



The Kellogg Company in the UK

# **GENDER PAY GAP REPORT**

## **2020**

# [ INTRODUCTION

## A place at the table *for everyone*

**At Kellogg we believe that a strong focus on equity, diversity and inclusion is paramount to achieving success and this belief goes back to our founder WK Kellogg, who was a pioneer in employing women in the workplace 115 years ago.**

Today our purpose is creating a seat at the table for everyone. This thrives throughout our company and our combined efforts have already been recognised by our colleagues with a recent company-wide opinion survey showing an improvement in our inclusion index.

It is our belief that everyone at Kellogg plays an important role and is responsible for growing this inclusive culture. We do this by actively seeking and integrating diverse viewpoints and speaking up and addressing difficult issues. This ensures we all have a seat at the table and helps create a rich culture of equity, diversity and inclusion, which support our brands and company in always striving to better reflect our consumers' values.

We are dedicated to accelerating gender parity across our organisation. We want to become a best-in-class company for inclusion, with a culture that embraces differences



and champions equity for all. That's why we are a Gold Member of LEAD (Leading Executives Advancing Diversity) and a signatory of the pledge to commit to reach 50:50 gender representation for all leadership level roles by 2025.

We've already made considerable progress by increasing female representation to 46% in April 2020 (48.5% April 2021).

Our people are the 'Change Makers' and we have several BERGS (Business Employee Resource Groups) that have been created by colleagues with the passion to make a difference and an ability to bring people together to create a movement.

Although our diversity numbers are good, we know we can do better. We will continue to drive positive change by reviewing the data in our latest report and maintaining our focus on our longer-term equity, diversity and inclusion objectives. In addition, we will proudly outline our commitments and confidently know our leadership will be stronger by being more diverse.



**Sam Thomas-Berry**  
VP Human Resources,  
Kellogg Europe



# UNDERSTANDING OUR GENDER PAY GAP REPORT

## What is the gender pay gap?

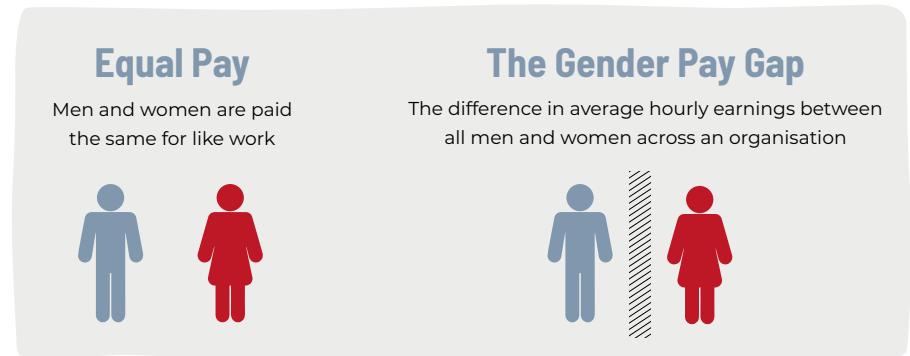
The gender pay gap is a measure of the difference in the average pay of all men and women across an organisation, regardless of the nature of their work. It can be confused with equal pay, but this involves direct comparisons of people who are performing work of equal value. Whereas the gender pay gap 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 2019, 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 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.



# GENDER PAY GAP

As required by law, Kellogg has reported the data on its only business entity in the UK with more than 250 employees. This is our fourth Gender Pay Report and our gender pay gap remains largely unchanged, with some small increases and decreases in figures over this period

**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 Mean Gender Pay Gap for April 2020, is 7.67% which is significantly under the UK average of 14.6%

There are 696 males versus 92 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.

In KEUK, the majority of employee' rates of pay are agreed with the relevant trade unions at standard rates, which reduces the variability of pay.

The mean bonus gap is 27.2%. The mean bonus for men is higher due to more males being employed at a higher management level and also being in receipt of Long-Term Incentives. We have had a number of successful female promotions from KEUK into other areas of our business, which continues to reinforce our commitment to career growth and progress, which is not reflected in this Gender Pay report for KEUK.

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

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

Mean

7.67%

Median

6.7%

696  
males



Male v Female  
(total)



92  
females

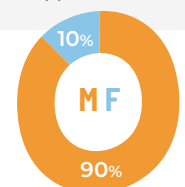
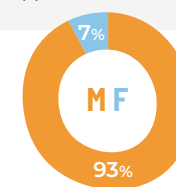
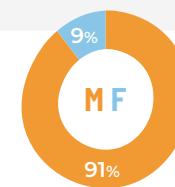
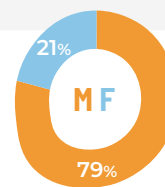
### Pay Quartiles

Lower Quartile

Lower Middle Quartile

Upper Middle Quartile

Upper Quartile



Mean

27.2%

Bonus Pay

Median

13.6%

Headcount getting bonus

161

15%  
males

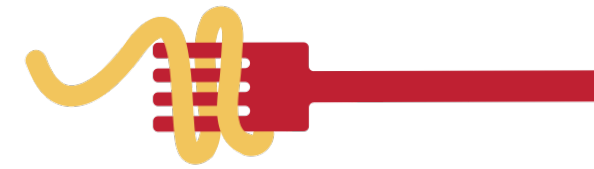


Proportion



58%  
females

We monitor the effectiveness and impact of our approach to pay and reward via outputs of our employee survey; 'I am paid appropriately for the work I do' answered favourably / neutrally by 84% of female and 87% of male respondents, highlighting little difference between gender perspectives on pay.



# CLOSING THE GAP

Here at Kellogg we know that achieving and sustaining gender equity will take time but we are committed to closing the gap. Here are some of the steps we're already taking:

## A work place where we all BELONG

- Our culture is what makes us special. Kellogg strives to create an Inclusive Culture, where everyone feels like they belong. Across Kellogg we have over 200 BERG members who help us drive change throughout the organisation. In 2020 our BERGS hosted an Equity, Diversity and Inclusion (ED&I) week for all colleagues across the UK. This included a packed calendar of events, workshops, panel discussions, video's and daily resources covering topics such as Masculinity in the Workplace and the role of Multiculturalism and Diversity in advertising.
- Kellogg signed the LEAD (Leading Executives Advancing Diversity Network) pledge in 2019, committing to gender parity in leadership roles by 2025 and at 47% we are on track to achieve this. We have over 200 LEAD members actively participating and also a number of volunteers who play an active role in the LEAD Education Committee and heading up local Chapters. Kellogg values the ongoing partnership and the ability to share and learn from other FMCG peers.
- Supporting our local community is part of our DNA. We've partnered with Grocery Girls, Northern Power Women and local schools, giving talks, mentoring pupils and participating in panel events. Our European HR VP was acknowledged on the Global Diversity list, as a HR Diversity Champion. There is still more we can do but we're working hard to make an impact externally and support the communities in which we operate.

- For expectant and existing parents, we recently launched our Working Parents Programme, which offers coaching through an online platform. This is an opt-in choice for anyone who has extended their family through birth, adoption and surrogacy. Colleagues and managers can explore how this new or extra responsibility could impact them and what they can do to makes things easier. More recently this programme has been extended to caregiving to provide additional support and coaching.

## Recruitment & Development

- Within our Plants we invest in the continuous development and improvement in our people and processes. We call this our Kellogg Work System (KWS). Our UK plant is currently working towards an Equity, Diversity and Inclusion Plan with metrics and targets, focusing on it's recruitment and development strategy to increase gender diversity.
- We know that growth and development is a critical enable for success. At Kellogg we have a diverse learning and development offering, that is available to all our colleagues, ensuring personal ownership.

## Understanding through Data

- We're committed to driving action through understanding our data. Kellogg has created a 'People Dashboard' which provides monthly data about gender spilt at various seniority levels, external hires, internal promotions and identified successors. We also use quantitative data such as our Inclusion Index in our annual survey and feedback from our regular Listening Breakfasts.





## IN CONCLUSION

At Kellogg an inclusive environment is at the heart of our values and has been since we were founded over 100 years ago.

We embrace a proud culture of belonging and through our BERGs, external partnerships and everyday allies, we will continue to work hard for better gender balance. This commitment will help us reach our equity, diversity and inclusion ambitions and fulfil our promise that there is a place at the table for everyone.

We know we can do better and we believe we have the right focus areas in 2020 to improve.



## OUR ED&I VISION

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

