



INDEPENDENT FAMILY
DISTILLERS SINCE 1887

WILLIAM GRANT
& SONS

UK GENDER PAY GAP

(AS AT 5 APRIL 2019)



UK GENDER PAY GAP: OVERVIEW

UK COMPANIES WITH OVER 250 STAFF 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. We have already communicated internally on our gender pay gap for 2019.

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 2018

WILLIAM GRANT & SONS DISTILLERS LIMITED: THE FIGURES

GENDER PAY GAP: THE FIGURES

At 7.9%, our median hourly pay gap is significantly lower than the national gender pay gap which is 17.3%*. This is a slight decrease of 0.8% from 2018. See the following pages for a comparison of the 2019 v 2018 and 2017 calculation and an explanation of the changes.

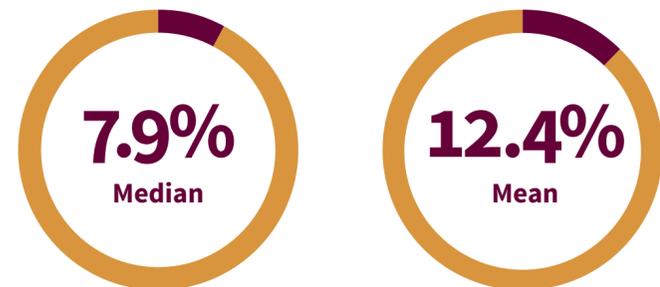
These calculations are based on basic salary, bonus payments and allowance (e.g. car and shift) paid at a snapshot date, April 2019. It does not include overtime, expenses or benefits in kind.

*Office for National Statistics – October 2019

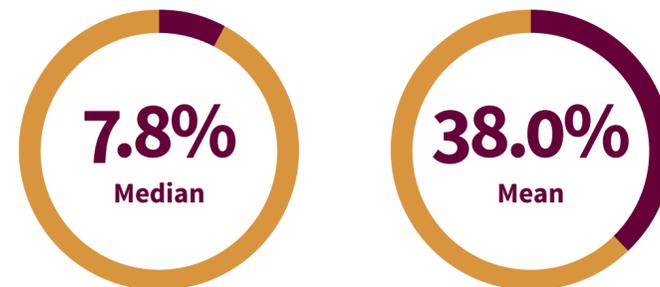
A TO Z DEFINITION

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



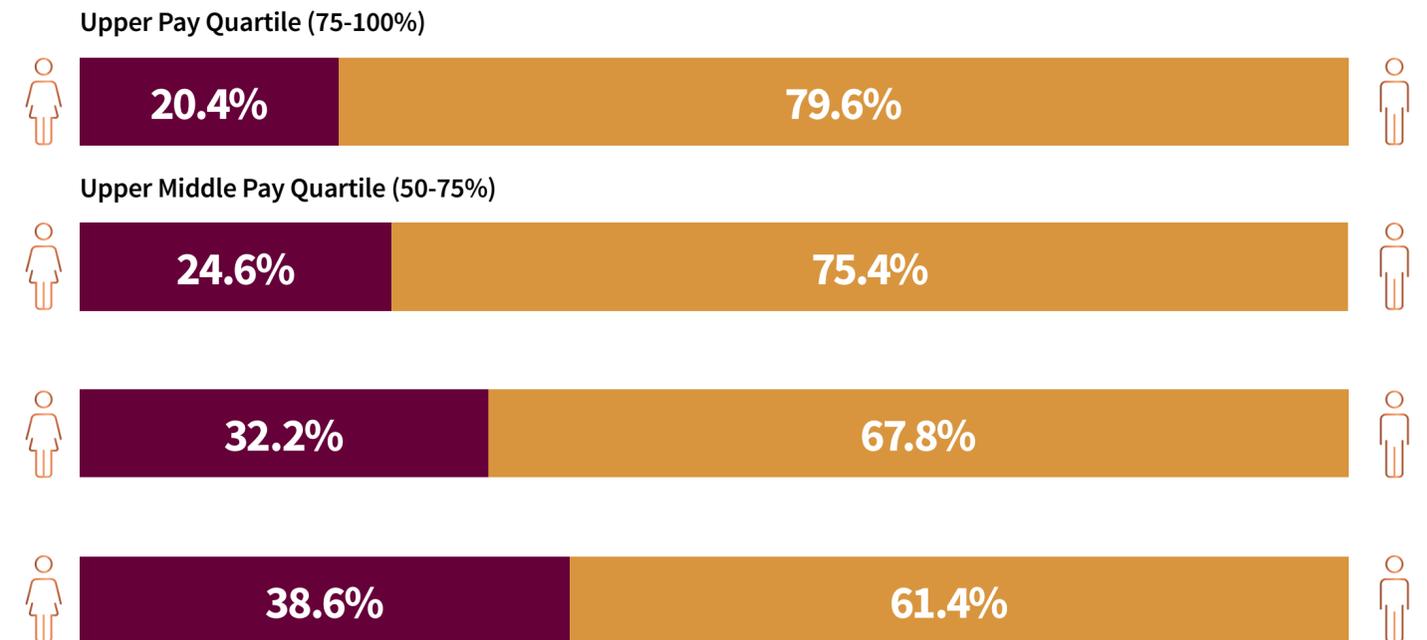
Bonus gender pay gap



Proportion of men and women receiving bonus*



Proportion of employees in each pay quartile band**



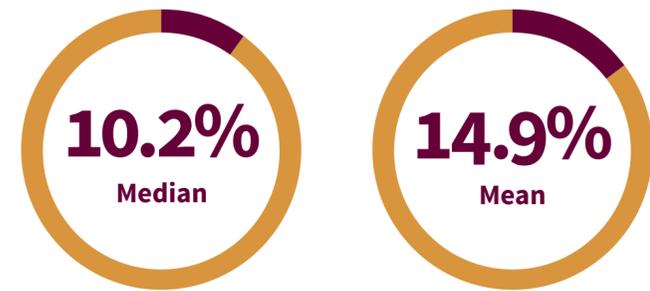
*At WG&S all employees have the opportunity to receive a bonus. The reason why the proportion of employees receiving bonus is less than 100% relates to the date the employee starts with the business. Our performance year runs from 1 January to 31 December and employees must be employed by 1 October of 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 won't be eligible for bonus.

** 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)

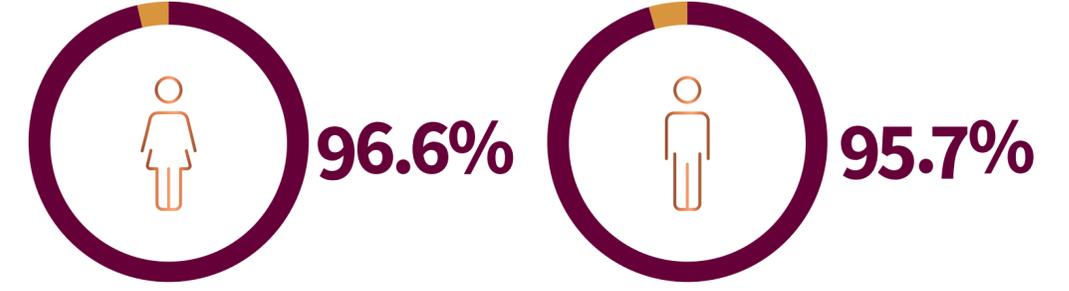
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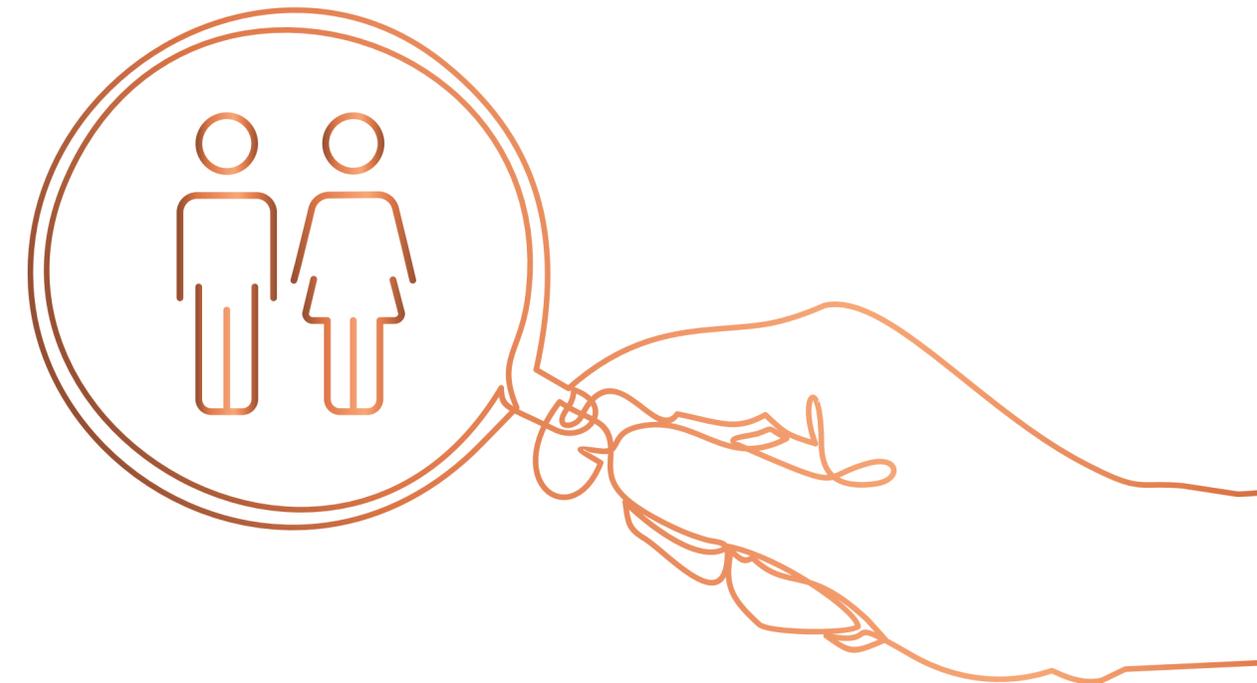
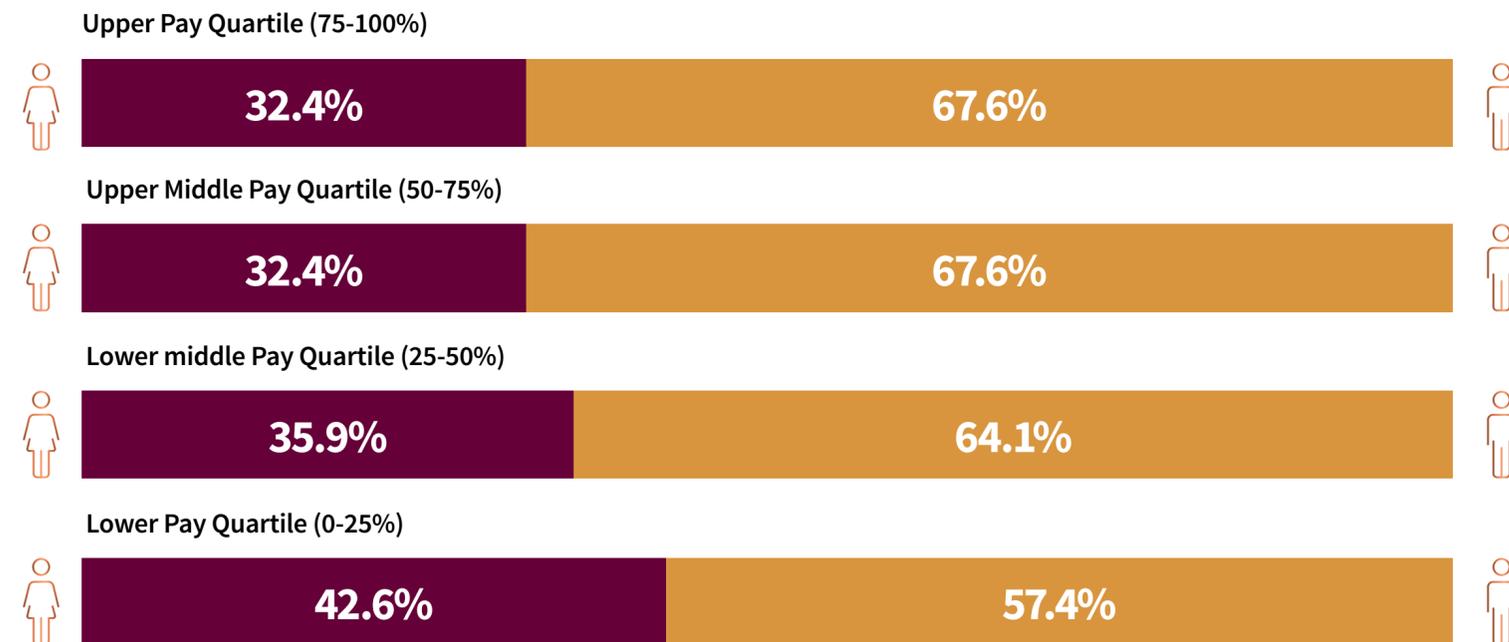
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WILLIAM GRANT & SONS: UK GENDER PAY GAP

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. We are pleased that our median gender pay gap for WG&S Distillers and also WG&S overall in the UK has decreased from 2018.

Whilst this is positive we do not believe this is solely as a direct result of our specific Diversity and Inclusion (D&I) interventions. These will take time to embed culturally and will be linked to longer term change. 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. 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. The gender composition has however changed following this 2019 analysis, with the addition of 2 females to the Executive Board.

2.

The nature of our Reward environment

- This has impacted the hourly gender pay gap calculation and the bonus pay gap calculation for WG&S overall in the UK in 2019.
- 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 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.

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 a significant 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 2019, a number of interventions were implemented to improve not just our gender pay gap but also our wider D&I agenda. One of the key activities was the set-up of a global D&I steering group to lead our D&I agenda. This included 5 sub groups: Communications Strategy, Understanding D&I, Gender Balance, Agile Working, and Mental Wellbeing and Neurodiversity, which play an important role in informing and developing our D&I strategy.

Last year we implemented a Maternity Toolkit for leaders and employees globally, as well as the launch of the Mental Wellbeing action and we conducted a review of our recruitment process (through a D&I lens). This year we have started to roll out our Agile working policy in support of the changing world of work and implemented D&I mandatory learning modules for all employees.

As we have mentioned above, our D&I interventions will take time to significantly impact our gender pay gap calculations. This 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 2019.



Simon Hunt, Chief Executive

December 2019



APPENDIX

(COMPARISON OF 2019 FIGURES V 2018/2017 FIGURES)

| Hourly Gender Pay Gap | All WG&S employees in the UK | | | | | WG&S Distillers Limited | | | | |
|-----------------------|------------------------------|-------|-------|----------------------|----------------------|-------------------------|-------|-------|----------------------|----------------------|
| | 2019 | 2018 | 2017 | Difference from 2018 | Difference from 2017 | 2019 | 2018 | 2017 | Difference from 2018 | Difference from 2017 |
| Mean Pay Gap | 14.9% | 15.5% | 14.3% | -0.6% | 0.6% | 12.4% | 15.2% | 17.1% | -2.8% | -4.7% |
| Median Pay Gap | 10.2% | 10.9% | 14.8% | -0.7% | -4.6% | 7.9% | 8.7% | 10.5% | -0.8% | -2.6% |

| Bonus Gender Pay Gap | All WG&S employees in the UK | | | | | WG&S Distillers Limited | | | | |
|----------------------|------------------------------|-------|-------|----------------------|----------------------|-------------------------|-------|-------|----------------------|----------------------|
| | 2019 | 2018 | 2017 | Difference from 2018 | Difference from 2017 | 2019 | 2018 | 2017 | Difference from 2018 | Difference from 2017 |
| Mean Pay Gap | 47.6% | 43.5% | 33.8% | 4.1% | 13.8% | 38.0% | 33.3% | 39.6% | 4.7% | -1.6% |
| Median Pay Gap | -1.2% | 6.9% | 10.0% | -8.1% | -11.2% | 7.8% | 10.2% | 5.8% | -2.4% | 2.0% |

| Proportion Receiving Bonus | All WG&S employees in the UK | | | | | WG&S Distillers Limited | | | | |
|----------------------------|------------------------------|-------|-------|----------------------|----------------------|-------------------------|-------|-------|----------------------|----------------------|
| | 2019 | 2018 | 2017 | Difference from 2018 | Difference from 2017 | 2019 | 2018 | 2017 | Difference from 2018 | Difference from 2017 |
| Female | 96.6% | 93.7% | 89.6% | 3.0% | 7.0% | 98.7% | 94.9% | 90.2% | 3.8% | 8.5% |
| Male | 95.7% | 92.3% | 93.6% | 3.4% | 2.1% | 98.0% | 93.9% | 95.1% | 4.1% | 2.9% |