



Kellogg's

Kellogg Europe Trading Limited

GENDER PAY GAP REPORT

2022

[INTRODUCTION

A place at the table *for everyone*

Equity, diversity and inclusion feed our culture.

Kellogg is proud to be a progressive organisation embracing equity, diversity and inclusion. We always strive to understand and respect each of these areas, so that they are genuinely embedded throughout who we are and what we do.

Our colleagues help to make this a reality, and are at the heart of making us an organisation that people positively choose to be part of.

Millions of consumers make us their brand of choice. People are eager to become our colleagues and take pride in being ambassadors for Kellogg. Customers value our reputation and actively want to do business with us. Being diverse and inclusive is crucial to making all of this possible.

We have several BERGs (Business Employee Resource Groups) that create a voice for our people and empower them, as well as our senior leaders. This helps us to challenge ourselves to continuously improve, with the view to sustaining momentum and making a real difference.



We are aiming for gender parity across our organisation and are nearing our target of 50:50 gender representation for all leadership levels by 2025. Female representation across Europe stands at 49% and we have absolute confidence in the plans in place to enable us to reach our target.

In 2022 we launched our Women in Leadership programme, with this transformative initiative supporting and retaining our high-performing female talent.

We're also continuing to focus on our policies, with equity and inclusion firmly at the heart of them.

Although we are confident and energised about the steps being taken towards gender parity, we also know that hitting targets is just part of our journey, and not the end of it.

We will continue to take a long-term view of equity, diversity and inclusion, ensuring they remain a rich part of what makes Kellogg an organisation that customers, consumers and communities are proud to be associated with.



Tammy Winnie
VP Human Resources,
Kellogg Europe



UNDERSTANDING OUR GENDER PAY GAP REPORT

What is the gender pay gap?

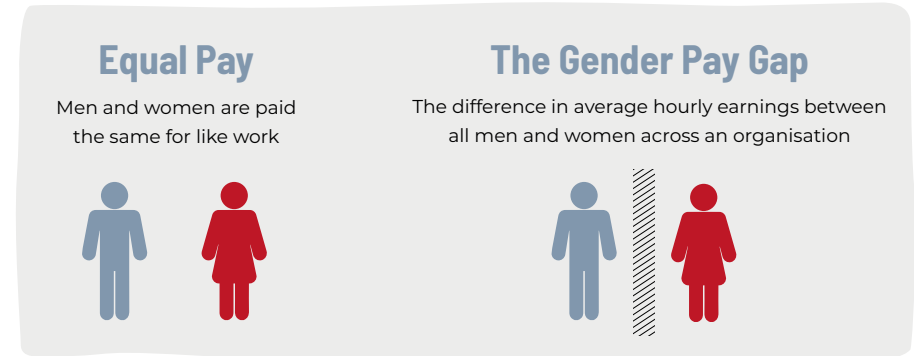
The gender pay gap is a measure of the difference in the average pay of all men and women across an organisation, irrespective of their role or seniority, and the nature of their work. It is different to equal pay, which involves direct comparisons of people who are performing work of equal value.

We are proud to be prioritising and advancing equal pay at Kellogg and are confident that progression in this area removes any inequality in reward and remuneration. Our equal pay approach is non-discriminatory and values everyone for the roles they fulfil.

The analysis in this report focuses specifically on the gender pay gap. Specifically:

- The difference between the mean (average) and median (middle) pay of male and female employees, split as: 1) all employees. 2) part time employees only. 3) those on temporary contracts,
- The difference between the mean and median bonus pay of male and female employees,
- The percentage of male and female employees who were paid a bonus in the previous year,
- The percentage of male and female employees who received Benefits in Kind (BiK) 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).

We have used a relevant date of 9 June 2022, which means our payroll data is based on the preceding 12 months. This includes all types of pay, allowances and BiK provided during that time. The majority of bonuses included are from our Annual Incentive Plan (AIP). When considering long term incentives, we report on the value of the options granted at the time – not when exercised.



Bonus, is by definition, any additional pay relating to profit sharing, productivity, performance, incentive or commission in the form of money, vouchers or shares, share options or interests in shares. The majority of the bonuses we included are from our AIP. It also includes the value of any share options granted.

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. We take all pay in the sample, list them in order from lowest to highest, and pick the middle salary.



OUR GENDER PAY DATA 2022

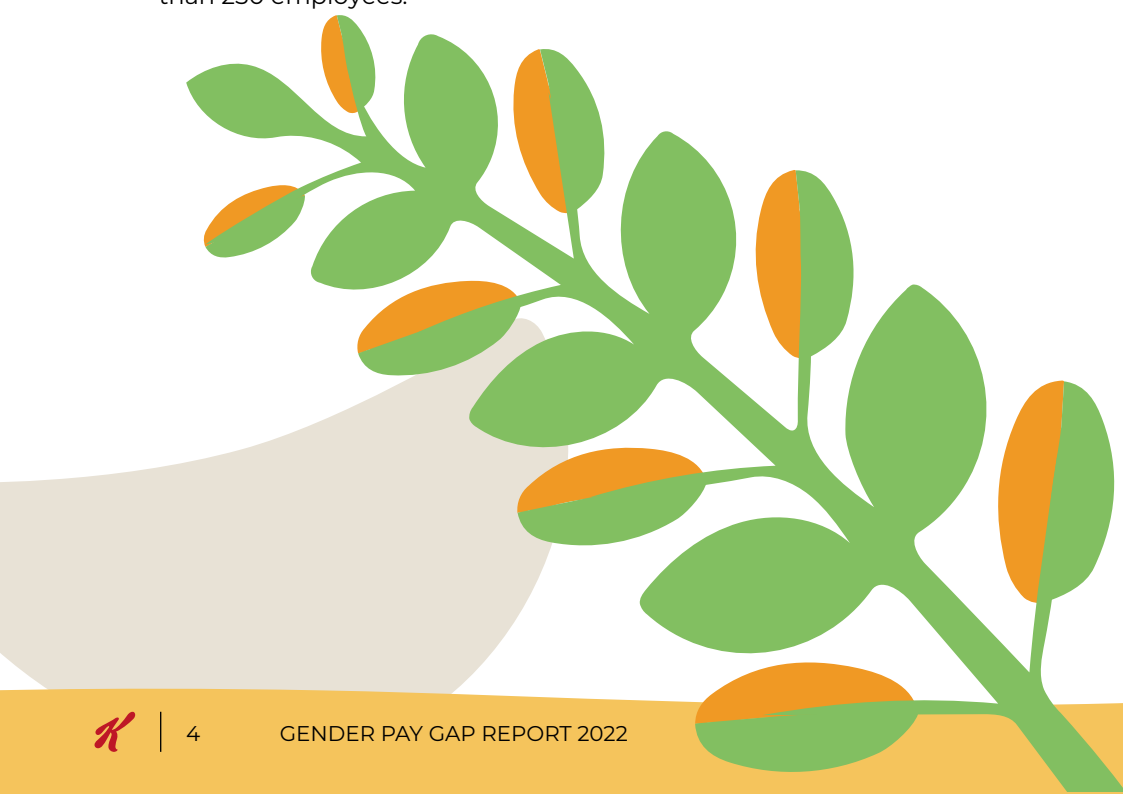
The European Kellogg head office is based in Dublin, Ireland and consists of various legal entities. As required by law, Kellogg has reported the data from its only business entity in Ireland which employs more than 250 employees; Kellogg Europe Trading Limited (KETL).

Our head office also welcomes and hosts many colleagues who are employed by our global organisation. For example, the office is a hub for talent development, with a number of colleagues passing through on expatriate contracts. These colleagues are not employed by KETL and do not form part of our reporting. Additionally, whilst we have a number of colleagues who reside in Ireland, as they are not employed by our KETL entity they are not included in this report. Specifically, our General Manager for Ireland position, which is held by a female, is not included in this report as she is employed by a different Irish entity that employs less than 250 employees.

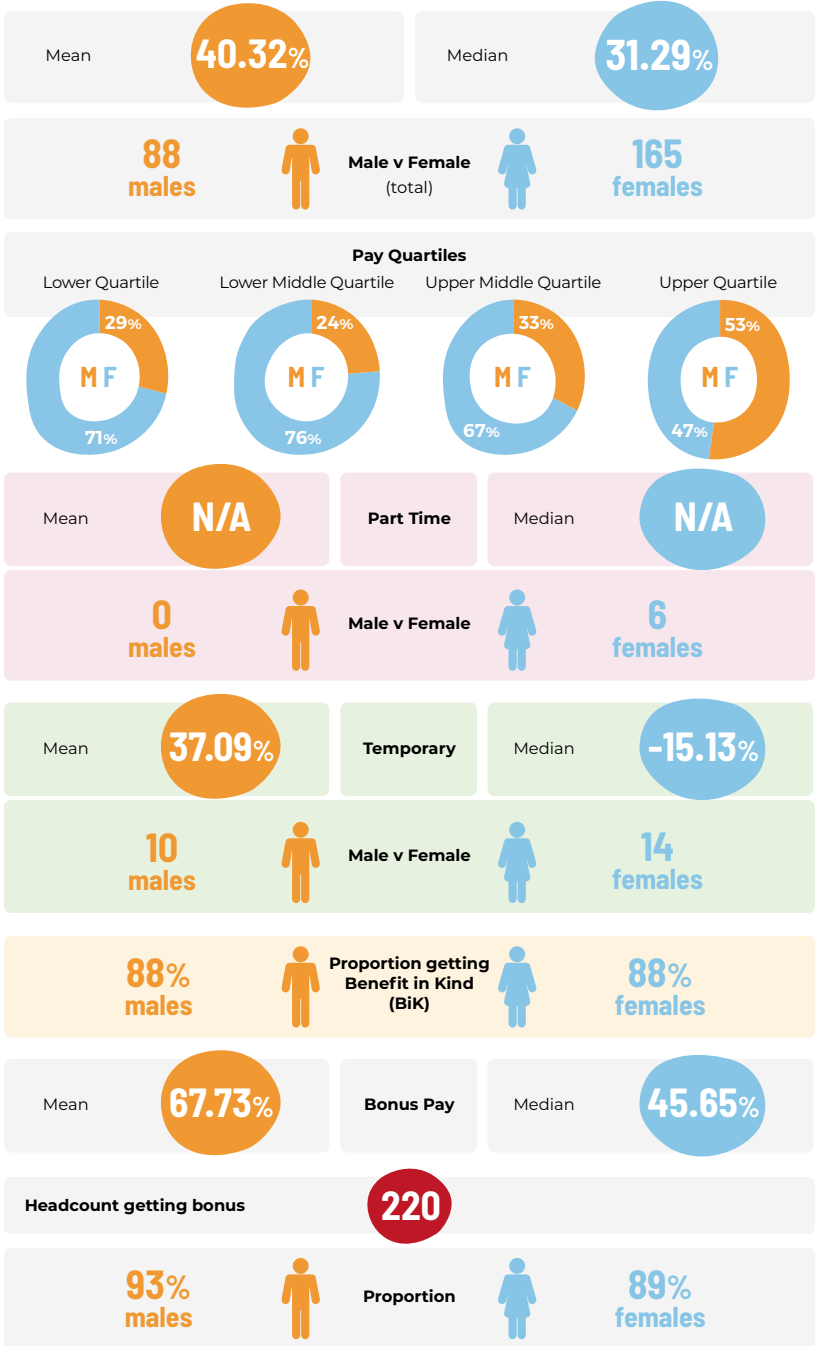
KETL is our largest legal entity in Ireland and accounts for 88% of our total headcount in the country, with employment including 165 females and 88 males. As of June 2022:

- The median gender pay gap is 31.29%, which is largely driven by three males occupying the most senior positions, who also form part of our European Leadership Team (ELT). The ELT has a 50:50 split of males and females, however, the three most senior females are not employed by KETL, meaning they are not included in our reporting.
- 65% of KETL employees are female, with the majority occupying more junior levels, which further helps to explain our gender pay gap figures.
- 89% of the total KETL population received a bonus and the median gender bonus pay gap is 45.65%. 40 females and 14 males did not receive any bonus or only a pro-rated AIP bonus, which was due to two factors:
 1. As new hires they did not qualify for the bonus.
 2. They were absent from work during the relevant pay period.
- The gross number of people who were not fully paid a bonus are women, which lowers the female hourly income and broadens the gender pay gap.
- The overall median gender bonus pay gap is further influenced by the employment of the ELT members (referenced in first bullet point above).

At Kellogg we strive to be a global pay equity leader and we are confident that we pay women and men equally for the same job. Last year, research by an independent capital firm showed that, when comparing similar roles, we pay women 99.8% of the majority of their counterparts globally. This is within our +/- 1% target range, as results fluctuate when new employees join the company.



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



CLOSING THE GAP

Intentional action through data driven insights

- We're committed to driving action through data-driven insights and use our People Dashboard to identify areas of opportunity for reaching our gender 50:50 target throughout our entire organisation. The development of female talent is a key commitment and facilitated through our annual talent cycle, which involves:
 1. An annual talent review, with emphasis placed on succession planning and building diversity.
 2. Quarterly People Development Committees (PDCs) that accelerate the development of talent in readiness for future opportunities.
- Strengthening diversity in our talent pipeline and succession planning is a top priority, as we strive to ensure a female balance across all levels in KETL. Plenty of work remains ongoing in this area and we are confident that we are heading in the right direction:

70% of succession plans include females.

62% of succession plans for Director and above roles include females.

62% of promotions since 2021 have been females.

62% of new hires since 2021 have been female.

In 2021 and 2022, **35** females and **16** males have attended Leadership Development Programs.



Attraction & Advancement

- Recruiting a diverse workforce is extremely important to us. We have committed to achieving 50:50 gender representation in mid management levels and above by 2025, and proudly communicate this fact in job adverts to attract candidates from diverse backgrounds. In 2022, we began partnering with myGwork - a business community for LGBTQ+ professionals, students and inclusive employers, and anyone who believes in workplace equality. As part of this partnership, we advertise all our roles on their platform.
- We are currently piloting 'Seek Out' inclusive recruitment training with our hiring managers, as part of our goal to be a best-in-class company with a culture that ensures equity for all by enhancing a diverse and inclusive recruitment process. The intention is for all hiring managers to undertake this robust and immersive learning experience prior to any recruitment activity from the beginning of 2023.
- Our 'Leadership Lab' is ready for deployment in 2023. All People Managers will take part in this five-month blended learning experience, which provides the core knowledge and skills required of people managers to attract, develop, engage and retain talent. Extending our learning and development programmes to all employees will enable us to sustain our Equity, Diversity and Inclusion (ED&I) ambitions. We will continue to deliver Google's #IamRemarkable Training, our e-learning unconscious bias training, and our 'Change Makers' programme, which helps develop a foundational understanding of key aspects of ED&I.
- In 2023, we will also be launching our Employer Brand / Employee Value Proposition. This will support talent attraction and retention by conveying what makes Kellogg a unique employment destination, and communicating stories about our benefits, culture and career progression opportunities.
- We recognise how important it is for colleagues to have meaningful careers plans and always want to ensure that our colleagues can grow and flourish in their roles. In March 2022, we launched our first Women In Leadership Programme in collaboration with Talking Talent. This transformative nine-month programme is designed to support and develop our high-performing female talent in Europe and has already helped advance the leadership skills of 35 female employees. We continue to focus on developing female talent within mid-to-senior level roles and have further cohorts planned for 2023.



CLOSING THE GAP



A workplace where we all BELONG

- Our continued partnership with LEAD (Leading Executives Advancing Diversity Network) remains as important as ever and we are proud of the strong progress made so far. We signed the LEAD pledge in 2019 and as of September 2022, female representation throughout European leadership positions was 49%. This puts us well on track to meet our commitment of gender parity 50:50 in leadership roles by 2025.
- We have 433 LEAD members across Europe and ten volunteers who play an active role in the LEAD Education Committee and heading up local chapters. We are organising a Dublin LEAD chapter in 2023, which will enable us to continue to develop a diverse local network and harness further opportunities.
- KETL participated in the Seramount Inclusion Index 2022 for all Ireland employees. The Index measures key areas: Transparency and Demographics, Best Practices in Recruitment, Retention and Advancement, and Corporate Culture and Accountability. This helps organisations to understand trends and gaps in demographic representation and build a road map to drive internal change by identifying solutions for closing any diversity, equity, and inclusion gaps. Being part of the Index recognises the achievements we are making in these areas and we will be working with Seramount to further enhance best practice.
- Our people are what makes us special. Across Europe, we have BERGSs (Business Employee Resource Groups) who support the realisation of our ED&I ambitions. This year our theme has been 'breakingthebias' and for International Women's Day we showcased the different experiences of our colleagues to challenge our thinking and highlight how our unconscious biases can influence our decisions.
- We have launched our Menopause, Fertility and Pregnancy Loss policies across Europe to create a consistent approach, regardless of where people are based or their length of service. In Ireland, our maternity policy now provides colleagues with access to maternity pay from their first day of employment. We know we can still do more to drive change, and policy review remains firmly at the top of our agenda.
- We continue our partnership with Talking Talent, who provide an online coaching platform for expectant and existing parents and caregivers. This is an opt-in choice for anyone who has extended their family through birth, adoption or surrogacy or has caring responsibilities. Managers also have access to this platform and can seek guidance and support about how to best support colleagues.
- With COVID helping show that we can work anywhere and still deliver outstanding results, we developed an approach called 'Locate for your Day'. This enables office-based colleagues to work from a place that most suits them. It is discussed at recruitment stage and applicants are actively encouraged to take a hybrid approach to working.





IN CONCLUSION

We are extremely proud that equity, diversity and inclusion are embedded throughout Kellogg, and that there is an organisation-wide desire and enthusiasm to create a culture where everyone can thrive.

A combination of firm commitments, practical initiatives and empowering colleagues help to create an inclusive culture, which is welcoming, supportive and progressive for everyone.

We are proud of the steps that we've taken and the positive changes that we've already achieved together. We know there is always room to evolve and improve, and we have the right people and plans in place to achieve our ED&I vision and an appetite to be best-in-class.



OUR ED&I VISION

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

Creating a place at the table for everyone.