



Kellogg's

The Kellogg Company in the UK

GENDER PAY GAP REPORT

2021

[INTRODUCTION



A place at the table *for everyone*

Equity, diversity and inclusion feed our culture.

A crucial part of the culture at Kellogg involves positively embracing equity, diversity and inclusion. By constantly striving for meaningful change and progression in each of these areas, we're able to genuinely succeed as an organisation.

It fills us with immense pride to be an employer that people are eager to work for, to be a reputable company which customers want to do business with and to be a brand of choice for millions of consumers nationwide. Understanding and respecting the importance of inclusivity helps to make these factors a reality for Kellogg, and we work hard to build on them by actively seeking to challenge ourselves and continuously improve.

Our colleagues are at the heart of making equity, diversity and inclusion a daily part of everything we do. We have several BERGs (Business Employee Resource Groups) that create a voice for our people and empower them – as well as our senior leaders – to make a real difference and sustain momentum.

We are aiming for gender parity across our organisation and are nearing our target of 50:50 gender representation for all leadership levels by 2025.

Female representation in April 2021 stands at 48.4% and we have absolute confidence in the initiatives and plans in place to enable us to reach our target.

In 2022 we are launching our Women in Leadership programme. This transformative programme is aimed at supporting and retaining our high performing female talent here in Kellogg Europe.

We're also continuing to focus on our policies in 2022, with equity and inclusion firmly at the heart of them!

Although we are confident and energised about the steps we are taking towards gender parity, we also know that hitting targets is just part of our journey and does not mark the end of it.

We will continue to take a long-term view of equity, diversity and inclusion, ensuring it remains a rich part of what defines Kellogg as an organisation that customers, consumers and communities are proud to be associated with.



Sam Thomas-Berry
VP Human Resources,
Kellogg Europe



UNDERSTANDING OUR GENDER PAY GAP REPORT



What is the gender pay gap?

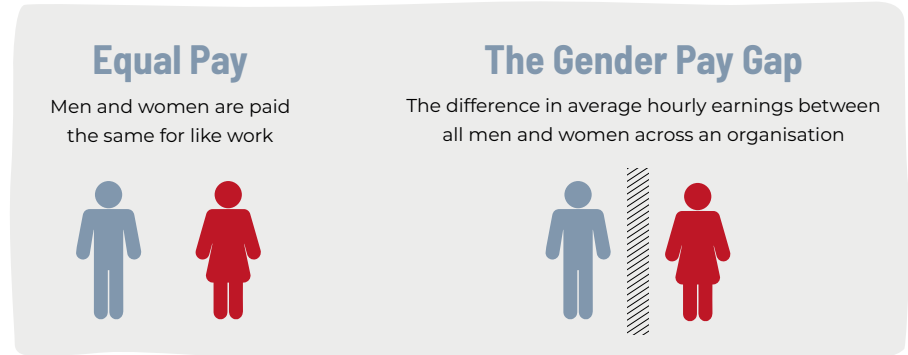
The gender pay gap is a measure of the difference in the average pay of all men and women across an organisation, regardless of the nature of their work. It can be confused with equal pay, but this involves direct comparisons of people who are performing work of equal value. Whereas the gender pay gap looks solely at the average pay for men and women, irrespective of their role or seniority.

What do we report on?

To do this, we need to publish data that shows:

- the difference in the mean (average) and median (middle) pay of male and female employees
- the difference in mean and median bonus pay of male and female employees
- the proportions 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).

Pay includes basic pay and bonuses received in April 2020, as well as other types of pay such as continuing allowances. It doesn't include benefits in kind which are not in the form of money.



Bonus, is by definition, any additional pay relating to profit sharing, productivity or performance in the form of vouchers and money. The majority of the bonuses we 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. It takes all salaries in the sample, lines them up in order from lowest to highest, and picks the middle salary.

OUR GENDER PAY DATA 2021

As required by law, Kellogg has reported the data on its only business entity in the UK with more than 250 employees.

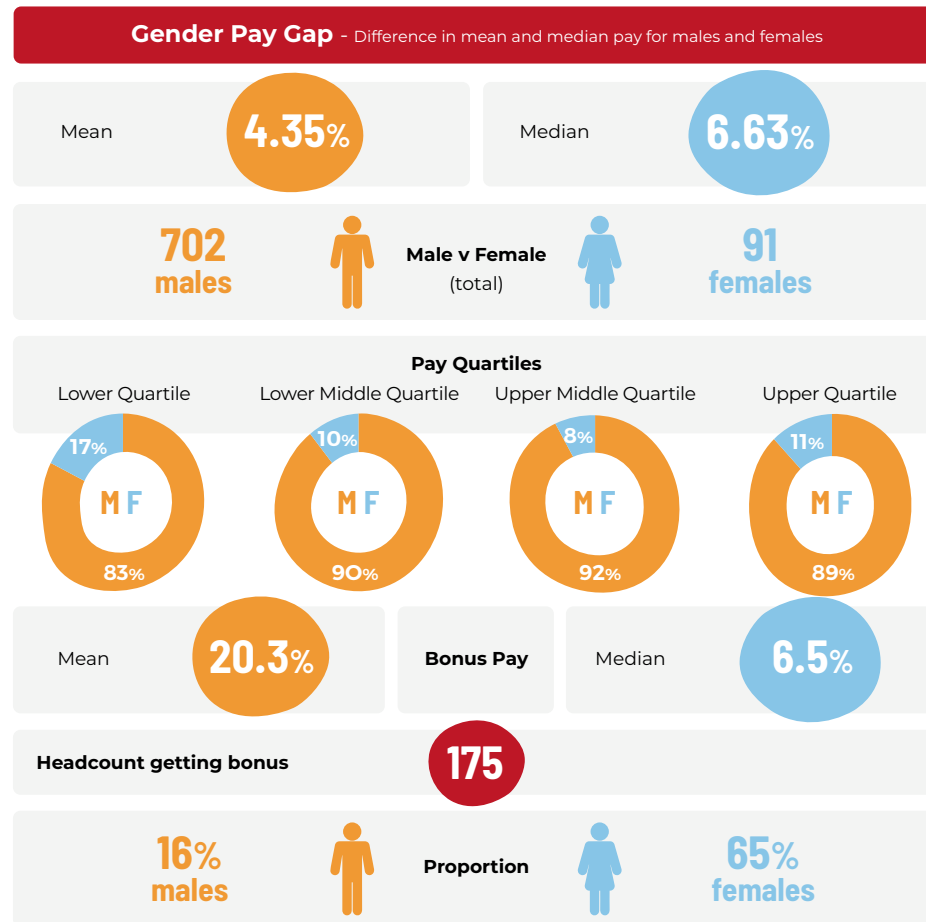
Kellogg Company of Great Britain (KEUK): includes all employees in Kellogg's Manchester and Wrexham manufacturing sites including management and factory workers.

In KEUK, our median gender pay gap for April 2021, is 6.63%, which represents a slight improvement of 0.07% on 2020. We are proud this remains significantly under the UK median of 15.4%.

There are 702 males and 91 females in KEUK, which reflects a common employment trend throughout the manufacturing sector. Although there are fewer females, they are relatively distributed across the pay quartiles.

Female representation has increased in our Lower Middle, Upper Middle and Upper Quartiles. As a result of this, the median bonus gap has fallen from 13.6% in 2020 to 6.5% in 2021. This is attributable to an increase in females and a decrease in males receiving a bonus at mid and senior management level.

Pay and reward for the majority of our factory-based employees is negotiated via consultations with elected Union representatives at pre-determined intervals. The negotiations involve a market review to ensure a competitive offering. Agreed pay rises are awarded to all eligible employees on site.



CLOSING THE GAP IN OUR PLANTS

A workplace where we all BELONG

- Our continued partnership with LEAD (Leading Executives Advancing Diversity Network) remains as important as ever. After signing the pledge in 2019, we are on track to meet our commitment of gender parity (April 2021 48.4%) in leadership roles by 2025. We value the partnership and the ability to learn and share from others, as we believe this will help influence gender equity change in society. To help fulfil our commitment, we have 353 LEAD members across Europe and six volunteers who play an active role in the LEAD Education Committee and heading up local chapters.
- Our people are what makes us special and we are humbled by the number of colleagues who actively want to get involved. Across Europe, we have BERGSs (Business Employee Resource Groups) who are the engine driving our Equity, Diversity & Inclusion (ED&I) ambitions. Celebration is a positive way to influence, educate and create change, so we make a real effort to celebrate key events throughout the year. For International Women's Day, we showcased the inspirational female career stories from our Supply Chain team and then shared these further at career fairs in an effort to attract future talent within this function.
- In the UK, we listened and clearly understood that there were topics which colleagues wanted to talk about. As a result, we designed, wrote and launched the first Menopause, Fertility and Pregnancy Loss Policies across Kellogg. These policies create a consistent approach throughout Europe, regardless of where people are based or their length of service. Where possible, we have tried to make our policies gender neutral to create a sense of inclusion for all our colleagues.
- We continue our partnership with Talking Talent, who provide an online coaching platform for expectant and existing parents and caregivers. This is an opt-in choice for anyone who has extended their family

through birth, adoption or surrogacy or has caring responsibilities. Managers also have access to this platform and can seek guidance and support about how to best support colleagues.

Attraction & Advancement

- Navigating COVID was challenging for everyone and, sadly, it meant we could not attend as many career fairs as we would have liked. However, we created opportunity to strengthen and grow our network, which now includes over 15 schools. We're now planning to attend events throughout 2022 to build a diverse pipeline of future talent.
- Advancement of our people is key to our success. We recognise how important it is for colleagues to have meaningful careers plans and always want to ensure that our colleagues can grow and flourish in their roles. Within our Plants, we have dedicated time for colleagues to focus on learning and development to advance their knowledge, skills and experience. Alongside technical training, we have run a number of behavioural training programmes to help develop our ED&I capability. This has included Google's '#IamRemarkable', 'Stereotype Awareness' and our internal 'Change Makers' programme, which develops a foundational understanding of key aspects of ED&I.

Data

- We're committed to driving action through understanding our data. By using our People Dashboard, we're already better identifying areas of opportunity. Furthermore, we are continuously improving our data and looking at innovative ways to help determine our overall glide path to reaching gender equality. Alongside this, we use quantitative data from our Global Opinion Surveys and hold regular listening sessions with our colleagues.



IN CONCLUSION

Positively embracing equity, diversity and inclusion enriches Kellogg and creates a culture that connects us with our customers, consumers and communities.

This is made possible through a shared desire and enthusiasm amongst our colleagues, firm commitments running throughout our organisation and practical initiatives that make inclusivity a genuine part of what we do, and how we do it, everyday.

We know there's always room for improvement and are confident that we have the right people and plans in place to achieve our ED&I vision.



**RAISE AWARENESS AGAINST BIAS
TAKE ACTION FOR EQUALITY**



OUR ED&I VISION

Become a **BEST-IN-CLASS** company for **DIVERSITY & INCLUSION** with a culture that embraces differences and ensures **EQUITY FOR ALL.**