



EDRINGTON

**Gender Pay Gap**  
Report **2022**



Our aim is to cultivate an inclusive environment that celebrates diversity of thinking - one where all our people feel they are welcomed, valued, able to make meaningful contributions and be their full authentic self.

We have reached our sixth year of reporting the Edrington gender pay gap, which focuses on the differences in pay and bonus between women and men working in our UK businesses. In this report, we look at the ongoing and sustained progress we have made on our actions to continue to narrow the gap and also confirm the 2022 gender pay results.

Our 2022 mean gender pay gap of 8.0% represents a decrease of 4.9% points (2021: 12.9%) and the median pay gap of 4.6% a decrease of 5.1% points (2021: 9.7%) compared to the figures we reported for 2021.

These results represent great progress and are a sign that our action plan is working. We explain the results in more detail later in the report.

#### **Welcome to our Edrington UK team**

We know our employee demographic changes year on year and we will see fluctuations in our gender pay figures from one year to the next. In May 2021, we

announced that we reached an agreement to assume full ownership of Edrington-Beam Suntory, which was granted regulatory approval on 2 August 2021. The acquisition of this business, known as Edrington UK, means we include a further c.210 employees for the first time in our 2022 Gender Pay report. We are excited to include Edrington UK in our diversity, equity, and inclusion (DE&I) journey, as we maintain our focus on long-term sustainable change designed to close the gender pay gap.

#### **Sustained progress to narrow the gap**

We continue to focus and report our progress against our programme of actions, which are having a positive impact on narrowing the pay gap and supporting a diverse, equitable and inclusive working environment at Edrington.

#### **Attract and recruit more female candidates**

Our recruitment strategy is to attract greater numbers of female candidates without sacrificing our belief in

appointing the best candidate for the role. Throughout 2022 we have made good progress to achieve greater inclusion, with females being appointed to 48% of our open roles, a considerable increase from 38% the year before.

#### **Strengthen our pipeline of future leaders**

We continue to focus on our talent pipeline and development of future leaders through our leadership programmes, as well as secondments and stretch opportunities. We committed to 33% female representation in our senior leadership team (defined as grade 19+) by 2022. In April 2022, at the start of our 22/23 performance year, 37% of our senior leadership team were women, an increase of 10% in the course of the 3 years from 2019. We realise we have to go further than this, and we continue to set ambitious targets to increase the gender diversity of our senior leadership team.



### More support for parents

Our progressive Modern Family Leave (MFL) policy was implemented globally in 2020 and enables all new parents to take 26 weeks' fully paid leave. To date, over 166 instances of MFL have been taken, which has not only helped support new parents in Edrington, but has also created new career and secondment opportunities for others. As hoped, this inclusive policy has also encouraged our male employees to take more time off as they start or grow their families.

### Flexibility at work

During 2021, we were pleased to launch our global hybrid ways of working policy. The policy reinforces our commitment to creating an equitable, and inclusive working environment, regardless of geographic location, and introduced the option for office-based employees to work remotely up to 50% of their time over a month. In 2022, we surveyed our people to understand their thoughts on our hybrid working approach and how it's working for them, with almost 1000 respondees taking time to provide their feedback. It's clear our hybrid ways of working have embedded well and are working for the majority of employees.

Our policy ensures everyone can continue to connect and build relationships in person, by coming into the office, and also choose how best to structure working time to suit their individual needs. We know this blended way of working supports DE&I and improves employee satisfaction overall.

We also recognise that supporting our people with time away from work to care for family members is important. That's why we launched Edrington's new Global Caring Policy, developed to offer additional support to our people who have care responsibilities.

We are committed to making Edrington a place where our people can effectively combine their work with any care responsibilities they may have, whilst also maintaining their own health and wellbeing.

### Forge partnerships for business change

In 2021, we announced the introduction and launch of our DE&I strategy, championed by the newly appointed DE&I lead.

Our strategy to bring change and accelerate DE&I progress across our business focuses on three areas: culture and engagement, education and awareness and impactful intervention.

This includes the work of Balance, our global employee network, focused on helping us to achieve greater gender balance by:

- Fostering conversation and shared learning around gender diversity, equity, and inclusion.
- Identifying and developing solutions to attract, progress and retain underrepresented genders.
- Inspiring everyone to leverage their influence to constructively challenge gender bias and inequity.

External engagement is crucial if we want the Scotch Whisky industry to become more diverse, equitable and inclusive and this is why we are a committed signatory to the Scotch Whisky Association (SWA) Diversity and Inclusivity Charter.

### Giving more to education to build great careers

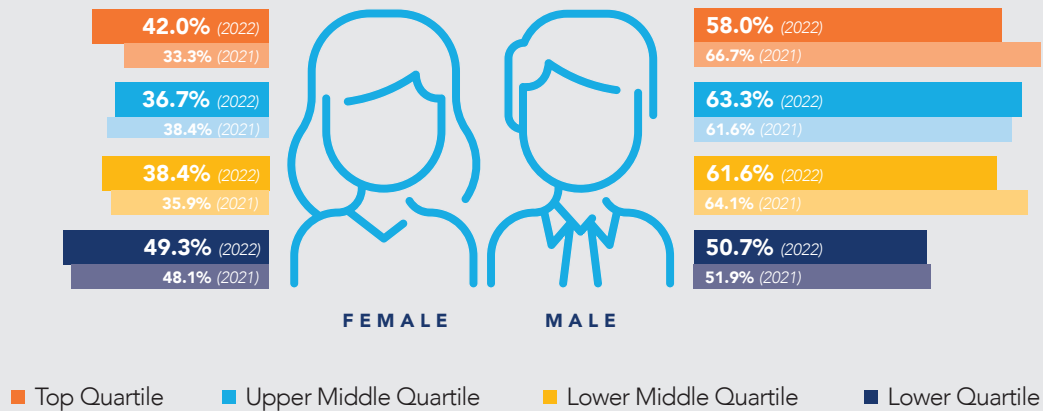
To ensure our future talent pipeline is diverse, and to strive to remove potential barriers to employment, we continue to work with partners in the education sector, as well as charities, to develop mentoring opportunities, promote careers in STEM subjects, and provide internships, apprenticeships and graduate programmes.



## UNDERSTANDING THE PAY GAP

The reduction in the mean pay gap to 8.0% in 2022 (2021:12.9%) is an ongoing reflection of the increased number of women occupying senior leadership roles. Our median gender pay gap of 4.6% (versus ONS median of 14.9%) reflects the overall continued reduction of women in the lower pay quartiles and a far greater increase in the proportion of women in the top pay quartile.

### Pay Quartiles Comparison



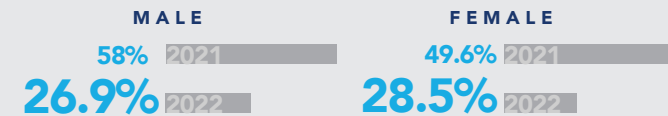
### Gender pay



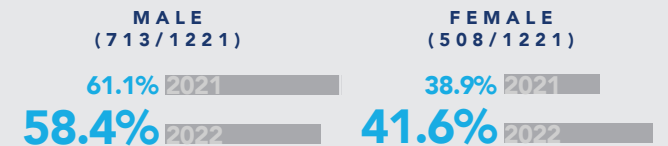
### Gender bonus



### % Receiving a bonus



### % of gender split in the business





## UNDERSTANDING THE PAY GAP

### Pay gap trends 2021 to 2022

From 2021 to 2022 the mean pay gap has reduced by 4.9% points, and the median pay gap has reduced by 5.1% points, this is a consequence of:

- An increasing number of women undertaking more senior roles (at grade 19 and above), in line with our target to have 33% of senior leadership roles undertaken by women by 2022. We exceeded this target and continue to make progress.
- Of the 20 highest paid full pay relevant employees in 2022, five were female compared to four in 2021.
- From 2021 to 2022 the overall number of employees has increased by c.270, the majority (c.210) due to Edrington UK joining us. The gender split of this population is c.70% women to c.30% men. This has also increased the number of women in our top pay quartile with a more even distribution of women to men in the top pay quartile of the Edrington UK business.
- Comparing employees that were in both the 2021 report and the 2022 report, the average full pay relevant male hourly pay increased by 10% compared to the average full pay relevant female hourly pay value which increased by 11%.

### Long term trend impacting base pay

We now have six years of data to evaluate demonstrating that the actions we have in place are closing the pay gap. The mean pay gap has narrowed by 17.5% points and the median by 5.2% points.

Over this period the business has changed in size and structure:

- The headcount has increased by 46% over the 6 years since the first report, with the proportion of women increasing from 37.2% in 2017 to 41.6% in 2022.
- We have exceeded our target to have 33% of senior leadership roles undertaken by women by 2022.
- The type of roles women are undertaking continues to change, increasing numbers of women are in professional and management roles at Edrington.

This change in both the number of women in our business, but also the types of roles they are undertaking, is resulting in the median pay gap continuing to close year on year.



## UNDERSTANDING THE PAY GAP

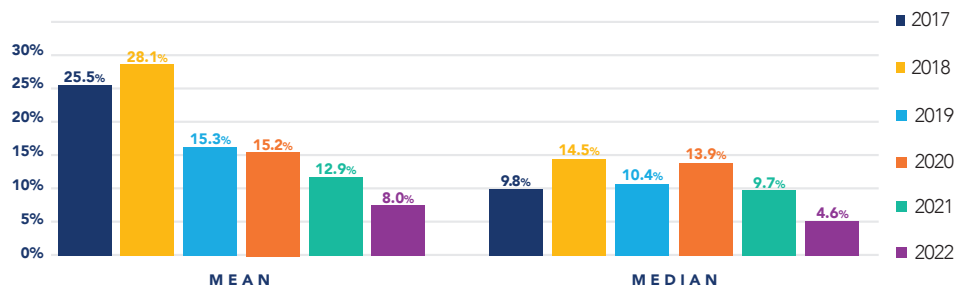
### **Bonus pay gap 2021 to 2022**

- The mean bonus gap has decreased by 28.7% points from 64.8% in 2021 to 36.1% in 2022.
- The median bonus gap has increased by 7.3% points, from -2.1% in 2021 to 9.4% in 2022.
- The 2022 reporting period was impacted by measures taken during the Covid-19 pandemic. No short-term bonuses were paid out to any eligible employee. However, our long-term incentive bonuses, an element of our most senior employees' variable pay, did pay out. This was at a reduced rate, again reflecting the measures taken during the Covid-19 pandemic. More men than women undertake the most senior roles at Edrington, this is why we continue to see a large mean pay gap and the median pay gap has swung in favour of males.
- As reported in previous years, Edrington's longstanding UK employee Share Reward scheme for all employees with six months service is not fully reflected in the bonus figures. This is because bonuses awarded in the form of free shares are only included in the definition of "bonus" if the award gives an immediate rise to an employee liability of income tax, which the Edrington Share Reward scheme does not.
- The value of Share Reward is calculated based on a combination of salary and length of service, with the value of the Share Reward capped at £3,600 (in line with HMRC guidance for employers to award employees free shares each tax year), with any additional amount awarded as a taxable cash bonus.
- This taxable cash element of Share Reward is therefore included and reported as part of bonus pay. As a result, there is a higher proportion of males receiving a relatively small cash Share Reward bonus, which reduces the male median bonus versus the female median bonus.
- We expect year on year fluctuations in the bonus gap figures. We know as we continue to take action to increase the proportion of women in leadership, and more senior roles in general, the bonus pay gap will continue to close.

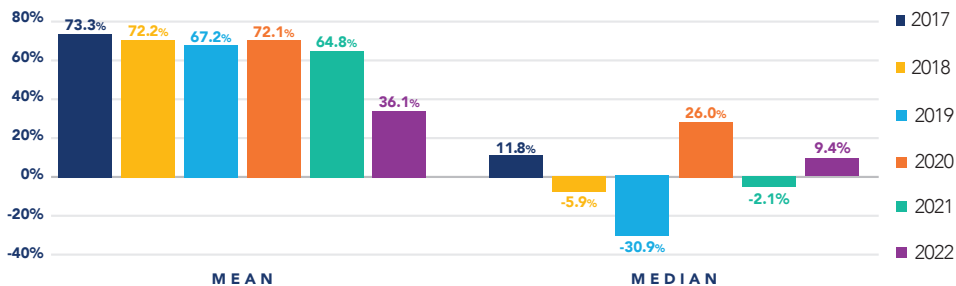


## UNDERSTANDING THE PAY GAP

Mean & Median Gender Pay Gap



Mean & Median Gender Bonus Gap



### The progress of our action plan

Six years into Gender Pay Gap reporting we see sustained progress in narrowing the gender pay gap.

When we compare the pay gap figures from April 2017 to date both the mean and the median pay gap has continued to close.

Additionally, the mean bonus gap shows a decreasing trend, which correlates with an increasing proportion of women in senior leadership roles. The median bonus pay gap continues to fluctuate. This reflects the operation of our Share Reward bonus scheme. The median bonus gap is largely subject to the number of taxable sales of share reward shares within the reporting year and so is influenced by individual share selling behaviours during the reporting year.

We continue to be encouraged by the overall narrowing trend of the pay gap measures. We know that our action plan is having the right impact and will continue to narrow the pay gap even further over time.

We are pleased our actions are having an impact on narrowing the gap and we will focus on sustaining and building on this progress.



## MEASURING THE PAY GAP

The Gender Pay Gap regulation requires companies in Great Britain with more than 250 employees to report the difference in pay between men and women, publishing a breakdown of men and women in different pay quartiles and the proportion of men and women in the company who receive bonuses as part of their total reward.

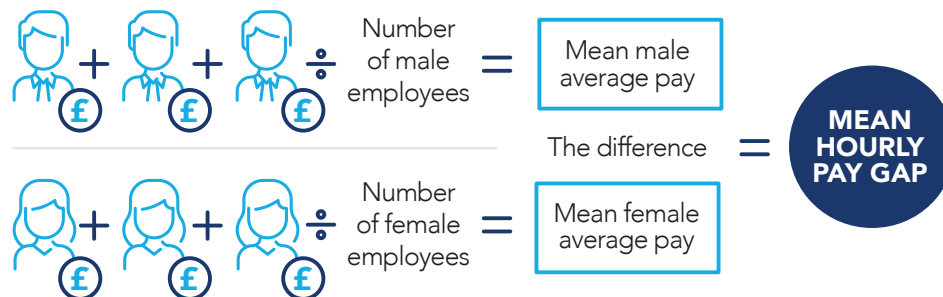
The measurement is taken with reference to a snapshot date of the 5th April each year.

Edrington employs approximately 1,200 people in Great Britain and this report includes the gender pay statistics at an overall Edrington Group level. Two Group businesses are covered by the regulation: Edrington Distillers Ltd and Edrington Group (Highland) Ltd (which owns the brands acquired through Highland Distillers in 1999). Edrington UK Distribution Ltd does not meet the required 250 employee threshold to be reported separately, although is included in the overall Edrington Group figures.

### What is the mean?

The mean is the average, it's calculated by adding all numbers in a set together and dividing by the total number of terms in the set.

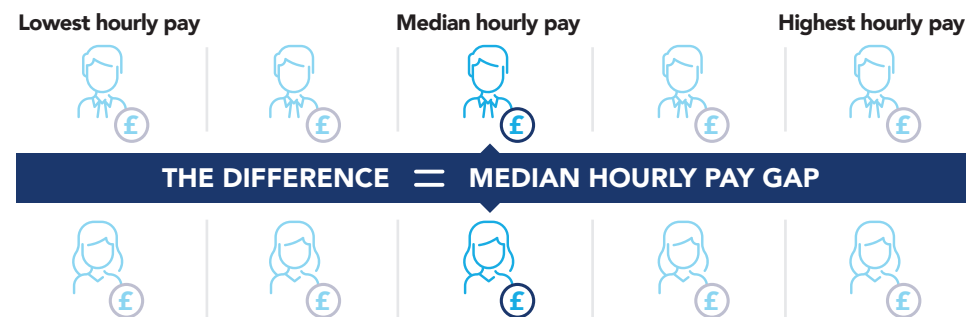
### How we calculate the mean difference



### What is the median?

The median is the middle term in a set of numbers, it's calculated by arranging the numbers in a set in order of magnitude and determining the middle value.

### How we calculate the median difference





## STATUTORY DISCLOSURES

2022	2021	2020	2019	2018	2017
Gender Pay Mean <b>8.0%</b>	Gender Pay Mean <b>12.9%</b>	Gender Pay Mean <b>15.2%</b>	Gender Pay Mean <b>15.3%</b>	Gender Pay Mean <b>28.1%</b>	Gender Pay Mean <b>25.5%</b>
Gender Pay Median <b>4.6%</b>	Gender Pay Median <b>9.7%</b>	Gender Pay Median <b>13.9%</b>	Gender Pay Median <b>10.4%</b>	Gender Pay Median <b>14.5%</b>	Gender Pay Median <b>9.8%</b>
Gender Bonus Mean <b>36.1%</b>	Gender Bonus Mean <b>64.8%</b>	Gender Bonus Mean <b>72.1%</b>	Gender Bonus Mean <b>63.2%</b>	Gender Bonus Mean <b>72.2%</b>	Gender Bonus Mean <b>73.3%</b>
Gender Bonus Median <b>9.4%</b>	Gender Bonus Median <b>-2.1%</b>	Gender Bonus Median <b>26%</b>	Gender Bonus Median <b>2.5%</b>	Gender Bonus Median <b>-5.9%</b>	Gender Bonus Median <b>11.8%</b>
% Receiving a Bonus (Male) <b>26.9%</b>	% Receiving a Bonus (Male) <b>58%</b>	% Receiving a Bonus (Male) <b>27.7%</b>	% Receiving a Bonus (Male) <b>67.7%</b>	% Receiving a Bonus (Male) <b>51.9%</b>	% Receiving a Bonus (Male) <b>35.2%</b>
% Receiving a Bonus (Female) <b>28.5%</b>	% Receiving a Bonus (Female) <b>49.6%</b>	% Receiving a Bonus (Female) <b>23.2%</b>	% Receiving a Bonus (Female) <b>52.5%</b>	% Receiving a Bonus (Female) <b>39.5%</b>	% Receiving a Bonus (Female) <b>30.2%</b>
% of Overall Males in the Business <b>58.4%</b>	% of Overall Males in the Business <b>61.1%</b>	% of Overall Males in the Business <b>59.8%</b>	% of Overall Males in the Business <b>62.6%</b>	% of Overall Males in the Business <b>61.2%</b>	% of Overall Males in the Business <b>62.8%</b>
% of Overall Females in the Business <b>41.6%</b>	% of Overall Females in the Business <b>38.9%</b>	% of Overall Females in the Business <b>40.2%</b>	% of Overall Females in the Business <b>37.4%</b>	% of Overall Females in the Business <b>38.8%</b>	% of Overall Females in the Business <b>37.2%</b>
Lower Quartile (Female / Male) <b>49.3% / 50.7%</b>	Lower Quartile (Female / Male) <b>48.1% / 51.9%</b>	Lower Quartile (Female / Male) <b>53.1% / 46.9%</b>	Lower Quartile (Female / Male) <b>48.1% / 51.9%</b>	Lower Quartile (Female / Male) <b>56.7% / 43.3%</b>	Lower Quartile (Female / Male) <b>45.9% / 54.1%</b>
Lower Middle Quartile (Female / Male) <b>38.4% / 61.6%</b>	Lower Middle Quartile (Female / Male) <b>35.9% / 64.1%</b>	Lower Middle Quartile (Female / Male) <b>40.9% / 59.1%</b>	Lower Middle Quartile (Female / Male) <b>38.5% / 65.5%</b>	Lower Middle Quartile (Female / Male) <b>33.5% / 65.6%</b>	Lower Middle Quartile (Female / Male) <b>61.7% / 38.3%</b>
Upper Middle Quartile (Female / Male) <b>36.7% / 63.3%</b>	Upper Middle Quartile (Female / Male) <b>38.4% / 61.6%</b>	Upper Middle Quartile (Female / Male) <b>34.7% / 65.3%</b>	Upper Middle Quartile (Female / Male) <b>32.6% / 67.4%</b>	Upper Middle Quartile (Female / Male) <b>34.8% / 65.2%</b>	Upper Middle Quartile (Female / Male) <b>36.4% / 63.6%</b>
Top Quartile (Female / Male) <b>42.0% / 58.0%</b>	Top Quartile (Female / Male) <b>33.3% / 66.7%</b>	Top Quartile (Female / Male) <b>32% / 68%</b>	Top Quartile (Female / Male) <b>30.5% / 69.5%</b>	Top Quartile (Female / Male) <b>30.4% / 69.9%</b>	Top Quartile (Female / Male) <b>28.2% / 71.8%</b>



EDRINGTON

*The*  
**MACALLAN**

  
**THE FAMOUS  
GROUSE**

**BRUGAL** 

  
**HIGHLAND  
PARK**

**THE  
GLENROTHES**  
ESTD 1879  
