

Kraft Heinz 2017 UK Gender Pay Gap Report



Under the new legislation that came into force in April 2017, UK employers with more than 250 employees are required to publish their gender pay gap. Because we believe diversity is a driver of creativity, innovation and growth for our business, Kraft Heinz is committed to building a diverse workforce and an inclusive culture. We foster a work environment that embraces differences and values the unique perspectives brought by our talented global workforce. All our employees have the opportunity to realise their career goals, regardless of race, gender, beliefs or background.

As a company we have a mean gender gap of 5.3% and while this is better than the national average of 17.4% we recognize that there is a lot of work yet to be done and have a clear plan of action in place.

We are launching various initiatives aimed at increasing the numbers of women in senior positions and have set up gender balance and inclusion platforms. Structural changes have been introduced to make sure we truly reward our employees for the tasks they perform and some of the results are: **Higher Promotion Rate for Women, Progressive Hiring Rate for Women, and Fair Base and Variable Compensation Package.**

We are also launching a gender balance network to create an inclusive environment where women are empowered to lead and deliver results through the power of our community.

“We welcome the Government’s decision for transparency and our vision for Kraft Heinz is to create an inclusive environment that allows our people to thrive. This reinforces our vision: **To Be The Best Food Company, Growing a Better World.** As a company we have a mean gender gap of 5.3% and we recognise that there is a lot of work yet to be done and have a clear plan of action in place.”

A handwritten signature in black ink that reads "Georgiana de Noronha".

Georgiana de Noronha

VP People & Performance

Kraft Heinz EMEA

Kraft Heinz UK Results

At a glance

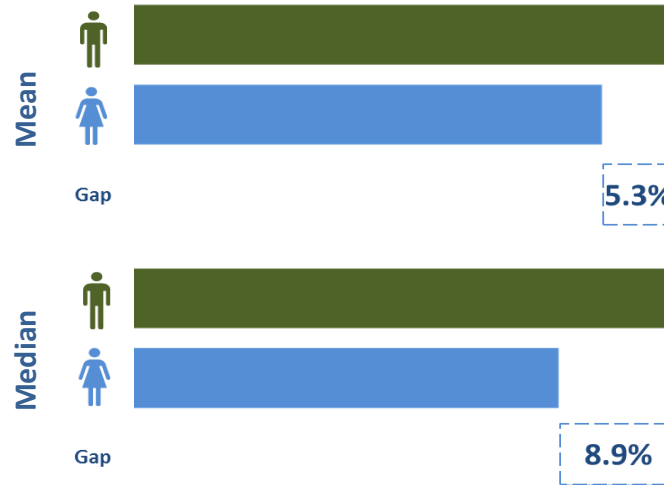
At Kraft Heinz, we want to ensure everyone regardless of their background is rewarded fairly for their work. Therefore, we are continuously working on increasing diversity and inclusion at our organisation. We are launching various initiatives aimed at increasing the numbers of women in senior positions and have set up gender balance and inclusion platforms across Europe to strengthen our culture where all employees, regardless of race, gender, beliefs or background are engaged owners directly contributing to the business.

Gender pay gap, expressed as a percentage, is a snapshot of the difference between the average hourly pay of all women compared to men, irrespective of their job role or their level in the business.

Our overall mean gender pay gap is 5.3%. While this is better than the national average, we recognise we must do more to develop women and enable them to reach higher levels in our business.

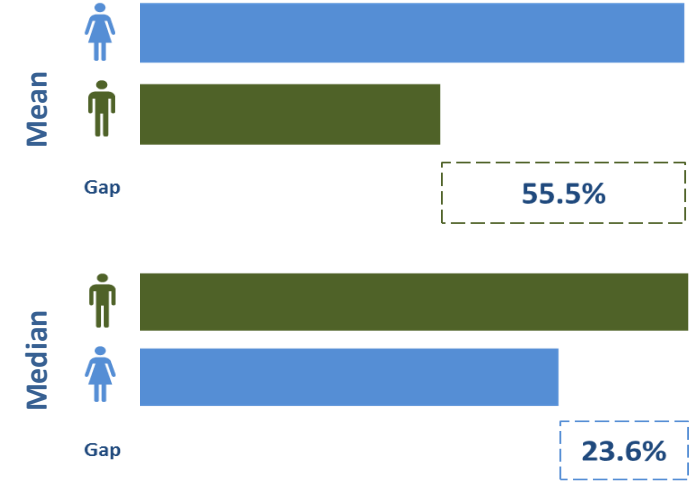
To calculate the "Pay Quartiles" we divided our employee population into four equal sections (quartile). Each quartile containing the same number of individuals by income.

Our Gap Results

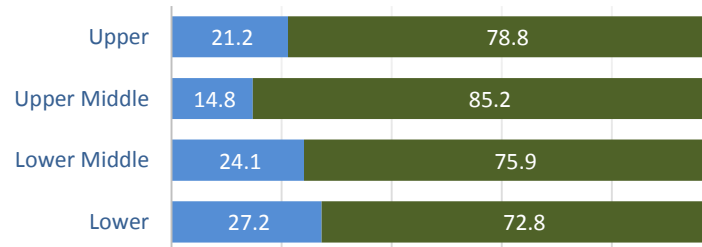


Mean national average gender pay gap is 17.4%*
 Median national average gender pay gap is 18.4%*
 * Office of National Statistics 2017.

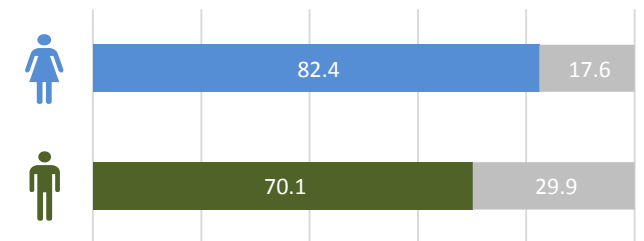
Bonus Pay Gap



Proportion of females and males in each quartile



Proportion of females and males receiving bonus



What have we done

What have we done?

As an organisation that truly believes in meritocracy, our business in the UK is progressively reflecting our commitment to diversity and inclusion. At the same time we recognise we still have much more to do. Structural changes have been introduced to make sure we truly reward our employees for the tasks they perform. Here are some results:

- **Higher Promotion Rate for Women:** In 2017, we promoted 19% of the female employee population in comparison to 12% of our total male employee population. We use data to select our performing employees to grow in the company.
- **Progressive Hiring Rate for Women:** The proportion of female hires has increased from 34% of the total hires in 2015 to 40% in 2017.
- **Fair Base Compensation:** Our reward strategy enables us to pay employees for their work fairly, regardless of their background. This is paid out based on their level in the organisation and performance. Comparing men and women at the same level, men earn on average 3.3% more than women.
- **Fair Variable Compensation Package:** Our variable compensation strategy is such that employees are rewarded based on their performance against a set target and the Company's financial performance.

What does the future hold?

We recognise that we need to take action to increase diversity through our organisation. Our focus is to create an environment where everyone can be themselves at work and they are able to develop and be successful in their career.



We are launching a gender balance network to create an inclusive environment where women are empowered to lead and deliver results for Kraft Heinz through the power of our community.

Leadership Accountability and Focus		
Support	Mentor	Learn

We are committed to truly making an impact!

- **Support:** Setting up ways for employees to connect with each other by introducing support sessions aimed at helping employees feel comfortable in the company.
- **Mentoring:** We are reviewing a mentoring program that meets the need of driving productive learning and development for both mentees and mentors.

- **Learning:** By continually improving our training offerings, we support our employees to sharpen their skills and gain new ones. Our learning platform (Ownerversity) will enable our employees to take targeted training which will give them the capabilities to thrive and progress in any role they choose regardless of background.

In addition to the above, we are continuously looking for ways to better diversify our workforce and other initiatives are in the pipeline.

Breaking down our results

Kraft Heinz has two legal entities with at least 250 employees. H.J. HEINZ FOODS UK LIMITED (which includes Commercial operations) and H.J. HEINZ MANUFACTURING UK LIMITED (which includes Manufacturing operations). Under the Regulations, we are required to report our gender pay gap data for each of these entities. With a focus on eradicating the gaps in our organisation and from our analysis we found that there are two significant reasons for this gap:

In our Commercial operations, the mean gender pay gap arises because women hold fewer senior positions in the company compared to men. While women made up 47.2% of our overall workforce at the snapshot date, only 26.5% of our senior position were held by females. Our pay gap drops to a mean gender pay gap of 12.1% and a median gender pay gap of 18.2% when calculated based on the lower 3 quartiles of the organization.

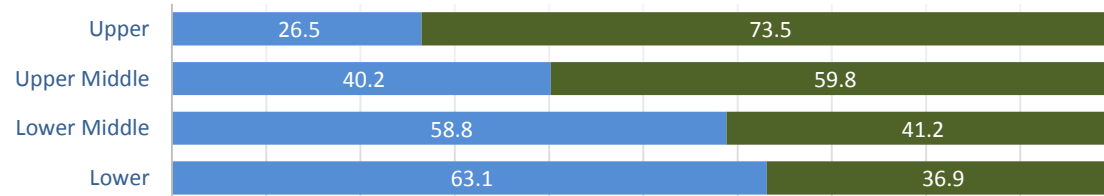
H.J. HEINZ FOODS UK LIMITED

	Median	Mean
Gender pay gap	30.0%	29.9%
Gender bonus pay gap	71.1%	54.5%

The proportion of males and females receiving a bonus payment



PROPORTION OF FEMALES AND MALES IN EACH EARNING QUARTILE



Adjusted mean and median gender pay gap without the upper quartile's pay are 12.1% and 18.2% respectively.

Within our Manufacturing operations, the working patterns that our colleagues choose have been a key driver in our pay gap. When we looked at the impact of premium hours, which includes weekends, nights and bank holidays, we found that more male colleagues choose to work these shifts, which leads to an added premium in their earnings. If these premiums are removed, our pay gap drops to a mean gender pay gap of 3.2% and a median gender gap of 7.9%.

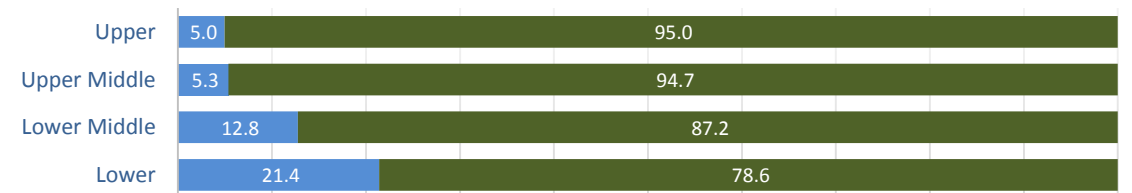
H.J. HEINZ MANUFACTURING UK LIMITED

	Median	Mean
Gender pay gap	18.8%	19.0%
Gender bonus pay gap	20.1%	10.5%

The proportion of males and females receiving a bonus payment



PROPORTION OF FEMALES AND MALES IN EACH EARNING QUARTILE



Adjusted mean and median gender pay gap without premium allowances are 3.2% and 7.9% respectively.

Declaration

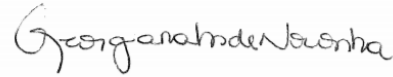
As stated by the Regulations, we are required to report the gender pay gap for each separate legal entity that has at least 250 employees. We have reported this data for H.J. HEINZ FOODS UK LIMITED and H.J. HEINZ MANUFACTURING UK LIMITED.

We confirm that the information and data reported are accurate and in line with the UK government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Elias Diaz

Managing Director
Kraft Heinz UK and Ireland



Georgiana de Noronha

VP People & Performance
Kraft Heinz EMEA