



*Kellogg's*<sup>®</sup>

The Kellogg Company in the UK

# **GENDER PAY GAP REPORT**

2022

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# [ INTRODUCTION

## *A healthy appetite* for equity, diversity and inclusion.

Kellogg is immensely proud to be a positive part of people's lives nationwide.

Millions of consumers make us their brand of choice. People are keen to join our team. Colleagues are delighted to champion our organisation, and customers value partnering with us.

Embracing Equity, Diversity and Inclusion (EDI) is extremely important for helping make all of this a reality. Each of these values actively inform the decisions and actions that define us as a progressive and supportive organisation.

They are values that are admired, appreciated and embedded throughout what we do, and how we do it. This truly enables us to enhance EDI.

We have gender parity across mid-senior level representation, which we achieved three years ahead of our 2025 target. However, we're eager to do more, and continue to drive equity within our organisation by focusing on functions and specific job levels where women are underrepresented.

In 2022 we launched our transformative Women in Leadership programme. Its core purpose is to support and retain our high-performing female talent.



We also launched new support policies for menopause, pregnancy loss and fertility treatment. Training covering each of these areas also took place to strengthen the knowledge and understanding of our People Managers. In addition, this supports team members impacted with workplace adjustments, such as increased flexible working and occupational health support.

Our BERGs (Business Employee Resource Groups) help us to challenge ourselves to continuously improve. The Groups create a voice for our people and empower them, as well as our senior leaders. It's another step that puts EDI at the heart of who we are.

We take pride in the progress we're making towards gender parity and our performance against targets, and celebrate our colleague's efforts in making Kellogg such a welcoming and inclusive organisation.

Better still, we're even prouder that there's no standing still when it comes to EDI. Boundless energy and a healthy appetite exist to constantly evolve our plans to always be an organisation and brand for everyone.



**Tammy Winnie**  
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, irrespective of their role or seniority, and the nature of their work. This is different to equal pay, which involves direct comparisons of people who are performing work of equal value.

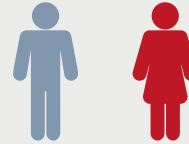
## What do we report on?

- 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 (the list of employees is organised in order of pay 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 2022, as well as other types of pay, such as continuing allowances. It doesn't include benefits in kind, which are not provided to employees in the form of money.

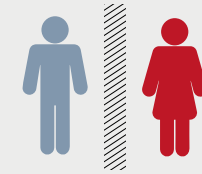
### Equal Pay

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



Bonus, is by definition, 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 Annual Incentive Plan. 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.

### What does 'hourly ordinary rate of pay' refer to?

Ordinary pay refers to any monetary payment for contracted hours, including basic pay, allowances, payment for leave and shift premium payments.

# OUR GENDER PAY DATA 2022

As required by law, Kellogg has reported the data from its only business entity in UK, which employs more than 250 employees; The Kellogg Company of Great Britain Limited (KEUK).

KEUK is our largest legal entity in the UK, employing 798 people and accounting for 56% of our total UK headcount. Employees are hosted across our Manchester and Wrexham manufacturing sites, with the total workforce made up of **100 females** and **698 males**. This reflects employment trends throughout the manufacturing sector.

## Our findings for KEUK as of April 2022 are:

- Our median gender pay gap is 9.8% for **pay comparison**. This is mainly driven by the median male and female employees being in different seniority levels. The median for women sits in a lower quartile than the median for men, which wasn't the case in our 2021 report and explains why we've seen a rise in the percentage since last time. We are proud that our figure of 9.8% remains significantly under the UK provisional average of 14.9%.
- 67% of our female employees were eligible for a **bonus** payment, which is 2% higher than in 2021. 16% of male employees were eligible for a bonus.
- The median gender bonus pay gap compares employees across the same job level and is 13.4%. This figure is affected by specific individual conditions, such as performance and working patterns (e.g. bonuses are prorated for employees working part time).

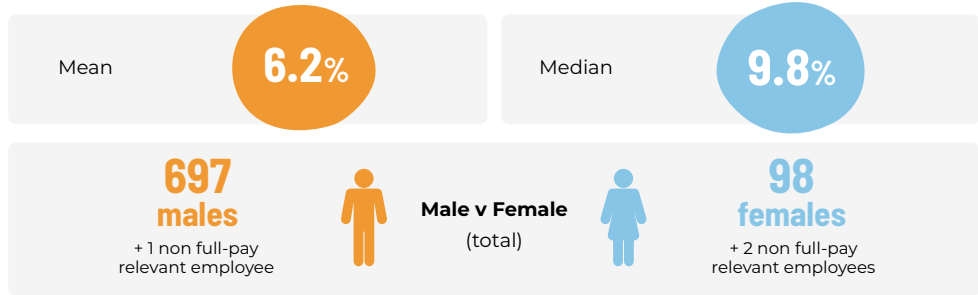
Consultations with elected Union representatives take place at pre-determined intervals to negotiate pay and reward for the majority of our factory-based employees. This involves a market review to ensure remuneration offers are competitive. Agreed pay rises are awarded to all eligible employees on site.

Kellogg prioritises efforts to be a global leader in equity, and we are confident that we pay women and men equally for the same job. Last year, research by an independent capital firm showed that, when comparing similar roles, we pay women over 99% of the pay of their male colleagues in comparable roles globally and in Kellogg Europe. This is within our +/- 1% target range, as results fluctuate when new employees join the company.

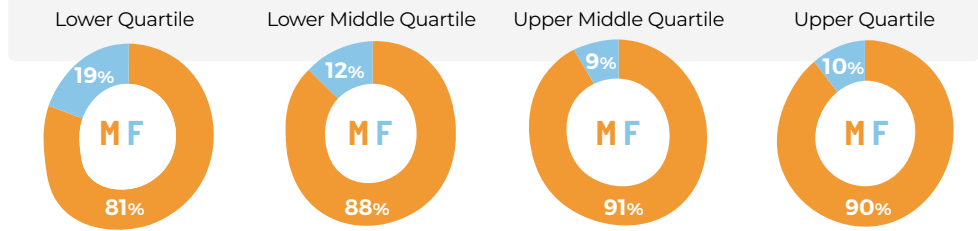


**Gender Pay Gap** - Difference in mean and median pay for males and females

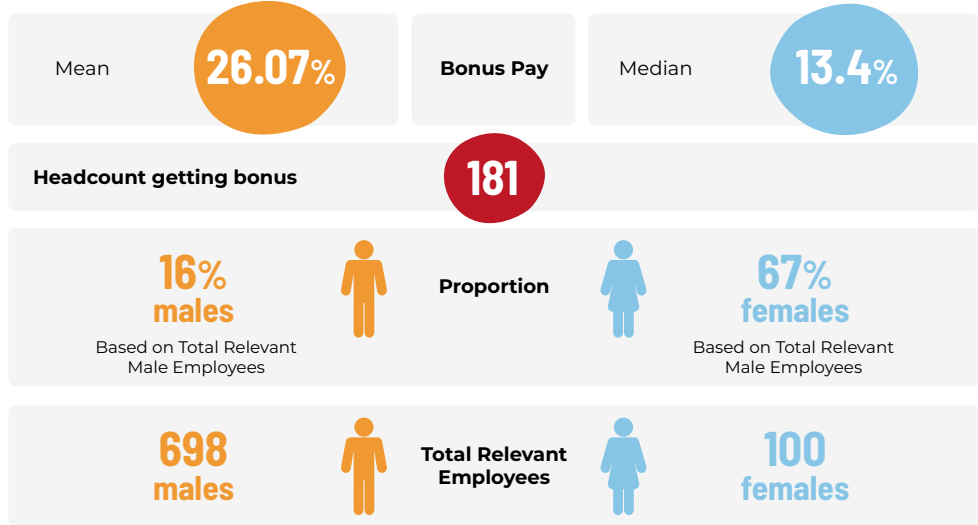
**ORDINARY PAY GAP**



**TOTAL**



**BONUS PAY GAP**



# CLOSING THE GAP

## People-led insights and action

We use our People Dashboard to identify areas of opportunity for reaching our gender 50:50 target throughout our entire organisation. Alongside this, we draw on quantitative data from our Global Opinion Survey and hold regular listening sessions with our colleagues. The development of female talent is a key commitment and facilitated through our annual talent cycle, which involves:

- 1) An annual talent review, with emphasis placed on succession planning and building diversity.
- 2) Quarterly People Development Committees that accelerate the development of talent in readiness for future opportunities.
- 3) Monthly Sr. Leader review of people metrics, including hiring, promotions and retention for males and females.

## Attraction & Advancement

Recruiting a diverse workforce is extremely important to us. We proudly communicate our commitment to achieving gender parity in job adverts to attract candidates from diverse backgrounds. In 2022, we began partnering with myGwork - a business community for LGBTQ+ professionals, students and inclusive employers, and anyone who believes in workplace equality. As part of this partnership, we advertise all our roles on their platform.

Our job adverts are free from gender bias by not using pronouns or gendered role names. We also 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.



We have a robust manufacturing apprentice programme, with a specific focus on engaging girls' schools to attract more females into manufacturing. Our network now includes 250+ girls' schools in Manchester and Wrexham. Further efforts are made 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.

In 2022, we piloted 'Seek Out' inclusive recruitment training with our Hiring Managers to enhance diversity and inclusivity during recruitment. The plan is for all Hiring Managers to take part in this robust and immersive learning experience during 2023.

All People Managers will take part in our 'Leadership Lab' in 2023. This five-month blended learning experience equips People Managers with the core knowledge and skills required to attract, develop, engage and retain talent.

Extending our learning and development programmes to all employees will enable us to sustain our Equity, Diversity and Inclusion (EDI) ambitions. We will continue to deliver Google's #IamRemarkable Training, our e-learning unconscious bias training, and a 'Change Makers' programme, which delivers a foundational understanding of key aspects of EDI. 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, a collaboration with Talking Talent saw us launch our first Women In Leadership Programme. This transformative nine-month programme supports and develops our high-performing female talent in Europe and has already helped advance the leadership skills of 35 female employees. We continue to focus on developing female talent within mid-to-senior level roles and have further cohorts planned for 2023.

# CLOSING THE GAP

## A workplace where we all BELONG

- We are proud of the strong progress we've made through our continued partnership with LEAD (Leading Executives Advancing Diversity Network). We signed the LEAD pledge in 2019, and in December 2022 we achieved gender parity at mid-senior level and above. This was three years ahead of our 2025 target. The 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 433 LEAD members across Europe, and ten volunteers who play an active role in the LEAD Education Committee and heading up local chapters.
- Our people sit at the very heart of making us a welcoming and inclusive organisation. Across Europe, we have BERGs (Business Employee Resource Groups) who support the realisation of our EDI ambitions. The BERGs help to deliver and celebrate key annual events, which encourage positive change through education and engagement. In 2022, our theme has been 'breakingthebias' and for International Women's Day we showcased the different experiences of our colleagues to challenge our thinking and highlight how our unconscious biases can influence our decisions.
- We have launched our menopause, fertility and pregnancy loss policies across Europe to create a consistent approach, regardless of where people are based or their length of service. We know we can still do more to drive change, and policy review remains firmly at the top of our agenda.
- 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.
- With COVID helping show that we can work anywhere and still deliver outstanding results, we developed an approach called 'Locate for your Day'. This enables office-based colleagues to work from a place that suits them most. It is discussed at recruitment stage and applicants are actively encouraged to take a hybrid approach to working. We also do all we can to make flexible working a reality in our manufacturing plants, where we have a flexible working policy in place. This includes job-sharing and other unique working arrangements including flexible start times up to 10:30am for our staff employees.





## IN CONCLUSION

A combination of firm commitments, practical policies and initiatives, and innovative training and partnerships help Kellogg to create an inclusive culture, which is supportive and progressive for everyone.

Equity, diversity and inclusion are genuinely embedded throughout our organisation, and embraced by people across all levels who enthusiastically and caringly strive to make us a fair employer.

We are immensely proud of the progress we've made, and are even more energised about the steps we continue to take towards our ambition to be a best-in-class company for diversity and inclusion.

**We have a healthy appetite for equity, supported by great people, to ensure there's a place at the table for everyone.**



## OUR ED&I VISION

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