

Birds Eye UK Gender Pay Gap Report 2018





Birds Eye

A Nomad Foods 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**, 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 employed c. 3,300 people in 17 countries, with 9 factories at the date of the 2018 gender pay gap reporting.

At the Gender Pay Gap reporting date (April 2018) **Birds Eye** employed 600 colleagues in the UK.

Nomad Foods is 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.

Nomad Foods



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

In Birds Eye we have an ambition and appetite for growth, for both our business and our people. This is reflected in our ongoing commitment to ensuring we work in a diverse and inclusive culture.

This commitment is evidenced through the progress we have made since the publication of our 2017 Gender Pay Gap Report. We are very proud to report that our mean gender pay gap has reduced significantly over the past 12 months. We are now in a position that is well ahead of the national figures, both as a whole, and, for the manufacturing sector. We are also 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.

Our success in the past 12 months is based on promises we made one year ago – to challenge ourselves and our recruitment partners to further build a diverse workforce whilst never compromising on quality talent. This has been supported by the launch of our Company-wide Diversity & Inclusion Programme.

Although our gender pay gap has reduced we recognise that to maintain this position we cannot become complacent and remain committed to staying ahead of our industry sector. We will continue to focus on Diversity & Inclusion, treating everyone fairly, equally, and, consistently across all levels, and locations.

We believe that we are a truly diverse and inclusive company – for us, reinforcing this culture, is not only the right thing to do but it is also crucial in ensuring that we attract, retain and develop the best talent. We know that an inclusive workforce which is reflective of our society, will help us deliver long-term success ensuring that we are able to engage and relate to the consumers who buy our products. Within Birds Eye, we are firmly committed to the development of our great people in support of this objective.

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).



Wayne Hudson
Birds Eye UK & Ireland Managing Director



Jason Musk
Chief Supply Officer



Our findings as at 5th April 2018

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 2018 Birds Eye employed 600 colleagues across our three main sites in the UK: Bedford, Gloucester and Lowestoft.

Ordinary pay gap (fixed pay as at 5 th April 2018)	Birds Eye (600 employees – statutory reporting)	Birds Eye (600 employees - statutory reporting)	Bonus pay gap	Birds Eye (604 employees – statutory reporting)	Birds Eye (604 employees – statutory reporting)
		Median 11.4% (2017 15.5%)		Mean 5.8% (2017 11.4%)	

The **mean pay gap** shown is the difference between the average hourly pay of men and women

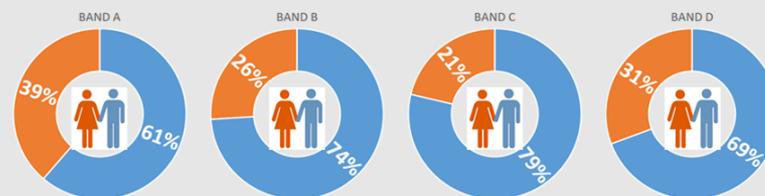
The **median pay gap** is the difference between the midpoints of all salaries when they are listed in ascending order for men and women

Note: no bonuses were paid in 2017

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.

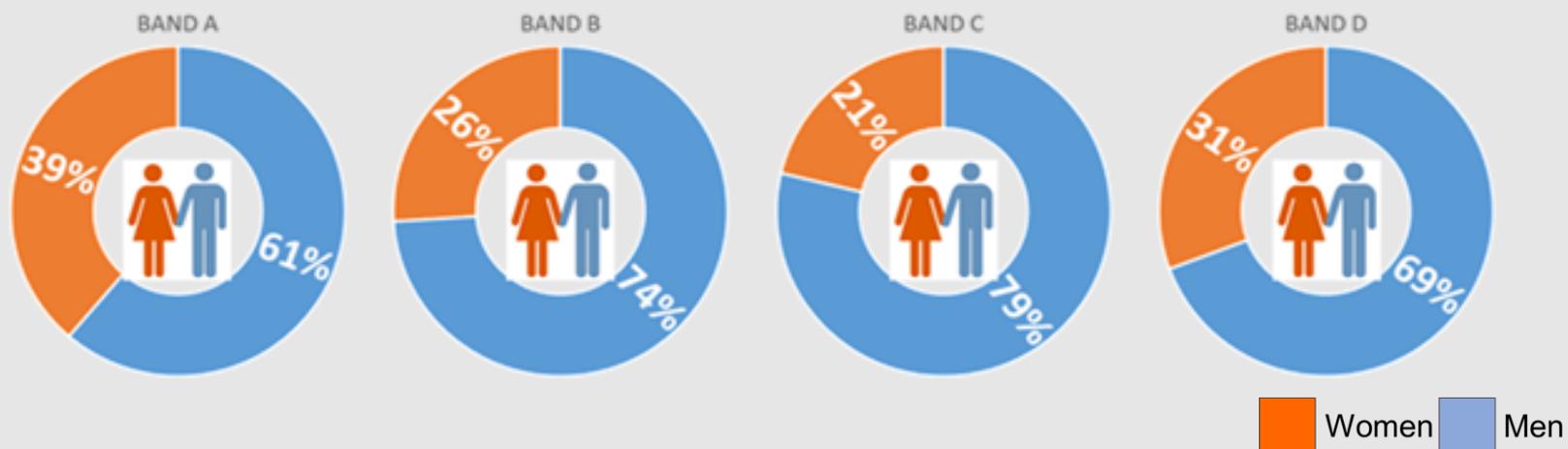
Birds Eye (pay) 425 men and 175 women



Women Men

Our population across the pay quartiles

In April 2018 Birds Eye employed 600 colleagues across Bedford, 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 bands 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.



Band A (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.

Band B (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.

Band C (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.

Band D (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 more than twice as many men as women (425 v. 175);** this is most pronounced in our factory in Lowestoft.
- 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 (600 employees - statutory reporting)		
Ordinary pay gap (fixed pay as at 5 th April 2018)	Median 11.4% (2017 15.5%)	Mean 5.8% (2017 11.4%)

Significant Improvement on our results for 2017 & against the latest 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.

2018 UK Office for National Statistics (November 2018 dataset) All Employees in Manufacturing		
Ordinary pay gap (fixed pay as at 5 th April 2017)	Median 20.8%	Mean 15.8%

Our progress and plans

We are very pleased to see positive progress in our gender pay gap figures for 2018, but we recognise that there is more to do. **We remain committed to ensuring that women fulfil their career aspirations.** 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 culture

We are committed to building a diverse and inclusive culture where everyone is treated equally – we call our values **our way**.



These values include **“Great People make the difference”**. To support this value and our D&I ambition we have launched a Company-wide D&I Policy with supporting initiatives that include

- **Unconscious Bias Training** (over 80% of our senior leaders have been through this programme)
- Our **Women in Nomad Network (WINN)** which has started in the UK and is now rolling out internationally. This group has sponsored a number of initiatives including **mentoring our way**.

We measure the results of our D&I interventions through **our voice**, our engagement survey, and we’re pleased to report that the results show no statistically significant gender differences.

Attraction & Development

We ensure that our recruitment processes do not include any gender bias and our focus is on ensuring that candidate lists appropriately reflect the markets in which we operate.

We continue to use gender neutral language in job adverts and using different sources to achieve the right gender balance.

We have great policies supporting our UK employees including an enhanced maternity policy and well-embedded flexible working practices.

Through our internal communication channels we have the opportunity to share inspirational people stories, challenging stereotypes and demonstrating how we can all add value to our business.



Management & Leadership

Through our pro-active talent management processes we continue to build a pipeline of female leaders for the future.

This pipeline is supported by our Company-wide Management & Leadership Programmes, these are part of our Nomad Foods Academy, and we ensure that female participation is in line with our representative population-



Nomad Foods Academy

Discover your journey

We also have functional academies supporting key skill groups across the Company.

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

These initiatives support our ambition of creating an inclusive culture where everyone brings themselves fully to work which will have a positive impact in the long-term on our gender pay gap, personal and business performance across Birds Eye and Nomad Foods.

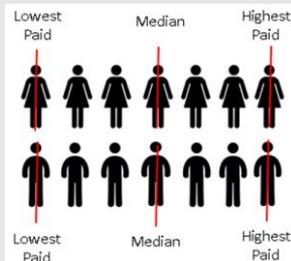
Appendix 1: Understanding the gender pay gap

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 each year from 2018. 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.

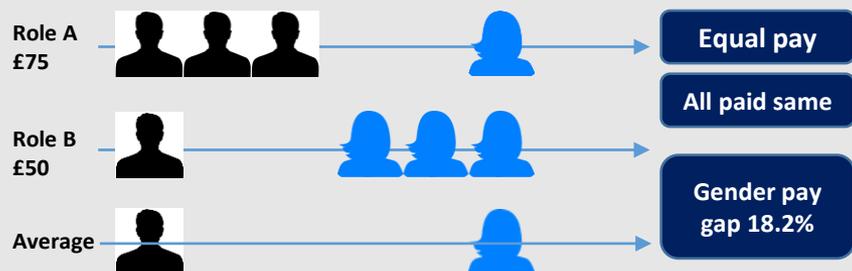
The gender pay gap therefore reflects the distribution and relative proportions of men and women across an organisation. It does not take into consideration roles performed or seniority.

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):
 $((£62.50 - £56.25) / £62.50) \times 100 = 10\%$