



EDRINGTON

**Gender Pay Gap**  
Report **2020**



We believe that the best results are achieved by great people from diverse backgrounds and our aim is to cultivate an inclusive environment that celebrates diversity of thought and enables all employees to make meaningful contributions. We believe that the continuing success of our business is founded on developing and realising the benefits of a truly inclusive and diverse culture.

This is our fourth gender pay gap report and it focuses on the differences in pay and bonus between women and men working in our UK businesses. In the report we look at how we are progressing with our actions to narrow the gap and also the gender pay results from our 2020 analysis.

Our 2019 gender pay gap report saw a significant reduction in both the mean and median gender pay gap from 2018. Our 2020 results are influenced by the significant narrowing of the pay gaps in 2019 and also reflect the expected year on year fluctuations in the statistics.

Our 2020 mean gender pay gap of 15.2% represents

a decrease of 0.1% (2019: 15.3%) and the Median pay gap of 13.9% represents an increase of 3.5% (2019: 10.4%). We explain the detail behind these results later in the report.

We are encouraged that our commitment to narrow the gender pay gap has been maintained and we remain on track with our action plan to help us achieve this.

#### **Continuing to narrow the gap**

We have in place a series of improvement actions to narrow the pay gap and we have set targets to ensure we make demonstrable progress toward our

commitment of narrowing the gender pay gap.

#### **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. In our 2018 gender pay report we committed to a minimum of 50% female candidates at interview stage for all permanent roles. Females represent around 33% of individuals at interview stage. We know there is a lot more to do to meet our target. We are aware that attracting and recruiting a greater diversity of talent is central to our aim of narrowing the gender pay gap.



### **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. In 2019, we have committed to 33% female representation in our senior leadership team (defined as grade 19+) by 2022 (29% in 2020, 31% in 2021, 33% in 2022). When we began measuring this at the beginning of 2019 we had 27% female representation at grade 19 and above. At present 31% of our senior leadership team are female.

### **More support for parents**

In April 2020, we implemented our Modern Family Leave (MFL) policy globally, enabling all new parents to take 26 weeks fully paid leave. Since its implementation over 40 employees

enjoyed a period of MFL. This policy is a step change away from traditional policies to a more inclusive approach and in turn it creates career and secondment opportunities for others.

### **Flexibility at work**

We know that flexibility in work patterns are key to ensuring that we retain talent. After introducing more flexibility in most locations last year, we have now launched a global pilot to give all employees the opportunity to work up to 50% remotely, which all office-based employees will be entitled to participate in when they have fully transitioned back to the office.

### **Forge partnerships for change**

Edrington's Balance network continues to collaborate across the business and externally

to ensure we have globally aligned and inspiring initiatives to further raise awareness on gender diversity and inclusion and drive action. The primary aim of the Balance network is to enable women to grow and thrive in their careers with Edrington, as well as fostering an inclusive culture. In addition, as a member of the Scotch Whisky Association we have committed to the Association's Diversity & Inclusivity Charter aiming to raise awareness and make our industry more inclusive and diverse overall.

### **Giving more to education to build great careers**

To maximise a diverse talent pipeline and remove barriers we are working 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.



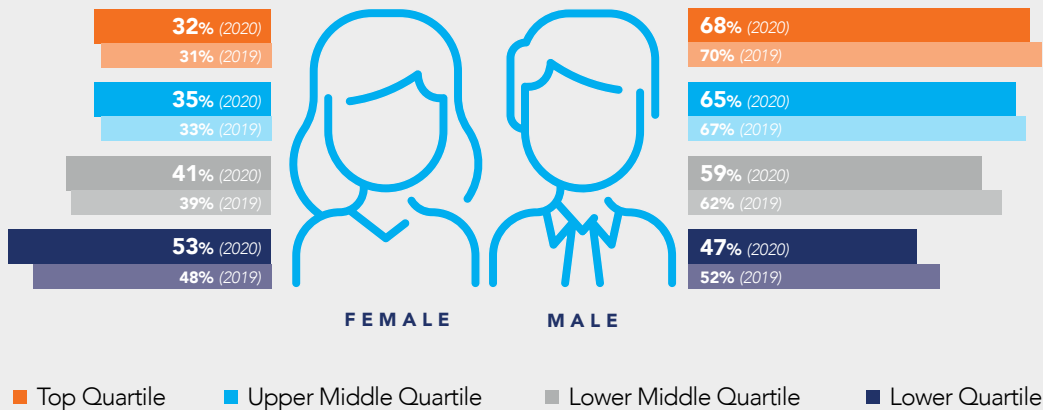
## UNDERSTANDING THE PAY GAP

Across our business the mean gender pay gap for employees is 15.2% versus the Office for National Statistics (ONS) UK mean of 15.5%.

The mean pay gap of 15.2% continues to reflect a smaller proportion of women than men currently occupying senior leadership roles. While our median gender pay gap of 13.9% reflects the higher representation of women in the lower pay quartile compared with less representation in the top three pay quartiles.

We are encouraged to see the representation of females in each of the 4 pay quartiles increasing. Although, the greatest increase was in lower quartile roles.

### Pay Quartiles Comparison



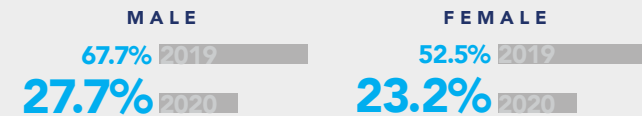
### Gender pay



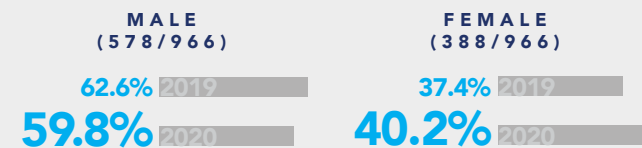
### Gender bonus



### % Receiving a bonus



### % of gender split in the business





## UNDERSTANDING THE PAY GAP

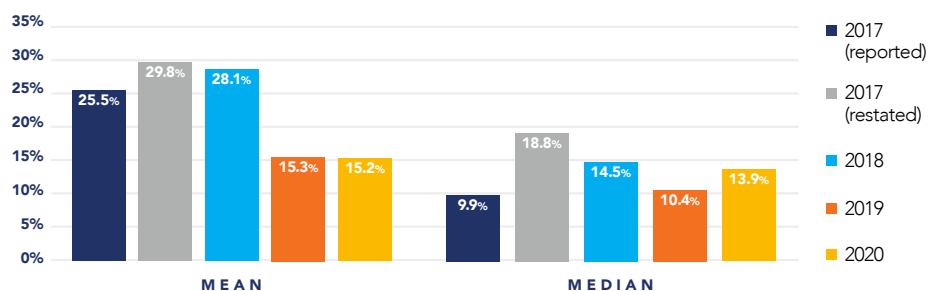
The 2020 statistics are influenced by the following factors:

- At mean the pay gap stayed broadly static. This was following changes in personnel, which accounted for a reduction in the mean gender pay gap of around 9.5% in 2019. Based on this significant improvement in the prior year, we were expecting a stabilisation of the reducing trend in the mean gender pay gap in 2020.
- The median pay gap increased by 3.5%, driven by the 5% increase in females in the lower pay quartile between 2019 and 2020, specifically general worker roles in Global Supply Chain and hospitality roles at the Visitor Experience.
- In 2019 the bonus gap figure was mistakenly calculated by our external advisors on the total number of bonus payments made (593), rather than the number of individuals who received a bonus (417). Therefore, in this report we present the corrected bonus gap figures for 2019.
- The mean bonus gap increased by 4.9% versus the corrected 2019 mean bonus gap. The mean bonus gap is primarily driven by senior leadership bonuses and so the 2020 figure reflects the level of these payments in a successful year.
- There was a 56.9% swing in the median bonus gap to 26% in favour of males in 2020, this reflects the restatement of the 2019 median bonus figure.
- Edrington's longstanding all UK employee share reward scheme for employees with six months service is not fully reflected in the bonus figures. This is because bonuses paid in the form of 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 scheme does not.
- While the statistics are subject to year on year fluctuations we are encouraged the trend shows a narrowing of the mean gender pay gap overall.

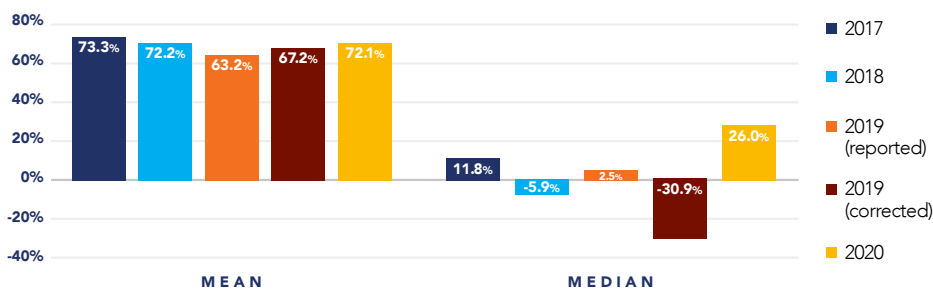


## UNDERSTANDING THE PAY GAP

Mean & Median Gender Pay Gap



Mean & Median Bonus Gap



### What Progress have we made?

Four years into our reporting, we are seeing a progressive narrowing trend in the gender pay gap. When we compare the pay gap measurements taken in April 2017 and April 2020 figures on a like for like basis\* the gap in both mean and median pay has narrowed significantly.

The 2020 mean bonus gap has stayed relatively static. The mean figure is strongly influenced by the greater proportion of men than women occupying the senior leadership roles that include bonus pay and we do not expect to see the mean bonus gap narrow significantly until we have greater representation of females at a senior leadership level. We are on track to reach our target of 33% female leaders by 2022 and will continue to set ambitious targets thereafter.

The median bonus pay gap shows a fluctuating trend that 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.

By focussing on consistently implementing our action plan to narrow the gender pay gap we will make a difference in the long run.

\*In April 2017, a high proportion of our operational employees received a single compensation payment in recognition of a change to contract terms. This was reported in our 2017 figures, as is required by the reporting rules. When the effect of this single payment is removed, we see a narrowing of the mean and median gender pay gap from 2017 to 2018.



## MEASURING THE PAY GAP

The Gender Pay Gap regulation requires companies in Great Britain with more than 250 employees to report the difference, 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.

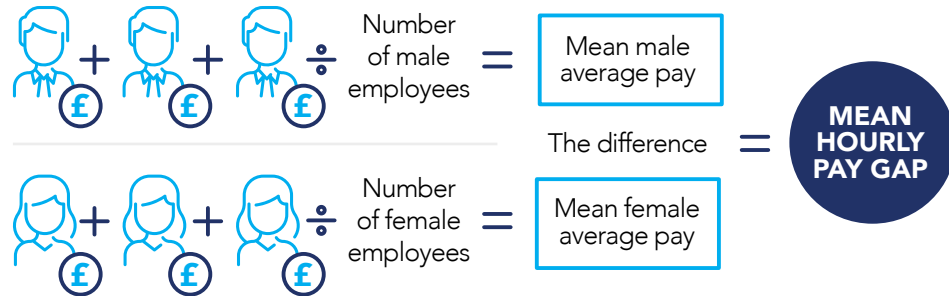
The measurement is taken with reference to a snapshot date of the 5th April each year.

Edrington employs approximately 950 people in Great Britain through two businesses covered by the regulation: The Edrington Group Ltd (Edrington's holding company) and Edrington Group (Highland) Ltd (which owns the brands acquired through Highland Distillers in 1999).

### 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.

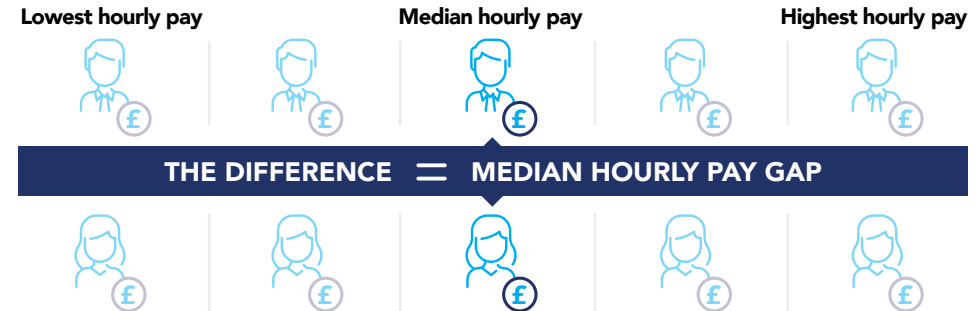
### How we calculate the mean difference



### 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

### 2020

Gender Pay Mean

**15.2%**

Gender Pay Median

**13.9%**

Gender Bonus Mean

**72.1%**

Gender Bonus Median

**26%**

% Receiving a Bonus (Male)

**27.7%**

% Receiving a Bonus (Female)

**23.2%**

% of Overall Males in the Business

**59.8%**

% of Overall Females in the Business

**40.2%**

Lower Quartile (Female / Male)

**53.1% / 46.9%**

Lower Middle Quartile (Female / Male)

**40.9% / 59.1%**

Upper Middle Quartile (Female / Male)

**34.7% / 65.3%**

Top Quartile (Female / Male)

**32% / 68%**

### 2019

Gender Pay Mean

**15.3%**

Gender Pay Median

**10.4%**

Gender Bonus Mean

**63.2%**

Gender Bonus Median

**2.5%**

% Receiving a Bonus (Male)

**67.7%**

% Receiving a Bonus (Female)

**52.5%**

% of Overall Males in the Business

**62.6%**

% of Overall Females in the Business

**37.4%**

Lower Quartile (Female / Male)

**48.1% / 51.9%**

Lower Middle Quartile (Female / Male)

**38.5% / 65.5%**

Upper Middle Quartile (Female / Male)

**32.6% / 67.4%**

Top Quartile (Female / Male)

**30.5% / 69.5%**

### 2018

Gender Pay Mean

**28.1%**

Gender Pay Median

**14.5%**

Gender Bonus Mean

**72.2%**

Gender Bonus Median

**-5.9%**

% Receiving a Bonus (Male)

**51.9%**

% Receiving a Bonus (Female)

**39.5%**

% of Overall Males in the Business

**61.2%**

% of Overall Females in the Business

**38.8%**

Lower Quartile (Female / Male)

**56.7% / 43.3%**

Lower Middle Quartile (Female / Male)

**33.5% / 65.6%**

Upper Middle Quartile (Female / Male)

**34.8% / 65.2%**

Top Quartile (Female / Male)

**30.4% / 69.9%**

### 2017 (reported)

Gender Pay Mean

**25.5%**

Gender Pay Median

**9.8%**

Gender Bonus Mean

**73.3%**

Gender Bonus Median

**11.8%**

% Receiving a Bonus (Male)

**35.2%**

% Receiving a Bonus (Female)

**30.2%**

% of Overall Males in the Business

**62.8%**

% of Overall Females in the Business

**37.2%**

Lower Quartile (Female / Male)

**45.9% / 54.1%**

Lower Middle Quartile (Female / Male)

**61.7% / 38.3%**

Upper Middle Quartile (Female / Male)

**36.4% / 63.6%**

Top Quartile (Female / Male)

**28.2% / 71.8%**



EDRINGTON

*The*  
**MACALLAN**

  
**THE FAMOUS  
GROUSE**

**BRUGAL** 

  
**HIGHLAND  
PARK**

**THE  
GLENROTHES**  
ESTD 1879  
