

INDEPENDENT FAMILY
DISTILLERS SINCE 1887

WILLIAM GRANT
& SONS

UK GENDER PAY GAP

(AS AT 5 APRIL 2021)



UK GENDER PAY GAP: OVERVIEW

UK COMPANIES WITH OVER 250 EMPLOYEES ARE REQUIRED TO REPORT THEIR GENDER PAY GAP EACH YEAR.



WHAT IS THE GENDER PAY GAP?

There is often confusion that gender pay and equal pay mean the same thing. This is untrue.

A gender pay gap captures the difference between the average earnings of men and women across a business on a broader level, irrespective of their role or seniority.

There is a difference between equal pay and the gender pay gap.

Equal pay reflects men and women doing the same or a similar role (or a role of equal value) and being paid equally.

WE BELIEVE IN EQUAL PAY FOR THE SAME ROLE

We are confident that men and women in our business are paid fairly.

We have detailed guidance setting out our approach to remuneration globally and a process to ensure that pay decisions are fair.

HOW DOES IT APPLY TO OUR BUSINESS?

Within the William Grant & Sons group, we have a number of different employing entities. William Grant & Sons Distillers Limited is the only entity with more than 250 employees and, therefore, the only company that we are required to report on. The majority of employees within William Grant & Sons Distillers Limited work within our operational sites in Scotland (e.g. distilleries and manufacturing). That said, we believe it is important to go beyond our minimum legal obligations. We have therefore extended our analysis across the

entire UK employee population to be as transparent as possible.

The infographics on the following pages show our figures for William Grant Sons Distillers Limited and also for all William Grant & Sons employees in the UK.

Please [click here](#) to access our gender pay gap report for 2020.



WILLIAM GRANT & SONS DISTILLERS LIMITED: THE FIGURES

GENDER PAY GAP: THE FIGURES

At 9.0%, our median hourly pay gap is significantly lower than the national gender pay gap, which is 15.4%* at the time of publication. See the following pages for a comparison of the 2021 versus the past three years calculation and an explanation of the changes.

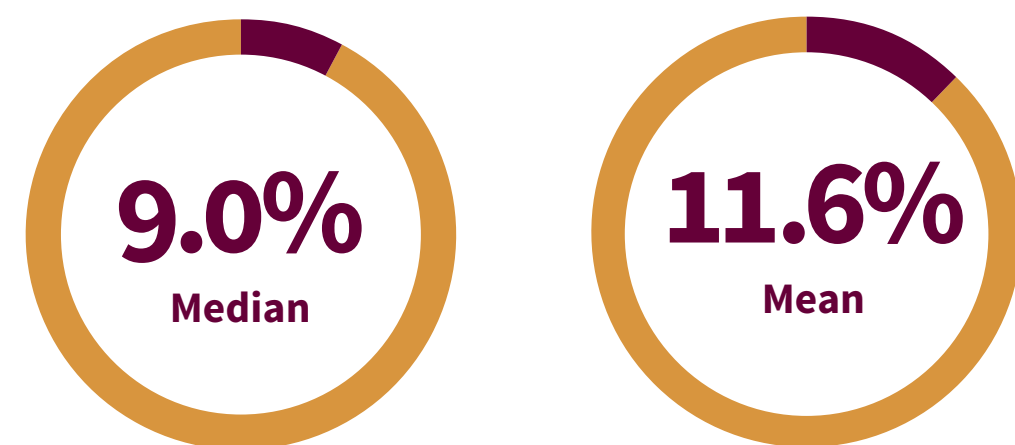
These calculations are based on basic salary, bonus payments and allowance (e.g. car and shift) paid at a snapshot date, April 2021. For 2021, our figures also reflect a one-off ex-gratia payment, 'Spirit of 2020 Award', that was paid in lieu of the Annual Performance Bonus. It does not include overtime, expenses or benefits in kind.

*Office for National Statistics – October 2021

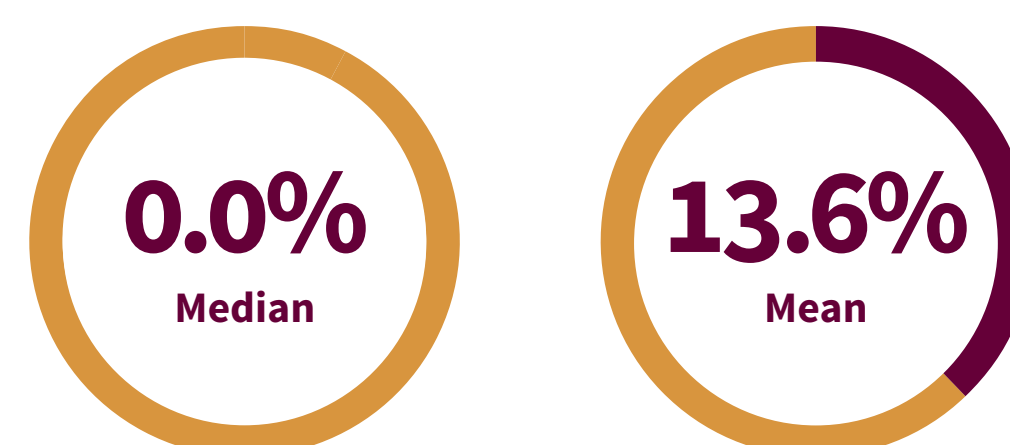
A TO Z DEFINITION

The law requires us to use the terms “mean” and “median”. In simple terms, mean is the average and median is the mid-point of a set of numbers.

Hourly gender pay gap



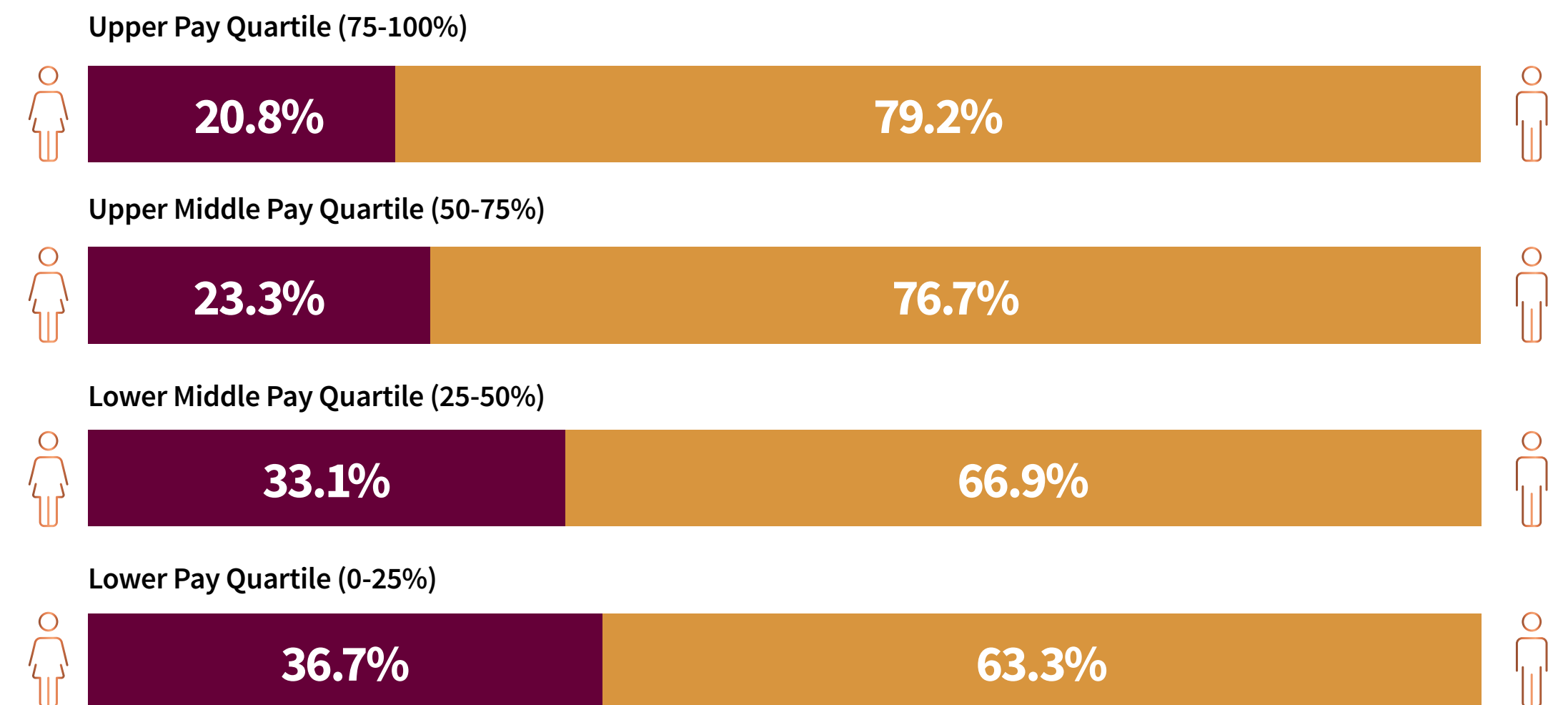
Bonus gender pay gap



Proportion of men and women receiving bonus*



Proportion of employees in each pay quartile band**



*At WG&S all employees have the opportunity to receive a bonus. The reason why the proportion of employees receiving bonus is less than 100% relates to the date the employee starts with the business. Our performance year runs from 1 January to 31 December and employees must be employed by 1 October of the relevant performance year to receive a bonus payment (which is typically paid in the following March). Further, if an employee leaves/is under notice when the bonus would be payable, they would not be eligible for bonus. Another reason why employees may not receive a bonus is when an area falls below the minimum threshold for financial performance. See page 5, 'Why Do We Have a Gender Pay Gap?', for more information.

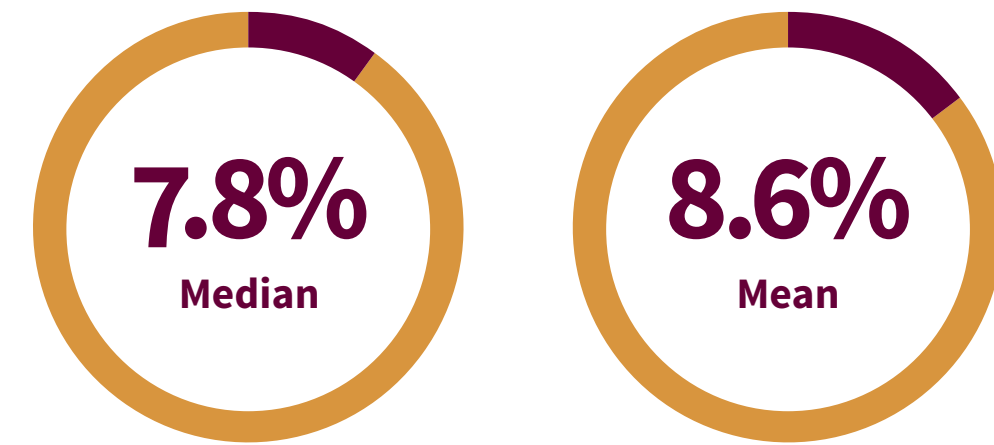
**The legislation requires us to identify the percentage of males and females in each pay quartile band. This is established by ranking the hourly pay rates from the lowest to the highest, dividing them into 4 equal groups (referred to as quartiles) and then identifying the proportion of males and females in each of the quartiles.



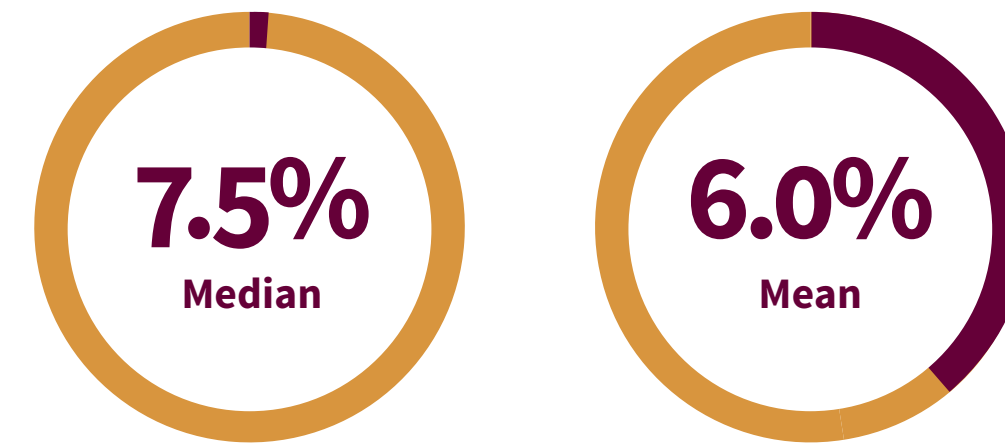
ALL WILLIAM GRANT & SONS EMPLOYEES IN THE UK

(INCLUDING WILLIAM GRANT & SONS DISTILLERS LIMITED)

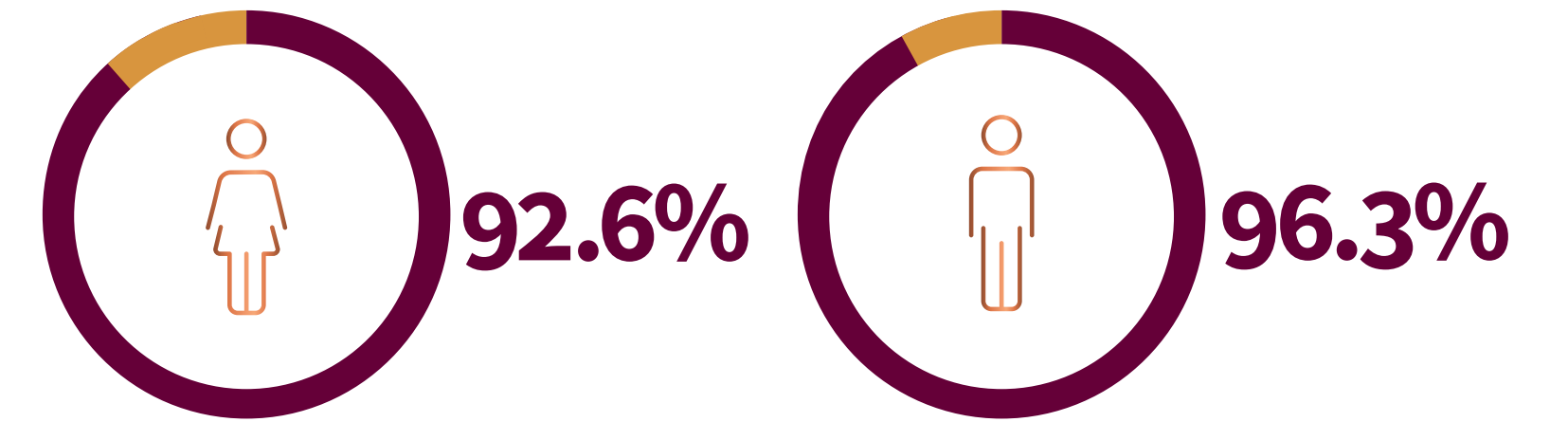
Hourly gender pay gap



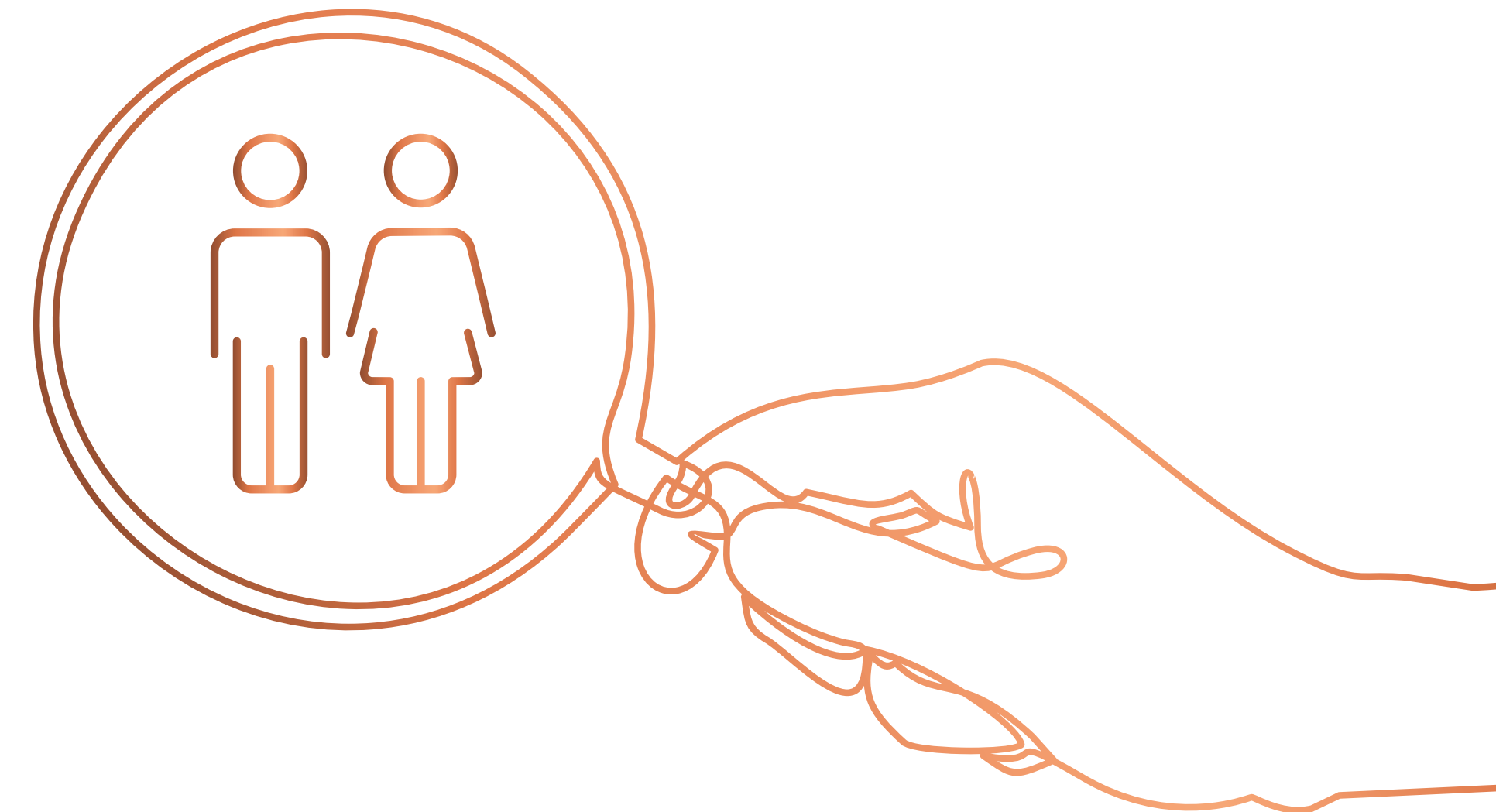
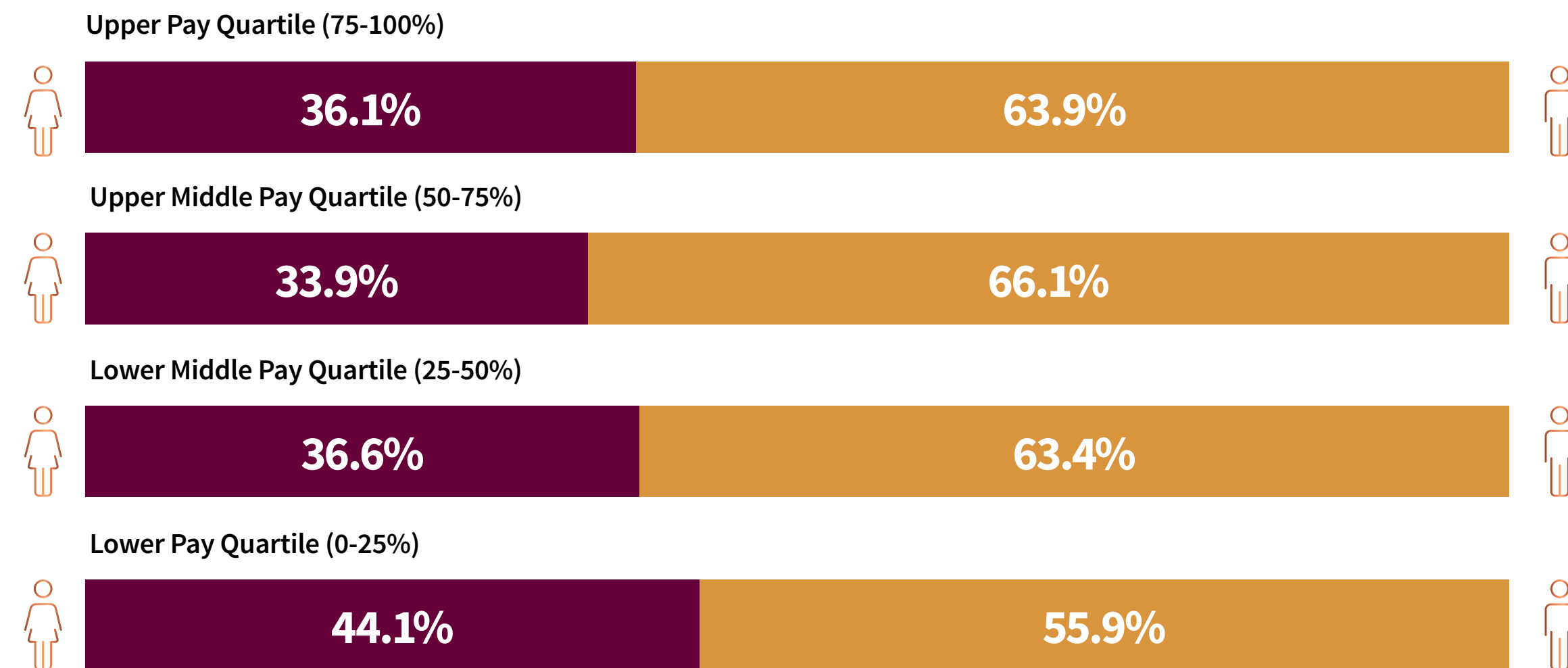
Bonus gender pay gap



Proportion of men and women receiving bonus*



Proportion of employees in each pay quartile band**



*Due to the pandemic, no Annual Performance Bonus was granted to any employee, however, the Company authorised a 'Spirit of 2020 Award' which, for the purpose of the Gender Pay Gap calculations and as part of Government guidelines, state on-off payments are to be classed as a bonus and added in as part of the calculations. This was awarded to employees and is lower than previous year bonuses. The reason why the proportion of employees receiving bonus is less than 100% relates to the date the employee starts with the business. Our performance year runs from 1 January to 31 December and employees must be employed by 1 October of the relevant performance year to receive a bonus payment (which is typically paid in the following March). Further, if an employee leaves/is under notice when the bonus would be payable, they would not be eligible for bonus. Another reason why employees may not receive a bonus is

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WILLIAM GRANT & SONS: UK GENDER PAY GAP

WHY DO WE HAVE A GENDER PAY GAP?

While our gender pay gap is better than the national average, there is still work to be done to reduce it. Shift working has an impact on figures, as although both male and female employees have equal opportunity of shift work, the majority of shift working is carried out by the male population. We have, however, seen a decrease in the mean gender pay gap since 2019. Due to the pandemic, no annual performance bonus was granted to any employee. Instead, the Company authorised a “Spirit of 2020 Award” which, for the purposes of the Gender Pay Gap calculations and as part of Government guidelines, state one-off payments are to be classed as a bonus and added in as part of the calculations.

Where our figures have decreased, we do not believe this is solely as a direct result of our specific Diversity, Equity and Inclusion (DE&I) interventions, although these may be starting to make some inroads. Also, due to the fluctuating nature of elements of our reward scheme, and the nature of the calculation method, this can have a variable impact on our gender pay gap. A number of factors have affected the overall change and we believe these will continue to impact the calculations going forward. Nevertheless, we are committed to maintaining focus on our gender pay to ensure we continue to improve and will maintain focus on the trends year on year. Our research has identified that our gender pay gap is driven primarily by 3 factors.

1.

The lower representation of women within senior levels of the business

Traditionally, our sector has attracted more men than women overall. While particular business areas within WG&S are more gender balanced, there is room for improvement.

2.

The nature of our Reward environment

- This has affected the hourly gender pay gap calculation and the bonus pay gap calculation for WG&S overall in the UK in 2021.
- Due to the fluctuating nature of elements of our reward scheme and the nature of the calculation method, there is no like for like comparison each year. This will not be peculiar to us as an organisation.
- Payment of bonus is usually linked to individual and company performance. Bonus amount is variable and will fluctuate from year to year. The bonus rules and opportunity to participate is consistent and is applied equally to both men and women. Due to the pandemic, the usual Annual Performance Bonus was not paid in 2021.

3.

The impact of shift working within our operational business (e.g. our distilleries and our manufacturing employees in Scotland).

- The payment of shift allowance has an impact on the overall hourly gender pay gap.
- Shift allowances paid suggest that more men are working more shifts and therefore receiving additional pay to reflect additional shift working.
- This figure will vary each year as the amount of shift work will change monthly depending on business needs/volume/demand/availability of shifts etc.
- Having looked into this further, the opportunity and take up of shift payments is balanced and in keeping with the demographics of the site. We do not believe there is an inequality in shift opportunity.

WILLIAM GRANT & SONS: UK GENDER PAY GAP

HOW ARE WE GOING TO IMPROVE OUR GENDER PAY GAP?

As a family-owned business we believe in doing things the right way and for the long-term. It is because of this commitment that we have gone beyond our legal requirements to show complete transparency. We have committed to publishing our figures for all William Grant & Sons employees in the UK, not just those entities with more than 250 employees.

During 2021, DE&I has remained a key priority within the business and we have implemented a number of interventions to support this. We currently have three DE&I Executive Board Sponsors and are supported by a global DE&I Steering Group and five DE&I networks: Gender Balance, Agile Working, Race & Ethnicity, Mental Wellbeing and Identity. These DE&I activities will take time to embed culturally and to significantly affect our gender pay gap calculations. We believe this will be linked to longer term change and will remain a key focus for WG&S globally.

DECLARATION

I confirm that the information reported is accurate,
as at the snapshot date of 5 April 2021.



Kerry Christie, Chief People Officer

March 2022



APPENDIX

(COMPARISON OF 2021 FIGURES V 2020/2019/2018/2017 FIGURES)

Hourly Gender Pay Gap	All WG&S employees in the UK					WG&S Distillers Limited				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Mean Pay Gap	8.6%	11.1%	14.9%	15.5%	14.3%	11.6%	11.8%	12.4%	15.2%	17.1%
Median Pay Gap	7.8%	7.1%	10.2%	10.9%	14.8%	9.0%	9.0%	7.9%	8.7%	10.5%

Bonus Gender Pay Gap	All WG&S employees in the UK					WG&S Distillers Limited				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Mean Pay Gap	6.0%	41.7%	47.6%	43.5%	33.8%	13.6%	39.0%	38.0%	33.3%	39.6%
Median Pay Gap	7.5	3.4%	-1.2%	6.9%	10.0%	0.0%	0.0%	7.8%	10.2%	5.8%

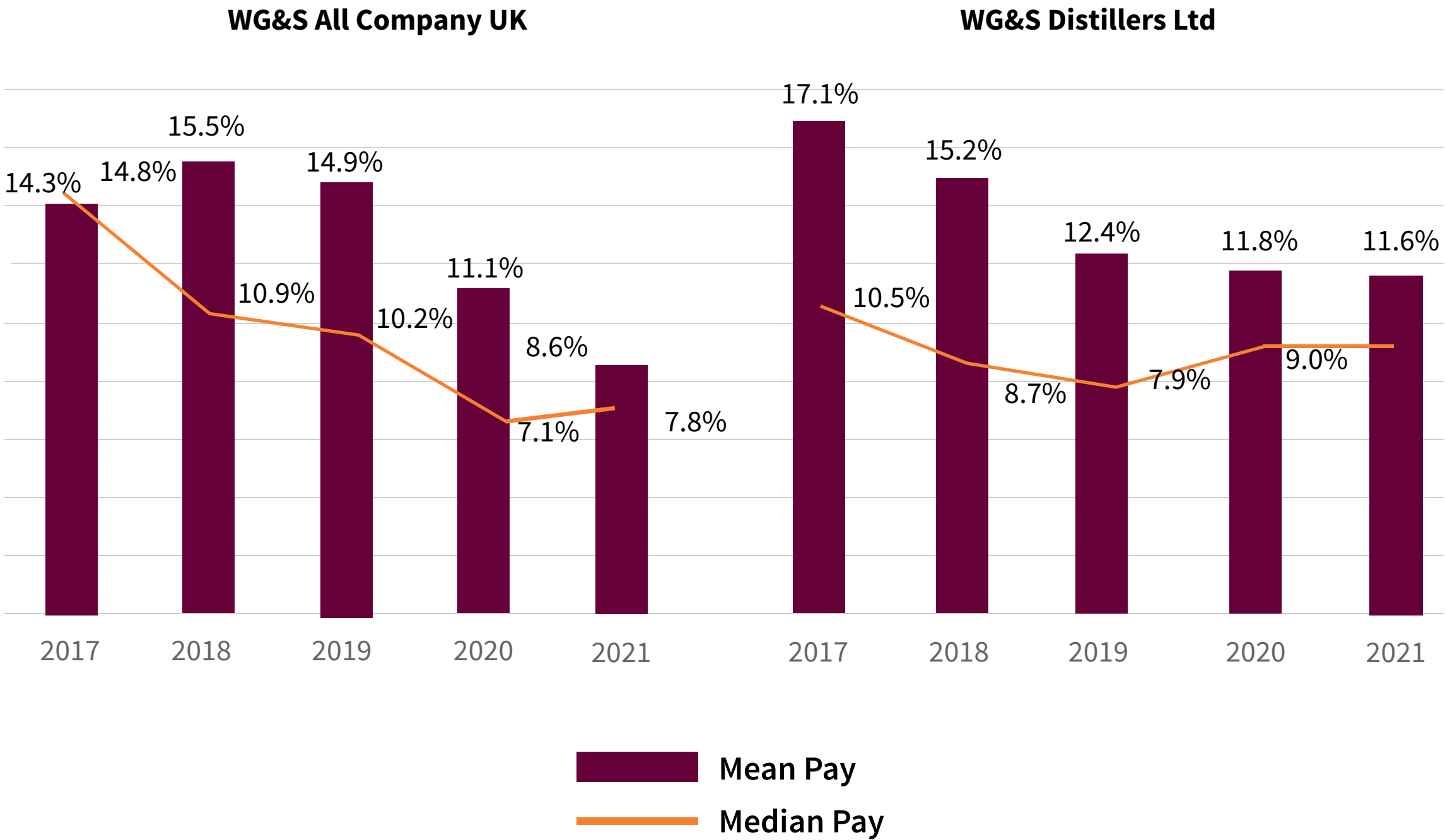
Proportion Receiving Bonus/ Spirit of 2020 Award	All WG&S employees in the UK					WG&S Distillers Limited				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Female	92.6%	70.5%	96.6%	93.7%	89.6%	98.1%	95.7%	98.7%	94.9%	90.2%
Male	96.3%	83.1%	95.7%	92.3%	93.6%	99.0%	96.3%	98.0%	93.9%	95.1%



APPENDIX

GENDER PAY – HOURLY PAY GAP AND BONUS PAY GAP – TRENDS 2017-2021

WG&S All Company UK and WG&S Distillers Ltd
Mean and Median **Hourly** Gender Pay Gap Trend 2017-2021



WG&S All Company UK and WG&S Distillers Ltd
Mean and Median **Bonus** Gender Pay Gap Trend 2017-2021

