

WILLIAM GRANT & SONS: UK GENDER PAY GAP

(AS AT 5 APRIL 2018)

UK GENDER PAY GAP: OVERVIEW

UK companies with more than 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 2018.

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 8.7%, our median hourly pay gap is significantly lower than the national gender pay gap which is 17.9%* (at the time of publication). Our median hourly pay gap has decreased by 1.8% from 2017. See the following pages for a comparison of the 2018 v 2017 calculations and an explanation of the changes.

These calculations are based on basic salary, bonus payments and allowances (e.g. car and shift) paid at a snapshot date, 5 April 2018. It does not include overtime, expenses or benefits in kind.

*Office for National Statistics – October 2018

A-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



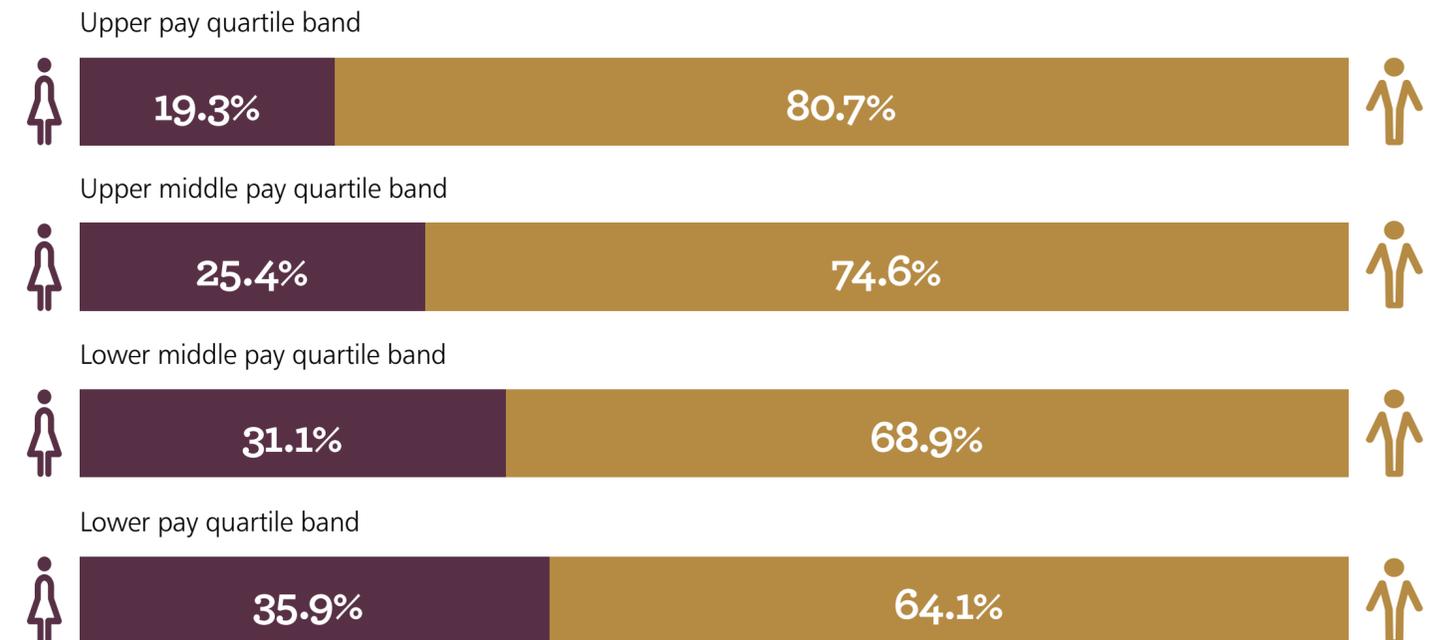
Bonus gender pay gap



Proportion of women and men receiving bonuses*



Proportion of employees in each pay quartile band**



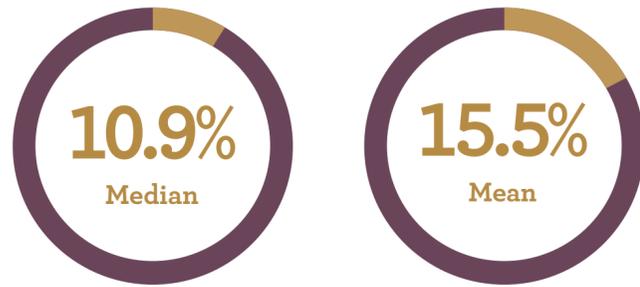
*At WG&S all employees have the opportunity to receive a bonus. The reason why the proportion of employees receiving bonus is less than 100% relates to the date the employee starts with the business. Our performance year runs from 1 January to 31 December and employees must be employed by 1 October of 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)

Hourly gender pay gap



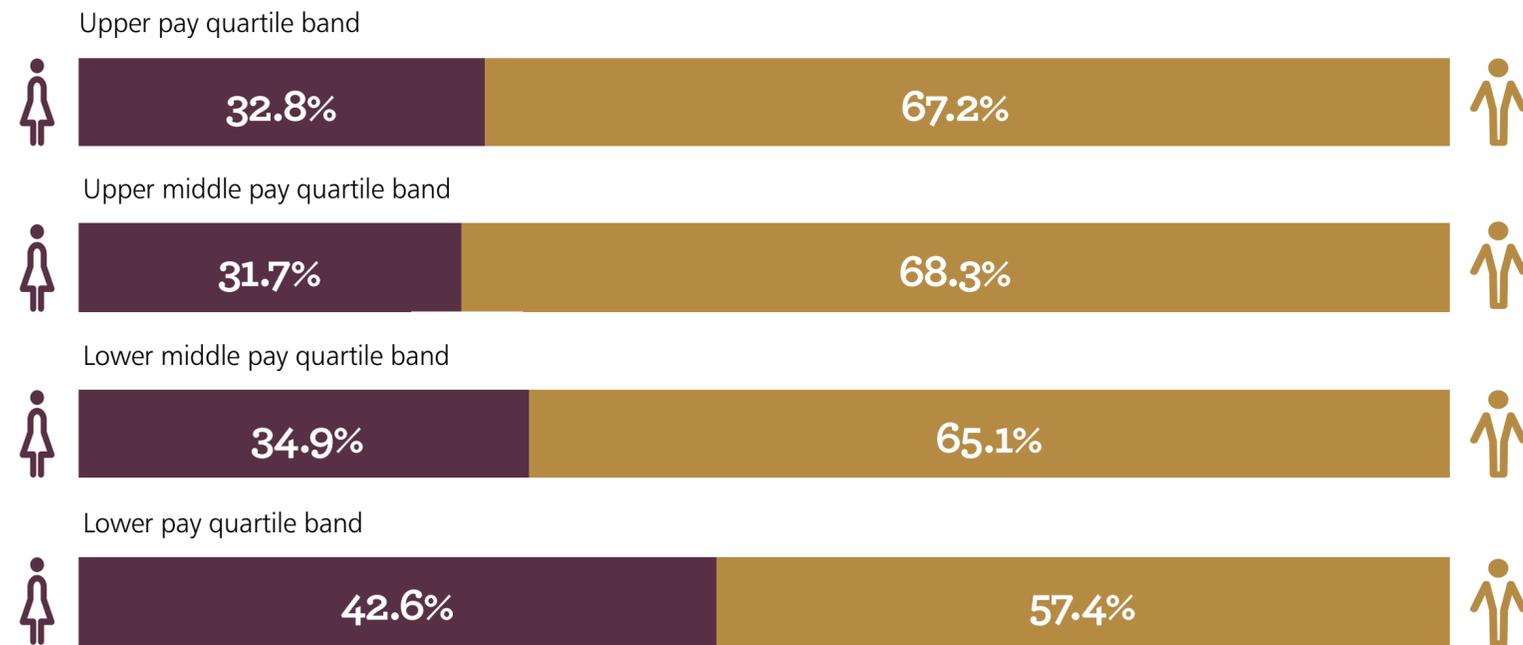
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WHY DO WE HAVE A GENDER PAY GAP?

While our gender pay gap is better than the national average, there is still work to be done to reduce it. We are pleased that our median gender pay gap for WG&S Distillers Limited and also WG&S overall in the UK has decreased from 2017. Whilst this is positive, we do not believe this is 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. A number of factors have affected the overall change and we believe these will continue to impact the calculations going forward. 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 impacted the hourly gender pay gap calculation and the bonus pay gap calculation for WG&S overall in the UK in 2018.
- 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.

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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 2018, a number of interventions have been implemented to improve not just our gender pay gap but across our wider D&I agenda. One of the key activities has been the setting up of a global D&I steering group to lead our D&I agenda. As part of this, we have created 5 sub groups: Communications Strategy, Understanding D&I, Gender Balance, Agile Working and Mental Wellbeing and Neurodiversity. These groups play an important role in informing and developing our D&I strategy.

For example, we have recently developed a Maternity Toolkit for leaders and employees globally to provide appropriate support to leaders and employees throughout the maternity journey (including maternity coaching). Our Mental Wellbeing Group launched its action plan on World Mental Health Day with a three step aim of "Talk, Train and Take Action" (which includes the development of 100+ Mental Wellbeing Champions across a number of our global sites). We have been reviewing our recruitment process (particularly through a D&I lens) to ensure we are attracting a diverse range of candidates.

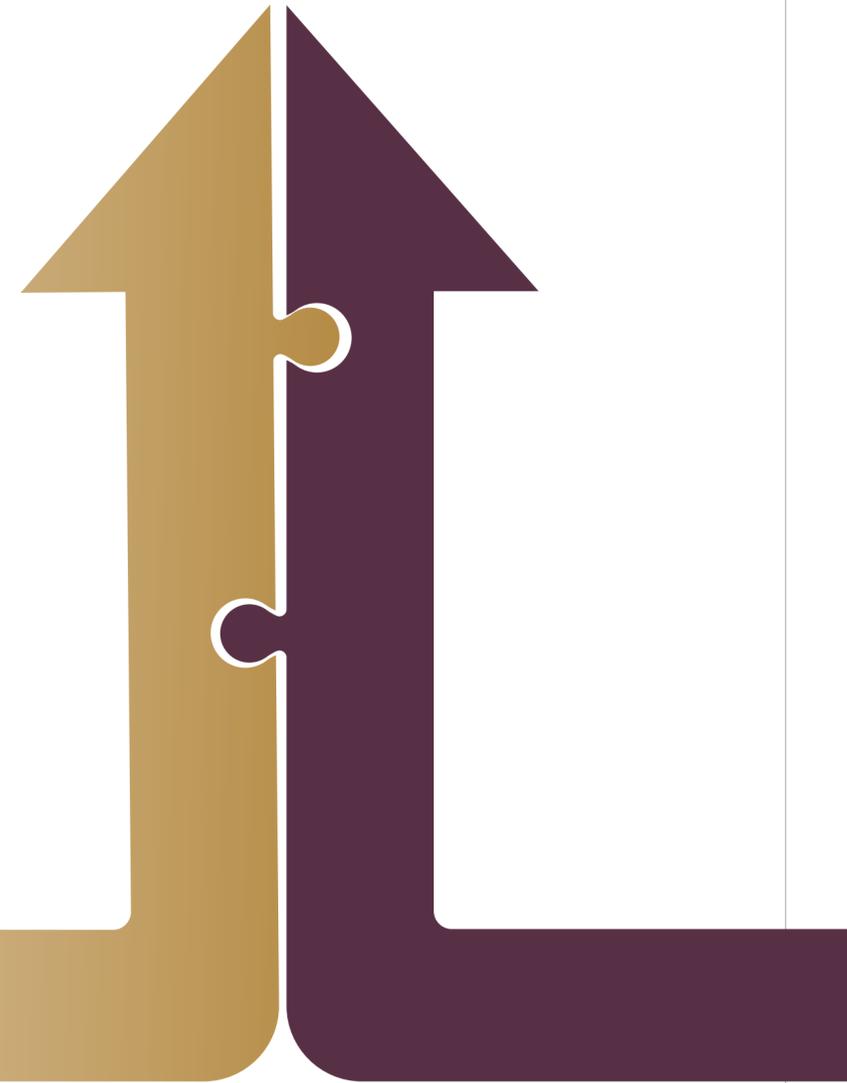
As we have mentioned above, these interventions will take time to significantly impact our gender pay gap calculations. This will remain a key focus for WG&S globally.

DECLARATION

I confirm that the information reported is accurate, as at the snapshot date of 5 April 2018.



Simon Hunt, Chief Executive
December 2018



APPENDIX

(Comparison of 2018 figures v 2017 figures)

Hourly Gender Pay Gap	All WG&S employees in the UK			WG&S Distillers Limited		
	2018	2017	Difference	2018	2017	Difference
Mean Pay Gap	15.5%	14.3%	1.2%	15.2%	17.1%	-1.9%
Median Pay Gap	10.9%	14.8%	-3.9%	8.7%	10.5%	-1.8%

Bonus Gender Pay Gap	All WG&S employees in the UK			WG&S Distillers Limited		
	2018	2017	Difference	2018	2017	Difference
Mean Pay Gap	43.5%	33.8%	9.7%	33.3%	39.6%	-6.3%
Median Pay Gap	6.9%	10.0%	-3.1%	10.2%	5.8%	4.4%

Proportion Receiving Bonuses	All WG&S employees in the UK			WG&S Distillers Limited		
	2018	2017	Difference	2018	2017	Difference
Female	93.7%	89.6%	4.1%	94.9%	90.2%	4.7%
Male	92.3%	93.6%	-1.3%	93.9%	95.1%	-1.2%

Proportion By Quartiles	All WG&S employees in the UK					
	2018		2017		Difference	
	Female	Male	Female	Male	Female	Male
Upper pay quartile	32.8%	67.2%	29.3%	70.7%	3.5%	-3.5%
Upper middle pay quartile	31.7%	68.3%	29.6%	70.4%	2.1%	-2.1%
Lower middle pay quartile	34.9%	65.1%	36.9%	63.1%	-2.0%	2.0%
Lower pay quartile	42.6%	57.4%	46.7%	53.3%	-4.1%	4.1%

Proportion By Quartiles	WG&S Distillers Limited					
	2018		2017		Difference	
	Female	Male	Female	Male	Female	Male
Upper pay quartile	19.3%	80.7%	13.2%	86.8%	6.1%	-6.1%
Upper middle pay quartile	25.4%	74.6%	27.1%	72.9%	-1.7%	1.7%
Lower middle pay quartile	31.1%	68.9%	31.7%	68.3%	-0.6%	0.6%
Lower pay quartile	35.9%	64.1%	42.1%	57.9%	-6.2%	6.2%

 [PLEASE CLICK HERE TO ACCESS OUR GENDER PAY GAP REPORT FOR 2017](#)