

OUR 2019 GENDER PAY GAP REPORT

2019 was another exciting year for KP Snacks where we continued to grow our market share and also successfully completed the full integration of Tyrrells and popchips into the KP family. This was achieved by continuing to build on the momentum we have developed over recent years and by remaining true to our Values and Behaviours whereby our culture and KP colleagues remain at the heart of our KP strategy.

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 to be the UK's favourite snack company; we must have an inclusive, values-led organisation, which becomes more diverse as we do the right things for generations to come. As such, we remain committed to increasing the number of female leaders within our business. In 2019 we maintained a gender balanced Extended Leadership Team, recruiting 3 females for key leadership roles. Unfortunately, despite this focus, the acquisition of Tyrrells and popchips and the mix of new colleagues means that our gender pay gap has worsened in 2019 and our third report has shown that we need to do even more to close the gap. In 2020 we will continue to demand females on all short lists for senior management roles so that we have the best chance of having gender balanced leadership teams.

We will continue to look for new ways to improve Diversity and Inclusivity within KP Snacks, we are proud to again be sponsoring the Diversity and Inclusion in Grocery event and are delighted to have supported the work undertaken by the MBS Group, IGD and PwC, who conducted interviews with over 200 companies across our sector to understand the current status of diversity in Food and Grocery. The report is available to download from IGD.com. The learnings from both of these are feeding into our Diversity and Inclusion strategy.



COLLEAGUES CELEBRATE AT ONE OF THE LAUNCH EVENTS FOR OUR BENEFITS, RECOGNITION AND COMMUNICATION PLATFORM, KP4ME.

We constantly strive to make KP stand out as a great place to work and we know that having engaged colleagues really makes the difference to our business performance. We have participated in the Best Companies survey every year since 2015 and are delighted to have made significant progress this year to get in to the "Ones to Watch" level for the first time. In addition to a big focus on leadership and increasing the capability of our line management, this has been enabled through the implementation of a number of people initiatives, helping our colleagues understand more about how they benefit from being a member of the KP team. We launched an online benefits, recognition and communications system called KP4ME which had a fantastic uptake with 2,100 registered users benefiting from discounts schemes, wellbeing pages and a digital recognition system for our Values & Behaviours that has seen colleagues receive over 2600 call out cards.

Our achievements continue to gain external recognition winning the prestigious FDF People Initiative award for our Mental Health Awareness campaign as well



as winning the Personnel Today, HR Impact Award for our approach to the integration of Tyrrells and popchips. These achievements recognise our commitment to our colleagues and to making KP an even better place to work.

I confirm that the information in this report as required under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2019 is accurate.

MARK THORPE
CHIEF EXECUTIVE OFFICER



JOHANNA DICKINSON
HR DIRECTOR



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 2019.

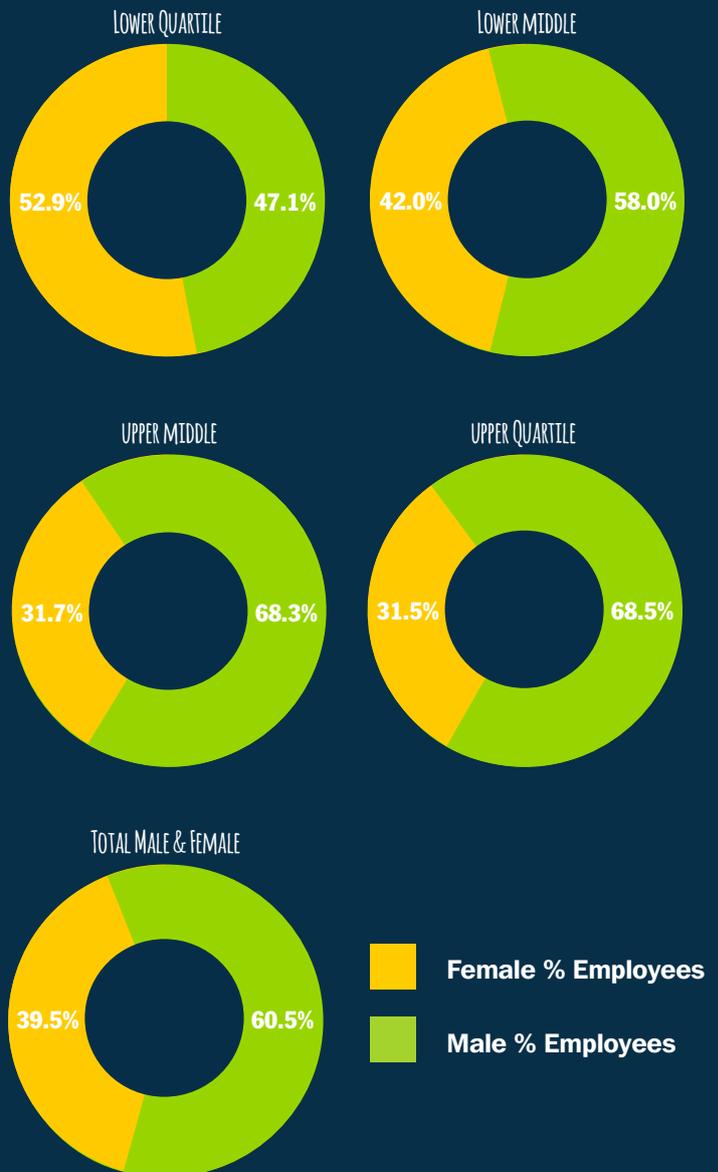
DIFFERENCE BETWEEN MEN AND WOMEN	MEAN	MEDIAN
Hourly Rate of Pay	14.64%	10.92%
Bonus Pay	31.97%	0%

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 2019). Our analysis showed that our mean gender pay gap for hourly pay is due to us having more male colleagues in the upper middle and upper quartile where pay will be higher. Though our mean gender pay gap is higher than last year, we are still lower than the UK average of 17.3% (Office of National Statistics).

The table also shows the mean and median difference for the 2018 annual bonus which was paid in 2019 for our male and female colleagues (these figures have not been adjusted to show full time equivalent). Whilst the mean bonus pay gap figure is lower at 31.97% higher target bonuses remain in place 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 486 colleagues. Whilst the Lower Quartile has more female 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 and attract more women to come and work at KP Snacks.



PROPORTION OF MALE AND FEMALE COLLEAGUES THAT RECEIVED A 2018 BONUS:

61.07% OF WOMEN RECEIVED A BONUS

56.38% OF MEN RECEIVED A BONUS