

KTC Edibles Ltd.

Gender Pay Gap Report

April 2021 reported January 2022

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Since 2018, UK companies with more than 250 employees are required to report their gender pay gap.

KTC Edibles Ltd. is a privately-owned company with a long-standing tradition of employing a diverse workforce, treating staff members on an equal basis, regardless of their ethnic background, age, religion or gender.

The Company reward staff members on performance and their level of responsibility, taking an objective approach to recruitment, development and reward.

Gender Equality is a significant requirement of committing to diversity and inclusion and the need to report the gender pay gap is an important step in objectively assessing any disparity and creating a precedent upon which to take action.

Our gender pay gap report outlines some encouraging signs, with an opportunity to further reduce the gap in the coming year.

We are quite confident that our gender pay gap is not caused by men and women being paid differently to do the same job.

We believe that the current gap like in the previous years' report is driven by 3 main components:

- a. Our industry (food manufacturing and distribution), lends itself to a high proportion of manually intensive jobs in our operations function, which normally attracts male applicants.*
- b. Our shareholders' remuneration structure (who are male) skews the final data, increasing the percentage difference in mean gender pay to 13.58 % at an aggregated level.*

As with an increasing number of female applicants successfully penetrating skilled roles in recent years, most notably in supply chain and technical functions, and our efforts on engaging more female workers at various levels, we expect the gender pay gap to reduce in the following 2 years.

Paresh Mehta

Managing Director

Gender Pay Gap vs Equal Pay

The gender pay gap differs from equal pay and should not be confused as being the one and same thing.

The Equality & Human Rights Commission outlines the differences as follows:

‘Whilst both equal pay and the gender gap deal with the disparity of pay women receive in the workplace, they are two different issues:

1. Equal pay infers that male and female workers and women in the same role, performing equal work must receive equal pay, as set out in the Equality Act 2010.
2. The gender pay gap measures the difference between male and female average earnings across an organisation. The gap is defined in percentage terms.

KTC Edibles Ltd. are aware that gender should not prejudice employee remuneration and the Company ensures an objective and fair approach to remuneration when employing staff.

Statutory Information: Bonus Data

As part of the mandatory reporting process, employers are required to publish the gender pay gap within their bonuses. At KTC Edibles Ltd. we do not currently award bonuses (though this may change during 2022/23). And therefore, will not be able to report a bonus gender pay gap for bonus payments. Should bonus payments become part of the remuneration / performance management system in the coming 12 months, the Company will ensure such statistics are reported in 2022 / 23.

KTC Edibles Ltd: *Gender pay gap data*

Workforce structure at KTC

14% Female employees
86% Male employees

Average Gender Pay data

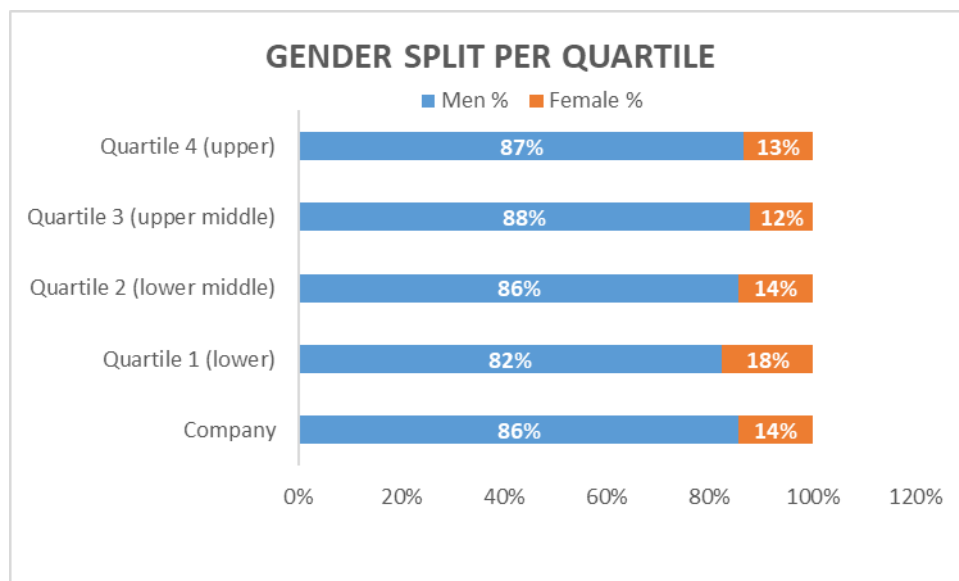
Mean male hourly pay £11.71 per hour
Mean female hourly pay £10.12 per hour

**13.58% Mean
gender pay gap**

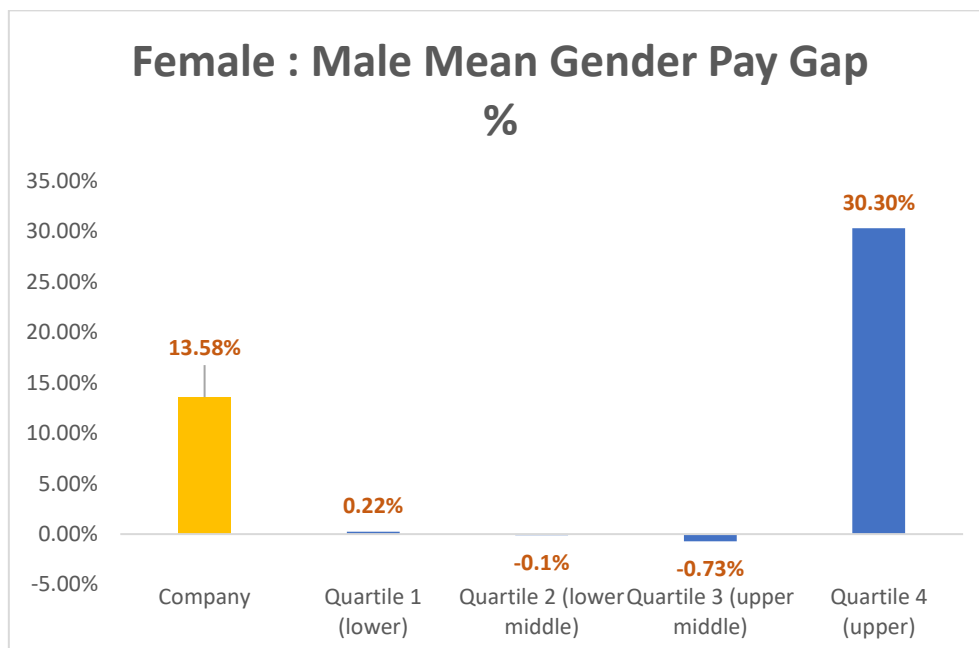
Median male hourly pay £9.10 per hour
Median female hourly pay £8.91 per hour

**2.09% Median
gender pay gap**

Pay Quartiles



Pay gap in each Quartile



Understanding the Data

KTC's workforce is skewed towards front-line operational roles in our production, warehouse and hygiene teams with stronger female representation in Quartiles 1 – 3 than in Quartile 4 (Upper), which mainly comprises the Company's Directors (Shareholders) and several members of long-serving senior management.

Female employees comprise 14% of the total workforce and have an almost equal or greater mean pay than male employees in the lower, lower middle and upper-middle quartiles with the upper quartile mean pay being 30.34% higher for male employees.

The mean gender pay difference is 13.58% higher for male employees at a Company level, and the median gender pay gap is 2.09%.

As bonus systems are not currently utilised at KTC, there is no data to report on these attributes within the body of this report.

Actions Going Forward

The Company will be further reviewing hiring and reward practices in Quartile 4 (Upper) to establish if the gender pay gap can be reduced in this area.

With an aim of appointing more females to highly skilled and management positions in recent years (including in the Company's supply chain and technical functions), the Company expects that subsequent pay rises for such employees will gradually support some reduction in the pay gap, with the Company aspiring to reduce this to single figures by 2023.

The Company also acknowledge some challenges to gender pay gap reduction as a result of:

1. Several senior male employees in stand-alone roles that are not likely to be succeeded in the next few years, will continue to influence the overall difference in company-level pay differences.