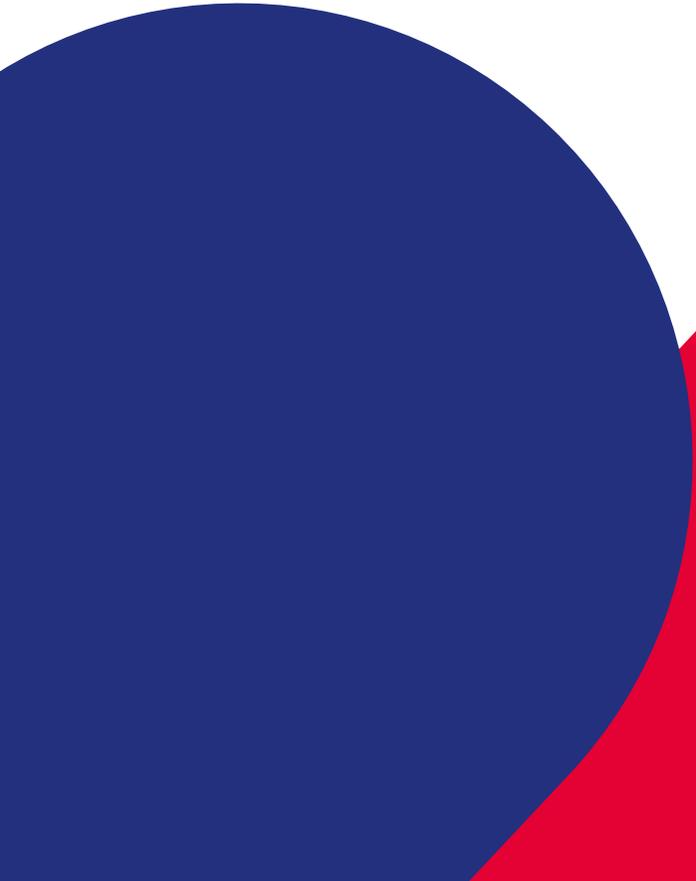


pladis

Gender Pay Gap Report 2018



Introduction

On behalf of pladis¹ we are pleased to publish our UK gender pay gap (GPG) report for April 2018.

We have over 4,600 colleagues in the UK - nearly 3,800 are part of our supply chain working in our manufacturing operations up and down the UK to bake our much-loved biscuits and snacks.

Diversity and inclusion are central to everything we do and is reflected across our business. Our biscuits and snacks cater for our wide range of consumers who enjoy them day in, day out - from a classic Carr's Table Water Cracker to our new McVitie's Jaffa Nibbles. We recognise that we need diversity in our teams too - we couldn't create our much-loved products without our end to end team, from our colleagues developing ideas in our Innovation Centre to the bakers at the heart of our operation.

Our local operations, in many cases are focal points within their local communities, who we're proud to support. On our annual Make Happy Be Happy Day each of our factories and offices come together to volunteer and raise money so that we can bring happiness to disadvantaged children.

When it comes to diversity in the UK, we're proud of some key successes, such as the fact that 40% of our leadership team are female and when we look at our graduate cohort for 2018, over 50% are female. This is great for the pipeline of women in our business going forward.

Despite these successes - and the fact that our gender pay gap is significantly below the overall UK pay gap published by the Office of National Statistics - we recognise that there is still more to do to improve female representation at senior levels within both our Supply Chain and our Corporate Functions. We are determined to address this challenge, and we are proud to use this report to progress with our plans.

We are fully committed to making pladis the employer of choice for colleagues of all backgrounds and are excited by the journey we are on. We confirm the data in this report to be accurate.



Nick Bunker

Managing Director,
pladis UK & Ireland



Kate Shaw

Vice President HR,
pladis UK & Ireland



About pladis:

Formed in 2016, pladis is one of the world's leading snacking companies and home to loved brands including McVitie's, Ulker and Godiva. We're proud stewards of over 300 years of family baking and confectionery experience, and we are passionate about collaboration, creation, and ultimately fulfilling our promise; 'to bring happiness to the world with every bite'.

Difference between equal pay and gender pay gap

The gender pay gap is the measure of the difference between men's and women's hourly earnings in a company. This includes base pay, allowances and any other bonus and incentive pay paid in April 2018. The gender bonus gap is the difference in all incentive pay received by men and women in the 12 months up to April 2018. This includes all bonuses, long-term incentives and sales commission payments.

The gender pay gap in the UK should not be confused with ideas of 'equal pay' and 'pay equity'. These are legal requirements to pay men and women the same for performing the same work, and have been in place in the UK for over 40 years. This new Gender Pay Gap disclosure is about bringing attention to issues that drive the gap, namely fewer women in senior positions, and men predominating in specialist positions that can carry a premium in the market.

How results are calculated

Mean and median compared

MEAN: The mean is calculated by adding up the total pay of employees and dividing by the employees in the list. This calculation is completed separately for men and women and the totals are compared. While useful, this 'true average' is easily skewed by a small number of high or low earners. Reporting both mean and median figures provides a more rounded understanding of the GPG.

MEDIAN: The median is the number which is in the middle of a ranking of pay from lowest to highest. This is broadly understood by statisticians to be the best view of 'typical' pay, as extremes of low and high pay do not affect the median.

What are gender pay gap quartile figures?

Gender pay gap quartile figures calculate an organisation's figures to show the proportion of male and female employees in four pay bands.

To do this, employees are ranked from highest to lowest paid, then divided into four equal parts ('quartiles') to work out the percentage of men and women in each of the four parts.



Our results

UK overall pay gap (ONS, 2018)

17.9%

Mean hourly pay gap

8.45%

Median hourly pay gap

5.96%

Mean bonus pay gap

42.2%

Median bonus pay gap

24.7%

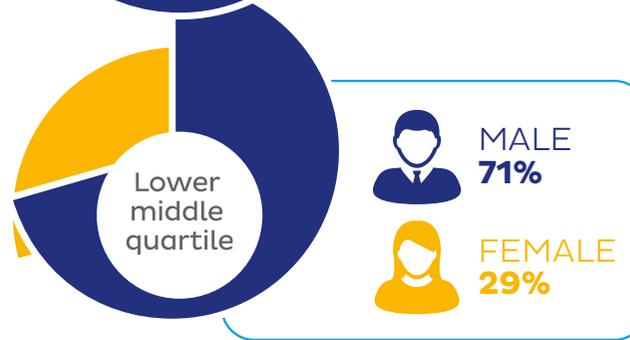
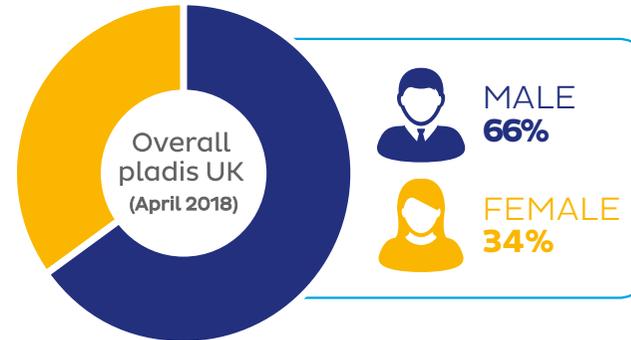
Men receiving a bonus

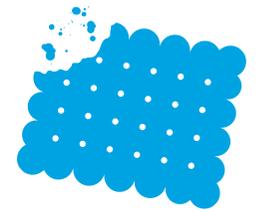
20.7%

Women receiving a bonus

26.6%

Pay Quartiles





Understanding our results

The mean hourly gap in 2018 at pladis is 8.45% which has reduced by 1.15% since our last reporting compared to the UK pay gap which stands at 17.9% (per the office of National Statistics). However, the mean bonus gap is higher than in 2017 because some bonus payments in 2016 were not included in the 2017 data set, owing to the timing of when they were paid. Over the same period we are pleased to report that the Median Bonus Pay Gap has reduced from 27.8% to 24.7%. The bonus schemes themselves are gender-neutral in their design.

The key reason for our gender pay gap, even following this year's improvement, is that female colleagues are relatively under-represented at senior levels across our organisation. At the same time, women are relatively over-represented at more junior levels. In short: men are more likely to hold more senior roles, and this results in a gender pay gap.

We are comfortable that we do not have an issue with equal pay and that our pay programmes support equal pay practices.



Our Supply Chain

Recognising the relatively stable nature of our workforce, 3 in 10 of our colleagues in our Supply Chain are female. Women are, however, significantly under-represented in our most technical roles, which command a pay premium owing to the complex skill-sets required. Our engineering function is a clear example of such an issue whereby fewer than 3% of our engineers are women. This is not unusual when compared with other organisations like ours, and although we have been working on improving this imbalance, we recognise that we still have more to do. Another key factor within our Supply Chain which contributes towards our gender pay gap is that, like many of our peer organisations, our male colleagues are more likely to work in night-shift roles, which pay a premium.

Our Corporate Functions

Our gender balance for our Leadership team has significantly improved since 2017 with 60:40 representation of Men to Women which was one of our commitments last year.

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Our commitments

We have taken a holistic approach to addressing the root causes of our gender pay gap which, whilst gender will be at the forefront, focuses on all aspects of diversity and inclusion.

With this in mind, we are proud to share progress on our ongoing commitments.

1. Working towards improved Gender Balance Among Managers by 2025

In 2018 we committed to focus on improving female representation across our management-level workforce and aspire towards a 50/50 balance by 2025. We have made significant improvement in striving towards the balance in our Corporate functions and we have also seen a spike in female representation among graduates and apprentices this year.

Our pladis UK & Ireland leadership team currently has 40% women and 60% Men, with key additions in the last twelve months demonstrating our commitment in this area.

2. Focusing on Our Apprenticeship Talent Pipeline

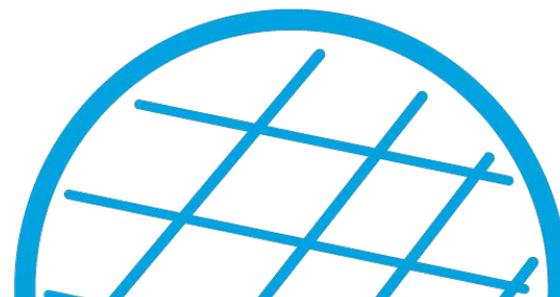
We recognised that our 50/50 gender balance would not be achieved overnight, however we have made significant improvements in 2018 and we are delighted that for our Commercial Apprentices, we have already hit this target with a 50% female cohort. Furthermore, our Operator Apprentices have a 40% female cohort this year which is excellent progress.

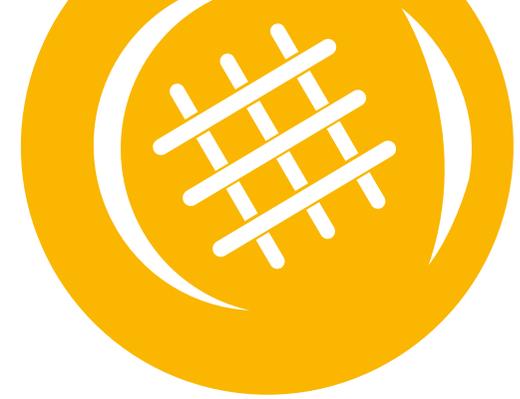
By making changes to our careers site to attract a more diverse candidate pool and by reviewing our media campaigns we have seen a 10% improvement in female representation in our Engineering apprentice cohort. To drive further progress we have been focusing on our school's outreach programmes to promote pladis career and mentoring opportunities, and we have partnered with the IGD on their Feeding Britain's Future programme and Career Ready.

50/50

The selection processes for all our top talent programmes continues to ensure **balanced representation** with an equal split on our leadership development cohorts

2018





3. Launching our pladis UK and Ireland Diversity forum

As a young company, a crucial part of our culture from the very beginning has been fostering an inclusive environment regardless of gender, economic background, age or any other characteristic. This helps to create a culture where people of all backgrounds want to join us, feel that they can bring their whole selves to work, and are able to maximise their potential. This is a central tenet of our global Code of Conduct and our Winning Traits and Behaviours which are embodied by our colleagues.

To drive this culture – and take sustainable action on improving female representation at management levels – we established in 2018 our UK & Ireland Diversity and Inclusion Forum, ‘Being Me’, which promotes and supports diversity in the workplace. Gender and Mental Health networks were launched last year and are building momentum, with further networks launching in Spring 2019.

4. Continue to Embed Diversity and Inclusion in Our Processes

In 2018, we piloted our new Leadership Development programme which has diversity and inclusion at its core, underpinned by our Winning Traits and Behaviours. The selection processes for all our top talent programmes continues to ensure balanced representation with a 50/50 split on our leadership development cohorts.

For our **Commercial Apprentices**, we have a **50%** female cohort, for our **Operator Apprentices** we have a **40%** female cohort this year

