

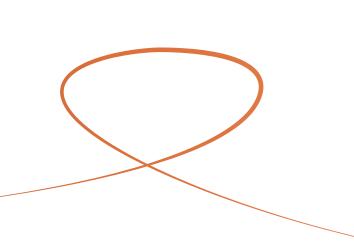
# WILLIAM GRANT & SONS

# UK GENDER PAY GAP

(AS AT 5 APRIL 2022)

## UK GENDER PAY GAP: OVERVIEW

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





### WHAT IS THE GENDER PAY GAP?

There is often confusion that the gender pay gap 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 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.

You can read our 2021 Gender Pay Gap Report on our website, please <u>click here</u>

# WILLIAM GRANT & SONS DISTILLERS LIMITED: THE FIGURES

### GENDER PAY GAP: THE FIGURES

At 9.1%, our median hourly pay gap is significantly lower than the national gender pay gap, which was 14.9%\* at the time of publication. See the following pages for a comparison with 2019 to 2021 gender gap data and an explanation of the changes.

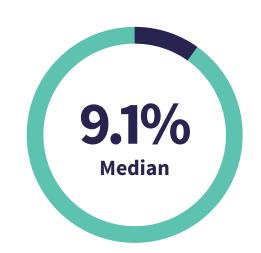
These calculations are based on basic salary, bonus payments and allowance (e.g. car and shift) paid at a snapshot date, April 2022. It does not include overtime, expenses or benefits in kind.

\*Office for National Statistics – October 2022

### A TO Z DEFINITION

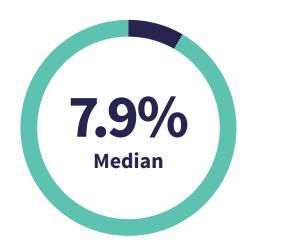
The law requires us to use the terms 'mean' and 'median'. In simple terms, mean is the average and median is the mid-point of a set of numbers.







### Bonus gender pay gap

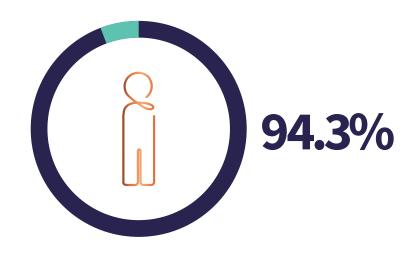




<sup>\*</sup>The reason why the proportion of employees receiving bonus is less than 100% relates to the date the employee starts with the business. Our performance year runs from 1 January to 31 December and employees must be employed by 1 October of the relevant performance year to receive a bonus 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. See page 4, 'Why Do We Have a Gender Pay Gap?', for more information.

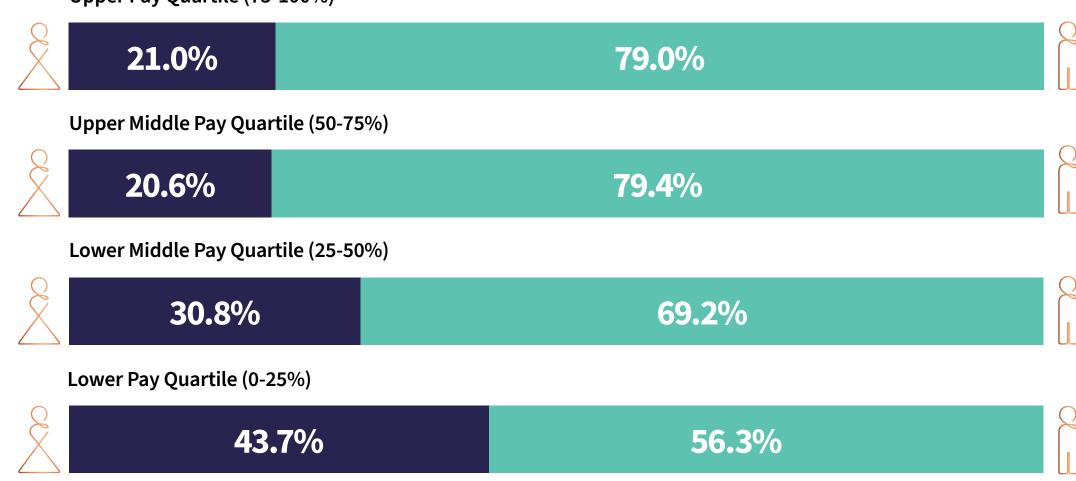
### Proportion of women and men receiving bonus\*





### Proportion of employees in each pay quartile band\*\*

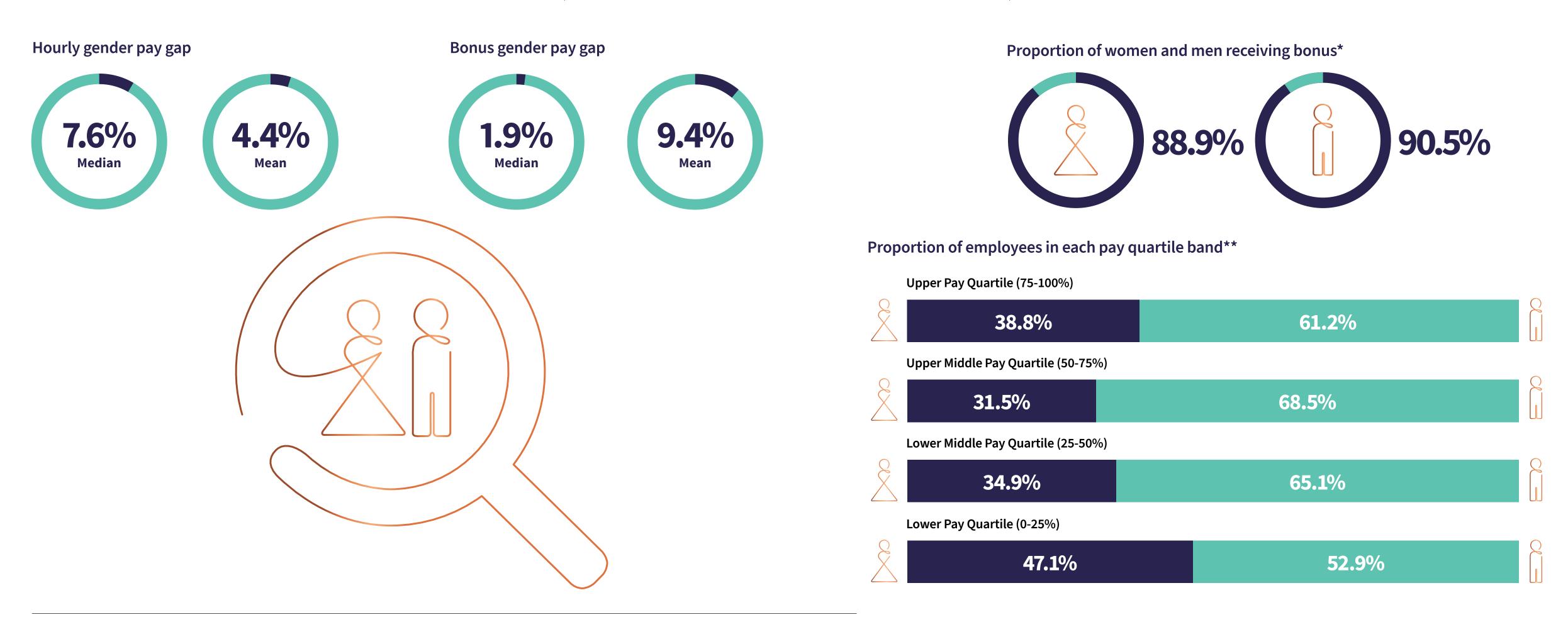
Upper Pay Quartile (75-100%)



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

# ALL WILLIAM GRANT & SONS EMPLOYEES IN THE UK

(INCLUDING WILLIAM GRANT & SONS DISTILLERS LIMITED)



<sup>\*</sup>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. See page 4, 'Why Do We Have a Gender Pay Gap?', for more information.

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# WILLIAM GRANT & SONS: UK GENDER PAY GAP

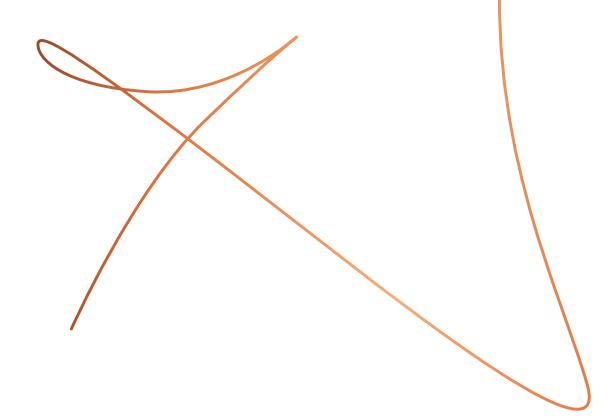
### WHY DO WE HAVE A GENDER PAY GAP?

Our combined UK hourly gender mean pay gap for everyone who works in the UK is 4.4% – the lowest since our first published figures in 2017. And while we are pleased it has gone down from 8.7% in 2021, and is a lot lower than the national average, we know there is still work to be done to reduce it.

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. This is reflected in improvements in our DE&I scores in our annual employee engagement survey.

Also, recent changes to our reward scheme and the nature of the calculation method can also 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 in the future.

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 three 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 2022.
- Each year, payment of bonus is usually linked to individual and Company performance. As such, the calculations often change and means there is not a like-for-like comparison. This is not unique to us as a Company.
- The bonus rules and opportunity to participate is consistent and is applied equally to both men and women.

3

# The impact of shift working within our operational business (e.g. our distilleries and 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?

During 2022, Diversity, Equity and Inclusion (DE&I) remained a key priority. One of the Company's values is Embrace Difference and this value recognises that DE&I is at the heart of everything the Company does, and that embracing people's differences makes the business stronger.

Progress is supported by three DE&I Executive Board Sponsors, a global DE&I Steering Group, seven established employee networks and the actions of all colleagues. The employee networks cover the following areas: Gender Balance, Wellbeing, Rainbow Alliance (LGBTQ+), Race & Ethnicity, Neurodiversity, Supporting all Abilities and Parents and Caregivers.

We offer female leaders a specific development programme, while our Gender Balance Network gives people a safe space to share ideas and discuss their development.

Our Thrive programme, a series of workshops,

helps colleagues understand what Diversity, Equity and Inclusion really means, what barriers can get in the way of creating a truly inclusive workplace, and how they can help to pull down those barriers.

We also worked with our DE&I employee networks to develop our first global Menopause Policy, which promotes an open, inclusive and supportive work environment for all employees. This year, we are redesigning our recruitment training for managers to help them to drive inclusive recruitment and make the fairest hiring decisions possible.

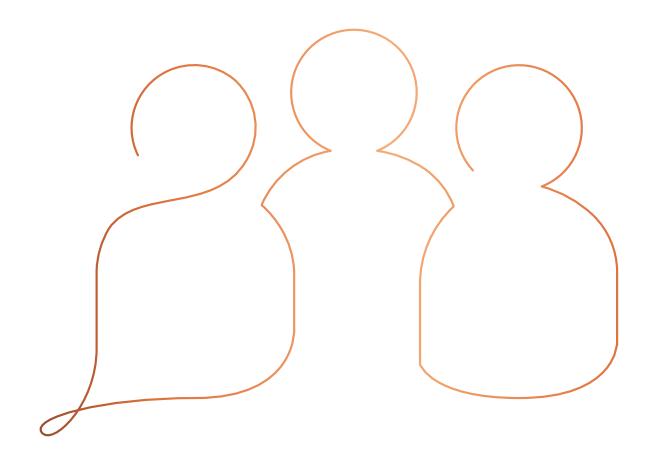
The Company is focused on the long term, and we are confident that our ongoing action in this area will lead to improvement in gender pay gap calculations.

### **DECLARATION**

I confirm that the information reported is accurate, as at the snapshot date of 5 April 2022.

Donna Malone, Chief People Officer

March 2023



# APPENDIX

### (COMPARISON OF 2022 FIGURES V 2021/2020/2019)

Hourly Gender Pay Gap		All WG&S empl	oyees in the UK		WG&S Distillers Limited				
	2022	2021	2020	2019	2022	2021	2020	2019	
Mean Pay Gap	4.4%	8.7%	11.1%	14.9%	9.8%	10.1%	11.8%	12.4%	
Median Pay Gap	7.6%	7.4%	7.1%	10.2%	9.1%	8.1%	9.0%	7.9%	

Bonus Gender Pay Gap		All WG&S emplo	yees in the UK		WG&S Distillers Limited				
	2022	2021	2020	2019	2022	2021	2020	2019	
Mean Pay Gap	9.4%	24.8%	41.7%	47.6%	16.5%	30.5%	39.0%	38.0%	
Median Pay Gap	1.9%	7.3%	3.4%	-1.2%	7.9%	0.0%	0.0%	7.8%	

Proportion Receiving Bonus		All WG&S emplo	oyees in the UK		WG&S Distillers Limited				
	2022	2021	2020	2019	2022	2021	2020	2019	
Female	88.9%	93.8%	70.5%	96.6%	94.8%	98.1%	95.7%	98.7%	
Male	90.5%	97.5%	83.1%	95.7%	94.3%	99.3%	96.3%	98.0%	

# APPENDIX

### (COMPARISON OF 2022 FIGURES V 2021/2020/2019)

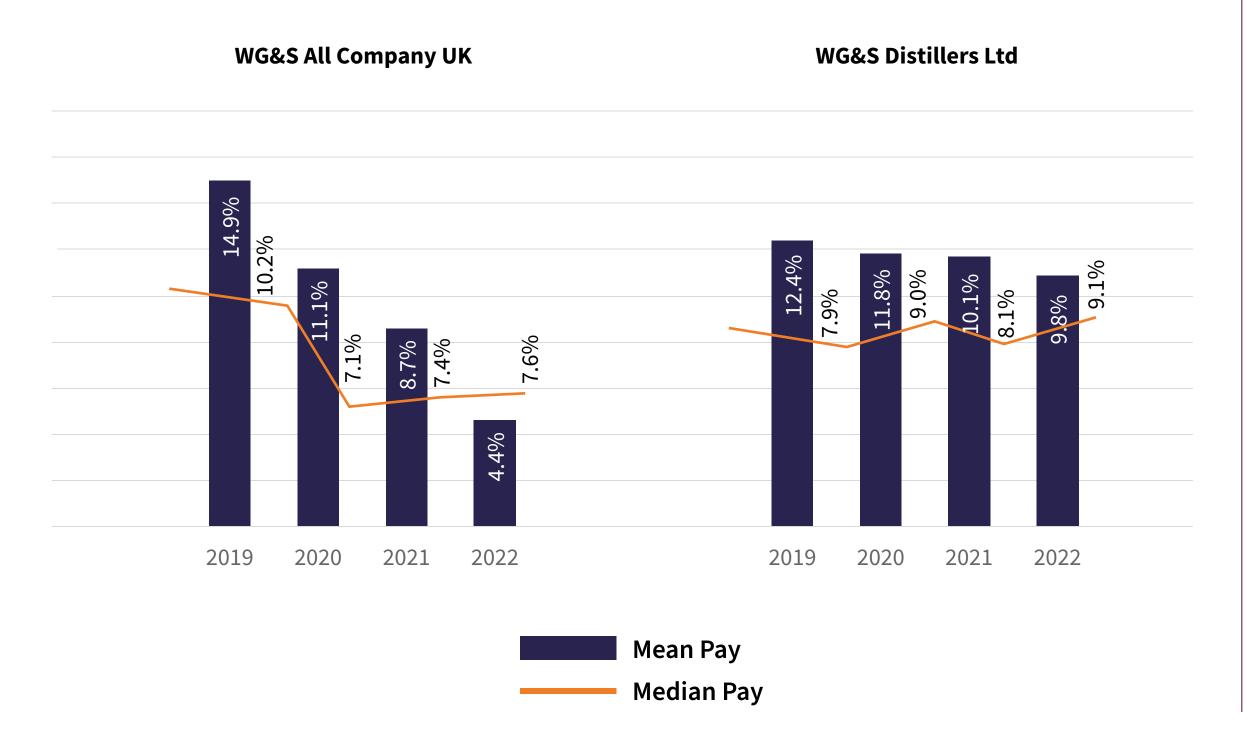
	All WG&S employees in the UK								
Proportion by Quartile	2022		2021		2020		2019		
	Female	Male	Female	Male	Female	Male	Female	Male	
Upper Pay Quartile (75-100%)	38.8%	61.2%	35.5%	64.5%	38.3%	61.7%	32.4%	67.6%	
Upper Middle Pay Quartile (50-75%)	31.5%	68.5%	34.8%	65.2%	32.3%	67.7%	32.4%	67.6%	
Lower Middle Pay Quartile (25-50%)	34.9%	65.1%	36.0%	64.0%	36.5%	63.5%	35.9%	64.1%	
Lower Pay Quartile (0-25%)	47.1%	52.9%	45.3%	54.7%	44.8%	55.2%	42.6%	57.4%	

	WG&S Distillers Ltd								
Proportion by Quartile	2022		2021		2020		2019		
	Female	Male	Female	Male	Female	Male	Female	Male	
Upper Pay Quartile (75-100%)	21.0%	79.0%	20.8%	79.2%	24.5%	75.5%	20.4%	79.6%	
Upper Middle Pay Quartile (50-75%)	20.6%	79.4%	21.6%	78.4%	20.4%	79.6%	24.6%	75.4%	
Lower Middle Pay Quartile (25-50%)	30.8%	69.2%	34.3%	65.7%	31.8%	68.2%	32.2%	67.8%	
Lower Pay Quartile (0-25%)	43.7%	56.3%	37.7%	62.3%	39.0%	61.0%	38.6%	61.4%	

# APPENDIX

### GENDER PAY - HOURLY PAY GAP AND BONUS PAY GAP - TRENDS 2019-2022

### WG&S All Company UK and WG&S Distillers Ltd Mean and Median **Hourly** Gender Pay Gap Trend 2019-2022



### WG&S All Company UK and WG&S Distillers Ltd Mean and Median **Bonus** Gender Pay Gap Trend 2019-2022

