

GENDER PAY GAP REPORT

2022

FERRERO

Opening statement

Our ambition at Ferrero is to create a diverse and inclusive culture where all our colleagues, regardless of their background, have equal access to opportunities and resources.

This ambition is led by our commitment to Diversity, Equity & Inclusion. We have always believed that a diverse and inclusive workforce and culture of strong values is crucial to long-term business success. That is why we are passionate about providing our colleagues with policies that help support them through all stages of their lives.

Building a truly inclusive environment takes time and requires the development of processes and guidelines to support the change. This is why we are introducing a DE&I Council whose responsibility is to set the strategy and vision for our DE&I practices.

In this, our first Ferrero Gender Pay Gap report, we share our results, reflecting on the drivers of our gap as we continue to evolve our DE&I programmes to create the conditions for all our colleagues to succeed by engaging and inspiring our workforce who are the driving force behind our company.



Philippe Steyaert

Managing Director
Ferrero UK Ltd.



Understanding the gender pay gap

The gender pay gap is the difference in pay between men and women across an entire organisation as calculated according to the Government's prescribed methodology.

- ❖ **The mean gender pay gap is the difference in the average hourly rate of pay for men and women across the business.**
- ❖ **The median gender pay gap looks at the difference in hourly pay for the middle male and middle female employee in an organisation when ranking a company's male and female populations from lowest to highest hourly pay.**

As part of the gender pay reporting process, we are required to split our workforce into four equal groups to show the proportion of men and women in each quartile. We did this by listing employees from the lowest hourly paid to the highest hourly paid, and then dividing the list of employees into four equal parts.

The gender pay gap reporting process requires a large number of variables to be distilled into a few statistical figures, making direct comparisons with other organisations difficult.

It is also particularly important to highlight that the gender pay gap is not the same thing as equal pay. Equal pay means paying a man and woman the same pay for performing the same or broadly similar work. By contrast, the gender pay gap requires the pay of the average man within the whole organisation to be compared with the pay of the average woman.

We are confident that our gender pay gap is not a reflection of an equal pay issue; instead it is driven by the structure of our workforce and the fact that we have more men than women in senior, and therefore more higher paying roles, when viewing the workforce as a whole. We are addressing this by the work undertaken by our DE&I initiatives. This demographic challenge is well known and shared by many other companies in the FMCG sector and beyond.

Figures for 2022

Mean

The mean pay gap is the difference between the hourly pay of all male and female employees when added up separately and divided by the total number of the males and females in the workforce.

Median

The median pay gap is the difference between the pay of the middle male and middle female, when all of the employees are listed from the highest to the lowest paid.

Pay and bonus gaps

	Gender pay gap %	Gender bonus gap %
Mean	21.1%	41.8%
Median	13.6%	40.7%

Quartiles

	Male	Female
Upper	56.2%	43.8%
Upper middle	56.5%	43.5%
Lower middle	35.4%	64.6%
Lower	40.6%	59.4%

Percentage of men and women receiving bonuses



MEN
81.4%



WOMEN
75.3%

Key factors influencing our gender pay gap

We're focused on embracing and celebrating diversity in the workplace as we believe it is crucial to long-term business success.

- ❖ Women continue to occupy a significant number of roles, at 53% of our total workforce. Representation of women in the upper quartile is over 43 %.
- ❖ We are investing in internal development programmes to bring more women into senior higher paying roles.
- ❖ We are proud that many colleagues choose to remain with our organisation for many years. Our future focus is on our talent pipeline so we continue to improve our diversity in this area.

A holistic commitment to diversity, equity and inclusion

Diversity, equity and inclusion matters to us. We are committed to building a working culture in which all employees - irrespective of gender, nationality, health conditions or impairments, generations and culture, feel welcomed and appreciated and have the same opportunities. As part of this strategy, we're continuing to roll out initiatives that will help achieve a greater gender balance.

1 Family friendly policies

Last year, we implemented a number of policies which have been well received by employees and we believe that this is just the start of our journey. These include our parental policy where all employees are able to benefit from paid leave as either a primary or accompanying caregiver when welcoming a new child into their family by birth, adoption or surrogacy. We are also committed to supporting employees with time off when they need it most such as those who are caregivers, those who are going through their journey of fertility and for those who experience pregnancy loss.

3 Diversity & Inclusion Council

We are setting out our strategy and vision for Diversity, Equity and Inclusion introducing a Council whose responsibility will be to review our current position and drive initiatives to increase equity in our gender pay gap across our business.

2 Flexible approach to working

As part of our insight-led flexible approach to working, we've reviewed our flexible working policy to ensure that we offer our office-based colleagues greater flexibility in terms of when and where they work recognising that the traditional 9-5 working day is a thing of the past. By offering flexibility for our employees not only when they are in the office but also in their working hours, we hope to ensure we're attracting and retaining the most diverse and wide talent pool available.

4 Partnering with Catalyst

We've partnered with Catalyst, a global non-profit organisation, that helps companies to build workplaces that work for women. All our colleagues have access to world-class resources and tools that support individual career growth, inclusive leadership skill building, and organisational change efforts.

A holistic commitment to diversity and inclusion

5 Attracting the best talent

We are continuing to review our hiring practices and make them as consistent and fair as possible. We've launched a tool that makes sure our job descriptions are inclusive, enabling us to reach a wider talent pool.

6 Leadership progression

Increasing gender balance among our senior management is a priority for us. As a result of that, we've seen an increase in the number of women in senior roles.

7 Awareness training

We are continuing our journey to deliver unconscious bias training to our managers, to help ensure decisions made during the employment lifecycle are based on merit, regardless of gender or any other protected characteristic. In addition we are now moving towards respect and accountability training to all line managers.

8 Fair reward practices

Our salary arrangements are established under global principles, informed by structures that reflect local market practices and values. The compensation levels are determined based on job responsibilities with no gender differentiation.

Declaration

We are committed to avoiding any form of discrimination in our employment practices and are committed to addressing the gender pay gap over the long term. I confirm that the information contained in this report is accurate.



Philippe Steyaert
Managing Director
Ferrero UK Ltd.

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