

CHIVAS BROTHERS GENDER PAY GAP REPORT 2022



Chivas Brothers
Pernod Ricard

FOREWORD

IN THIS 5TH EDITION OF OUR GENDER PAY GAP REPORT, WE OUTLINE OUR FIGURES FROM 2022 AND SHARE DETAILS ON SOME OF THE PROGRESS WE'VE MADE IN BUILDING A BUSINESS AND WORK CULTURE WHERE ALL EMPLOYEES CAN THRIVE.

Our latest pay gap report is based on data from April 2021 to April 2022, which shows that our workforce is 32% female, consistent with the Scotch industry. Our mean gender pay gap is 5.48%, and we have closed 3% of our median gender pay gap in the past three years, putting us at a median of 7.02%.

At Chivas Brothers, our vision is to open up to shape the future of whisky and we remain deeply committed to the values of inclusivity and diversity. We're proud to say that our gender pay gap in 2022 is the lowest it has ever been at Chivas Brothers; this is a milestone that testifies to the effort we have put into reducing the gap and puts us on the right track to eliminate the gap in coming years.

Of particular note is the progress made in increasing female representation in leadership positions in our manufacturing department which is historically male-dominated across the Scotch industry. Women now make up 33% of leaders in manufacturing (+10% from July 2020) and we are on track to reach 40% by 2025 and 50% by 2030.

Although our gender pay gap is significantly lower than the UK average (13.9% mean / 14.6% median), we do not consider our work to be finished. We remain steadfast in our mission for better representation of women in our business and in the wider Scotch industry, understanding that diverse opinions and perspectives will only make us a stronger organisation moving forward.

— STEPHANE DEHLINGER,
HUMAN RESOURCES DIRECTOR



HOW THE PAY GAP IS CALCULATED

THE GENDER PAY GAP FOR PAY AND BONUSES IS MEASURED IN A NUMBER OF WAYS:

- 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 the four 'quartiles' (or salary brackets) in the organisation's pay structure



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

The median gender pay gap is the difference between the midpoints of the 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, we separated Chivas Brothers Ltd (CBL), the production and manufacturing part of our business comprising employees based in Scotland, and Chivas Brothers International Ltd (CBIL), the customer-facing part of our business.

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 organisation as a whole.

Chivas Brothers' workforce is 68% male and 32% female, consistent with the Scotch industry.

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).

Furthermore, the average tenure of our employees is approximately 13 years. This level of retention, combined with the historic male-dominated nature of the industry, contributes to an overall gender population weighted more heavily towards males.

KEY FIGURES



CHIVAS BROTHERS 2022 GENDER PAY GAP FIGURES

CLOSING THE GENDER PAY GAP CONTINUES TO BE A CRUCIAL PART OF BUILDING AN INCREASINGLY INCLUSIVE BUSINESS.

The gap in mean pay between men and women narrowed between 2021 and 2022 (5.48% in 2022 vs 6.69% in 2021). Our median gender pay gap has also improved (7.02% in 2022 vs 7.25% in 2021), against a national median of 14.6% according to the Office for National Statistics.

Progress has also been made in increasing the number of women in the upper middle pay quartile from 23.4% in 2021 to 24.5% in 2022. This is the continued 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.

Time period referenced is April 2021 - April 2022



CHIVAS BROTHERS (CHIVAS BROTHERS LTD AND CHIVAS BROTHERS INTERNATIONAL LTD)

INCLUDING OUR SCOTTISH AND ENGLAND BASED COLLEAGUES REPRESENTING EVERY FUNCTION (FOR EXAMPLE, OPERATIONS, MARKETING, HR, FINANCE) ACROSS OUR BUSINESS.

5.48%

DIFFERENCE IN
MEAN PAY

7.02%

DIFFERENCE IN
MEDIAN PAY

41.74%

DIFFERENCE IN
MEAN BONUS

-16.37%

DIFFERENCE IN
MEDIAN BONUS



26%

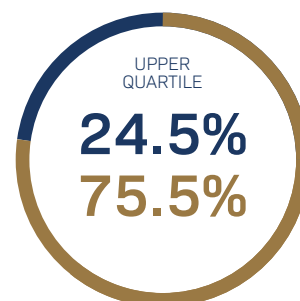
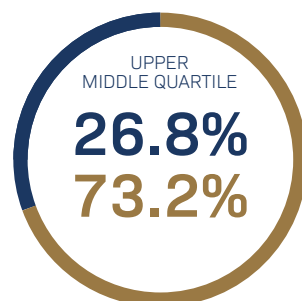
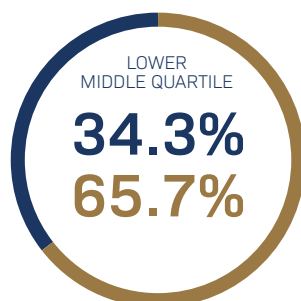
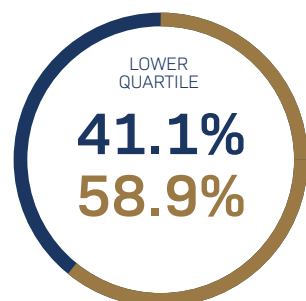
of women received a
bonus last year



20%

of men received a
bonus last year

PROPORTION OF MALES AND FEMALES IN EACH QUARTILE PAY BAND



■ FEMALE
■ MALE

YEAR-ON-YEAR COMPARISON

	2020	2021	2022
MEAN GENDER PAY GAP	7.30%	6.69%	5.48%
MEDIAN GENDER PAY GAP	10.80%	7.25%	7.02%
MEAN GENDER BONUS GAP	46.50%	46.46%	41.74%
MEDIAN GENDER BONUS GAP	-35.70%	1.58%	-16.37%
MALES RECEIVING BONUS	19.30%	17.98%	20.02%
FEMALES RECEIVING BONUS	21.40%	19.96%	26.34%

CHIVAS BROTHERS LTD

OUR SCOTTISH WORKFORCE, LARGELY COMPRISED OF PRODUCTION, MANUFACTURING AND OPERATIONS COLLEAGUES.

9.41%

DIFFERENCE IN MEAN PAY

7.97%

DIFFERENCE IN MEDIAN PAY

44.36%

DIFFERENCE IN MEAN BONUS

-1.16%

DIFFERENCE IN MEDIAN BONUS



19%

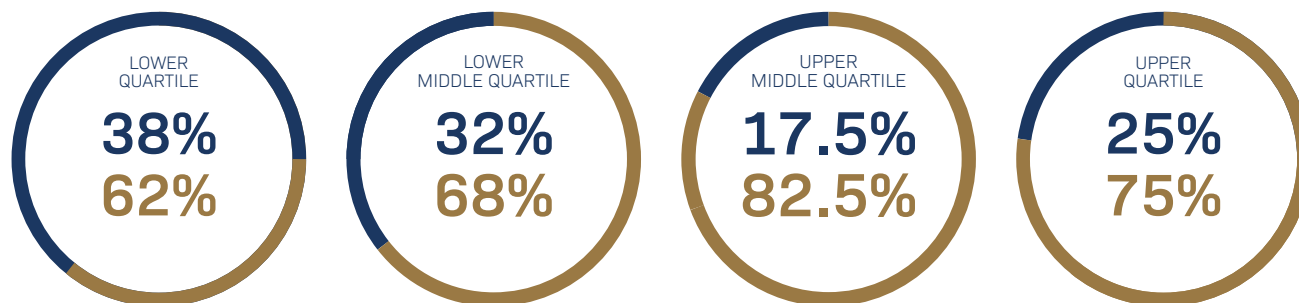
of women received a bonus last year



17%

of men received a bonus last year

PROPORTION OF MALES AND FEMALES IN EACH QUARTILE PAY BAND



■ FEMALE
■ MALE

YEAR-ON-YEAR COMPARISON

	2020	2021	2022
MEAN GENDER PAY GAP	11.10%	9.52%	9.41%
MEDIAN GENDER PAY GAP	10.10%	6.66%	7.97%
MEAN GENDER BONUS GAP	60.90%	52.23%	44.36%
MEDIAN GENDER BONUS GAP	1.40%	23.24%	-1.16%
MALES RECEIVING BONUS	16.60%	15.64%	17.14%
FEMALES RECEIVING BONUS	16.60%	14.08%	19.07%

TRACKING OUR PROGRESS



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EMPOWERING WOMEN IN THE WORKPLACE

At Chivas Brothers, we celebrate the magic of human connection and are all about creating a united, inclusive community. We believe progress starts by breaking down harmful stereotypes that stifle women's participation in business. This is why, since our last report, we've introduced Libra, a network focused on women's empowerment and allyship. Over the past year, the network has set up events and initiatives that highlight the importance of female role models, encourage education, and promote gender equity. Notably, their work has included removing the stigma and taboo around menopause, encouraging open conversations and providing guidance for teammates to support others both physically and mentally.

IMPROVING OBJECTIVITY IN RECRUITMENT

Bias in recruitment is a major contributing factor to a lack of female representation across the business world at large. This is why we've made great strides in ensuring our recruitment process is as objective and free from bias as possible.

We have reviewed and amended job advert templates and ensure we use gender-neutral language in our job descriptions. We aim to have gender balance across each interviewing team for each role. This helps mitigate the risk of gender bias in our hiring decisions.

After a review of our recruitment agencies, our Talent Attraction team in London now works exclusively with recruitment agencies that are committed to increasing the diversity of candidates identified for new roles.

To ensure that no unfair oversight is made regarding salary decisions for new hires, we employ a rigorous internal process to ensure that all recruitment offers are subjected to both an internal peer comparison and external benchmarking critique before final sign-off is given.

"The industry has massively moved on from where it was in 1993 when I got my first job. With more females in leadership positions, it is no longer the traditionally male environment people think it is."

Sarah Badesha – Head of Engineering



"To see more women running parts of the business is a huge step in the right direction and will have great impact on the women coming up at Chivas Brothers."

Oyin Akiniyi – Chivas Regal Head of Cultural Conversation

WIDER INCLUSION INITIATIVES

Concurrent with the expansion of employee resource groups that aim to increase gender equity, we have also expanded the presence of Fluid (LGBTQ+ network for Pernod Ricard affiliates based in the UK) through quarterly meetings, educational webinars and convivial events for the network's members with the aim of fostering a safe, inclusive and diverse workplace that encourages a culture of respect and equality for everyone.

Since our last report, Fluid has continued to strengthen the representation of the diversity and inclusion agenda at Chivas Brothers by pooling resources and knowledge from independent experts to redesign our policies and keep building inclusive and bold actions for the LGBTQ+ community within Chivas Brothers and our affiliates in the UK. From workshops and webinars to LGBTQ+ History Month and Pride Month events and competitions, Fluid has created a safe space over the past twelve months for employees to learn about and support the LGBTQ+ community.

We are committed to continually developing and building talent within the business and have partnered with Hive Learning to offer *Managers as Leaders* masterclasses which look to create a supportive network of managers and leaders, as well as embrace an inclusive culture where diverse perspectives are valued.

Our hybrid work policies also allow ongoing flexibility for personal commitments, such as for parents with children or those returning from maternity or paternity leave.

This outlook is consistent with the entire Pernod Ricard business and represents a perfect opportunity to lift up our people to achieve their greatest potential.

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

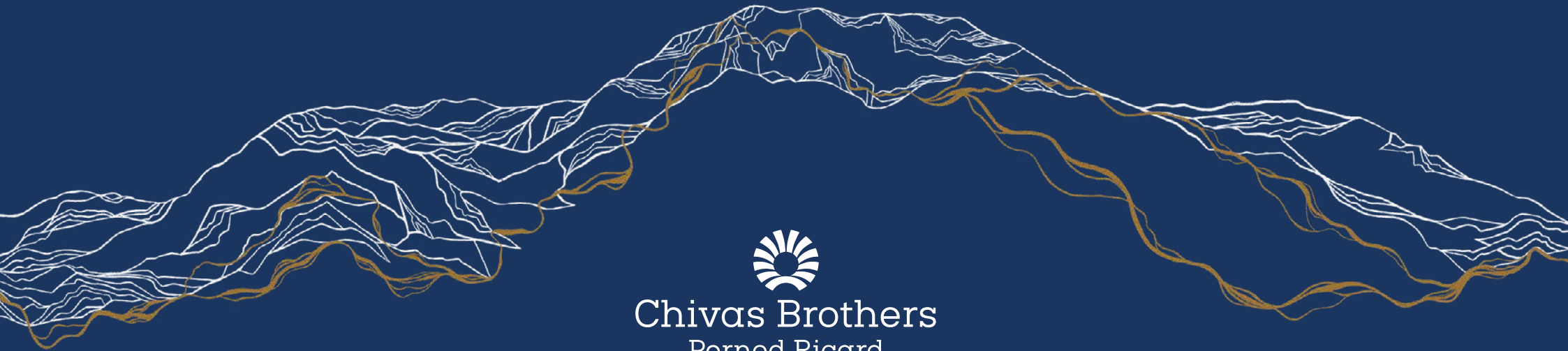
“It would be lovely if other women saw me as being in this role as normal. Gender shouldn't be a barrier for anything you want to achieve in your life or career.”

Lisa Glen – The Glenlivet Distillery
Operations Manager



“The world of whisky is changing – it's no longer a drink that's consumed by a specific gender or limited age range, and I wanted to be a part of this educative movement across the globe.”

Ada Waters – Graduate Brand
Ambassador



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Pernod Ricard