

Kellanova

Kellanova in the UK

2024 UK Gender Pay Gap Report



Introduction

A place at the table for everyone

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Kellanova has a proud 100-year legacy of delivering meaningful commitments to colleagues, customers and communities. Our forward-thinking, open-minded team has been crucial to this and continues to be a vital part of achieving our vision to become the world's best performing snacks-led powerhouse.

Talented colleagues who appreciate every other person for who they are, creates a collaborative environment where Equity, Diversity and Inclusion (ED&I) naturally thrives. Individual experiences, views and values are embraced and fuel a dynamism that supports our overarching belief:

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

We've made a promise to deliver 'Better Days' for 4 billion people by 2030. This commitment aims to advance sustainable and equitable access to food. It involves engaging billions of people to advocate for this, as well as ambitions to improve wellbeing by nourishing 1.5 billion people and tackling hunger by feeding 400 million people facing food insecurity. Embracing ED&I throughout our organisation helps make these ambitions an enjoyable reality.

Our colleagues are inspirational, and empowered to share their suggestions to help make Kellanova the welcoming organisation that we're proud of. BERGs (Business Employee Resource Groups) help make this a reality by providing opportunities for employees to shape our culture.

Since 2019, we've been on a rewarding journey with the LEAD Network. We began by signing the 50:50 CEO Pledge and setting an aspirational goal of reaching 50:50 gender representation at manager level and above across Europe. It was a fantastic achievement to realise this goal three years ahead of schedule in December 2022.

We continue to partner with the LEAD Network and were particularly honoured when they named Kellanova as 'Best In Class CPG Company'. Additionally, we were privileged to be included in The Times Top 50 Employers for Gender Equality 2024. We are also proud to report that Kellanova won the 'Company of the Year' at the European Diversity Awards 2024. This is a prestigious accolade that recognises our organisation's commitment to creating an inclusive workplace and achieving aspirational ED&I.

These successes have been made possible by the collaborative and positive attitudes of our colleagues, who've helped create a workplace that encourages everyone to be their authentic selves.

ED&I is embedded in all leadership development programmes, manager trainings, and people-related processes. In 2024, we launched The Leadership Lab, which helps equip all our European people managers with a deeper understanding of psychological safety and inclusivity.

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. There are business areas where we have further to go on gender parity, such as Supply Chain and Sales, and we continue to focus on our aspirational goal of reaching 50:50 gender representation.

Although we are proud of the progress we are making, we're working to achieve more. We continue to develop our benefits and policies to meet a multitude of requirements and enhance ED&I. In January 2024, a co-parenting policy was introduced, offering additional paid leave to co-parents, inclusive of LGBTQ+ families.

Kellanova remains committed to taking meaningful action to strengthen inclusion and belonging in everything we do.



Understanding our Gender Pay Gap Report



What is the gender pay gap?

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. In the UK, Kellanova is made up of various legal entities, with two main employers:

1. The Kellogg Company of Great Britain Limited (KEUK).
2. 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.

Our reporting is based on payroll data from the preceding 12 months, as of 5th April (referred to as the relevant date). This includes all types of pay, allowances and Benefits in Kind (BiK) provided during this period.

The majority of bonuses included are from our Annual Incentive Plan (AIP). When considering Long Term Incentives (LTI), we report on the LTI that has vested and / or options that have been exercised in the relevant pay period.

The analysis in this report focuses specifically on the gender pay gap reporting requirements, including:

- The difference between the mean (average) and median (middle) pay of male and female employees.
- 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.
- 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).

Equal Pay

Men and women are paid the same for like work



The Gender Pay Gap

The difference in average hourly earnings between all men and women across an organisation



Explaining the terminology:

Equal pay involves a direct comparison of people who are performing equal or comparable work in the same or similar jobs. This is the high standard that Kellanova holds itself to globally and across Europe.

The gender pay gap is different to equal pay, as it is a measure of the difference in the average pay of all men and women across an organisation, irrespective of role, seniority, and the nature of the work. This metric can indicate a discrepancy in the type of work being done by men and women on average, and the impact on average compensation as a result.

Bonus is 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 we included are from our AIP. This year, as required, we've also added the value of any long-term incentives vested and stock options exercised in the relevant pay period, rather than the granted LTI that was reported in previous years.

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 2024

Kellogg Company of Great Britain Limited

Kellogg Company of Great Britain Limited (KEUK) is our largest legal entity in the United Kingdom, employing **734** people and accounting for **51%** of our total UK headcount.

Employees are located across our Manchester and Wrexham manufacturing sites, with the total workforce made up of **97** females and **637** males. This reflects employment trends throughout the manufacturing sector.

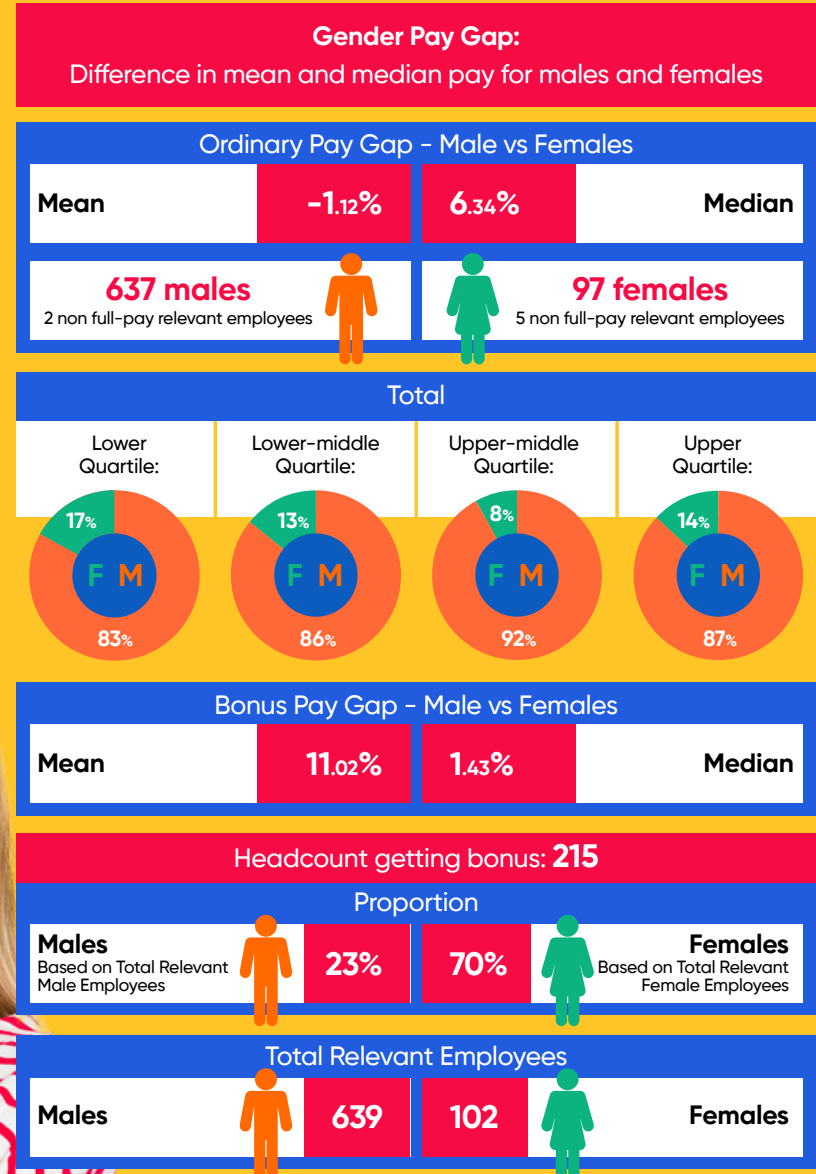
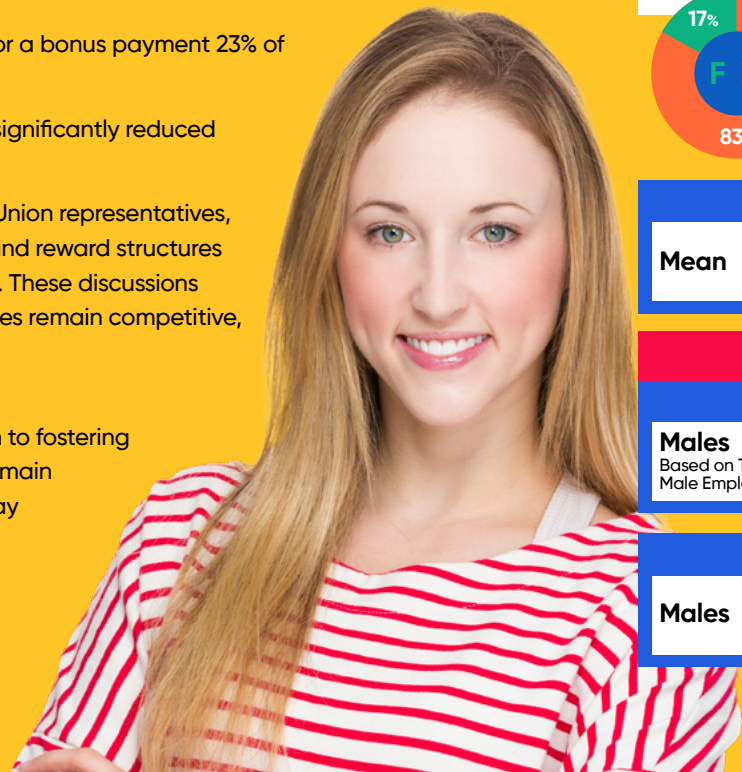
April 2024 Findings:

This year, we have seen important progress in reducing our gender pay gap, reinforcing our commitment to fair and equitable pay.

- Our mean gender pay gap is **-1.12%** for the pay comparison. This shows a significant **3.52%** reduction vs 2024.
- **70%** of our female employees were eligible for a bonus payment **23%** of male employees were eligible to bonus.
- The mean gender bonus pay gap is **11.02%**, significantly reduced since 2023.

We continue to work closely with elected Trade Union representatives, holding regular consultations to negotiate pay and reward structures for the majority of our factory-based employees. These discussions include market reviews to ensure our pay practices remain competitive, with agreed pay increases applied consistently to all eligible employees.

The progress we've made reflects our dedication to fostering an inclusive and equitable workplace, and we remain committed to making further improvements in pay equity.



Our gender pay data 2024

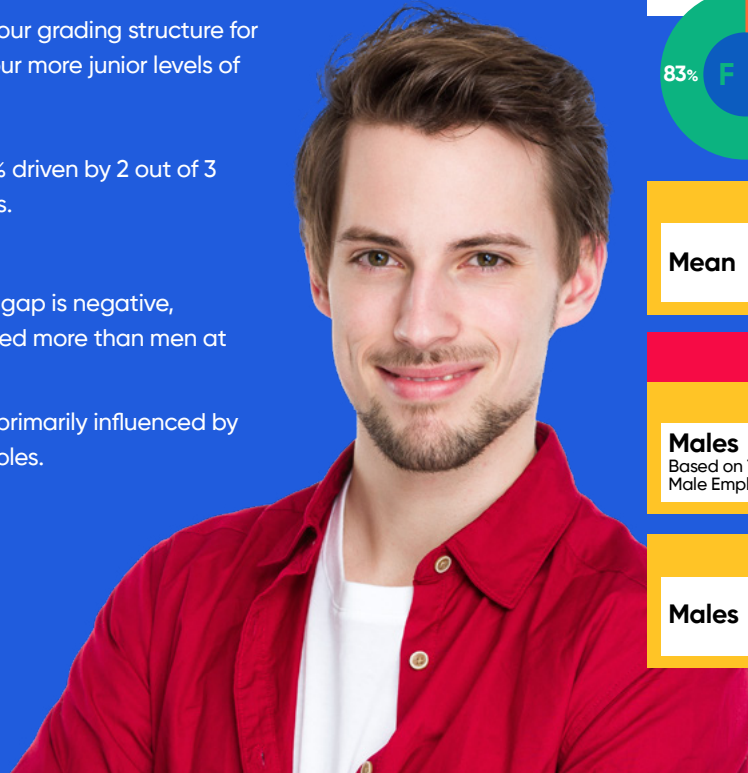
Kellogg Management Services (Europe) Limited

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.

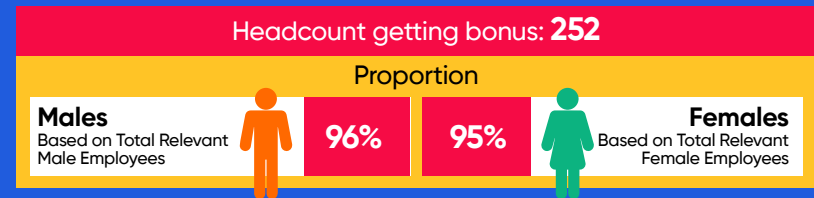
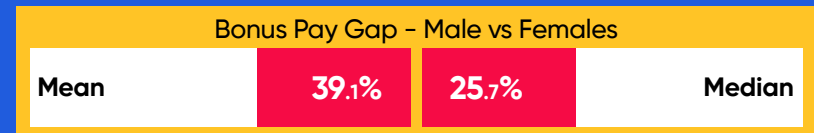
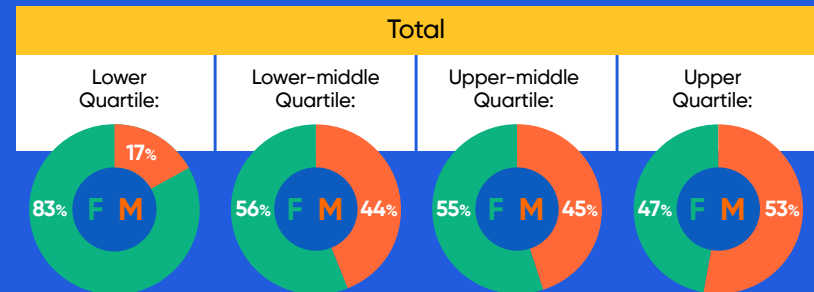
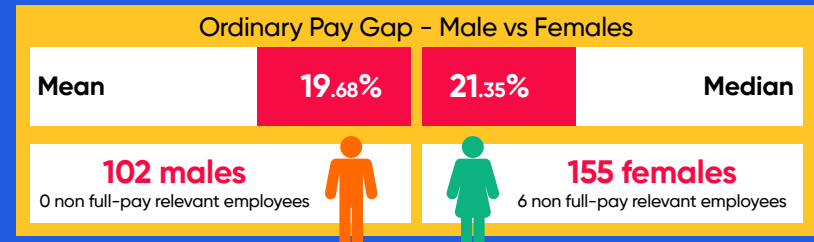
KEMC employs **257** people, accounting for **18%** of our total UK headcount. Employees are located within our Media City office, with the total workforce made up of **155** females and **102** males.

April 2024 Findings:

- Our mean gender pay gap is 19.68% for the pay comparison. The gap is primarily influenced by the higher concentration of women in lower quartile roles.
- Looking at a more granular level to reflect our grading structure for all talent, the pay gap is more present at our more junior levels of employment:
 - Individual Contributors: The gap is 10.9% driven by 2 out of 3 women being based in lower levels roles.
 - Managerial levels: The pay gap is 2.5%.
 - Directors and Senior Directors: The pay gap is negative, meaning that on average, women earned more than men at this level.
- Our mean gender bonus pay gap is 39.1%, primarily influenced by the higher concentration of men in senior roles.



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



Closing the gap

People-led insights & action:

- Data-driven insights inform the development of effective decisions and meaningful actions that enhance ED&I. We utilise a People Dashboard as a tool for inclusion for maintaining gender parity across all leadership roles.
- Quantitative data from our Global Opinion Survey and regular listening sessions with our colleagues, further support strategies and initiatives that make ED&I a practical and positive part of our daily operations.
- The development of talent is facilitated through our annual talent cycle, comprising:
 1. Annual talent review – with a key emphasis on succession planning.
 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.

Talent Acquisition:

- We're extremely keen for our recruitment communications to attract diverse talent. To achieve this, our job adverts:
 - Proudly promote Kellanova reaching 50:50 gender representation in mid-management levels (and above) three years ahead of schedule.
 - Are unbiased and inclusive.
- All our career opportunities are advertised via a partnership with myGwork. The global networking and job platform provides a bridge between talented LGBTQ+ professionals and employers, reaching millions of users who prioritise diversity and inclusion.
- To directly engage female talent, we actively take part in career fairs and events that are targeted at Women in STEM and Women in Business & Tech.
- Assessment centres and variety of testing methods, including practical and skill-based interviews, and standardised competency-based behavioural questions sit at the heart of our recruitment processes. This ensures equal opportunities for all candidates, regardless of their background.
- To eliminate any barriers to entry, in 2023 we removed the requirement to have a degree (unless tied to a specific, regulated profession). This recognises that obtaining a degree doesn't always have a correlation to the contribution someone can make within a role.
- 'Seek Out' is an immersive and mandatory learning experience for all our hiring managers. It strongly supports our aspirational goal to be a best-in class company with a culture promoting equity for all.



Closing the gap

Supporting ED&I in our sector

- We engage directly with 250+ girls' schools throughout Manchester and Wrexham via our manufacturing apprentice programme to actively promote careers and attract more females into the sector.
- To support STEM learning for females, specifically within IT, we partner with local schools and Microsoft to deliver a two-year programme, which showcases the breadth of career options available within technology.
- Our internal 'Career Stories' series profiles and celebrates female role models and career paths throughout our supply chain, helping to inspire confidence and build awareness of the career opportunities available, regardless of gender.
- We maintain a strong female presence at careers fairs to help show how females are succeeding in manufacturing.
- 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 inclusive capabilities. Self-paced, mandatory training is also available to our leaders, with this focusing on Allyship, Inclusion Essentials and Working Safely with the Equality Act.
- Since March 2022, in collaboration with Talking Talent, we've been running our 'ASPIRE - Women In Leadership Programme'. This transformative, nine-month programme supports and develops our high-performing female talent throughout Europe.

Training & Development

- A five-month blended learning experience – The Learning Lab – has been rolled out for all people managers. The programme provides the core knowledge and skills that leaders require to inclusively attract, engage, develop and retain talent.
- To further support inclusivity throughout talent management, 'Just-in-Time' training resources are available for all people managers. High-performing talent (at an individual contributor level) have access to an Early Career Development Centre programme, with focus on leadership training, mentoring and project work.



Closing the gap

A Workplace where we ALL BELONG

- Our continued partnership with the Leading Executives Advancing Diversity Network (LEAD) supports our ED&I commitments and progress:
 - In 2019, we proudly signed the LEAD Network CEO Pledge. In 2022, three years ahead of schedule, we managed to achieve the 50:50 aspirational goal of gender representation for all leadership levels across Europe.
 - Kellanova was honoured to be named the 'Best In Class CPG Company' at the LEAD Network Awards 2024 – a real credit to the energy, passion and commitment of our colleagues to creating a workplace culture of belonging and inclusivity.
 - We have 575 LEAD members across Europe, including ten volunteers who play an active role in the LEAD Education Committee and heading-up local chapters.
- In 2024, for the third consecutive year, Kellanova UK was recognised in the Seramount Inclusion Index 2024. The Index is a highly respected benchmark, which acknowledges best practice in creating and sustaining inclusive workplaces. Measurement and feedback from the Index aligns with our efforts to consistently raise the bar for ED&I by identifying new opportunities and solutions for closing gaps.
- The efforts of our colleagues and their unwavering dedication to creating an inclusive workplace and aspirational ED&I was recognised at the European Diversity Awards 2024, where Kellanova was named 'Company of the Year'.
- Empowering colleagues and ensuring they have opportunities to share their ideas helps ED&I to thrive throughout Kellanova. Our Business Employee Resource Groups (BERGs) are crucial to this, and in 2024 they embraced a global theme of 'Belonging' that appreciates people for being their authentic selves. For International Women's Day, we opened the conversation around self-doubt to constructively address a pervasive issue that undermines the sense of belonging for many.
- We continue to champion forward-thinking, practical policies that deliver meaningful change for our colleagues. In January 2024, we launched a co-parenting policy, which offers additional paid leave to co-parents, inclusive of LGBTQ+ families. A domestic abuse policy was introduced in 2023 to support all affected employees by providing a safe and secure work environment. 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.
- An online coaching platform for expectant and existing parents and caregivers is delivered in partnership with Talking Talent. It makes coaching available to anyone who has extended their family through birth, adoption or surrogacy, or has caring responsibilities. The platform also provides managers with guidance and support about how to best support colleagues.
- Hybrid working is embraced by Kellanova as a powerful tool for powering our high-performing culture. Our 'Locate for Your Day' policy enables office-based colleagues to work from a place that most suits them. The policy is promoted at recruitment stage and applicants 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 are committed to paying men and women equally for the same work. We utilise a certified, non-gender-biased methodology to define our pay structure and conduct local audits annually to ensure fairness.

A quarterly review process was introduced in 2023 to actively close the pay gap. This identifies any gaps and informs targeted solutions for driving pay parity. We are confident this helps us to maintain pay equity.

Salaries are benchmarked against the market during our annual salary review process, ensuring pay decisions are based on performance and market relativity. Any salary adjustments are determined by these two factors and calculated using automated HR systems to minimise bias. Similarly, our annual bonus scheme for eligible employees is calculated automatically, based on performance ratings.

In addition to annual reviews, we also consider pay relativity during recruitment, promotions and lateral moves to ensure fair and consistent pay decisions.

In 2024, we made an additional investment in Top Talent, ensuring an equal gender distribution in the process.

In 2025, we are developing 'Pay Equity and Transparency Capability sessions' for HR, which will raise awareness and provide tools, actions, and recommendations to further embed equitable pay practices throughout Kellanova.



In conclusion

We are proud of the continued ED&I progress that we've made during 2024 and honoured to see this celebrated by respected, third-party awards and initiatives. Independent recognition is a very welcome accolade that is testament to the innovative efforts and attitudes of our colleagues.

Independent recognition is also extremely rewarding and motivating, and provides valuable feedback and insight that energises us to achieve more. Creating a culture of belonging is an ever-evolving process and an ongoing journey that we continue to enjoy.

There will always be possibilities to grow a culture that encourages everyone to be their authentic selves, and to develop a working environment that champions inclusion and belonging. Listening to our colleagues and empowering them to drive change, along with partnerships, plans and policies, will enable us to further enhance inclusion and belonging in 2025, and beyond.

We have an organisation-wide desire and enthusiasm to unite our colleagues, customers and communities. Appreciating people for their individual experiences, backgrounds and values is crucial to this and ensuring **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.