

Birds Eye UK
Gender Pay Gap Report 2017



Birds Eye

A Nomad Foods Europe Company



A family favourite since 1946 when the first frozen peas were produced, **Birds Eye** is the leading frozen food brand in the UK and is synonymous with high quality, great tasting food. **Birds Eye** has been providing healthy, natural, freshly frozen food for generations. It is committed to bringing consumers quality food that can be enjoyed at every meal, every day, by everybody.

Birds Eye is the UK operation of **Nomad Foods Europe**, a market leading frozen food company with a rich heritage and iconic brands which have stood the test of time. Headquartered in the UK, Nomad Foods Europe employs 3,800 people in 17 countries, with 9 factories.

At the Gender Pay Gap reporting date **Birds Eye** employed 596 colleagues in the UK.

Nomad Foods Europe is owned by **Nomad Foods**, a US listed company, whose goal is to build a global portfolio of best in class food companies and brands within the frozen category and across the broader food sector.





Birds Eye's commitment to building a diverse and inclusive culture



Wayne Hudson
Birds Eye UK & Ireland
Managing Director

Birds Eye is committed to ensuring that our colleagues are treated equally at work, across all levels and locations.

Many organisations within the manufacturing sector do have a Gender Pay Gap, and Birds Eye is no different in this respect. However, we are pleased to see that Birds Eye results show that our gap is lower than the national benchmark; a great foundation on which to build.

We have undertaken analysis to understand the reasons for the gap and know that this primarily arises because we have many more men than women in the organisation. We are pleased to confirm that where we have men and women performing comparable roles there is no difference in rates of pay; we do not have an equal pay issue.

The introduction of our new Diversity & Inclusion programme is integral to our people ambition and our ongoing business success. Through the development of our culture, which we call "our way", we want our people to be themselves at work regardless of gender or any other attributes or choices.

We are always striving to create a workforce that can best service our customers and consumers and provide equal career opportunities for all. We are proud that the Birds Eye board is leading the way in gender diversity with an equal mix of gender in our key leadership roles. At our UK manufacturing site, Lowestoft, we have worked in partnership with union representatives to ensure we continue to develop an inclusive and positive culture with no gender bias.

Whilst we do have more men than women in the business we always aim to recruit the best talent to drive our business forward. To support in improving our gender diversity we will be challenging ourselves and our recruitment partners to further build a diverse workforce whilst never compromising on quality talent.

We want to reassure you that within Birds Eye, we are firmly committed to the development of our great people.

We believe that we should celebrate and value differences and we are committed to building an inclusive culture where everyone can be themselves and do their best at work.

We can confirm that the gender pay gap information contained within this report is accurate and has been produced in accordance with the guidance provided by the Arbitration and Conciliation Service (ACAS).



Jason Musk
Chief Supply Officer

Understanding the gender pay gap

The purpose of gender pay gap legislation is to encourage UK employers to make greater progress in addressing the earnings imbalance between men and women over their careers

The gender pay gap reporting requirements came into effect on 6th April 2017 as an amendment to the Equality Act 2010. Employers of over 250 employees are required to publish statistics on UK employee gender pay by April 5th 2018 and annually thereafter. Gender pay gap reporting aims to reduce the gender pay gap in a generation

What is the gender pay gap?

We are required to report on mean and median gender pay gaps. This requires that we calculate the mean (average) and median (midpoint) pay and bonuses for men and for women. The gender pay gap is the percentage difference between the results for men and women.



It is not a measure of Equal Pay, which is the legal requirement to ensure that men and women carrying out the same or similar roles are paid the same for the amount of work they do.

Our Reward Principles are designed to ensure that all employees are rewarded in a consistent and market competitive manner that is equitable whilst rewarding high performance and differentiating for top talent.

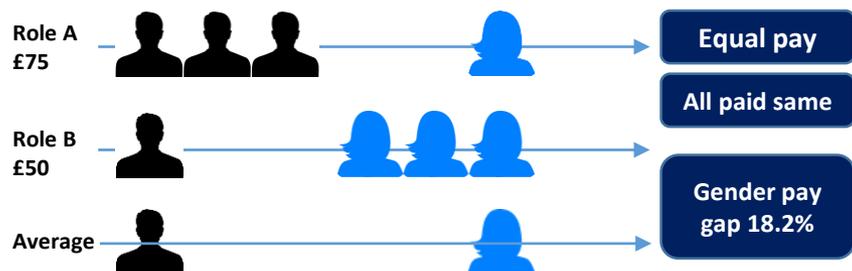
The gender pay gap therefore reflects the distribution and relative proportions of men and women across an organisation. It does not take into consideration roles performed or seniority.

The examples below show how gender pay gaps can occur even when men and women are paid equally for similar roles.

Example 1: More men than women in higher paid role A, more women in lower paid Role B. Result is a gender pay gap of 18.2%

Example 2: An equal number of men and women in more senior Role A, but more women in Role B earning less. Result is a gender pay gap of 10%.

Example 1: Higher proportions of men in highly paid roles and women in lower paid roles

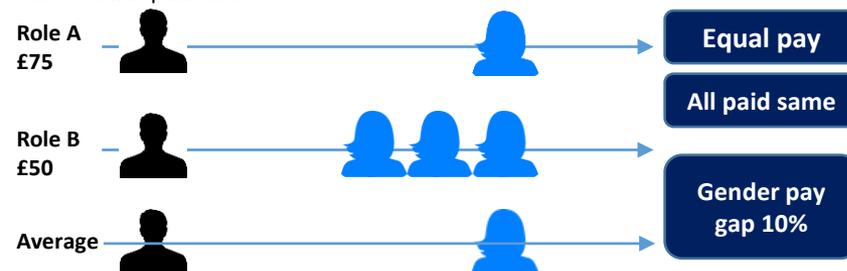


Average hourly male pay
 $(3 \times £75) + (1 \times £50) =$
 $£275 / 4 = £68.75$

Average hourly female pay
 $(1 \times £75) + (3 \times £50) =$
 $£225 / 4 = £56.25$

Gender pay gap
 (percentage of male pay):
 $((£68.75 - £56.25) / £68.75) \times 100 = 18.2\%$

Example 2: Equal proportions of men & women in highly paid roles, more women than men in lower paid roles



Average hourly male pay
 $(1 \times £75) + (1 \times £50) =$
 $£125 / 2 = £62.50$

Average hourly female pay
 $(1 \times £75) + (3 \times £50) =$
 $£225 / 4 = £56.25$

Gender pay gap
 (percentage of male pay):
 $((£62.50 - £56.25) / £62.50) \times 100 = 10\%$

Our Findings

Birds Eye UK Gender Pay Outcomes

The regulations only require companies with 250 or more employees to publish details of their gender pay and bonus gaps. In April 2017 Birds Eye employed 596 colleagues across our three main sites in the UK: Bedford, Gloucester and Lowestoft.

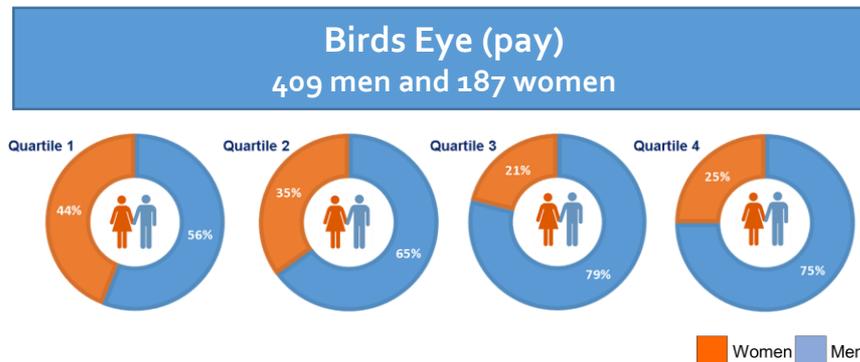
	Birds Eye (596 employees – statutory reporting)	Birds Eye (596 employees - statutory reporting)
Ordinary pay gap (fixed pay as at 5 th April 2017)	Median 15.5%	Mean 11.4%

The **mean pay gap** shown is the difference between the average hourly pay of men and women
 The **median pay gap** is the difference between the midpoints of all salaries when they are listed in ascending order for men and women

Since no bonuses were paid to anyone during the period being analysed our bonus pay gap is zero

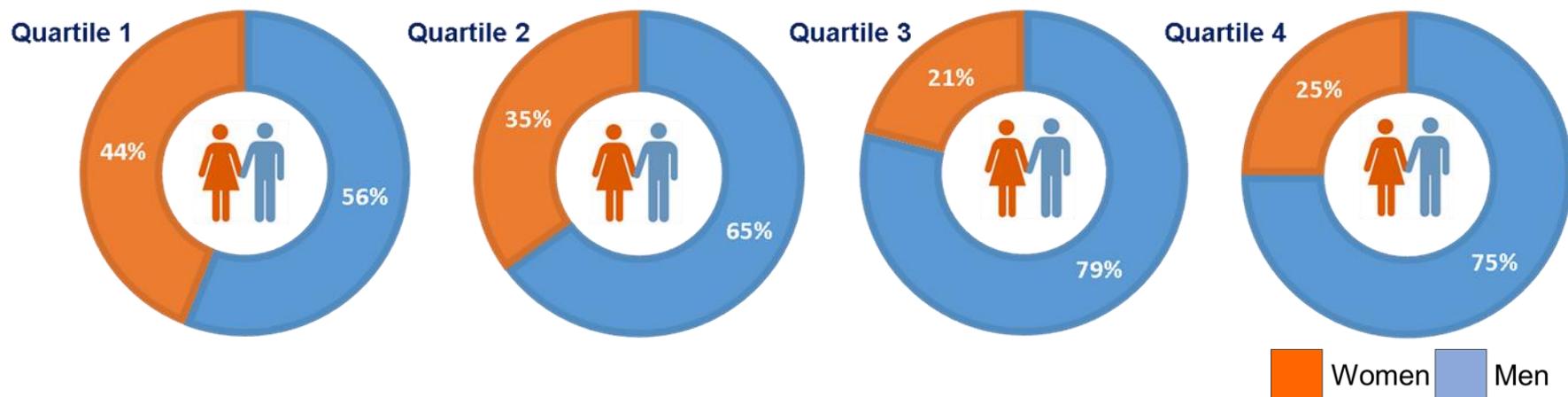
Birds Eye UK Gender Pay Distribution

The primary reason for our gender pay gap is that we have many more men than women in the organisation. We are pleased to confirm that where we have men and women performing comparable roles there is no difference in rates of pay.



Our population across the pay quartiles

In April 2017 Birds Eye employed 596 colleagues across Bedfont, Gloucester and Lowestoft. Under the Gender Pay Gap rules we list all the salaries for all colleagues across Birds Eye from lowest to highest before splitting them into four equal groups, called quartiles, and then calculating the percentage of males and females in each. These do not correspond to our Work Levels and should not be confused with our internal salary ranges.



Quartile 1

Employees whose standard hourly rate places them at or below the lower quartile.

These are our factory operators and entry level administrative roles (mostly in Lowestoft) of whom 83 were men and 65 women.

Quartile 2

Employees whose standard hourly rate places them above the lower quartile and below the median.

These are our more skilled factory operators and more experienced administrative roles (mostly in Lowestoft). There are 97 men and 52 women.

Quartile 3

Employees whose standard hourly rate places them above the median and below the upper quartile

These are our most skilled factory operators and administrative roles (mostly in Lowestoft). This group contained 117 men and 32 women.

Quartile 4

Employees whose standard hourly rate places them above the upper quartile

These are our professional, supervisory, managerial and leadership level roles across all our sites of whom 112 were men and 38 were women.



Why do we have a gender pay gap?

Gender pay gaps are based on averages across Birds Eye, they do not consider factors such as job roles or different levels of seniority.

We have reviewed our gender pay gap numbers carefully and the pay gaps that are visible in Birds Eye result from the distribution of men and women across our work levels.

We are confident that men and women are paid equally for doing the same job; **we do not have an equal pay issue.**

We know that our gender pay gaps are caused by three key factors:

- 1) **We employ twice as many men as women**
- 2) Consistent with society, we have a **higher proportion of men in more senior (higher paid) roles**, particularly in manufacturing, engineering and sales
- 3) The **higher proportion of women in more junior (lower paid roles)**

We do have a difference between our gender pay gap analysis for **Birds Eye**

Birds Eye (596 employees - statutory reporting)		
Ordinary pay gap (fixed pay as at 5 th April 2017)	Median 15.5%	Mean 11.4%

The Birds Eye gender pay gap is lower than the 2016 data submitted to the UK Office for National Statistics by manufacturing companies. This does not mean that our gap is “good” but that it is lower than other manufacturing organisations.

2016 UK Office for National Statistics All Employees in Manufacturing		
Ordinary pay gap (fixed pay as at 5 th April 2016)	Median 21.9%	Mean 17.4%

How are we addressing the gender pay gap?

We are committed to ensuring that women fulfil their career aspirations.

We recognise that addressing the gender pay gap will take time and that we need to take action.

Our Birds Eye Board are sponsoring a number of internal and external gender equality commitments.

We will focus on these with the ambitions of narrowing our gender pay gap and promoting more women into senior management positions.

Our initiatives can be categorised under four themes:

1. Our Culture
2. Management & Leadership
3. Attraction & Development
4. Targets

1. Our Culture

We have one set of values across Nomad Foods Europe, including Birds Eye which we refer to as “our way”.



One of the values is “**Great people make the difference**”, supporting this value and our gender equality commitment we are launching our first company-wide **Diversity & Inclusion Policy** with supporting initiatives.

Our programme is led by a diverse steering committee from across Nomad Foods Europe.

One initiative is a full programme of **Unconscious Bias** training across Nomad Foods Europe, not just in the UK but across all our operating countries. We want our employees to understand how they impact on and interpret others and how they can create a more inclusive working environment.

We are launching a **Women in Nomad Network (WINN)** in our Group HQ, across the UK and internationally. This network is about women connecting and becoming more empowered to achieve more for themselves and our business.

How are we addressing the gender pay gap?

2. Management & Leadership

Our UK Board is currently made up of equal numbers of men and women.

Through our talent management processes and management / leadership development programmes we are building a pipeline of female leaders for our future.

We regularly review **succession plans** with senior leadership to ensure that we have a diverse internal pipeline to our Extended Leadership Team (our top Leaders across Nomad Foods Europe).

We are always striving to ensure that we have both the most diverse and talented teams possible.

In 2017 we launched our first company-wide **Management & Leadership programmes** – our ambition is that these will prepare our future leaders and we are

ensuring that women participant percentages are more than in line with our employee base.

We bring all our management & leadership initiatives together in the Nomad Foods Academy.



Through the Nomad Foods Academy we aim to inspire, empower and equip our people to develop and grow:

- in our culture
- as managers and leaders
- in our business

3. Attraction & Development

As part of our Diversity & Inclusion programme we are ensuring compliance with **gender neutral processes in recruitment** including: gender neutral language in job

adverts, using different marketing sources and diverse candidate shortlists.

In Lowestoft we are looking at our hiring sources to ensure that we attract the most diverse talent into our manufacturing business. We are also reviewing how we can attract more women into the Birds Eye Commercial Organisation.

These recruitment initiatives will be aided by our Unconscious Bias programme.

Through our internal **communication channels** we share inspirational stories across Nomad Foods to celebrate success, challenge stereotypes, provide role models and demonstrate how we can all add value to our business.

We have great policies supporting our employees in the UK including an enhanced maternity policy and flexible working practices.

How are we addressing the gender pay gap?

4. Group Targets

To understand the effectiveness of our Diversity & Inclusion initiatives we are monitoring a core set of key performance indicators – these are pragmatic and represent measures that we believe we can influence.

As we begin our programme of Diversity & Inclusion we are starting the journey by focusing on two key areas: **Gender and Inclusion**. We believe that addressing these themes will have both personal and business impact.



	Gender	Inclusion
Ambitions	We will strive to increase the proportion of women in senior management (our Extended Leadership Team) year on year	We will take actions to ensure that there are no statistically significant differences amongst gender / age / tenure subgroups in our annual Culture Survey
Principles & Actions	<ul style="list-style-type: none"> Always ensure that all management roles have a female candidate All external recruitment processes should reflect a 50/50 gender split Balance external availability and internal development in achieving our female targets Provide equal opportunity at all levels Begin roll-out of the Women In Nomad Network (WINN) outside the UK by June 2018 	<ul style="list-style-type: none"> Continuously monitor D&I through our culture survey Complete Unconscious Bias training with all leadership teams by the end of June 2018 Develop additional supporting D&I initiatives for roll-out in the second half of 2018, e.g. early careers, nationality

We believe that these initiatives will support Diversity & Inclusion across Birds Eye and will have a positive impact in the long-term on our gender pay gap.