

Gender
PAY REPORT
2017



The introduction of new UK legislation (Equality Act 2010 (Gender Pay Gap Information) Regulations 2017) in April 2017, means that businesses with more than 250 employees are required by law to carry out Gender Pay Reporting and to publish data about their gender pay gap by April 2018.

This report reflects the calculations required under this legislation for our Baking business, Hovis Ltd and our Milling business Rank Hovis Milling Ltd, which is a wholly owned subsidiary of Hovis Ltd as both employ more than 250 employees. The report can be used to assess the levels of gender equality in our workplace, the balance of male and female employees at different levels of the organisation and how effectively talent is being maximised and rewarded.

The gender pay gap for Hovis Ltd actually shows that on average females are paid more than males, but this is different in RHML. In addition, this report will highlight a very clear, uneven gender balance, with a significantly high proportion of males versus females working within the business which is an opportunity to address moving forward.

As a business, we are excited by the journey that we are on and welcome the changes introduced by recent legislation which should ultimately support us on our journey to becoming an employer of choice.

We confirm the data in the report is correct.

Nish Kankiwala
CEO

Pete Hill
HR Director

ABOUT OUR BUSINESS



Hovis Ltd is a baking and flour milling business

jointly owned by The Gores Group (51%) and Premier Foods plc (49%). Headquartered in High Wycombe, we employ around 3,200 people at eight bakeries, four flour mills, one wheat malting, one ingredients mixing facility and three regional distribution centres across the UK.

In addition to the Hovis brand, we also have a number of additional brands including Mothers Pride, Ormo, Nimble, Rank Hovis, Holgran and Fleming Howden.

WE EMPLOY



AROUND
3,200 PEOPLE



8 BAKERIES



4 FLOUR MILLS



1 WHEAT MALTING FACILITY



1 INGREDIENTS MIXING FACILITY



3 REGIONAL DISTRIBUTION CENTRES



QUALITY



ACCOUNTABILITY



TRUST



WHAT IS THE GENDER PAY GAP?

The gender pay gap is a measure of **the difference between the average hourly earnings of men and women** as at 5 April 2017 (including, where relevant, to different organisations, bonuses, commission, acting up allowances, shift allowances etc).

This should not be confused with 'equal pay' and 'pay equity', which focus on men and women being paid the same when doing the same or equivalent work. However, it is important to bring attention to the reason why a gender pay gap may occur. This is in the main due to more males occupying senior positions and working in specialist roles (e.g. engineering).



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THE DIFFERENCE
BETWEEN THE AVERAGE
HOURLY EARNINGS OF
MEN AND WOMEN

ABOUT THE CALCULATIONS

The mean is the average of a set of numbers and, in this instance, has been calculated by adding up the wages of all employees and dividing that figure by the actual number of employees. For this report, total wages for male and females have been calculated separately, where the difference between the mean hourly rate of men is compared to the mean hourly rate of women, expressed as a percentage of the men's figure, with the resulting difference being the mean gender pay gap.

The median is the middle value of a list of numbers and, in this instance, is the figure that falls in the middle of the lowest and highest wages. Again, this is done for male and female wages separately, where the difference between the median hourly rate for men is compared to the median hourly rate for women, expressed as a percentage of the men's figure, with the difference being the median gender pay gap.

In both of the above calculations, a positive number represents males being paid higher than females, whilst a negative number represents females' pay being higher than males'.



QUALITY



ACCOUNTABILITY



TRUST



OUR RESULTS

The results for Hovis Ltd clearly indicate that females are paid (pay and bonus) more both on a mean and median basis but as previously mentioned this is very different in RHML. In 2017, when looking at all workers including full and part-time in the UK together with all earnings, the gender pay gap reported by the Office of National Statistics (ONS) was 17.4% for mean earnings and 18.4% for median earnings.

Regardless of the results for Hovis Ltd, there is a desire to ensure a higher number of females occupy the more senior management and leadership roles in both businesses. Good progress has been made in this area, with a significant number of females now occupying our site and functional management teams, our focus continues on selecting the best talent for our roles.

When looking at our results, it is important to understand both Hovis Ltd and RHML as organisations and the data that has been used.

HOVIS LTD

GENDER RATIO

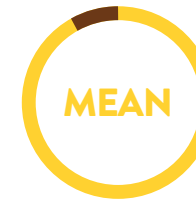


91% MALES



9% FEMALES

GENDER PAY GAP



-8.3%



-2.8%

RHML

GENDER RATIO

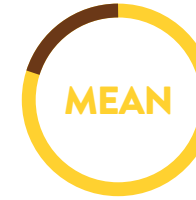


83% MALES



17% FEMALES

GENDER PAY GAP



19.4%



25.1%



QUALITY



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Hovis Ltd is a baking business that consists of an office in High Wycombe, eight bakeries and three regional distribution centres across the UK. The business has 91% males and 9% females.



91% MALES

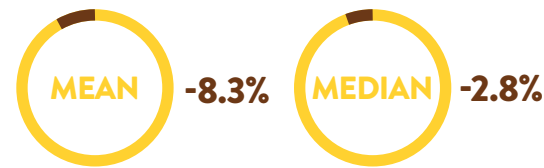


9% FEMALES

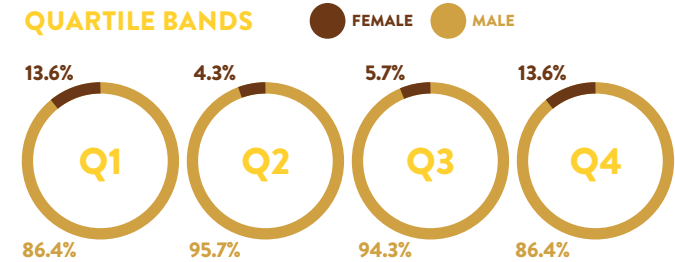
PAY

The gender pay gap for Hovis Ltd shows that women are paid 8.3% higher than men when looking at the mean, and 2.8% higher than men when looking at the median.

GENDER PAY GAP



QUARTILE BANDS

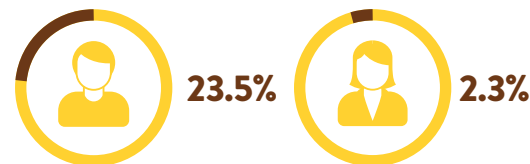


BONUS

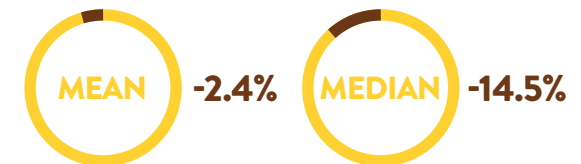
The illustration below shows that 25.8% of the population receive a bonus where the male/female split is broadly in line with that of the company split. Of the 25.8%, 19.8% relates to attendance based incentives with the balance relating to the management bonus. Of the population receiving a management bonus, 17% were female.

Combining these two types of bonus means that the gender bonus gap shows that females are paid 2.4% more than males as a mean and 14.5% more as a median.

PROPORTION OF EMPLOYEES WHO RECEIVED A BONUS



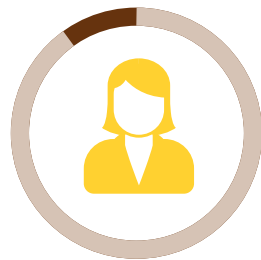
GENDER BONUS GAP



RHML is a milling business that consists of four flour mills, one wheat malting, one ingredients mixing facility and shared offices with Hovis Ltd in High Wycombe. The business has 83% males and 17% females.



83% MALES

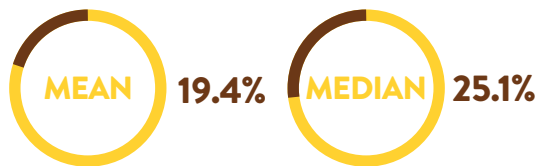


17% FEMALES

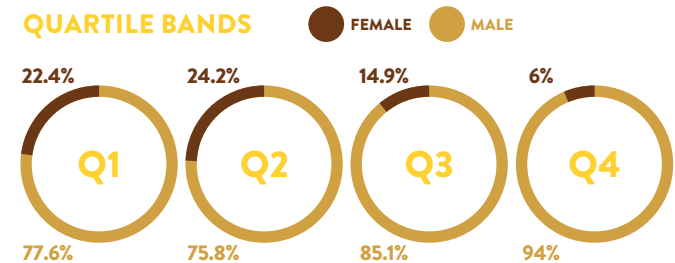
PAY

With RHML also having a high proportion of males to females, and with the quartile banding illustrating that there are a higher proportion of females in Q1 and Q2 versus Q3 and Q4, the result clearly impacts the gender pay gap with the mean and median being above the UK statistics.

GENDER PAY GAP



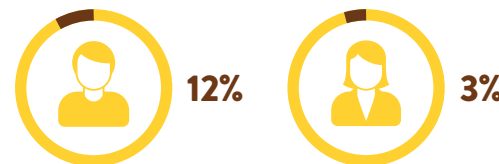
QUARTILE BANDS



BONUS

The illustration below shows that 12% of the population receiving a bonus are male and 3% female. Of the 15% of the total population who receive a bonus, 20% were female.

PROPORTION OF EMPLOYEES WHO RECEIVED A BONUS



GENDER BONUS GAP

