



EDRINGTON

GENDER PAY  
GAP REPORT

2019





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We believe that the best results are achieved by great people from diverse backgrounds, ethnicities, and gender working together. We also 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 third gender pay gap report and it focuses on the differences in pay and bonus between women and men working in our UK businesses. In this report we look at how we are progressing with our actions to narrow the gap and the gender pay results from our 2019 analysis.

We've made progress from last year. Our mean gender pay gap of 15.3% represents a decrease of 12.8 percentage points (2018: 28.1%) and the Median pay gap of 10.4% represents a decrease of 4.1 percentage points (2018: 14.5%). However, we expect to see fluctuations in our gender pay statistics year on year, as the figures are influenced by a number of factors. We explain this later in the report.

As with many organisations, we have work to do to make good on our commitment to continue to narrow the gender pay gap. We are confident we have the right actions in place to achieve this.

#### Continuing to narrow the gap

We have in place a series of improvement actions and we have set targets to ensure we make demonstrable progress towards 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 50:50 gender balance at interview stage for all permanent roles. As of July 2019 the % of females interviewed for permanent roles is 34.9%. We have made progress, but there is a lot more to do. Overall we are aware that attracting and recruiting a greater diversity of talent is central to our aim to narrow 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 and emerging talent programmes. Last year 52% of the 52 emerging talent programme candidates were female. In 2019, we have committed to 33% female representation in our senior leadership team (defined as grade 19+) by 2022. When we began measuring this at the beginning of 2019 we had 27% female representation at grade 19+. As of July 2019 the proportion of females at grade 19+ is 28% (33 f / 83 m).



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### **More support on returning from career breaks**

In 2018 we launched additional support and training to help employees adapt to parenthood. This includes coaching and assistance for mothers as they transition back to work.

### **Flexibility at work**

We know that flexibility is key to ensuring that we retain talent. This is an area that we continue to explore and develop. We researched our existing ways of working and found our current flexible working policy is not flexible enough. We've taken action in response by removing our core working hours and relaxing our approach to remote working. We are currently defining our approach to Modern Family Leave, which seeks to incorporate the widest definition of maternity, paternity and parental leave policies, into a global policy. We recognise that if we want equality we need to rethink traditional leave policies. We will implement our revised approach to Modern Family Leave during 2020.

### **Forge partnerships for change**

Edrington's Balance network is now established. The network creates opportunities for women to form alliances and provides representation and visibility for women throughout the business. The work of the Balance network is led through a number of workstreams designed to focus activity on key areas. Its primary aim 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 Charter for our industry to be more inclusive and diverse overall.

### **Promote STEM skills that build great careers**

We take our role in promoting and fostering careers in Science, Technology, Engineering and Mathematics (STEM) subjects seriously and are helping to address the wider gender imbalance in our industry by encouraging more women into STEM subjects. Our STEM ambassadors have participated in a number of activities over the last year including engagement with schools in our local communities. The company is an active member of the Scotch Whisky Association steering group with a focus on encouraging females into STEM subjects and inclusion across the whisky industry.



## UNDERSTANDING THE PAY GAP

### EDRINGTON GENDER PAY GAP REPORT 2019

Across our business the mean gender pay gap for employees is 15.3% versus the Office for National Statistics (ONS) Great Britain mean of 17.3%.

The mean pay gap of 15.3% continues to reflect a smaller proportion of women than men currently occupying senior leadership roles.

Our median gender pay gap of 10.4% reflects the higher representation of women in the lower pay quartile compared with less representation in the top three pay quartiles.

We know that the following changes have had the biggest influence on reducing the pay gap between 2018 and 2019.

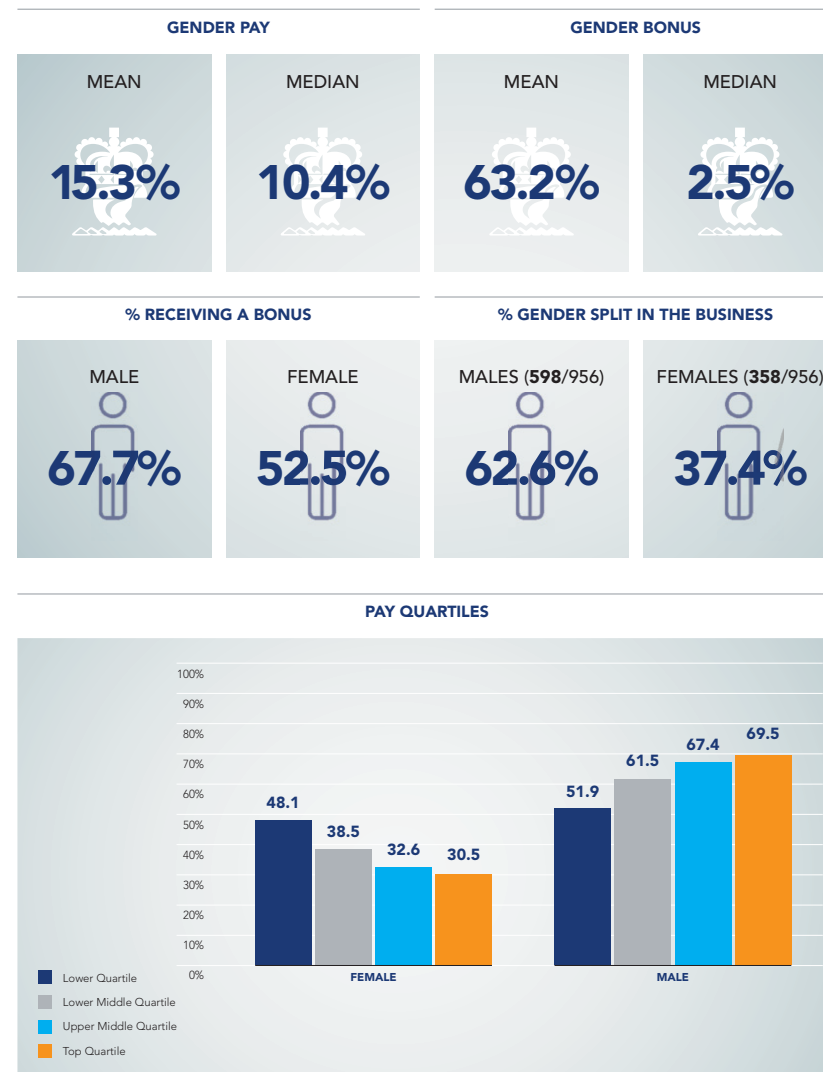
Changes in personnel at a Board and Executive Committee level, in addition to female senior leadership changes, account for a reduction in the mean gender pay gap of around 9.5%.

The greater proportion of males in the Lower quartile when compared to 2018 (51.9% male / 48.1% female in 2019 versus 43.3% male / 56.7% female in 2018), has also had the effect of reducing the mean and median pay gap.

The statistics are subject to year on year fluctuations. Although we are encouraged that the trend is a narrowing of the gap overall.

The mean bonus gap is 63.2%. This is strongly influenced by the greater proportion of men than women occupying senior leadership roles that include bonus pay. The median bonus pay gap is 2.5%.

Edrington's longstanding all UK employee share reward scheme for employees with six months service is not fully reflected in the bonus figures.





## UNDERSTANDING THE PAY GAP (CONTINUED)

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### What progress have we made?

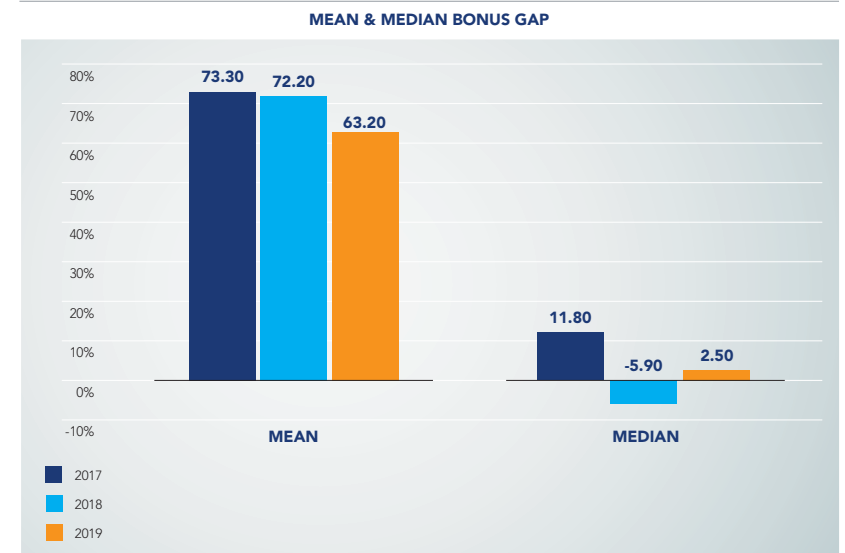
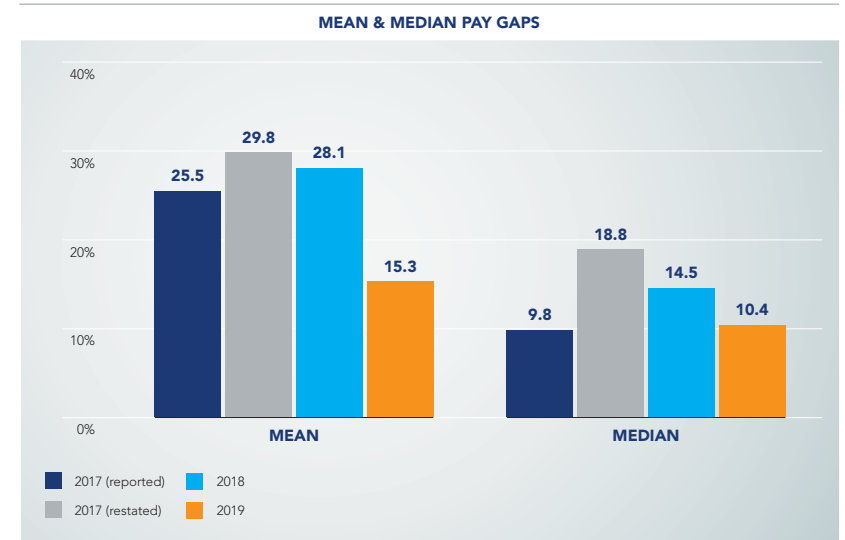
Three years into our reporting, we are seeing progressive improvement.

When we compare the pay gap measurements taken in April 2017, April 2018 and April 2019 on a like for like basis\* the gap in both mean and median pay has narrowed significantly.

The 2019 mean bonus gap shows a narrowing trend. The mean figure is strongly influenced by the greater proportion of men than women occupying the senior leadership roles that include bonus pay. The median bonus pay gap trend reflects the operation of our share reward bonus scheme and is largely subject to the number of taxable sales of share reward shares within the reporting year.

We are making progress and this is beginning to show results through a narrowing of the gender pay gap. By focussing on consistently implementing our actions 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.



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The Gender Pay Gap regulations require companies in Great Britain with more than 250 employees to report the difference in pay for 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 950 people in Great Britain through two businesses covered by the regulations: The Edrington Group Ltd and Edrington Group (Highland) Ltd (which owns the brands acquired through Highland Distillers in 1999).

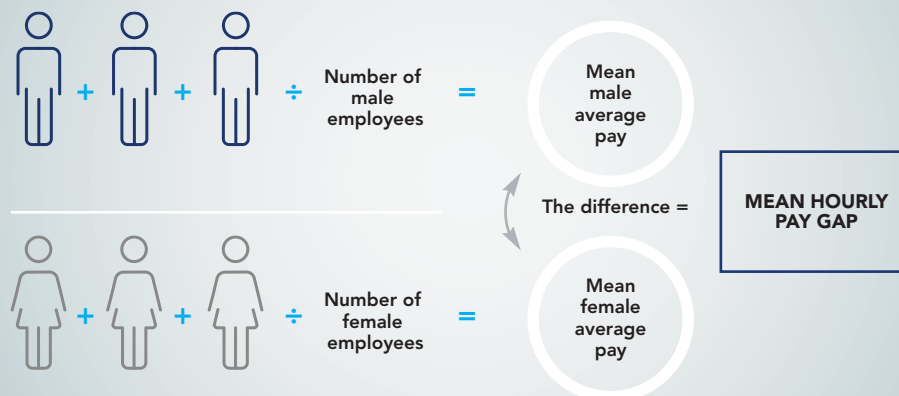


## MEASURING THE PAY GAP

### 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.

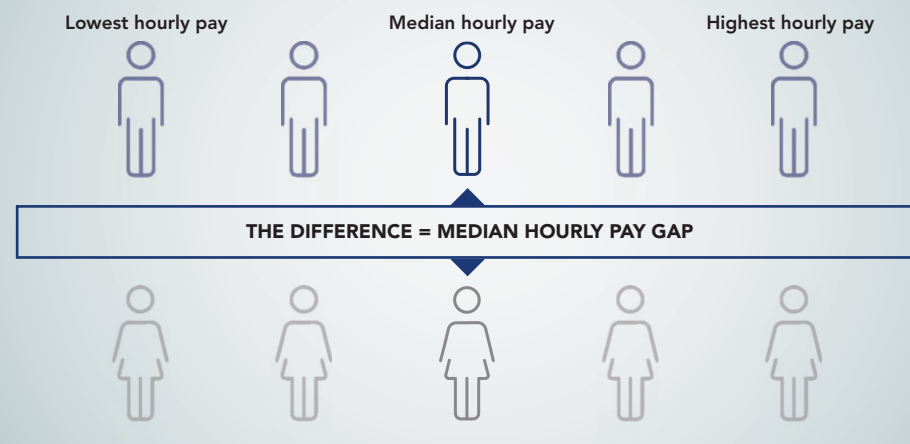
### How we calculate the mean difference



### 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

### EDRINGTON GENDER PAY GAP REPORT 2019

#### 2019

Gender Pay Mean <b>15.3%</b>	Gender Pay Median <b>10.4%</b>
Gender Bonus Mean <b>63.2%</b>	Gender Bonus Median <b>2.5%</b>
% Receiving a Bonus (male) <b>67.7%</b>	% receiving a bonus (female) <b>52.5%</b>
% of overall males in the business <b>62.6%</b>	% of overall females in the business <b>37.4%</b>
Lower Quartile (female/male) <b>48.1%/51.9%</b>	Lower Middle Quartile (female/male) <b>38.5%/61.5%</b>
Upper Middle Quartile (female/male) <b>32.6%/67.4%</b>	Top Quartile (female/male) <b>30.5%/69.5%</b>

#### 2018

Gender Pay Mean <b>28.1%</b>	Gender Pay Median <b>14.5%</b>
Gender Bonus Mean <b>72.2%</b>	Gender Bonus Median <b>-5.9%</b>
% Receiving a Bonus (male) <b>51.9%</b>	% receiving a bonus (female) <b>39.5%</b>
% of overall males in the business <b>61.2%</b>	% of overall females in the business <b>38.8%</b>
Lower Quartile (female/male) <b>56.7%/43.3%</b>	Lower Middle Quartile (female/male) <b>33.5%/66.5%</b>
Upper Middle Quartile (female/male) <b>34.8%/65.2%</b>	Top Quartile (female/male) <b>30.4%/69.9%</b>

#### 2017 (Reported)

Gender Pay Mean <b>25.5%</b>	Gender Pay Median <b>9.8%</b>
Gender Bonus Mean <b>73.3%</b>	Gender Bonus Median <b>11.8%</b>
% Receiving a Bonus (male) <b>35.2%</b>	% receiving a bonus (female) <b>30.2%</b>
% of overall males in the business <b>62.8%</b>	% of overall females in the business <b>37.2%</b>
Lower Quartile (female/male) <b>45.9%/54.1%</b>	Lower Middle Quartile (female/male) <b>61.7%/38.3%</b>
Upper Middle Quartile (female/male) <b>36.4%/63.6%</b>	Top Quartile (female/male) <b>28.2%/71.8%</b>



EDRINGTON

*The*  
**MACALLAN**

  
**THE FAMOUS  
GROUSE**

**BRUGAL** 

  
**HIGHLAND  
PARK**

**THE  
GLENROTHES**  
ESTD 1879  