

Our 2017 Gender Pay Gap Report



INTRODUCTION

At Burton's we are proud to employ over 1,700 biscuit experts across the UK, baking some of the UK's most loved snack brands such as Wagon Wheels, Jammie Dodgers, Maryland cookies, Lyons, Fish 'n' Chips and Royal Edinburgh, alongside some excellent retailer brands and partnerships under exciting licenses.

The majority of our colleagues work in our factories (73%), making our delicious products and working hard to make every day more of a treat for our consumers. Our other functions are split between our St Albans Head Office and our three factories in Blackpool, Edinburgh and Llantarnam and our chocolate Refinery in Moreton.

As a business, we wholeheartedly believe in diversity and that our workforce should reflect our wide ranging consumer-base.

For the first time this year, UK businesses have been asked to publish their gender pay gap and we welcome this as an opportunity to review our own data and ensure that our initiatives are working.

We must remember that, although the gender pay gap report gives us great momentum for reviewing and improving the opportunities

available to men and women in the workplace, gender pay gap and equal pay are different matters. Gender pay gap is the difference in average pay between men and women in a business. It is different to equal pay, which is a legal requirement to pay men and women the same for equal or similar work.

We strongly believe that our 4.7% median pay gap – which is significantly lower than the National average median of 18.4% (ONS – 2017) is an indication of our progress to date. Our existing policies and procedures support diversity and inclusion on a gender basis, however we are still committed to do more to improve our gender pay gap.

Diversity is a very broad matter and gender equality is one (important) part of our wider strategy. We are passionate about doing what is right for our employees and prospective employees and are fully committed to making Burton's Biscuits the employer of choice for colleagues of all backgrounds. We are proud of our existing gender pay gap number and are excited about reducing it even further with the plans we have in place.

We confirm that the data in this report is accurate.



Nick Field
CEO
Burton's Biscuits



Hayley Kingdom
HR Director
Burton's Biscuits

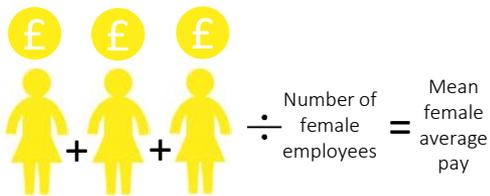
THE CALCULATIONS EXPLAINED

The gender pay gap shows the difference between the average (mean or median) earnings of men and women. This is expressed as a percentage of men's earnings (ACAS – 2018).

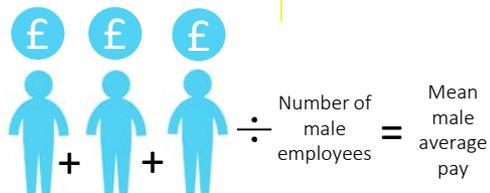
This report calculates the following:

1. The mean gender pay gap
2. The median gender pay gap
3. The mean bonus gender pay gap
4. The median bonus gender pay gap
5. The proportion of males receiving a bonus payment
6. The proportion of females receiving a bonus payment
7. The proportion of males and females in each quartile pay band

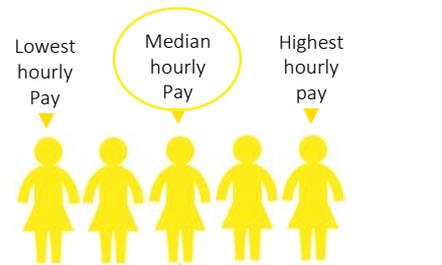
How we calculate the mean difference:



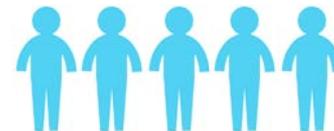
The difference = Mean Hourly Pay Gap



How we calculate the median difference:



The difference = Median Hourly Pay Gap



How we calculate pay quartiles:

Rates of pay are placed into a list in order of value and the list is divided into four equal sections (quartiles).

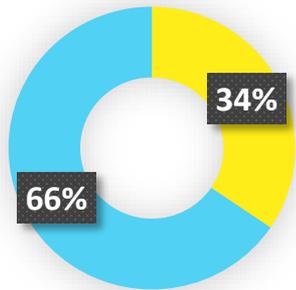
Each quartile will contain the same number of individuals. The regulations require us to report how many men and women are in each pay quartile expressed as a percentage within each quartile.

THE PAY GAP DATA

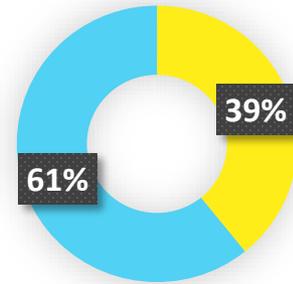
Difference between men and women:

| | Mean | Median |
|---------------|-------|--------|
| Pay Gap | 6.1% | 4.7% |
| Bonus Pay Gap | -5.4% | 11.2% |

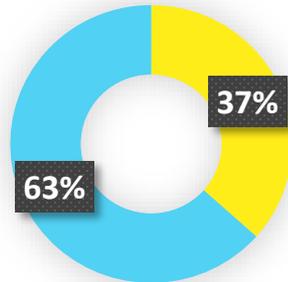
Proportion of male and female employees in each quartile:



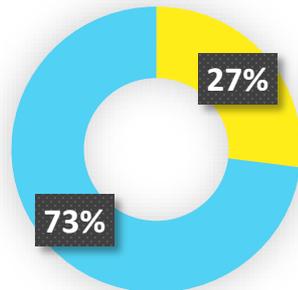
Lower Quartile



Lower Middle Quartile



Upper Middle Quartile



Upper Quartile

The proportion of male and female employees who received a bonus:



16.5%



8.5%

UNDERSTANDING OUR PAY GAP

The mean hourly pay gap at Burton's Biscuits is **6.1%** and the median is **4.1%**; the overall UK pay gap in 2017 was median 18.4% (Office of National Statistics). The reason we have a gender pay gap is that female colleagues are relatively under-represented at senior levels in both our Supply Chain and our Corporate Functions. We are very comfortable that we do not have an issue with equal pay and that our pay programmes support equal pay practices.

Having a gender pay gap does not automatically mean there is an equal pay issue. The gender imbalance in the different roles within our business and the fact that we have (67:33) male to female in our factories and (62:38) in other roles will mean that there will be a gap.

Women are significantly under-represented in our most technical roles, which command a pay premium owing to the complex skill-

sets required. Our Engineering function is a clear example and we face the same challenge as other businesses when it comes to female representation in this area. In the UK women make up 23% of those working in core STEM (Science, Technology, Engineering and Maths) occupations and therefore our programmes that specifically target women are invaluable and we expect to make some real progress in this area.

In the past year alone, we've achieved some great progress when it comes to balancing the pay gap. We launched a new Graduate programme which saw 8 graduates join our Commercial Teams – 6 of which were women. In our factories, we have taken on a number of women Engineers which is fantastic to see given that the majority of applicants for these programmes have historically been male.

Finally, whilst our mean bonus pay

gap is positive (-5.4%) our median bonus pay gap is high relative to our other statistics. This is because some of our factories have a performance related bonus scheme which pays out if the factory delivers against its targets. As we have more men than women in our factories (67:33) this will mean that there will be a percentage gap. We are confident that the gap is due to the higher number of men working in the roles vs women, something that we will be focusing on reducing over time (our colleagues don't leave us very often so will take some time to address).

In our commercial functions we have a strong foundation and our ratios are well above national average in terms of women in senior positions however we are committed to striving to find ways to improve it further – examples of our commitments follow on the next page.

OUR COMMITMENTS

1

Leadership development and strong female leadership pipeline

We currently provide training and mentoring for Managers and will continue to support women in our business and target women early in their careers to build specific training programmes for them to progress into more senior positions. We will continue to grow and develop female Apprentices and Graduates and target them into senior under represented positions within our business.

2

Flexible Working and Flexible Job Design

We will ensure that wherever possible we will provide flexibility in our positions, including flexible working (either where people work and also what hours). We will also work with Managers across the business to develop our attitudes to flexible working and understanding that people value flexibility in order to juggle their busy and demanding lifestyles.

3

Maternity Support

We will offer coaching and additional support to women before, during and after maternity leave to retain talent within our business.

4

Diversity Training

In 2018 we will be rolling out diversity training for all people Managers in the organisation, gender is only one element of diversity and we will ensure that Managers understand the part they play in creating a truly diverse workplace.

5

STEM Attraction

We will be developing an attraction programme for 2018/19 that will focus on attracting women into our more technical roles at all job levels. This will involve targeting specific universities and organisations to promote the technical roles within our business and to specifically attract women into these roles that are currently male dominated.

6

Coaching and Mentoring

We will be growing our coaching and mentoring programme for women which will give women strong female role models to support and assist them with their career development.