



EDRINGTON

GENDER PAY GAP REPORT 2017





Foreword



EDRINGTON

GREAT PEOPLE
LEADING BRANDS
GIVING MORE

We believe that the best results are achieved by great people from diverse backgrounds, ethnicities, and gender.

The Company is proud of its rapid development from a largely Scottish business to a modern international organisation where diversity of thought is encouraged. The internationalisation of Edrington means 66% of employees are based in overseas locations, with offices in 16 locations.

In this report we focus on gender, specifically pay gap information for our UK businesses. This first disclosure sets out the current gender pay gap, explains the context of the results, and maps out the actions for further progress.

The headline results of a 25.5% mean pay differential and a 73.3% mean bonus differential, and an 9.8% median pay differential and an 11.8% median bonus differential, fall short of our ambition and do not yet reflect progressive improvement actions, which have been in place over a number of years.

Over the last year the company's recruitment activity has driven a 50-50 gender split across 92 recruits with a greater portion of females recruited to managerial graded roles.

Development and coaching has also reflected the changing profile of the company. Our Emerging Talent programme selects candidates for accelerated development who will become future business leaders. In the last year 57% of the 28 candidates have been female.

In time, and in conjunction with other initiatives, these actions will impact results. We are committed to narrowing and then closing the pay gap.

Measuring the pay gap

The gender pay gap shows the difference in average pay between women and men. It does not measure equal pay, which relates to what women and men are paid for the same or similar jobs or work of equal value. We review our pay practices annually to ensure that we are an equal pay employer.

Calculating the numbers

Under the UK Government's new Gender Pay Gap regulation, companies need to report their gender pay gap for all legal entities in Great Britain with more than 250 employees.

The Edrington Group, known simply as Edrington, employs approximately 840 people across two legal entities in Great Britain covered by the regulations: The Edrington Group Ltd (558) and Edrington Group (Highland) Ltd (278).

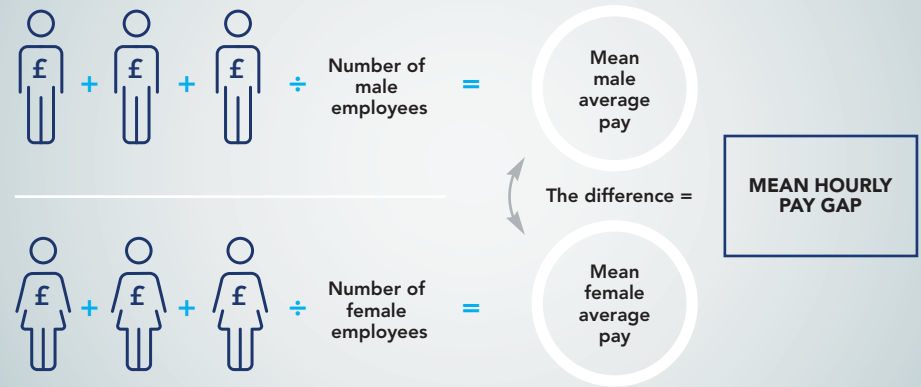
Edrington Group (Highland) Ltd is a subsidiary that encompasses the brand businesses acquired by Edrington when it purchased Highland Distillers in 1999.

This report shares the mean (average) and median pay gaps between men and women's hourly pay and bonuses.

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.

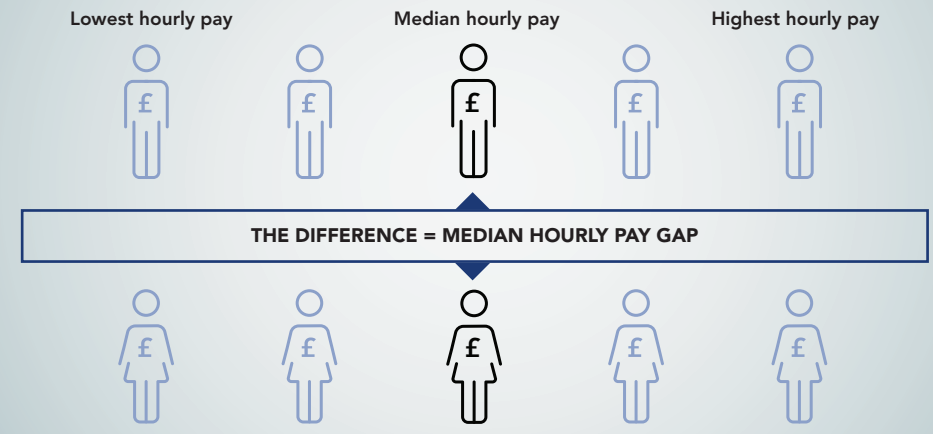
How we calculate the mean difference



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





Understanding the pay gap

The mean gender pay gap for employees across our businesses is 25.5%, +7.8 percentage points versus the Office of National Statistics (ONS) Great Britain mean of 17.7%.

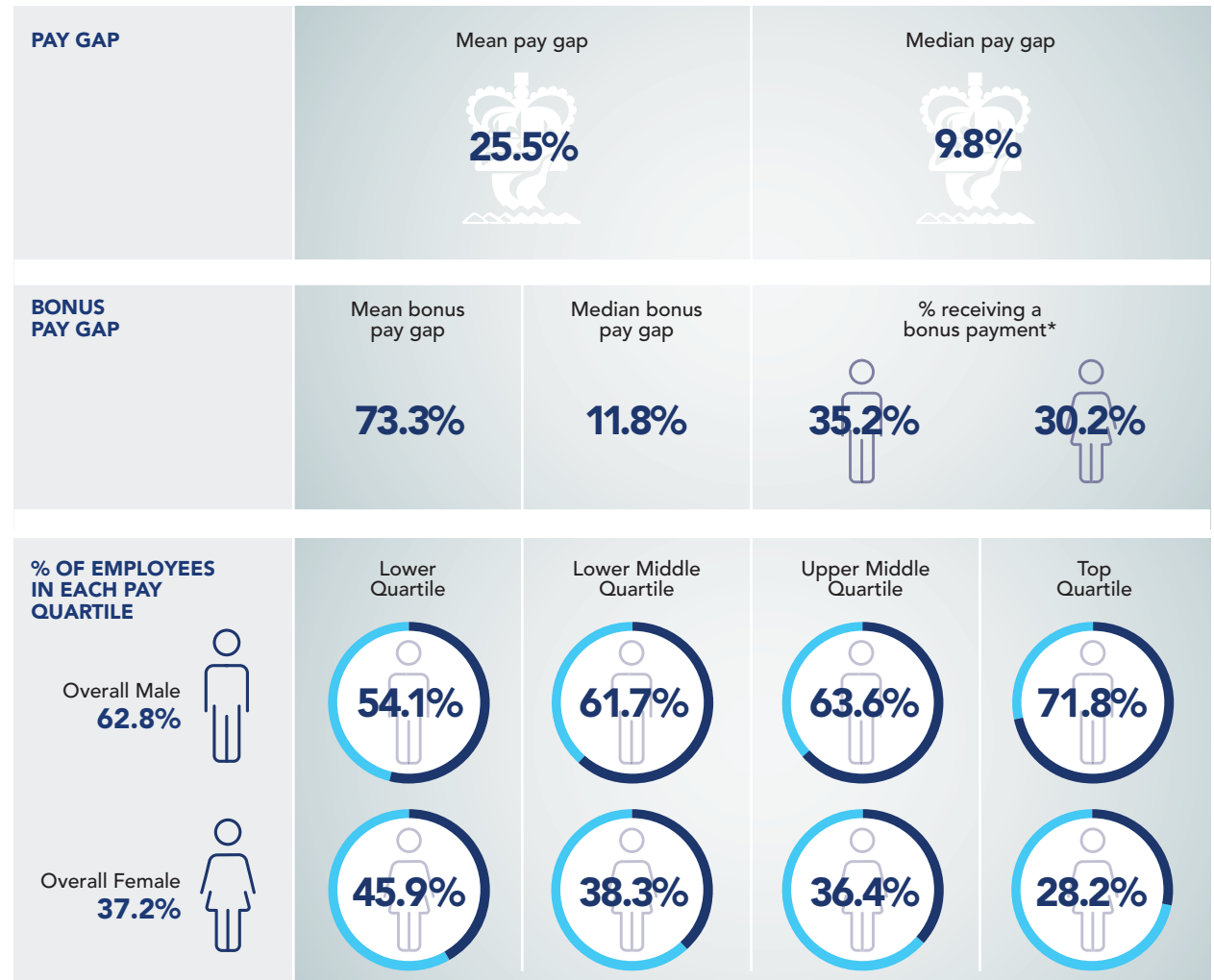
The gap is primarily driven by more men currently occupying senior leadership roles.

Over the next five years we expect to see a significant increase in the number of females in senior leadership roles. This will be achieved through a number of actions, such as our commitment to focus investment on continuing development programmes and recruiting more females into managerial roles.

The mean bonus pay gap is 73.3% and is also heavily influenced by the greater proportion of men than women occupying senior leadership roles that include bonus pay.

The Company operates a longstanding share reward scheme for all UK employees with six months service. This all employee bonus scheme is contingent upon Edrington achieving financial performance targets. As this is a free share scheme, it is not reflected in the bonus figures.*

Data as at 5 April 2017





Closing the gap

Our aim is to close the gender pay gap and we already have in place a number of strategies which will continue to narrow the gap.



Recruitment

Our recruitment approach is to attract the greatest numbers of female candidates for each role without sacrificing our belief in appointing the best candidate for the role. We aim to achieve a 50:50 candidate split for roles.

Similarly, the Company's graduate recruitment scheme aims for gender balance.

In the past year Edrington has invested in its employer brand, notably through an active presence in digital media. Greater openness about available roles and wider awareness of the Company's values are key steps towards more diverse recruitment.

Leadership Development

We will continue to provide development programmes and high quality mentoring for women. The Emerging Talent programme focusses on those

with leadership potential, whilst the LEAD programme concentrates on those already in leadership positions.

The company's long running mentor scheme and the relatively new Edrington Academy provide tailored inputs to help female employees progress.

We will aim for an equal gender split for internal successors to senior leadership roles.

Maternity and Paternity

We will continue to help employees who experience a change in their lifestyle, e.g. start or grow a family, to best adapt to that change through maternity, paternity and parental leave. We will also look into phased return programmes and coaching to support a successful transition back to work for parents.

Encouraging women into STEM

We will work with schools and universities to influence the uptake of STEM (Science, Technology, Engineering, and Mathematics) subjects and promote Edrington as an employer of these skills. This will make it easier for future candidates to access the increasing number of STEM-based roles within our Operations and Technology functions.

Informal networks

Edrington has encouraged the creation of Balance, a network of female employees, where gender issues can be discussed and peer groups can coach and mentor each other.

The Company is also building a network of external speakers offering employees the opportunity to broaden their perspective.



Summary

Edrington is well tuned to the positive influence that diversity can have on its business.

The results in this inaugural gender pay gap report lag behind our progressive ambition but we are confident that current and future programmes will improve this position and allow all employees to thrive.





EDRINGTON

The
MACALLAN


**THE FAMOUS
GROUSE**

BRUGAL 


**HIGHLAND
PARK**

CUTTY SARK


**THE
GLENROTHES**
ESTD 1879


**SNOW
LEOPARD**