



WILLIAM GRANT & SONS: UK GENDER PAY GAP

(AS AT APRIL 2017)

UK GENDER PAY GAP: OVERVIEW

New laws require UK companies with over 250 staff to report their gender pay gap by April 2018.



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 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 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 (in December 2017).

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.

WILLIAM GRANT & SONS DISTILLERS LIMITED: THE FIGURES

GENDER PAY GAP: THE FIGURES

At 10.5%, our median hourly pay gap is significantly lower than the national gender pay gap which is 18.4%* (at the time of publication).

(e.g. car and shift) paid at a snapshot date, April 2017. It does not include overtime, expenses or benefits in kind.

These calculations are based on basic salary, bonus payments and allowances

*Office for National Statistics – October 2017

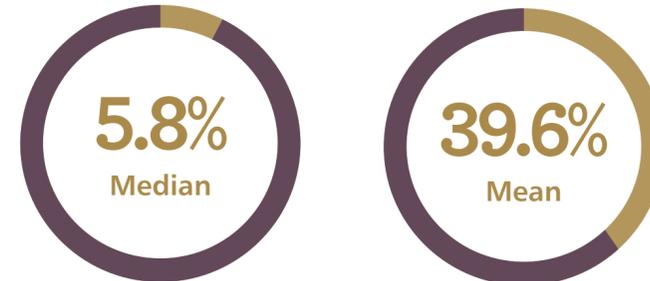
AZ DEFINITION

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.

Overall hourly gender pay gap



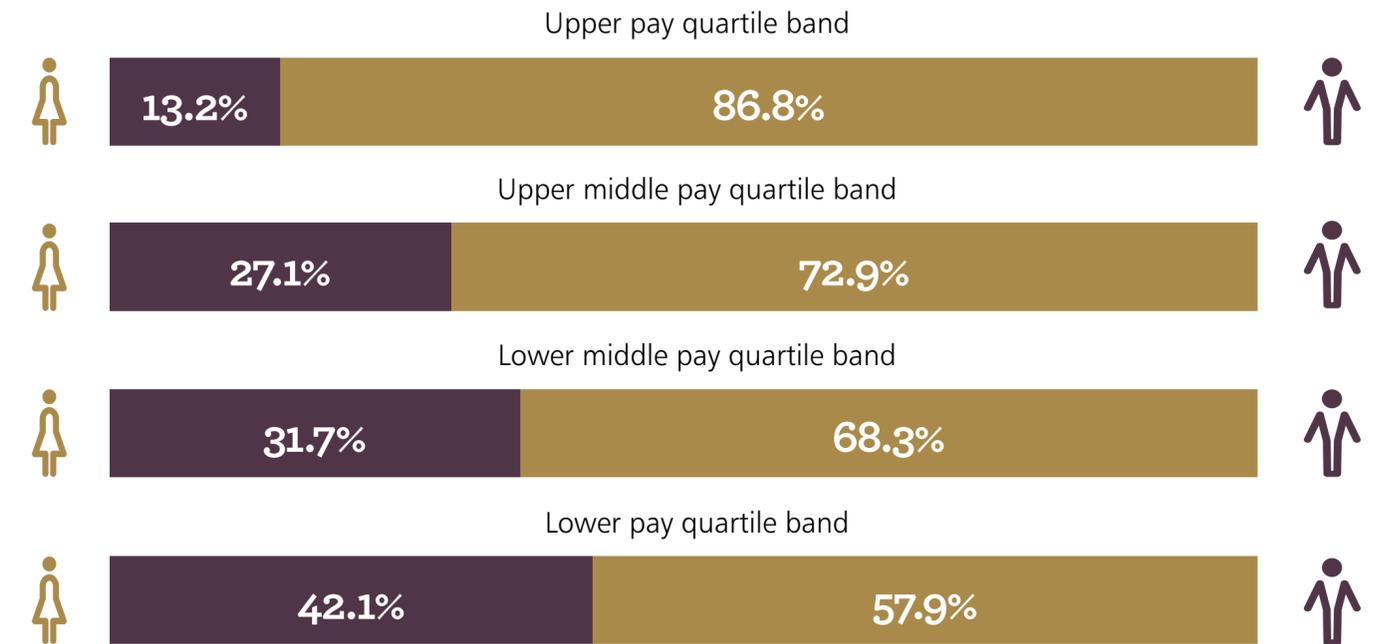
Overall bonus gender pay gap



Proportion of men and women receiving bonuses*



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 employees start 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)

Overall hourly gender pay gap



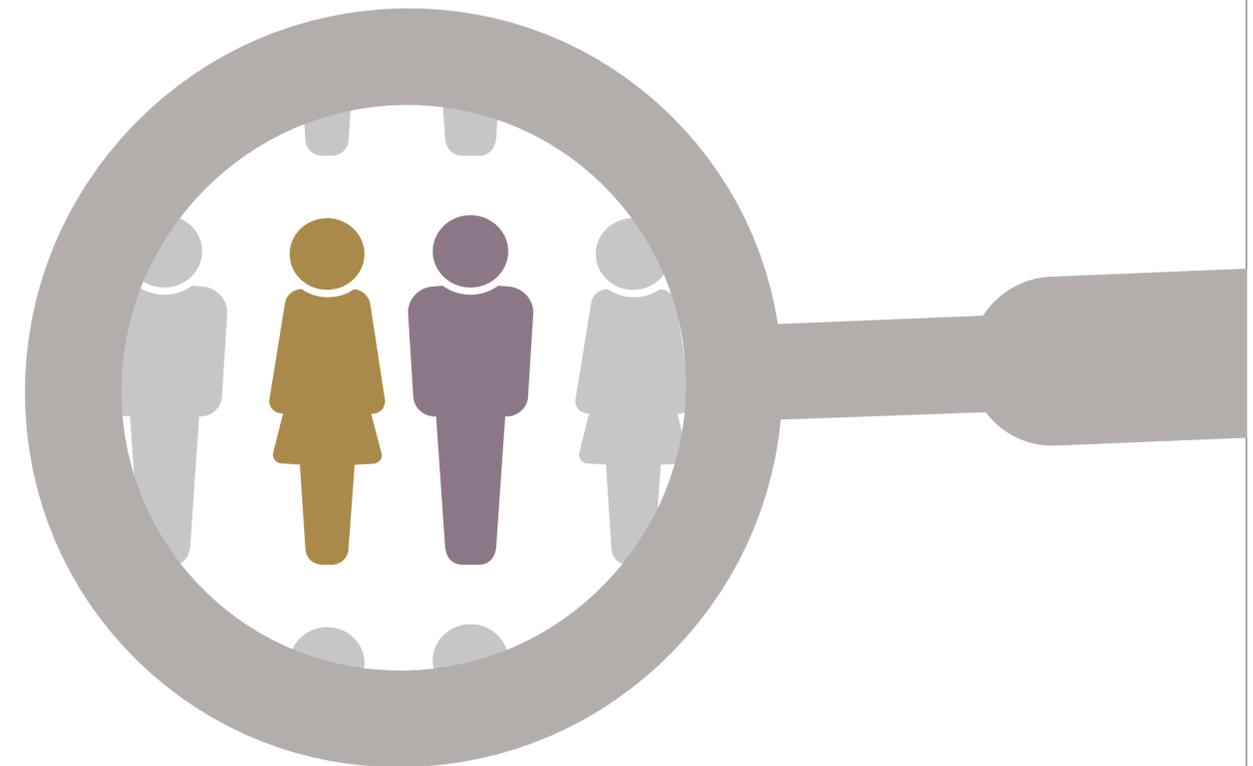
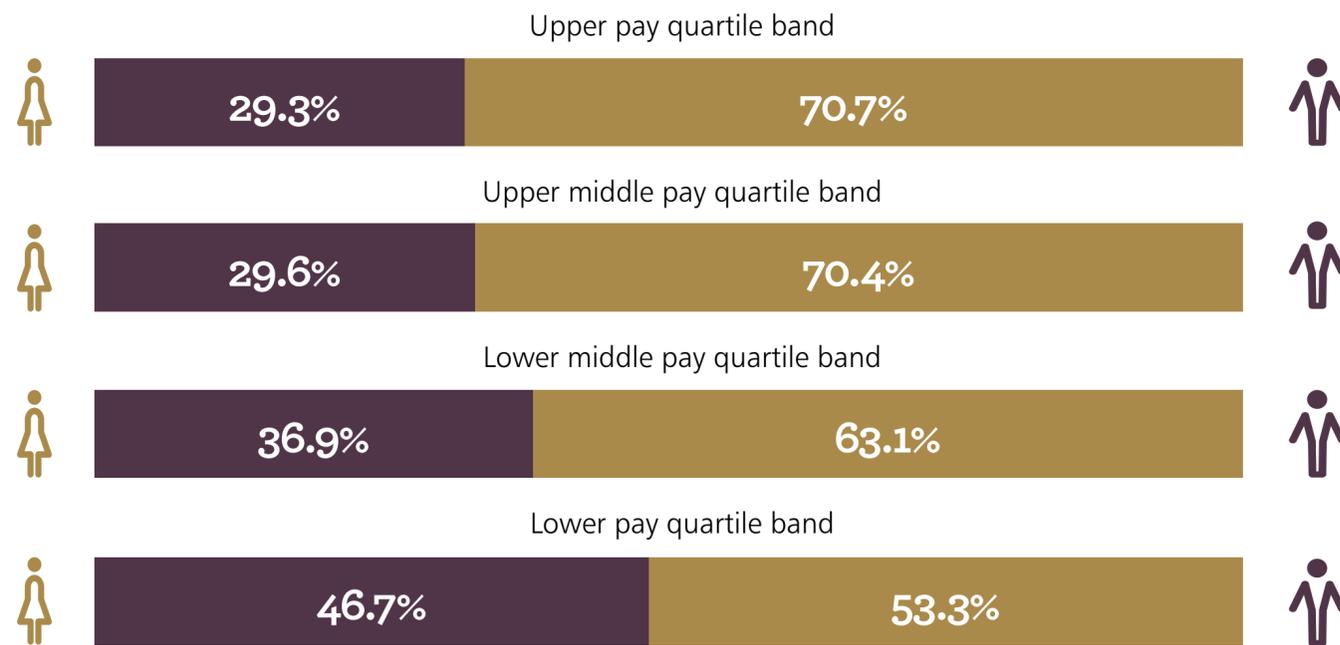
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WHY DO WE HAVE A GENDER PAY GAP?

While our gender pay gap is better than the national average, it is clear that there is still work to be done to reduce it. Our research has revealed that our gender pay gap is driven primarily by two main 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 William Grant & Sons are more gender balanced, there is room for improvement.

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 legal requirements to show complete transparency. We have taken the decision to publish figures for William Grant & Sons employees in

2

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

- Shift allowances paid suggest that more men are working more shifts and therefore receiving additional pay to

the UK, not just those entities with more than 250 employees.

We are making strides forward to improve not just our gender pay gap but our wider diversity and inclusion agenda. One of the things we're starting with is by listening to our workforce. We have recently

reflect additional/shift working.

- Within our lower grade roles, there are a number of technical roles that are currently being done by men. These attract a higher base salary than other roles at this level.
- Having looked at this, we do not believe there is an inequality in shift opportunity or the recruitment of technical roles.

launched a Diversity and Inclusion steering group made up of global representatives to lead our diversity and inclusion agenda. This will allow us to listen and increase our understanding of diversity and inclusion in the workplace. These learnings will be crucial in informing our strategy going forward.

“At William Grant & Sons, we need to ensure we have a workforce full of diverse perspectives and unique insights where differences and views are respected and where all employees are encouraged to create their own personal legacy.”

Simon Hunt, Chief Executive

DECLARATION:

I confirm that the information reported is accurate, as at the snapshot date of April 2017.



Simon Hunt, Chief Executive

March 2018