

Gender Pay Gap Report

2019



INTRODUCTION

In 2017/18, Hovis Ltd welcomed the introduction of the Gender Pay Gap Reporting legislation. In previous years, this report reflected both the Hovis Ltd and Rank Hovis Milling Ltd (RHML) entities. As a result of RHML ceasing trading in 2018/19, this report now only reflects Hovis Ltd.

The report can be used not only to assess the levels of gender equality in our workplace, but also to see the balance of male and female employees at different levels of our organisation together with evaluating how effectively talent is being maximised and rewarded.

In summary, the 2019 Gender Pay Gap Report shows another year-on-year improvement where, on average, female colleagues are paid more than their male counterparts.

As in 2017 and 2018, this report will highlight a very clear, uneven gender balance, with a significantly high proportion of males versus females working within the business, reflecting that the Manufacturing and Logistics sectors as a whole are male dominated. However, 2019 saw another positive female shift in the gender split within our Management and Senior Leadership populations.

At Hovis Ltd, we are excited by the results of the first part of our journey, the positive changes we have seen and the impact it is having on our employer brand. We will continue on our journey, recognising that this will not only take time but that we need to continue to deliver our plans in the correct way.

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 2,750 people at eight bakeries, one flour mill, and two regional distribution centres across the UK.

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

We employ  c 2,750 People



8 Bakeries



1 Flour Mill



2 Regional Distribution Centres

A Reminder of the Legislative Requirements

In 2017, the Gender Pay Gap Regulations required all UK employers with 250 or more employees to publish gender pay gap data on an annual basis.

The data shows a measure of the difference between the average hourly earnings of men and women as at 5 April 2019 regardless of their role or seniority (including, where relevant, to different organisations, bonuses, commission, acting up allowances, shift allowances and so on). It also includes:

- Mean and median gender pay gap
- Mean and median gender bonus gap (received in the 12 months leading up to 5 April 2019)
- The proportion of men and women receiving bonuses
- Proportion of men and women in each quartile pay band

In the calculations that follow, a positive number represents males being paid higher than females, whilst a negative number represents females pay being higher than males.



The results for Hovis Ltd clearly indicate that females are paid more than males both from a mean and median perspective.

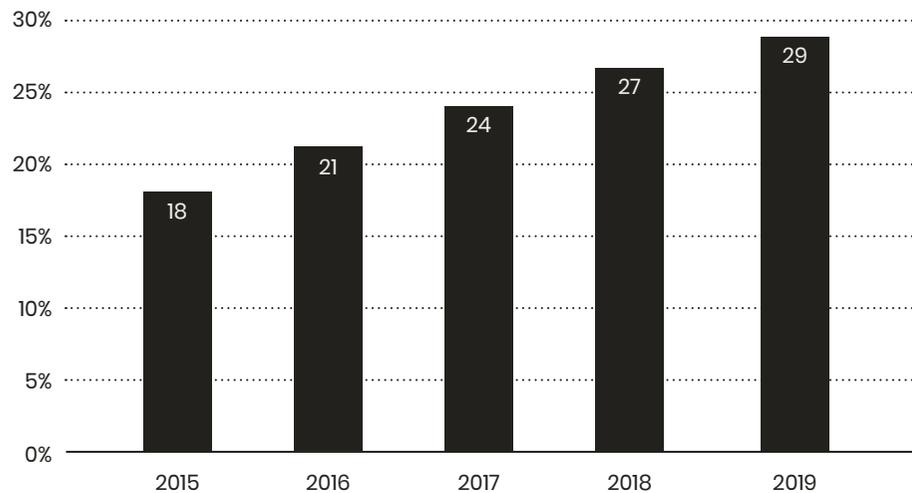
In 2019, when looking at all colleagues, including full and part-time in the UK, together with all earnings, the gender pay gap reported by the Office of National Statistics (ONS) was 17.3% for median earnings versus 17.8% in 2018 and 18.4% in 2017.

Regardless of our results, Hovis Ltd has a continued desire to ensure that a higher number of females occupy the more Senior Management and Leadership roles. 29% of females now occupy our Management population versus 27% in 2018 and 18% in 2015.

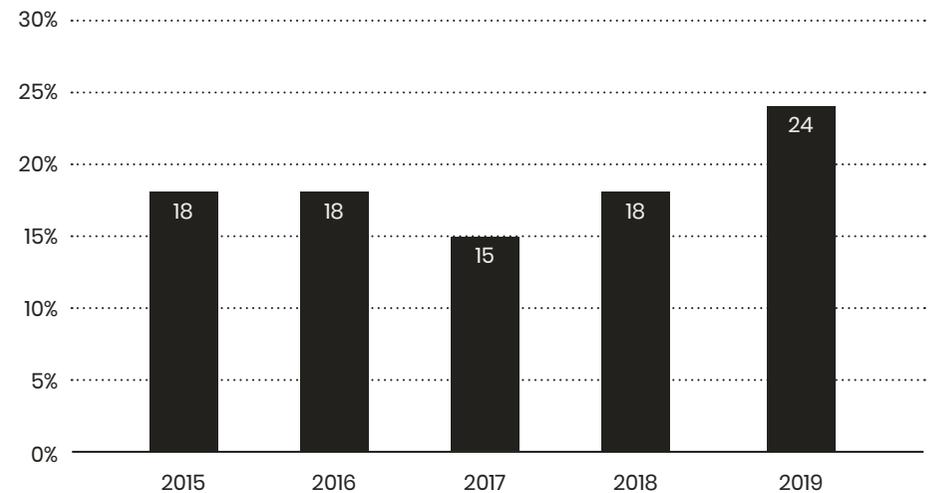
31% of females occupy our Site and Functional Leadership teams. 24% of females occupy our Senior Leadership roles vs 18% in 2018. When looking at our central functions in totality, 43% are female. Females populate between 40% and 80% of all positions within individual central functions.

Areas where there continues to be an under-representation of women include Engineering and Logistics, which again appears to be consistent with other organisations and industries year on year.

% of Females in Management Positions



% of Females in Senior Leadership Positions



NEW STARTERS AND OTHER MEASURES

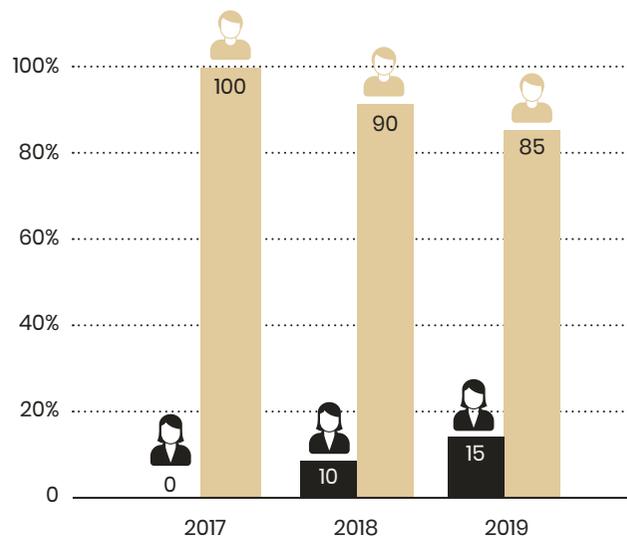
In addition to looking at our gender split by function, we have also continued to look at other measures including new starters, leavers, performance and internal promotions to ensure they are reflective of the overall split.

In 2019, 15% of all new starters were female vs 22% in 2018. However, 36% of all management starters were female. 27% of our higher performers were female vs 30% in 2018 and 29% of all internal management and senior leadership promotions between 2016 and 2019 were female, 27% in 2019 in isolation.

A key part of Hovis Ltd's overall strategy focuses on attracting, developing and retaining the best talent and we continue to invest in apprenticeships. In 2019, this was expanded from Engineering and Logistics to Head Office functions, with the introduction of our new Chartered Management Apprenticeship. This is yet another fantastic way for young talent to be educated whilst working within our business. In 2019, 15% of apprentices were female vs 10% in 2018 and 0% in 2017.

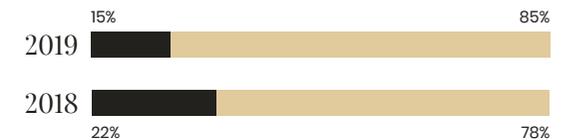
Although it is clear that progress is being made, we continue to focus on ensuring we are attracting and selecting the best talent for each of our roles. Additionally, we have a very loyal set of colleagues, with an average length of service amounting to 13 years. This is predominately within our manufacturing and logistics operations and although it is something we are very proud of, it does mean that any change to the total gender split will take time.

Apprentices

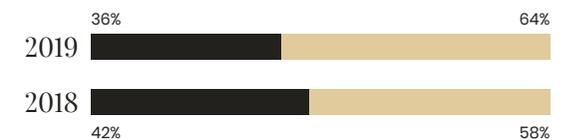


Female Male

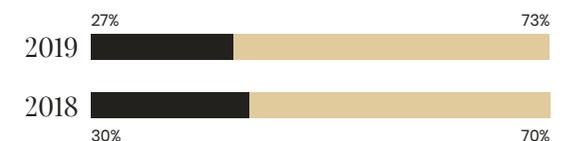
New Starters



Management Starters



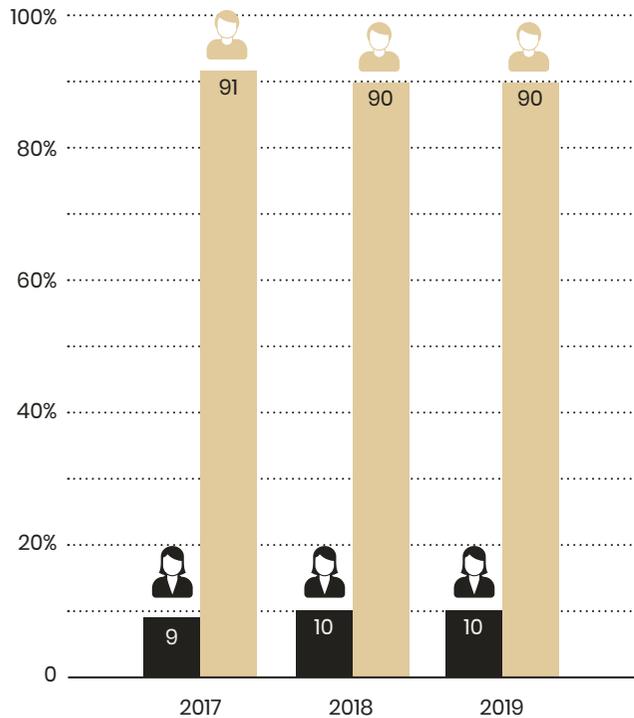
Higher Performers



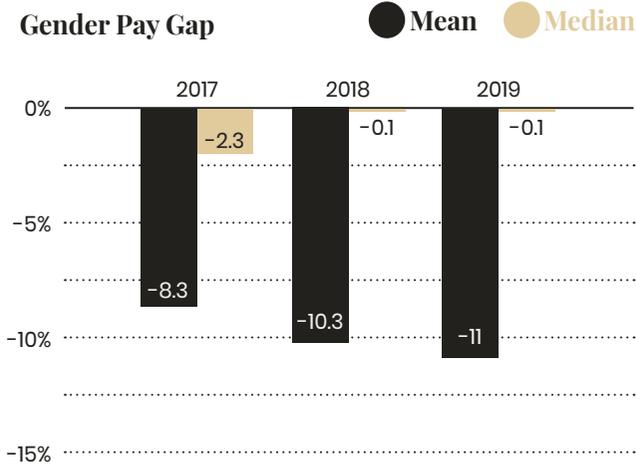
Internal Management and Senior Leadership Promotions



In total, across all of its sites, Hovis Ltd has 90% males and 10% females.

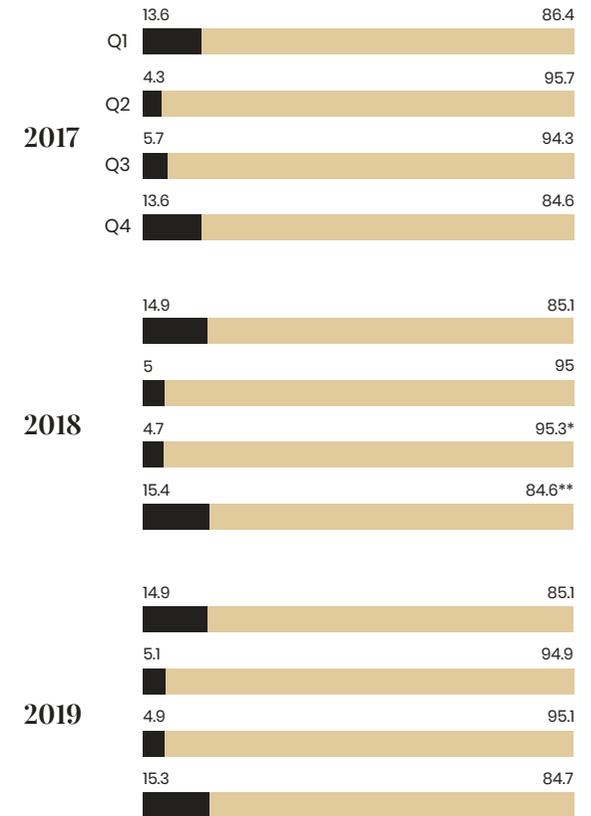


When considering the mean average, the gender pay gap shows that women are paid 11% higher than men versus 10.3% in 2018. When reviewing the median average, this is 0.1% higher than men which is no change versus 2018. When looking at this across three years, the mean has improved year on year and the median has remained relatively constant.



Quartile Bands

Female Male



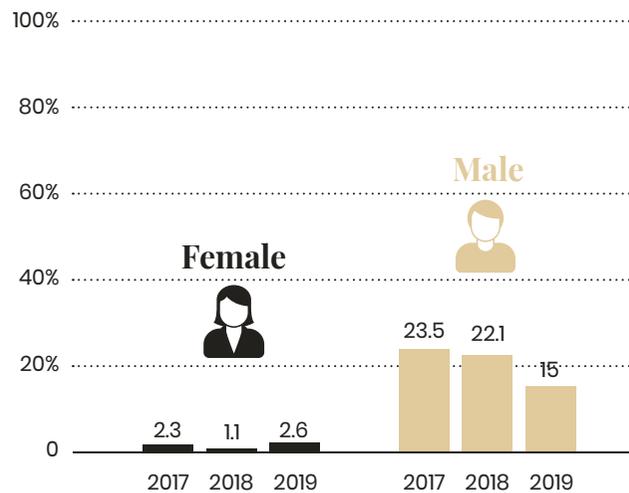
*Number has been restated, in 2018 they were reported at 11.3% for Q3 Female and 88.7% for male. **Number has been restated, in 2018 they were reported at 21.2% for Q4 Female and 78.8% for male.



The illustration below shows that 17.6% of the population receive a bonus where the male/female split is broadly in line with that of the company split.

As per 2018, these are predominantly made up of management and attendance bonuses. The key drivers within the 2019 data are that fewer people generally received these bonus payments, but of those who did, a greater proportion were female vs 2018. Of the population receiving a management bonus, 31% were female vs 23% in 2018 which represents the shift in the number of females in our management population.

Proportion of Employees who Received a Bonus



Gender Bonus Gap

