

# GENDER PAY GAP REPORT 2022

## Introduction from KAT YORK, Chief People Officer, KFC UK & Ireland

One of the things that makes me so proud to work at KFC is that we are truly committed to living and breathing a culture that celebrates and champions Equity, Inclusion and Belonging (EIB).

We believe everyone at Team KFC should have the opportunity to feel safe, grow, develop and be the best version of themselves, regardless of age, gender, ethnicity, sexual orientation, belief or background. And we remain committed to continuously improving as we work towards our ambition of building the world's most inclusive brand, in partnership with Yum!

Equity, Inclusion and Belonging forms an integral part of our business strategy, with each member of our Restaurant Support Team making an EIB commitment as part of their annual goals. Many passionate KFCers also take part in one of our 5 Communities of Belonging to listen, learn, act and amplify in this space, every day, to make positive change and create a culture of allyship.

Creating a culture that supports and empowers women to thrive and reach their full potential is not only a huge focus for our organisation, but something that is very important to me personally. It is a huge privilege to serve on an Executive Team that now has equal representation of females, all of whom are as committed as I am to continue to build on the great progress so far to reach gender parity.

In this report, you will see we have made significant progress since we began reporting; reducing our mean pay gap by over 4 percentage points, from 6.7% in 2018 to 2.6% in 2022, and sitting below the national average. We also continue to report a 0% median pay gap, which demonstrates that we reward people equally for doing the same or equivalent roles, with equivalent experience.

That said, we know that no gap is ever good enough and we must continue to do more, specifically increasing female representation across the business, with a particular focus on women at Restaurant Management and Director levels.



FEEDING POTENTIAL.



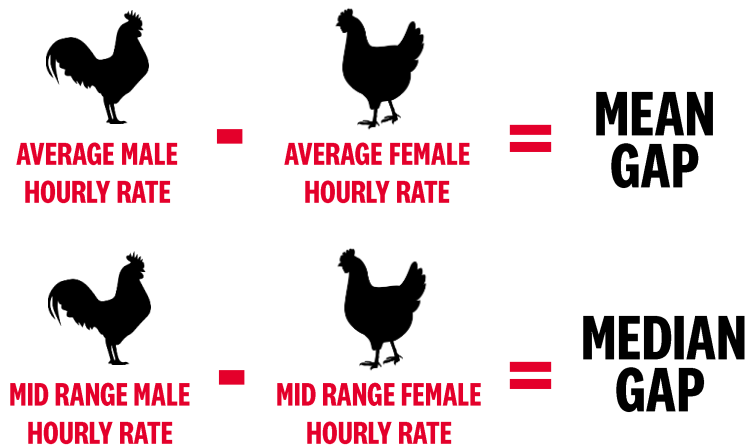
**KFC**

## WHAT IS THE GENDER PAY GAP?

The Gender Pay Gap measures the difference in the average pay of women and men from across the whole business. It does not measure 'equal pay' which is the right for men and women to be paid equally when doing the same or equivalent work. We are an equal pay employer and are fully compliant with this legal requirement.

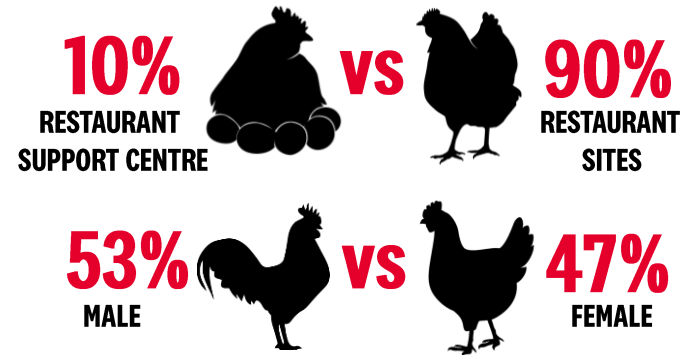
## HOW DO WE CALCULATE GENDER PAY?

The Gender Pay Gap is calculated by taking the hourly rate of all women and the hourly rate of all men in our business and then calculating the mean (average) and median (middle number) hourly rates by gender. The gap is then calculated by determining the difference in these numbers between men and women.



## HOW IS OUR WORKFORCE MADE UP?

As you might expect for a restaurant business, a significant majority of our people work in our restaurant teams;



## HOW DO WE APPROACH GENDER PAY?

We are committed to building a thriving workplace that fully represents the guests we serve and the communities we operate in, where our people can bring their whole selves to work and are rewarded fairly for their contributions. We pay all our people for the roles that they do and the experience that they bring, not their gender. We're committed to improving gender parity and, alongside Yum! Brands, have pledged to achieve gender parity by 2025, setting our sights on equal representation of male and female leaders at every level of our brand.



FEEDING POTENTIAL.



## PROGRESS

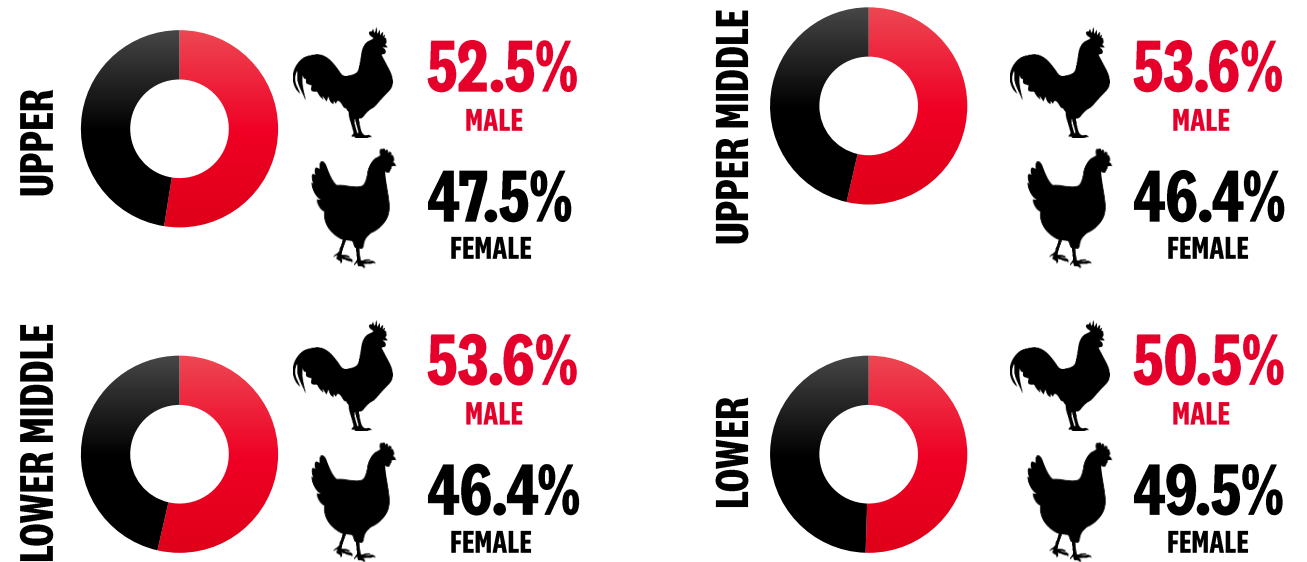
YEAR	2017	2018	2019	2020	2021	2022
GENDER PAY GAP MEAN	6.7%	8.5%	6.2%	4.1%	4.4%	2.6%
GENDER PAY GAP MEDIAN	0%	0%	0%	0%	0%	0%
GENDER BONUS GAP MEAN	37.6%	43.7%	43.5%	39.6%	23.1%	36.4%
GENDER BONUS GAP MEDIAN	11.8%	12.5%	0%	0%	3.5%	5.5%
MALES RECEIVING A BONUS	53.1%	71.9%	60.5%	65.5%	89.6%	86.6%
FEMALES RECEIVING A BONUS	52.1%	71.6%	60.4%	67%	87.4%	87.5%

### GENDER PAY GAP

**2.6% MEAN** | **0% MEDIAN**

The mean gap is driven by a higher % of males in Restaurant Management, Director and Executive level roles. This data includes a number of executives who support other brands but are payrolled through the UK. Excluding these individuals, our mean gap reduces to 0.5% which is more reflective of our efforts to close the gender pay gap over the past 5 years.

## PAY QUARTILE BANDS



### GENDER BONUS GAP

**36.4% MEAN** | **5.5% MEDIAN**

The gender bonus gap is driven by a higher % of males in Restaurant Management, Director and Executive level roles, with these more senior roles attracting higher variable pay elements. Again, this data includes a number of executives who support other brands but are payrolled through the UK. Excluding these individuals, our mean bonus gap reduces to 23.3%.

### DIFFERENCE IN BONUS AWARDED

**86.6% MALE** | **87.5% FEMALE**

Following a record performance year for KFC UK & Ireland, the % of people receiving a bonus remained high. These figures are relatively consistent with the previous year and reflective of our team's incredible commitment and hard work. Within this, it is noted that 0.9% more females received a bonus vs males.





**FEEDING POTENTIAL.**



## **INCREASING REPRESENTATION**

We minimise bias through gender-neutral job descriptions and blind recruitment practices. We promote diverse candidate shortlists through partnerships with external experts, helping us diversify the pools where we search for talent. We also use EIB analytics to ensure fairness of decisions throughout our annual reward and talent management processes.

In 2022 the number of female senior leaders increased by 21% from the previous year and female representation in the senior leadership team increased by 7 percentage points, from 37% in 2021 to 44% in 2022. This has further increased to 49% in 2023 and female representation in our executive team is now 56%. Whilst we are proud of the progress made, we know there is still so much to be done and we have a particular focus on both Restaurant Management and Director levels to achieve gender parity at all levels.

## **STRENGTHENING OUR TALENT PIPELINE**

Launched in 2021, our female focussed leadership development programme ‘The Female Advantage’ will continue to accelerate high potential female talent and we will build on this in 2023 by introducing female focussed mentorship circles. We will also continue to offer the KFC Rise Grant, awarded to female Team Members to support their personal or professional development ambitions.

## **INCLUSION AND BELONGING**

We will continue to drive EIB in 2023 through the roll out of our Inclusive Leadership and Allyship training programme, with an ambition to train all of our Restaurant Managers and Above Restaurant Leaders by 2025.

Following on from the launch of our inclusive, enhanced parental policies, we’re continuing to evolve our suite of policies to be even more inclusive, including the introduction of a new menopause policy which will launch later this year.

SHINE, KFC’s first global Community of Belonging aimed at creating safe and brave spaces for all women at KFC, launched in March 2023. They will work alongside our KFC UKI ‘Wolfpack’ to champion female empowerment and allyship, as well as building connections and sharing knowledge and experiences for development and growth.

Flexibility is key to our ways of working and we will continue to iterate our approach through feedback from our teams and finding ways to support the diversification of our restaurant management pipeline.

Finally, we’re committed to gathering regular insights from our team to inform our Equity, Inclusion and Belonging strategy as we continue to explore ways in which we can support women at KFC to thrive.