

OUR 2018 GENDER PAY GAP REPORT

2018 was an exciting year for KP Snacks with the acquisitions of Tyrrells and Popchips adding to our great snacking portfolio, and strong results in sales growth and market share. None of this would have been achieved without our KP colleagues; they are a key factor of our success and an integral part of our KP strategy.

Our second report shows that we have not made any progress in closing our gender pay gap, partly caused by a restructure of our KP Executive team in 2017.

KP's Values and Behaviours continue to thrive in our business and govern how we work every day. On this basis we have appointed over 120 Values and Behaviours Champions from all levels and functions around the business. They bring ideas and energy to improve our culture, positively recognising great behaviours and calling out red flags when they see them.

OUR VALUES ARE:

- We have a positive attitude
- We value our people
- We achieve together
- We take personal ownership

It is 'Value our People' that outlines what we expect when it comes to diversity and inclusion. We believe that if we are more inclusive, we will see more diversity as a result, including more females in leadership roles.

We remain committed to increasing the number of female leaders within our business. The two Executive positions we filled during 2018 had both male and female applicants on the shortlist and the selection panel was also gender balanced. We will always seek to hire the best talent and because of this, we recruit on merit. For these roles males were appointed to both positions. We are committed to continuing this balanced approach to all external sourcing in 2019 and will broaden it beyond our Executive Team to our top 35 roles to give us the best chance of hiring a gender balanced team.

On 7 March 2019 KP was a major sponsor of a pioneering Diversity and Inclusion event for the Grocery Industry held at Wembley Stadium. This was the first time suppliers and retailers came together to share best practice and build a valuable network which will include cross industry mentoring for some of our colleagues. KP representatives facilitated a session on unconscious bias to more than 100 people. This session has and will be used internally at KP to help build awareness.

We constantly strive to make KP stand out as a great place to work and we know that when we get behind a people initiative we can really make a difference. We have participated in the Best Companies survey every year since 2015 and are committed to increasing employee engagement.

We were delighted to be winners of the prestigious IGD award for Business Transformation in 2018 and shortlisted for the Personnel Today award, Excellence in Learning and Development. These achievements recognise our commitment to our colleagues and to making KP an even better place to work.



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I confirm that the information in this report as required under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2018 is accurate.

JOHANNA DICKINSON
HR DIRECTOR



Mark Thorpe
MARK THORPE
CHIEF EXECUTIVE
OFFICER



JOHANNA DICKINSON, HR DIRECTOR AND RACHEL O'VINGTON, HR BUSINESS PARTNER, RUN A SESSION ON UNCONSCIOUS BIAS AT THE DIVERSITY AND INCLUSION IN GROCERY EVENT IN MARCH 2019

PAY AND BONUS GAP

The gender pay gap results demonstrate the difference between the average earnings of men and women regardless of the level of seniority. It is not a measure of equal pay, which is the difference of actual earnings of men and women doing equal work.

Our statistics include all colleagues employed by KP Snacks legal entity in April 2018 (data excludes Tyrrells and Popchips, which were acquired in May 2018).

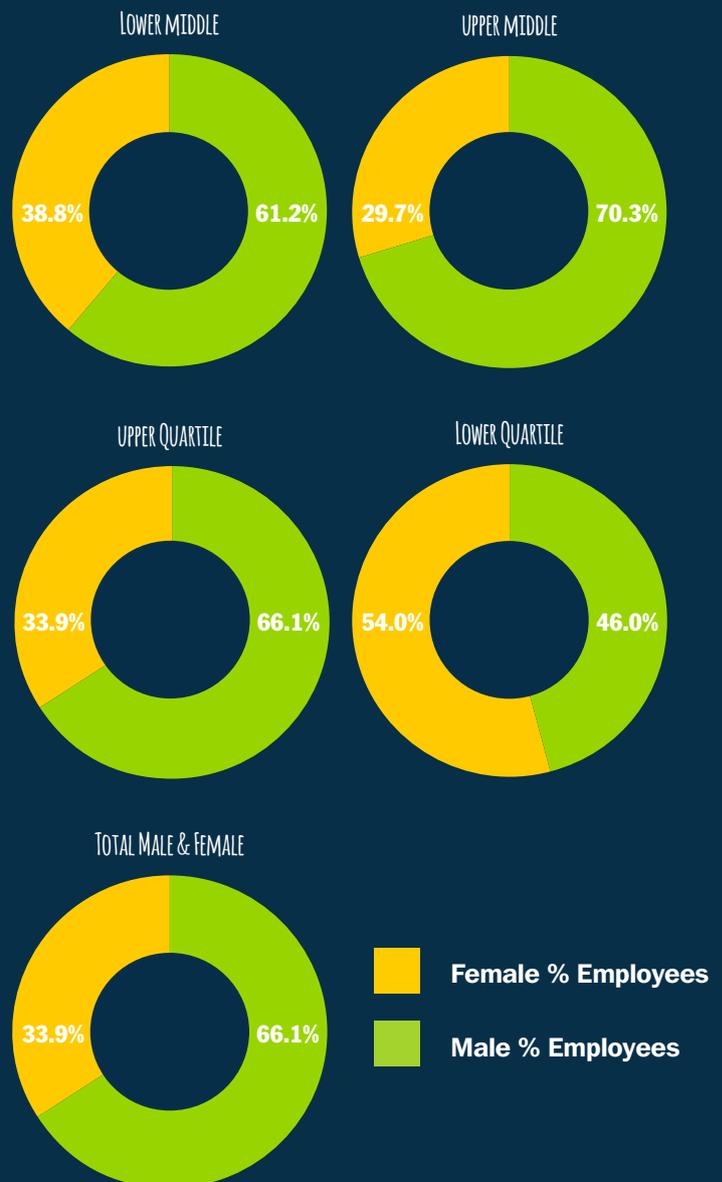
DIFFERENCE BETWEEN MEN AND WOMEN	MEAN	MEDIAN
Hourly Rate of Pay	13.51%	10.12%
Bonus Pay	35.4%	0%

The above table shows our overall mean and median gender pay gap based on hourly rates of pay as at the snapshot date (5 April 2018). Our analysis showed that our mean gender pay gap for hourly pay is due to us having more male colleagues employed than females and more males holding senior positions.

The table shows the mean and median difference for the 2017 annual bonus which was paid in 2018 for our male and female colleagues (these figures have not been adjusted to show full time equivalent). The mean bonus pay gap figure is higher at 35.4%. This is due to higher target bonuses for senior grades where more males are employed. We know from our external benchmarking senior level bonuses are comparable to those within our industry. The bonus median is 0% because many of our colleagues receive the same amount of bonus, so there is no difference in the median.

PAY QUARTILE RANGES

The pie charts below show the proportion of male and female colleagues at each of our pay quartiles. Each quartile contains 387 colleagues. It is clear from the charts that the Lower Middle, Upper Middle and Upper Quartile have more male colleagues and highlights the opportunity for us to encourage more female career progression to leadership roles within our business as well as attract more women to come and work at KP Snacks.



PROPORTION OF MALE AND FEMALE COLLEAGUES THAT RECEIVED A 2017 BONUS:

71.97% OF WOMEN RECEIVED A BONUS

76.31% OF MEN RECEIVED A BONUS