

OUR 2020 GENDER PAY GAP REPORT

Like many other businesses, 2020 was a challenging year for KP Snacks as we managed our way through a global pandemic. As a result of robust business planning and the unwavering efforts of our colleagues we continued to see strong results in sales growth and market share during uncertain times.

Having a great culture with well-established Values and Behaviours, and the right technology made it easier for our colleagues to connect with each other and the business. Our colleagues told us they felt safe at work, well informed, supported and connected throughout 2020.

OUR VALUES ARE:

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

During 2020 we increased our focus on Inclusion and Diversity (I&D) and created a vision which is to “ensure our culture better represents our colleagues, communities and our consumers, and foster an environment where each and every colleague feels that they belong”. Our Executive team attended a series of workshops with Utopia which helped us create plans which included setting up an inclusion & diversity steering group whose purpose is to oversee how we embrace inclusion and diversity across the organisation. In 2020 we continued our sponsorship of Diversity & Inclusion in Grocery (DiG) run by GroceryAid, which aims to make our industry a progressive environment where everyone can thrive.

In 2020 we delivered on our commitment to increase the number of female leaders, by recruiting three females into key leadership roles, and maintaining a gender balanced extended leadership team. We have an ongoing commitment to gender balanced shortlists and diverse interview panels whenever we recruit. In addition to this we have increased awareness of gender pay gap for our managers and leaders as part of our annual salary review process.

As a result of our efforts we are pleased our gender pay gap (Mean) has reduced by 3.75% since 2019.

We know how important having an engaged workforce is and we constantly strive to make KP stand out as a great place to work. Since 2015 we have increased levels of engagement

each year and in 2020 we achieved a 1 Star award by Best Companies. We ranked 8th in the ‘Food & Drink’s 10 Best Companies’ and 19th in the ‘25 Best Big Companies’ to work for lists. In 2020 we included four new questions about inclusion and diversity so we can track our progress more specifically in this area.

Our levels of engagement are supported by our ability to communicate directly with colleagues using KP4ME; a tailored digital application which 98% of all colleagues are registered. KP4ME gives everyone the opportunity to understand and be involved in topics that are important to our I&D strategy. We use this channel to share colleague stories and build awareness and education aligned to key events such as Black History Month and Pride Week.

Our achievements continue to gain external recognition and we were delighted to be shortlisted as finalists for Employer of the Year (Grocer Gold Awards, 2020) and The Best Reward or Recognition Initiative (CIPD 2020), both of which recognise our ongoing commitment to our colleagues in making KP an even better place to work.



As we look to 2021, we will develop our I&D Strategy and the work streams: Inclusive Culture, Inclusive Leadership and Inclusive Recruitment as well as introduce dynamic working principles to give more flexibility for colleagues to work from home following the pandemic.

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



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

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 2020.

DIFFERENCE BETWEEN MEN AND WOMEN	MEAN	MEDIAN
Hourly Rate of Pay	10.89%	11.54%
Bonus Pay	15.52%	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 2020). 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. However we are pleased to share that the mean gap has reduced by 3.75% since 2019 (14.64%).

This change was driven by our work to build awareness and educate on topics such as unconscious bias in addition to our efforts to ensure a gender balanced shortlist and diverse hiring panel where possible, particularly when it comes to senior roles. As a result, in 2020 we saw;

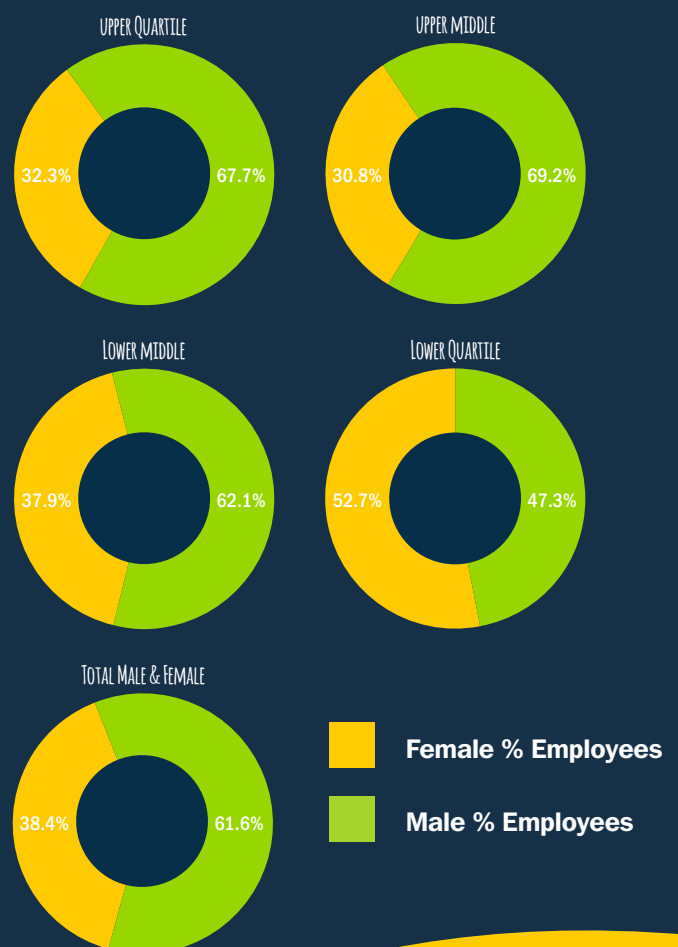
- An increase in female representation in senior roles, raising overall female pay
- An increase in the number of females in the upper quartile versus last year (152 increased to 166)
- Female recruits in 2020 had an average salary of +6% compared to leavers from 2019
- Male recruits in 2020 had an average salary of -13% compared to leavers in 2019

The table also shows the mean and median difference for the 2019 annual bonus which was paid in 2020 for our male and female colleagues (these figures have not been adjusted to show full time equivalent). Our mean bonus gap has significantly reduced since 2019 (down from 31.97%), partly driven by the fact that we acquired our Tyrrells business who became part of our payroll in April 2019

and the female bonus mean is 50% higher for that group. In addition we issued a number of retention bonuses as part of the transition which were on average higher for women. The bonus median is 0% because many of our colleagues receive a bonus calculated on a fixed value and not a percentage of salary, this means there is typically no difference as they receive the same bonus payment.

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 2020 BONUS:

75.32% OF WOMEN RECEIVED A BONUS

78.12% OF MEN RECEIVED A BONUS