

Kraft *Heinz*

THE KRAFT HEINZ COMPANY

Kraft Heinz – 2017 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 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.

“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**. We recognise that there is 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

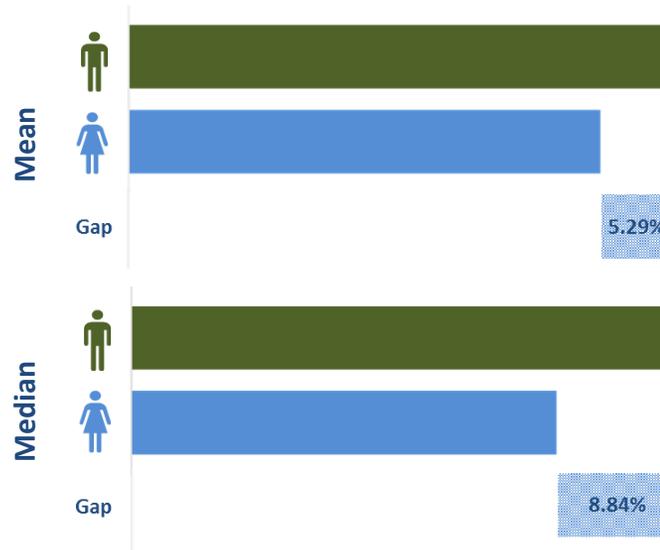
Kraft Heinz UK Results

At a glance

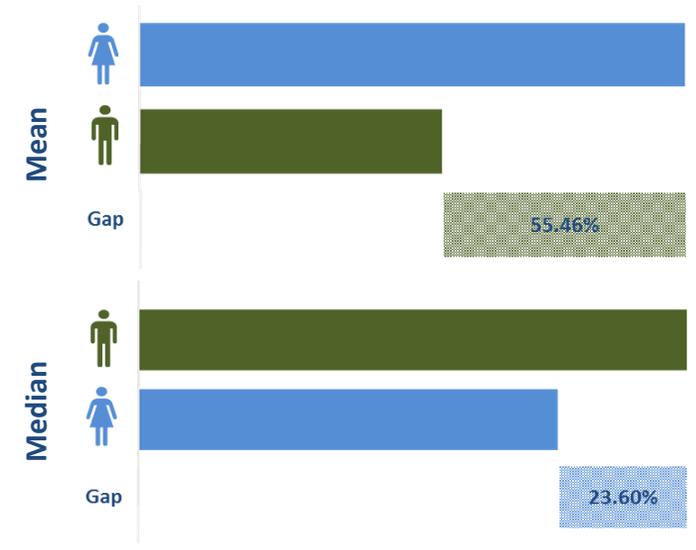
At Kraft Heinz, we want to ensure everyone regardless of their background is rewarded fairly for their work. Therefore, we are continuously working on increasing diversity and inclusion at our organisation. We have launched various initiatives aimed at increasing the numbers of women in senior positions 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.

Our overall “gender pay gap” for our total UK workforce, 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 Gap Results



Bonus Pay

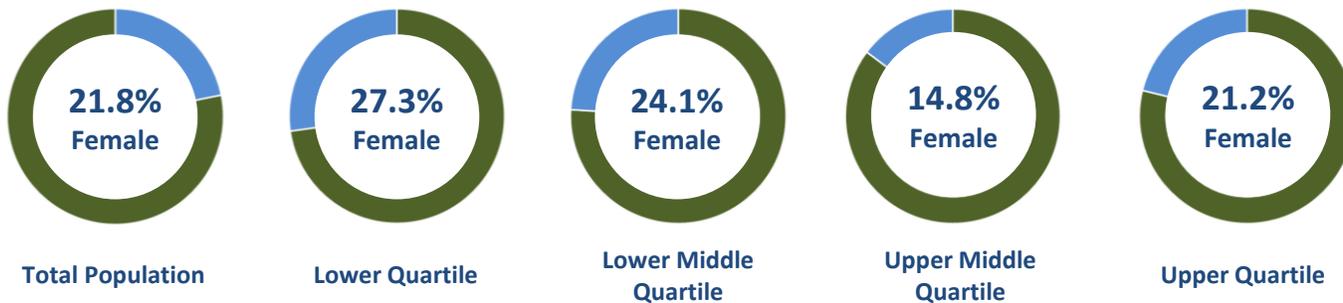


Mean national average gender pay gap is 17.4%*

Median national average gender pay gap is 18.4%*

* Office of National Statistics 2017.

Pay Quartile across the workforce



Proportion of men and women receiving bonus

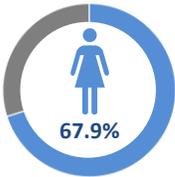
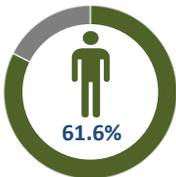


Breaking down our results

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 firm compared to men. While women made up 47.2% of our overall workforce at the snapshot date, only 26.5% of our executive leadership team were 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	 67.9%	 61.6%

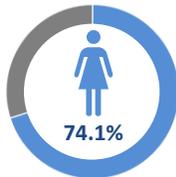
Proportion of males and females in each quartile

Quartile	Female	Male
Upper	26.5%	73.5%
Upper middle	40.2%	59.8%
Lower middle	58.8%	41.2%
Lower	63.1%	36.9%

Adjusted mean and median gender pay gap without executives 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	 74.1%	 87.6%

Proportion of males and females in each quartile

Quartile	Female	Male
Upper	5.0%	95.0%
Upper middle	5.3%	94.7%
Lower middle	12.8%	87.2%
Lower	21.4%	78.6%

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

What are we doing

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 and some of these can be seen in the initiatives we have introduced:

- **Fair Promotion:** Between 2015 and 2017, females made up 31.3% of our promotions as compared to 21.8% of the total female population in the UK.
- **Fair Hiring:** In the UK, females made up 36.2% of our total hire population between 2015 to 2017 as compared to the total population.
- **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. For male and female employees in each band, the average mean gap is 3.3%.
- **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 launched **Women @ KH** to create an inclusive community 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:** Establishing mentoring programmes and one-to-one support which helps employees to gain new skills, feel engaged with co-workers and ultimately help to drive career developments.

- **Learning:** We are continually improving our offerings to help our employees sharpen their skills, gain new ones, all of which results in increased engagement.

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

- Return to work support for employees who have taken extended time off.
- Additional support for working Parents.

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