



GENDER PAY GAP REPORT

For the first time, all large UK companies employing 250+ people are required to report on their gender pay.

The gender pay gap is not the same as equal pay. Equal pay ensures that men and women receive the same pay for the same or equivalent work.

The gender pay gap measure is a simple average figure for all employees, irrespective of the job that they do.



Gender Pay Gap Report



**Di Walker,
Group Executive Chair**

FOREWORD

At Karro, our most important asset are our people. Their passion, commitment and integrity are critical to our past and future business success.

We believe that we benefit the most when we can offer:-

- Equal opportunity for all, regardless of background or gender
- An open, engaging and inclusive culture – where everyone can play a part in our success
- A fair reward for great performance

As you will see on the following pages of our report, our median gender pay gap at 9% is half that of the UK statistics, as reported by the Office for National Statistics (ONS) of 18.4%¹ (which is the gap of all employees (part and full-time working patterns) across all reported sectors in the UK).

¹

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2017provisionaland2016revisedresults#gender-pay-differences>

Our pay gap at Karro exists because:-

- We employ more men than women
- There are more men in skilled operational roles (e.g. butchery)
- There are more men in managerial roles

We believe that the most successful teams are formed from a diverse talent pool. We will continue to create a culture where everyone can succeed regardless of background or gender. We will look to attract, recruit and provide progressive career opportunities to build a successful and diverse Karro team.

I am proud to lead an organisation that is a market leader because of the fair and ethical way in which we operate.

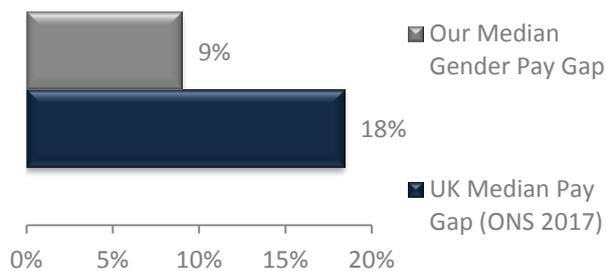
Di Walker, Group Executive Chair

March 2018

Our gender pay gap results

This report sets out the gender pay gap at Karro Food Group Ltd, and the steps we are taking to close it.

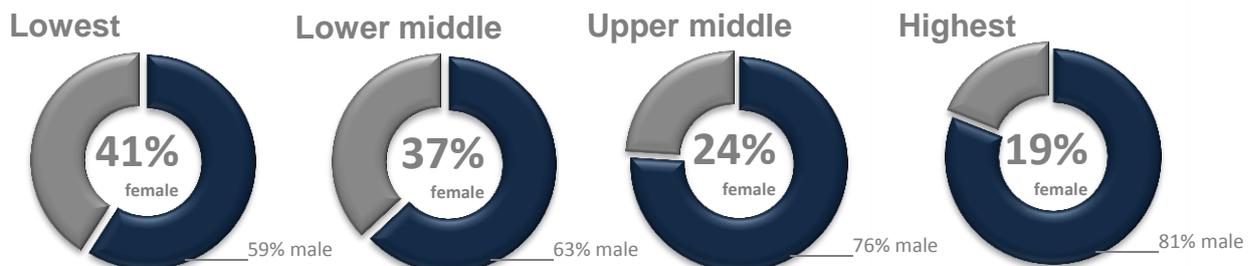
Karro Gender Pay Gap Results



Karro's median gender pay gap is 9% and mean gender pay gap is 16% (representing all relevant part time and full time employees at Karro). Compared against the aforementioned reported pay gap for all employees at 18.4%¹ (ONS 2017), representing all part and full time relevant employees in the UK, this shows our pay gap as being on average 50% lower than the reporting UK companies employing over 250 people.

We employ colleagues across a multitude of functions within an industry which has traditionally attracted more males than females, particularly within skilled butchery and leadership positions. To close our gender pay gap further still, we will listen to the views of our employees and the wider community as to why fewer women than men choose a career with us and following this will focus on how we recruit and how we support the development of our people.

Pay quartiles across Karro Food Group workforce.

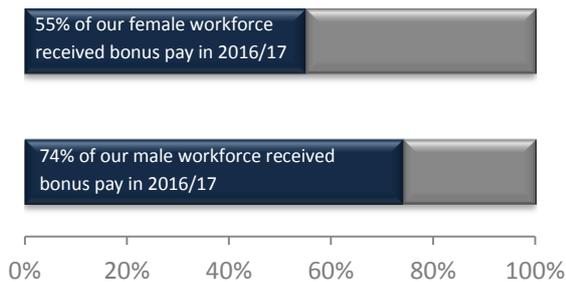


We have divided our payscales into four quarters, from the lowest to the highest pay rates and the above graphs show how our 'relevant' workforce fall into these segments.

Karro Bonus Pay

Karro offer a range of bonus incentives to employees, including attendance and long service awards, productivity and performance bonuses.

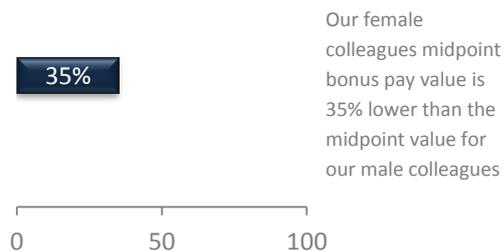
Percentage of workforce receiving bonus pay in 2016/17



55% of women and **74% of men** received a bonus payment during the financial year 2016/17. The data represents the entire workforce (both weekly and monthly paid). Our bonus schemes operate predominantly at the skilled and managerial points on our payscales and we know more men than women currently hold these roles, explaining why more men received bonus payments.

Median Bonus Pay

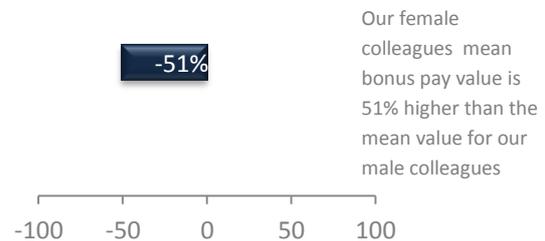
Median: 35% (female lower median)



The bonus payments at the median value (the mid-point of all the bonuses paid) show females being paid at a 35% lower bonus value than males; again attributed to a lower female population in more skilled or managerial roles and it is in these roles where the higher bonus payments occur.

Mean Bonus Pay Results

Mean: -51.0% (female higher mean)



The mean average amount paid to women is 51% higher than for males which is due to the number of highly performing females in the business and the bonus scheme fairly recognising and rewarding this performance.

What do all of these results tell us?

The pattern of many lower skilled roles being occupied by women within the UK is reflected in the make-up of Karro's workforce, where skilled and management roles are predominantly occupied by men.

Our focus remains, therefore, on how to bring more women into skilled and managerial positions to rectify this imbalance.

In looking for reasons for this, we identified that our relatively low labour turnover in senior roles may contribute to this. At Karro, **27% of our colleagues** have been with us for longer than 10 years. This is an indicator that job satisfaction and stability of employment at Karro is positive, yet it brings its own challenges; resulting in less opportunities to progress into leadership roles, a limiting factor for females to find a way into management roles.



What are we doing to close the gap?

Our Recruitment Strategy

We work closely with a number of recruitment partners to source the very best skills and talent. In doing this our recruiters are tasked with an equality agenda, ensuring that we advertise our roles openly, allowing equal access to application regardless of gender, race, religion or culture. As part of this process we are actively involved in recruitment partnership programmes to support individuals returning to work, including the long term unemployed.

For 2018 and 2019 we have plans to work closely with schools and colleges, tapping into new talent pools where females and males exist in equal numbers, and therefore reducing our reliance on those who have pre-existing experience in the meat industry, where the predominance of candidates are male. We will utilise the knowledge of those within education to support us in finding ways to encourage more women to work in our industry, breaking down barriers to entry for women and dispel misconceptions about our industry.

The impact of recruiting women from schools and colleges at the career starting point (entry level roles) is that they commence at the lower paid levels and this could negatively affect our gender pay gap in the short term. However, longer term as their careers develop, this will balance out and the under-representation should be reduced.

Our Family-Friendly Workplace

We offer a variety of shift patterns and flexible working practices which can be of real value to men and women who want to be able to work different days and hours to the traditional Mon-Fri 9-5. We understand the complexities of balancing a career and personal lives and seek to support our employees wherever we can.

Karro will continue to monitor the gender pay gap, improving ways to recruit, retain and develop our people and we are committed to reporting on an annual basis what we are doing to reduce the gender pay gap and the progress that we make.

Statutory Disclosures

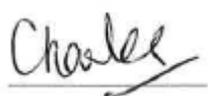
The Karro Food Group Limited employs over 3000 people across five separate Karro entities; one based in the Republic of Ireland and four based in the UK, of which Karro Food Limited is one of them.

We are required by legislation to report on our entities which each employ over 250 employees. Karro Food Ltd houses the main body of our business and our employees and accordingly we are required to report on Karro Food Ltd. None of our other entities employ over 250 employees, however we have chosen to volunteer our total group statistics as we believe in the transparency of providing a full picture of our organisation for all our UK operations.

	Karro Food Group Limited	Karro Food Limited
Male/Female employees %	70 / 30	69 / 31
Median Gender Pay Gap %	9	10
Mean Gender Pay Gap %	16	14
Mean Bonus Pay Gap %	-51	-63
Median Bonus Pay Gap %	35	38
Highest quartile (% male/female)	81 / 19	80 / 20
Upper middle quartile (% male/female)	76 / 24	71 / 29
Lower middle quartile (% male/female)	63 / 37	65 / 35
Lowest quartile (% male/female)	59 / 41	56 / 44

Declaration

We can confirm that the information provided in this report is accurate as of the snapshot date 5th April 2017.



Charles Pascall
Group HR
Director



Steve Ellis
CEO