



Chivas Brothers  
Pernod Ricard

CHIVAS BROTHERS

—

GENDER PAY GAP REPORT

2021



# FOREWORD

In this 4th edition of the report, we outline our figures for 2021 and share details on some of the steps we are taking as a business to create and nurture a work culture where every employee can thrive.

We remain deeply committed to building a business that values inclusivity and diversity and therefore reducing and eliminating the pay gap continues to be a priority for us.

We're encouraged by the progress made in the last year with reductions in our median pay gap and an increase in female representation in the upper middle quartile pay range. These improvements are the result of the emphasis we've placed on supporting women to rise to positions of leadership across the business.

While our gender pay gap continues to compare favourably to the UK average, we acknowledge that we still have work to do to further narrow the gap and maintain long term positive change in our business and the Scotch industry more broadly.

— STEPHANE DEHLINGER,  
HUMAN RESOURCES DIRECTOR





# HOW THE PAY GAP IS CALCULATED

By UK law, every company with more than 250 employees must publish annual figures relating to their 'gender pay gap'.

- The mean and median differences in male vs female pay
- The mean and median differences in male vs female bonuses
- The respective proportions of male vs female employees receiving bonuses
- The respective proportions of male vs female employees in each of four 'quartiles' (or salary brackets) in the organisation's pay structure

The gender pay gap for pay and bonuses is measured in two ways:

The **median** pay gap is the difference between the midpoints of the hourly earnings of men and women.

The **mean** gender pay gap is the difference between the average hourly earnings of men and women.

We analyse differences in gender pay in our workforce, based on four salary categories: **lower quartile**, **lower-middle quartile**, **upper-middle quartile**, and **upper quartile**.

It is important to note that the gender pay gap is the average difference between the remuneration for men and women who are working in the business, and not the difference in pay between men and women doing the same or similar work of 'equal value'.

It is a legal requirement, as set out in the Equality Act of 2010, to have Equal Pay for any individuals doing the same work of 'equal value'.

In April 2020, to improve our corporate governance, Chivas Brothers separated the operational part of our business (Chivas Brothers Ltd) and the customer-facing part of our business (Chivas Brothers International Ltd). CBIL is below the threshold for employee numbers required to report our Gender Pay Gap. However, we have included this part of our business in our analysis to give a complete and more representative picture of our pay gap.

Chivas Brothers' workforce is 68% male and 32% female.

Many roles across the operational part of our business, such as distilling, warehousing and manufacturing, have historically been more male-dominated and this is reflected in some gender pay gap differences in this business. Although the median gender pay gap in our operations business is similar to the rest of the company, there is a large difference in the number of men and women employed in senior and managerial roles in the highest-paying jobs (upper-middle quartile and upper quartile of pay).





# CHIVAS BROTHERS 2021 GENDER PAY GAP FIGURES

Closing the gender pay gap continues to be a key part of building an increasingly inclusive business.

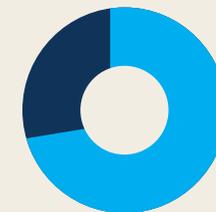
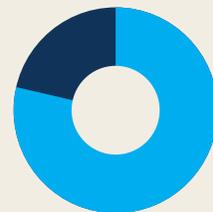
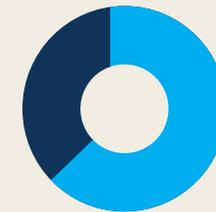
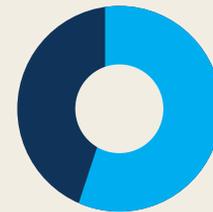
The gap in mean pay between men and women narrowed between 2020 and 2021 (6.69% in 2021 vs 7.3% in 2020), against a national average of 15.4% according to the Office for National Statistics.

|                          |       |                            |        |
|--------------------------|-------|----------------------------|--------|
| DIFFERENCE IN MEDIAN PAY | 7.25% | DIFFERENCE IN MEDIAN BONUS | 1.58%  |
| DIFFERENCE IN MEAN PAY   | 6.69% | DIFFERENCE IN MEAN BONUS   | 46.46% |

Our median gender pay gap has also improved (7.25% in 2021 vs 10.8% in 2020), which compares favourably to the UK average of 15.4% in 2021 (Office for National Statistics), but we acknowledge that there is still plenty of room for improvement in continuing to narrow - and ultimately close - the median pay gap between men and women.

Notable also, is the increase in women in the upper-middle pay quartile, from 17% in 2020 to 23.4% in 2021. This is an effect of the talent pool pipeline we've put in place which has resulted in more women moving into more senior and higher-paid roles across the business.

## Measuring our pay gap



19.96% of women received a bonus last year



17.98% of men received a bonus last year

NB: Chivas Brothers employs a workforce of c.1,600 people, 68% male and 32% female, across the UK

The pay gap data is taken as a snapshot on 5th April. The bonus data relates to the 12 months previous to that.



### CHIVAS BROTHERS LTD

The operational part of our business is by tradition more male-dominated and this is reflected in the numbers when viewed in isolation.

|                          |       |                            |        |
|--------------------------|-------|----------------------------|--------|
| DIFFERENCE IN MEDIAN PAY | 6.66% | DIFFERENCE IN MEDIAN BONUS | 23.24% |
| DIFFERENCE IN MEAN PAY   | 9.52% | DIFFERENCE IN MEAN BONUS   | 52.23% |

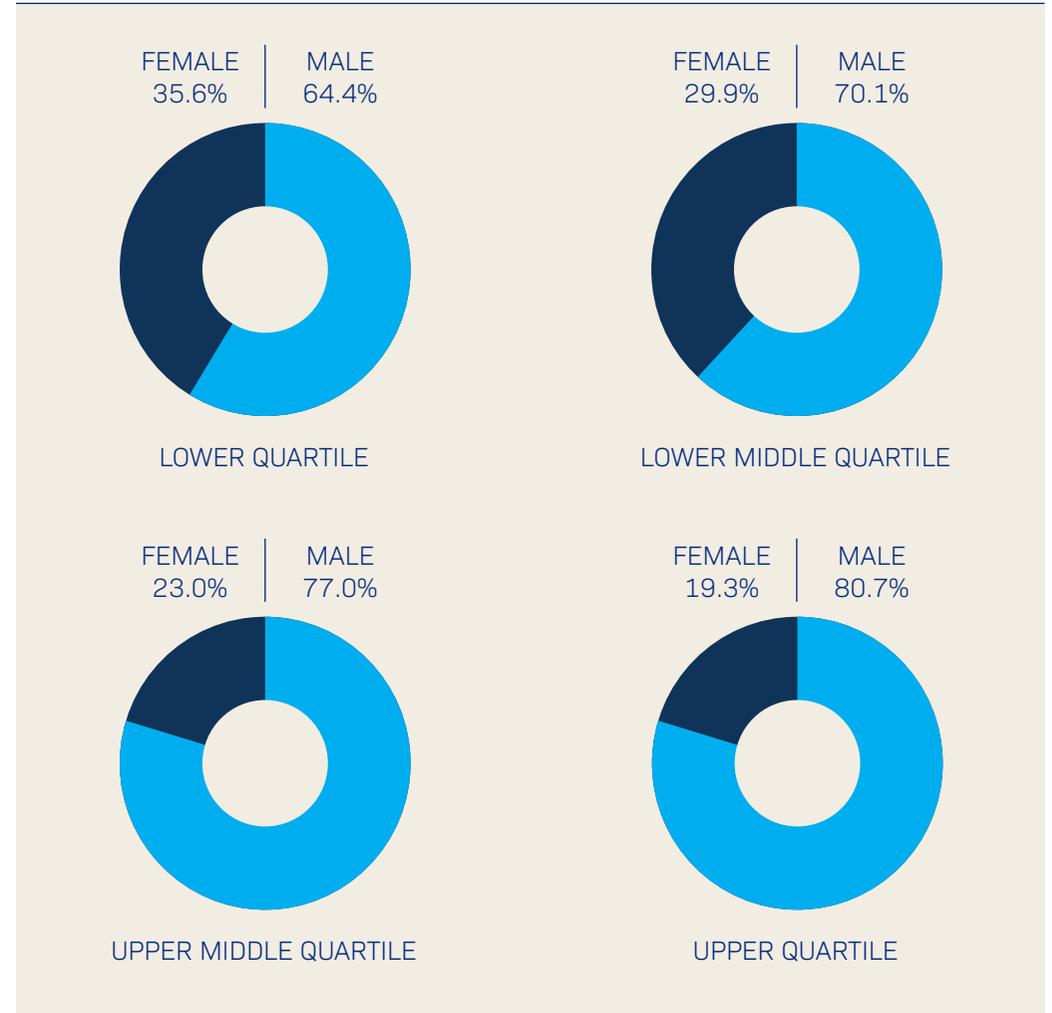
|   |   |
|---|---|
| <br><b>14.08%</b><br>of women received a bonus last year | <br><b>15.64%</b><br>of men received a bonus last year |
|---|---|

#### Declaration

We confirm that the information and data reported are accurate and in line with the UK government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Stephane Dehlinger  
Human Resources Director

Jean-Etienne Gourgues  
Chairman and CEO



The pay gap data is taken as a snapshot on 5th April. The bonus data relates to the 12 months previous to that.



# HOW WE'RE WORKING TO CLOSE THE GAP

Our business believes in conviviality - bringing people together, inviting them to share authentic experiences and making new connections. This can only be done through removing any barriers that make Scotch an exclusive category.

We have taken great strides to achieve that ambition over the last few years but understand we need to do more to become a more inclusive employer. Inclusion is about respect, ethics, and mutual trust. It is also about living a culture that encourages openness, cooperation, and transparent communications in a convivial and productive work environment. To this end, we have also made a commitment to publish our first **ethnicity pay gap report** in 2022. This report will provide us with the necessary data and insights to develop targeted approaches to create a workforce that is representative of the communities we serve.

We are well on our way to achieving our ambition of a better gender balance in management teams with a strong pipeline of future **female leaders**, with women currently representing 38% of our Leaders talent pool and increasing.

We have a range of diversity targets and actions to narrow the gender pay gap within our business and our industry, some of which we have outlined in this section.

## IMPROVING THE EMPLOYEE JOURNEY

In order to create long-term sustainable change, we have to hold ourselves and our suppliers to higher standards. This is why our Centre of Excellence<sup>1</sup> for Talent Attraction is leading a review of our agency partners in 2022 with the aim of enshrining the values of diversity and inclusion in our agency selection criteria. This improved criteria will factor in the agency's own employee diversity profile and its support for diversity & inclusion.

We have also reviewed the language in our job adverts to ensure our vacancies are attractive to an audience of all genders.

We have initiated **gender balanced** shortlists for all our London vacancies and our assessment methods are based on objective performance criteria to mitigate the risk of bias. We also commit to exploring flexible working arrangements in our job ads.

<sup>1</sup> The Centre of Excellence brings together the dedicated HR leaders across the Pernod Ricard in the UK businesses





## IMPROVING THE EMPLOYEE EXPERIENCE

We operate a range of company-wide training programmes with a goal of improving the skills and career prospects of under-represented groups in our workforce as well as inclusive training programmes building awareness of benefits of gender and other diversity, and creating a climate of psychological safety, and balanced teams. Last year, we ran The Good Challenge 2021, a competition that asked colleagues to put forward ideas to make our business more sustainable and responsible. This competition saw the birth of **United Networks**, an initiative that brings colleagues together, allowing them to shape the conviviality that is so important to our business, while boosting inclusion and wellbeing across our organisation.

The first phase of United Networks is the creation of specific inclusivity networks: communities for people with similar experiences and backgrounds to connect with others. They create the safe spaces in which our people can talk, find support, and help each other. The first network – Fluid, which focuses on our LGBTQ+ community – has already been established and is up and running.

We will launch our second inclusivity network - focused on Women's Empowerment - in the next few months. We, however, already have a team across all Pernod Ricard businesses in the UK spearheading an initiative that sheds light on breaking down stereotypes associated with gender. As part of these efforts, several events have been held with multilevel leaders who seek to highlight female role models and, ultimately, promote gender equality. The team aims to keep building an enabling environment and supportive ecosystem for our people by always including a gender analytical gaze.





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