

GENDER PAY GAP REPORT 2023



FERRERO

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FOREWARD

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.

I am pleased the priorities that we set out in 2021 have helped narrow our gender pay gap, giving us firm foundations throughout 2022 and beyond.

We are continuing to create a diverse, equitable and inclusive culture. Importantly, we are concentrating our energy on making positive changes with integrity. This can be seen in the various initiatives we have introduced such as our hybrid working approach, awareness training, talent management and our family friendly policies.

While we are proud of the progress we've made so far, we realise there is lots to do, and this is just the beginning of our diversity, equity and inclusion journey.



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 Diversity, Equity and Inclusion initiatives. This demographic challenge is prevalent and shared by many other companies in the FMCG sector and beyond.

FIGURES FOR 2023

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	16%	33.4%
Median	18.8%	42.6%

Quartiles

	Male	Female
Upper	52.6%	47.4%
Upper middle	57.9%	42.1%
Lower middle	33.7%	66.3%
Lower	30.8%	69.2%

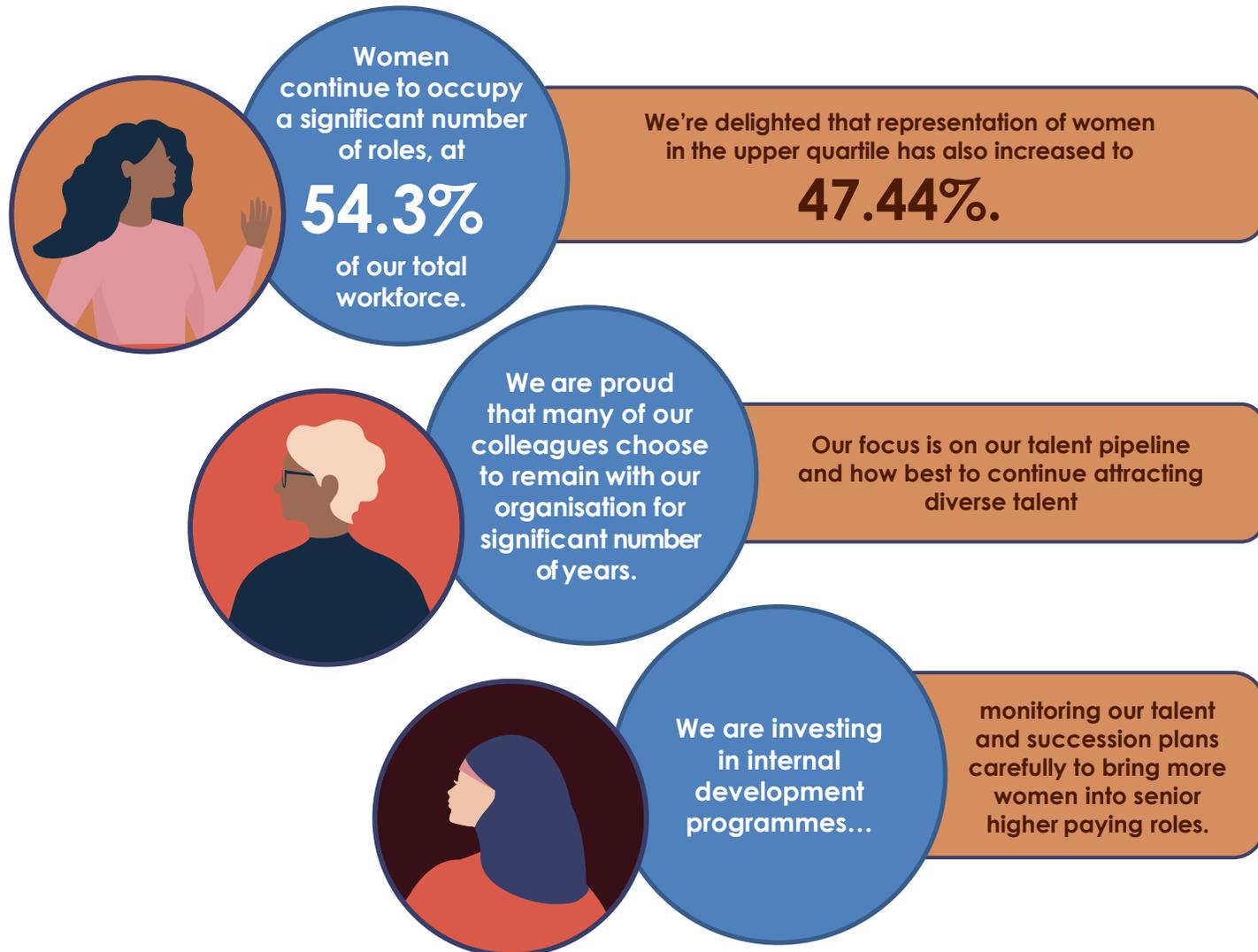
Percentage of men and women receiving bonuses



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KEY FACTORS INFLUENCING OUR GENDER PAY GAP

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



A HOLISTIC COMMITMENT TO DIVERSITY, EQUITY AND INCLUSION

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

1 FAMILY FRIENDLY POLICIES

We have implemented a number of policies which have been well received by employees. This includes 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, individuals going through their fertility journeys and for those who experience pregnancy loss.

3 FAIR REWARD PRACTICES

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

2 HYBRID APPROACH TO WORKING

As part of our insight-led hybrid 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, EQUITY 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 continue to closely monitor our recruitment processes to review and ensure that role advertisements appeal equally to all genders. In addition, we regularly review our data to understand the impact our practices have in fostering a diverse and inclusive workforce.

6 LEADERSHIP PROGRESSION

Increasing gender balance among our senior management is a priority for us. As a result of that, we have seen an increase in the number of women in senior roles to 49.1%.

7 AWARENESS AND DATA

We are continuing to build and critically analyse our people data and from our engagement surveys. This helps us understand where we are improving and in which areas we need to do more. We will continue our rollout of training sessions that raise awareness.

Moving forward

We are committed to championing Diversity, Equity and Inclusion across our business. Our focus over the next couple of years will be to embed the diversity, equity and inclusion strategy across the business, increase awareness by providing training to all our people, as well as continue to monitor our data in order to establish goals.



Philippe Steyaert
Managing Director
Ferrero UK Ltd

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