and reward for the majority of our factory-based employees. This involves a market review to ensure remuneration offers are competitive. Agreed pay rises are awarded to all eligible employees on site.

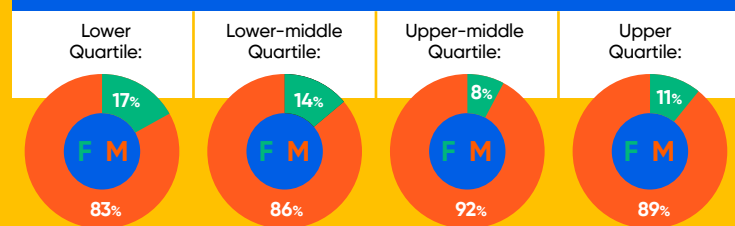


Gender Pay Gap: Difference in mean and median pay for males and females

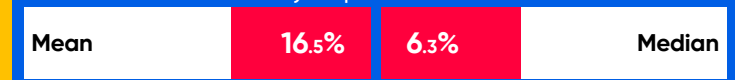
Ordinary Pay Gap - Male vs Females



Total

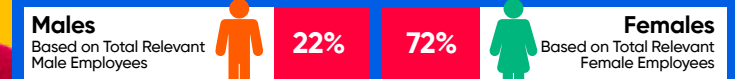


Bonus Pay Gap - Male vs Females

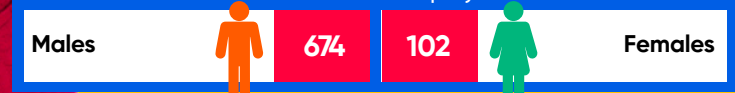


Headcount getting bonus: **221**

Proportion



Total Relevant Employees



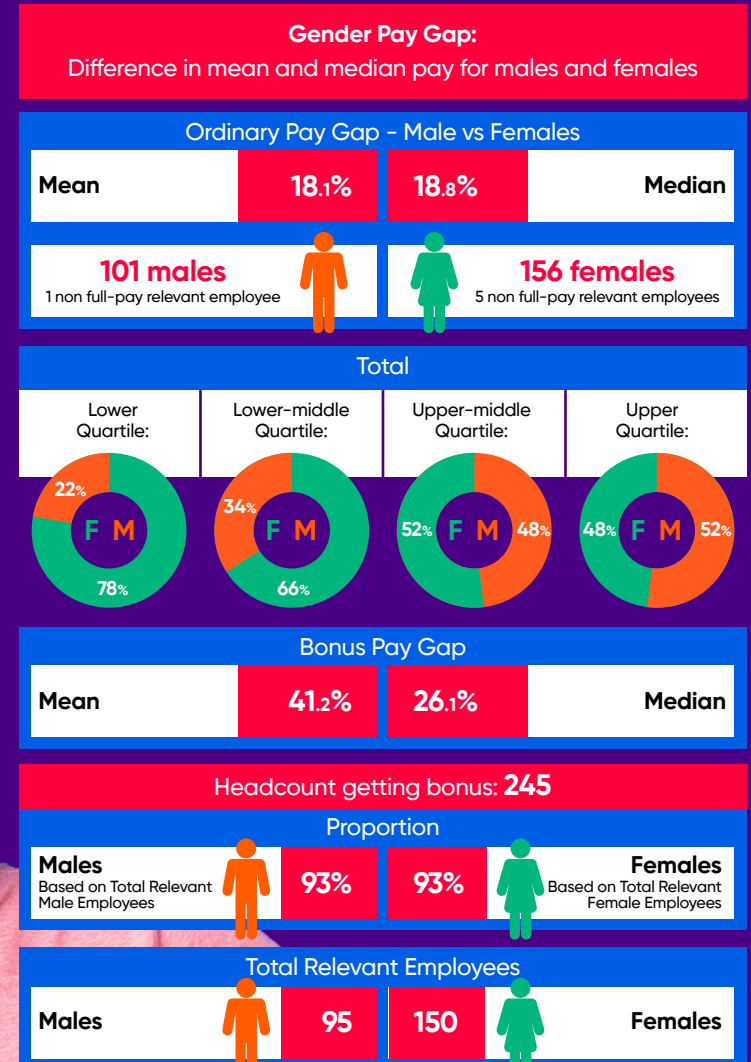
Our gender pay data 2023

Kellogg Management Services (Europe) Limited

Kellogg Management Services (Europe) Limited (KEMC) is our second-largest legal entity in the United Kingdom, providing administration and related services to the European operating units. KEMC employs **263** people, accounting for **18%** of our total UK headcount. Employees are located within our Media City office, with the total workforce made up of **161** females and **102** males.

April 2023 findings:

- Our mean gender pay gap is **18.1%** for the pay comparison. This gap is primarily influenced by the over-representation of women in lower-level positions
- Looking at a more granular level to reflect our grading structure, we notice that a pay gap is only present at our more junior levels:
 - Individual Contributors: The gap is **9.8%**. This is because the majority of employees at these levels are female.
 - Managerial levels: The pay gap is **2.1%**
 - Directors & Senior Directors: The pay gap is negative, meaning that on average, females earn more than males on this level.
- The mean gender bonus pay gap is **41.2%**, largely attributed to male employees receiving income from exercising stock options.



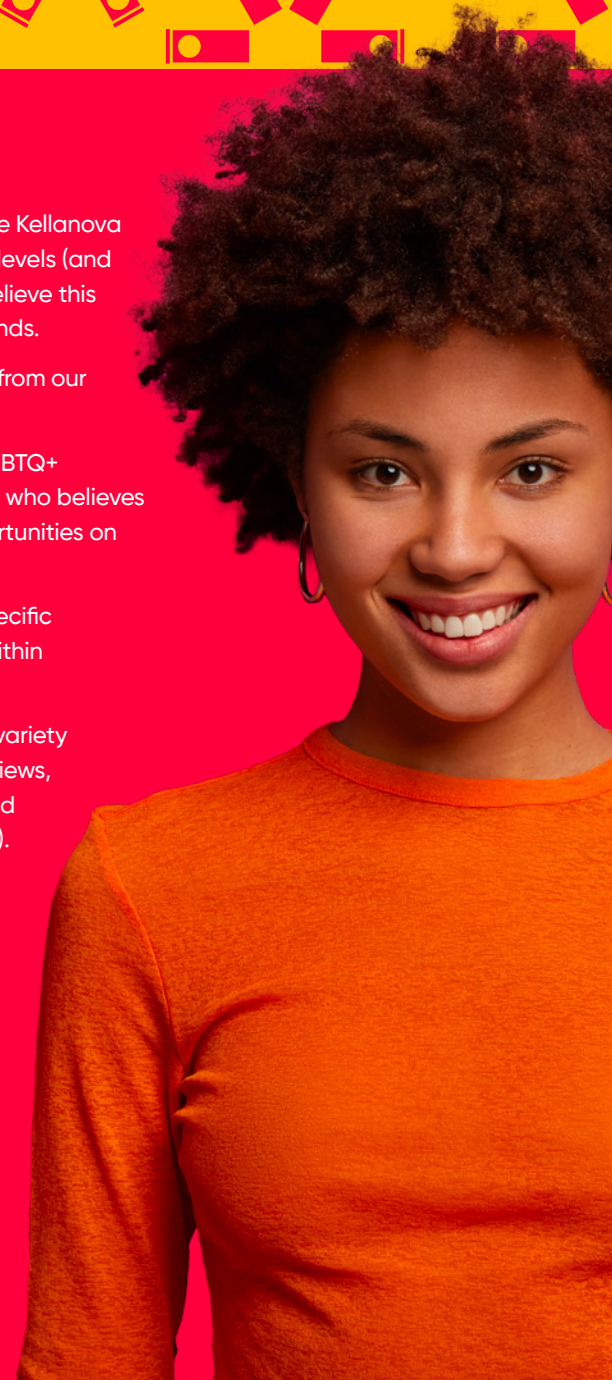
Closing the gap

People-led insights and action

- As part of our commitment to enhancing ED&I, we utilise data-driven insights to make practical and impactful decisions that advance equity and equality. Our People Dashboard helps pinpoint opportunities to maintain momentum of gender parity across all leadership roles. We also draw on quantitative data from our Global Opinion Survey and hold regular listening sessions with our colleagues.
- The development of female talent is facilitated through our annual talent cycle, comprising:
 - 1) **Annual talent review** – with a key emphasis on succession planning and diversity.
 - 2) **Quarterly People Development Committees (PDCs)** – to accelerate talent development in readiness for future opportunities.
 - 3) **Monthly Senior Leader review of people metrics** – including hiring, promotions and retention for males and females.

Talent Acquisition

- Our job adverts herald our commitment to ED&I and promote Kellanova reaching 50:50 gender representation in mid-management levels (and above) three years ahead of schedule. Why? Because we believe this attracts a wider range of candidates from diverse backgrounds.
- The use of pronouns or gendered role names are prohibited from our job adverts to ensure they are free from gender bias.
- Our partnership with myGwork (a business community for LGBTQ+ professionals, students and inclusive employers, and anyone who believes in workplace equality) allows us to advertise all career opportunities on their platform.
- We advertise via platforms open to all, as well as women specific job boards to help increase our gender parity, particularly within manufacturing.
- Our recruitment process involves assessment centres and a variety of testing methods including practical and skill-based interviews, standardised competency-based behavioural questions, and online testing (gender is not specified during the online tests).
- In 2023 we took away the requirement to have a degree (unless tied to a specific, regulated profession) to remove barriers to entry, recognising that obtaining a degree doesn't always have a correlation to the contribution someone can make within a role.
- Following a successful pilot in 2022, we've launched 'Seek Out' inclusive recruitment training with our hiring managers. This is a mandatory, robust and immersive learning experience for hiring managers who initiate a recruitment process, with the aim of eliminating bias and driving inclusivity within talent acquisition.



Closing the gap

Sector-Specific Advancement

- Our manufacturing apprentice programme engages girls' schools to attract more females into the sector – our network includes 250+ girls' schools in Manchester and Wrexham. To encourage female applicants and leaders we have a strong female presence at careers fairs and run an internal Career Stories series, which profiles female role models and career paths throughout our supply chain. Within IT, we partner with local schools and Microsoft to support STEM learning by creating a two-year programme which showcases the breadth of career options available within technology to girls.

Training & Development

- Our 'Leadership Lab' pilot programme was launched in 2023, with a cohort of senior people managers taking part in a five-month blended learning experience. The programme equips senior managers with the core leadership skills and knowledge required to cultivate inclusivity during talent attraction, development, engagement and retention. In 2024 the programme will be rolled out to all people managers to extend learning and development, helping to sustain and progress our ED&I ambitions.
- In 2023 we launched an ED&I Academy with micro-learning related to allyship, dimensions of diversity, micro-aggressions and micro-affirmations, belonging, inclusive behaviours and more. For people managers, we have just-in-time training resources with an inclusive lens for our talent processes. High performing talent at an individual contributor level have access to an early career development centre programme (ECDCC), with focus on leadership training, mentoring and project work.

Within our manufacturing plants, we have allocated time for colleagues to focus on learning and development to advance their knowledge, skills and experience. We run technical training and behavioural training programmes to develop EDI capabilities and have self-paced mandatory training for our leaders, which focuses on Allyship, Inclusion Essentials and Working Safely with the Equality Act.

- We always want colleagues to have meaningful careers and the opportunity to grow and flourish in their roles. In March 2022, we launched our first ASPIRE – Women In Leadership Programme in collaboration with Talking Talent. This transformative nine-month programme supports and develops our high-performing female talent in Europe and to date, has helped to advance the leadership skills of 48 female employees. This is now a permanent leadership development offering and we have further cohorts planned for 2024, which will help develop female talent within mid-to-senior level roles.



Closing the gap

A workplace where we ALL BELONG

- We are proud of the progress we're making through our continued partnership with Leading Executives Advancing Diversity Network (LEAD). We signed the LEAD Network CEO Pledge in 2019 to support our commitment to gender parity and, three years ahead of schedule, managed to achieve the 50:50 goal of gender representation for all leadership levels across Europe. This valuable partnership provides enhanced opportunity to learn and share from others, which we truly believe helps influence gender equity change in society. We're proud to have 575 LEAD members across Europe, and ten volunteers who play an active role in the LEAD Education Committee and heading-up local chapters.
- We participated in the Seramount Inclusion Index 2023 for all UK employees to help us to understand any trends and gaps in ED&I and create solutions for improving best practice. The Index was launched to help organisations with corporate efforts at hiring and promoting women, the ability to measure other under-represented groups on a country-specific basis, creating inclusive cultures, and holding country leaders and managers accountable for results – a task we gladly accept.
- Our people help make us a progressive organisation, where promoting ED&I helps our culture thrive. Empowering colleagues makes this a reality, and our Business Employee Resource Groups (BERGs) are crucial to this. Allyship – #WeAreAllies – was our annual 2023 theme with all BERG events and activations focused on demystifying allyship for the diverse communities within our organisation, showing areas of intersectionality and educating our colleagues and leaders about allyship behaviours. In 2024, we are embracing a global theme of 'Belonging' and for International Women's Day, we opened the conversation around self-doubt as a pervasive issue that undermines the sense of belonging for many. We used internal and external examples to foster a culture of belonging, where everyone feels empowered to celebrate their authentic self.
- Menopause, fertility and pregnancy loss policies have been launched and embedded across Europe to create a consistent approach, regardless of where people are based or their length of service. Our policies offer support, flexibility adjustments and paid time off for fertility treatment and pregnancy loss to ensure our colleagues can access the care they need. In 2023 we introduced a Domestic Abuse policy to support all affected employees by providing a safe and secure work environment. We also launched our Co-parenting policy in January 2024, offering additional paid leave to co-parents and inclusive of LGBTQ+ families.
- Our partnership with Talking Talent provides an online coaching platform for expectant and existing parents and caregivers. Anyone who has extended their family through birth, adoption or surrogacy, or has caring responsibilities can opt-in to this coaching. Managers can also utilise this platform to seek guidance and support about how to best support colleagues.
- We embrace hybrid working as a powerful tool for unlocking our high performing culture. To support this, we operate a 'Locate for Your Day' policy, enabling office-based colleagues to work from a place that most suits them. It is discussed at recruitment stage and applicant are actively encouraged to take a hybrid approach to working.
- Our flexible working policy for manufacturing plant colleagues includes job-sharing and flexible start times up to 10:30am.

Closing the gap

Global Pay Equity

At Kellanova, we strive to be a global pay equity leader and are confident that we pay women and men equally for the same job. 2022 research by an independent capital firm showed that, when comparing similar roles, we pay women 99.5% of what men earn at a regional level, in Kellanova Europe. As part of continued efforts to close the pay gap, our leaders and managers work closely together with our HR teams. In 2023, we implemented a quarterly exercise focused on identifying gaps and bringing together relevant parties to create solutions that will drive parity. We are confident that this exercise will help us to sustain our pay equity target.

Our annual salary increase cycle involves benchmarking against market trends, deriving a pay scale for each role. Recommendations for annual salary adjustments are based upon performance ratings, which are subject to robust calibration facilitated by HR, and market relativity. This is calculated through our HR system to reduce the risk of bias. The annual bonus scheme (for eligible employees) is also calculated automatically based on the performance ratings.

In the 2023 cycle, we made an additional investment to support our lowest-paid employees cope with the financial impacts of rising living costs and inflation.

We also consider pay relativity, to ensure pay equity when making remuneration decisions during recruitment, promotions and lateral moves.

Finally, as part of our 2024 plans, we will be building a pay equity capability module for HR and people managers, which will include tools, actions, and recommendations.



In conclusion

Kellanova remains energised about creating a thriving culture, which is for everyone. We welcome change that helps promote ED&I and appreciate the power of inclusivity in uniting our colleagues, customers and communities.

Carefully considered and ever-evolving plans, along with people-powered initiatives, are enabling us to affect practical changes and challenge ourselves to create new opportunities for greater ED&I. We are proud to champion new policies, partnerships and practices that fuel working environments, where every person can be confident and enjoy a true sense of belonging.

For us, embracing ED&I is an ongoing journey, where there will always be possibilities to grow. Empowering our colleagues helps us to drive progression and supports everyone in fulfilling their potential.

We remain confident that our people, plans and partnerships will continue to take us forward on this journey, ensuring we strive towards creating a culture that embraces everyone for who they are and ensures equity and belonging for all.

There's a welcome place for everyone at our table.



OUR ED&I VISION

We're committed to our journey of creating a place at the table for everyone with a culture that embraces differences and ensures equity and belonging for all.

