



CHIVAS BROTHERS GENDER PAY GAP REPORT 2023

FOREWORD

In this 6th edition of our gender pay gap report, we outline our figures from April 2023 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, based on data from April 2023, shows that our workforce is 33% female, consistent with the Scotch whisky industry. Our mean gender pay gap is 5.24%, and since 2020, this has reduced by 2.06%, reflecting our continued efforts to create gender equality in our workplace. Since the last reporting period, there has been a minor increase in the median gender pay gap (+1.7%) to 8.72%, marking a small deviation from our desired trajectory. This is due to a slight reduction in women in the upper middle salary quartile.

This should not overshadow the positive progress made in recent years; instead, it signifies the sustained and focused work that is required to ensure even better representation of women in our business and in the wider Scotch whisky industry.

Our gender pay gap is significantly lower than the UK average (14.3% median / 13.9% mean) and we have made notable progress in increasing female representation in leadership

positions reporting into the executive level. Women now make up 40% of our top 100 leaders, and 43% of leaders in mid-level management positions (+4% from April 2022). This highlights the strong pipeline of female leaders anticipated to progress to high level positions within the coming years.

During this reporting period, we saw an improvement in the median gender pay gap across more than half of our job grades. Six of our 14 job grades now have a pay gap in favour of women (vs four in 2022), while a further three have a pay gap of 0% or 1%.

At Chivas Brothers, our vision is to open up to shape the future of whisky. We remain steadfast in our mission for better representation of women in our business and in the wider Scotch whisky industry, understanding that diverse opinions and perspectives will only make us a stronger organisation moving forward.

STEPHANE DEHLINGER,
HUMAN RESOURCES DIRECTOR



01

WHAT IS THE PAY GAP AND HOW IS IT 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



WHAT IS THE PAY GAP AND HOW IS IT CALCULATED?

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
- 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.



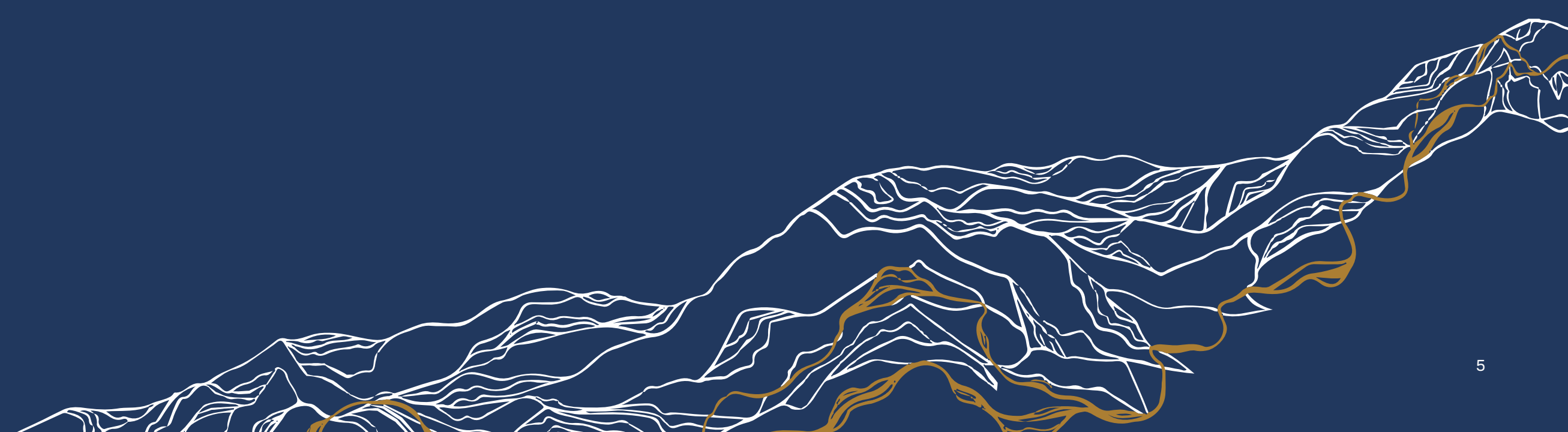
Many roles across the operational part of our business, such as distilling, warehousing, and manufacturing, have historically been more male-dominated and this is reflected in some gender pay gap differences in this part of the business. Although the median gender pay gap in our operations business is 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 12 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 men.

CHIVAS BROTHERS' WORKFORCE IS

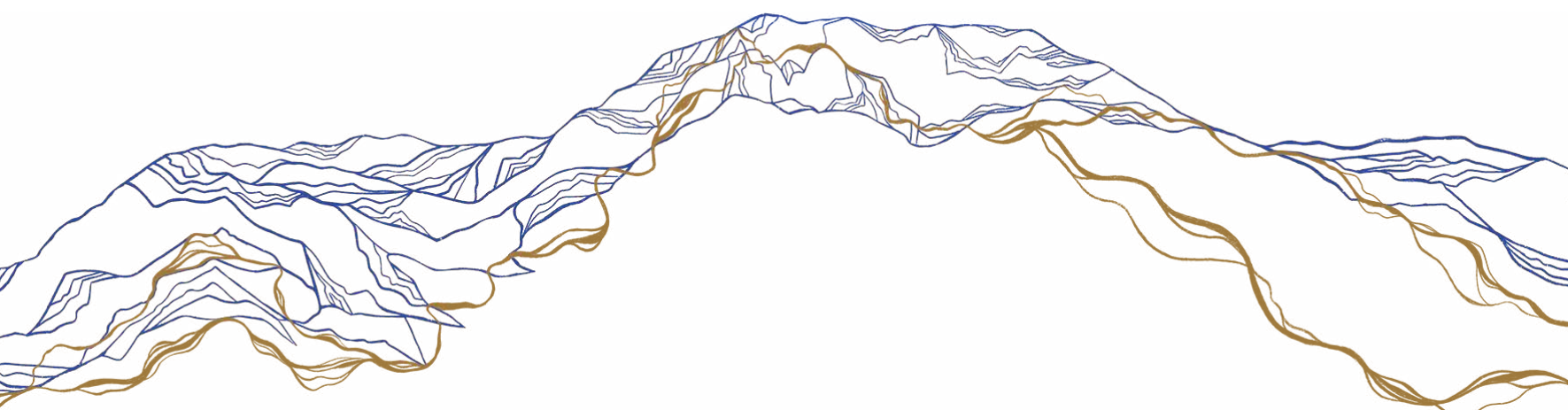


CONSISTENT WITH THE SCOTCH INDUSTRY



02

GENDER PAY GAP FIGURES



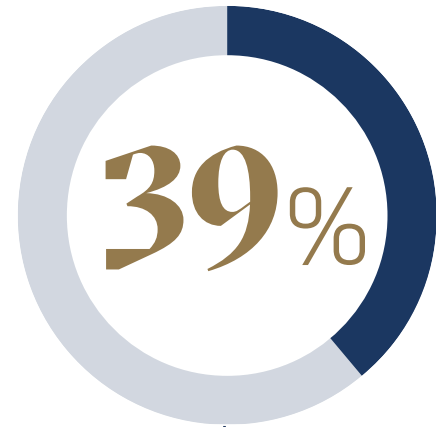
GENDER PAY GAP FIGURES

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

While we are pleased that our pay differences (mean 5.24%; median 8.72%) are well below the national average (mean 13.9%; median 14.3%), we know that our work is not done.

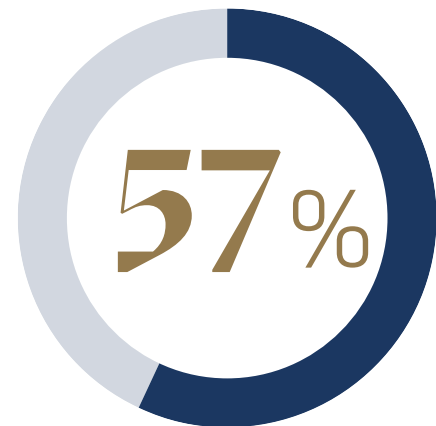
Progress has been made in increasing the representation of women in leadership positions throughout our business, laying the foundations for a strong succession pipeline.

FROM APRIL 2022 TO MARCH 2023,
WE WELCOMED OVER 320 NEW
STARTERS, OF WHICH



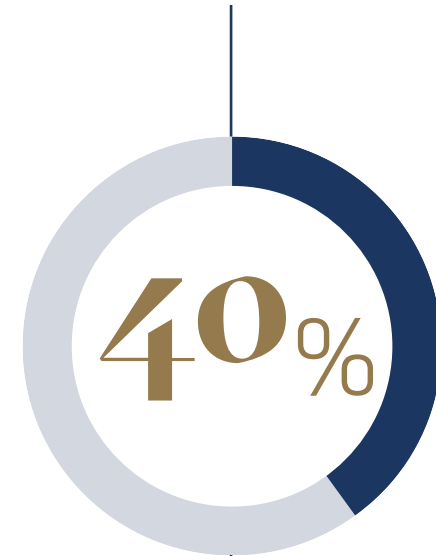
WERE FEMALE

FURTHERMORE, IN MID-LEVEL
MANAGEMENT AND LEADERSHIP
POSITIONS, WOMEN ACCOUNTED FOR

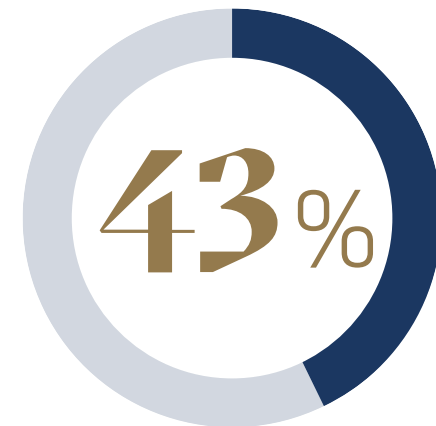


OF NEW HIRES

WOMEN NOW MAKE UP

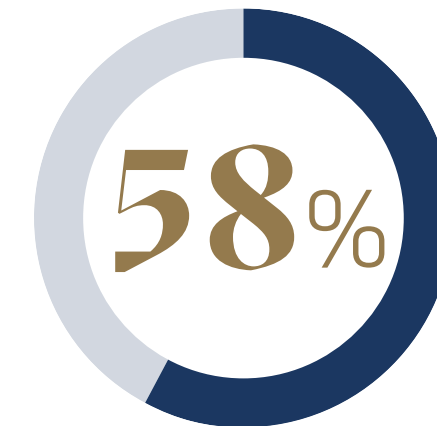


OF OUR TOP
100
LEADERS AND



OF LEADERS IN MID-LEVEL
MANAGEMENT POSITIONS
(+4% FROM APRIL 2022)

SINCE OUR LAST REPORT WAS
PUBLISHED, WE HAVE ALSO MADE
PROGRESS IN INCREASING FEMALE
REPRESENTATION IN LEADERSHIP
POSITIONS IN OUR MANUFACTURING
DEPARTMENT - WHERE WOMEN
NOW MAKE UP



(+25% FROM APRIL 2022)



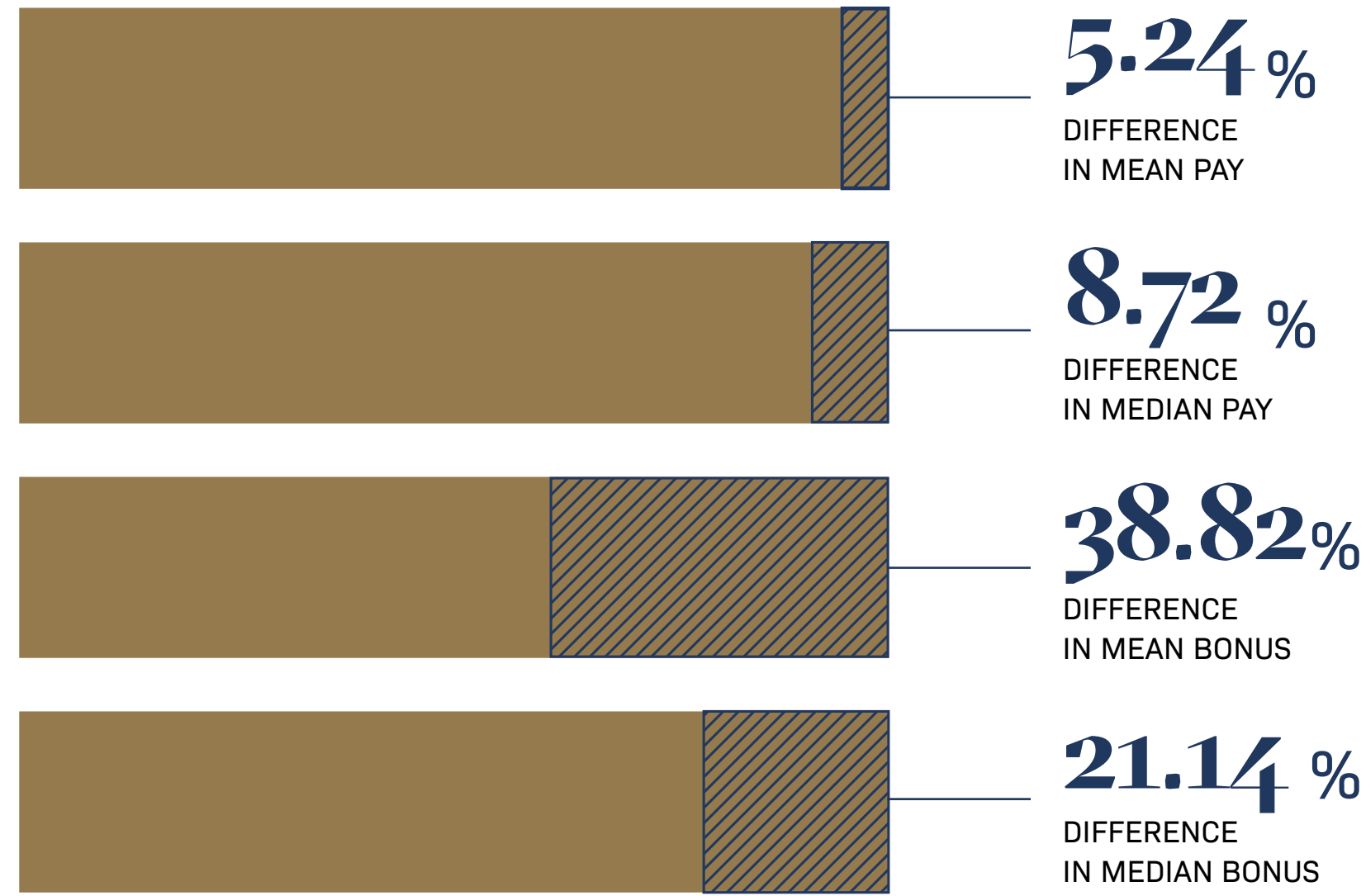
"As an engineer, making the move to the whisky industry has been incredibly exciting for me. Under female leadership, I've found it to be a dynamic and forward-thinking field. Chivas Brothers' commitment to sustainability, investing in energy-efficient technologies for long-term Scotch production, is particularly inspiring. I'm fortunate to be part of a very supportive and inclusive team, offering ample opportunities for development and growth."

AMBER CHARNLEY
- PROJECT ENGINEER

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KEY FIGURES AND
YEAR-ON-YEAR COMPARISON

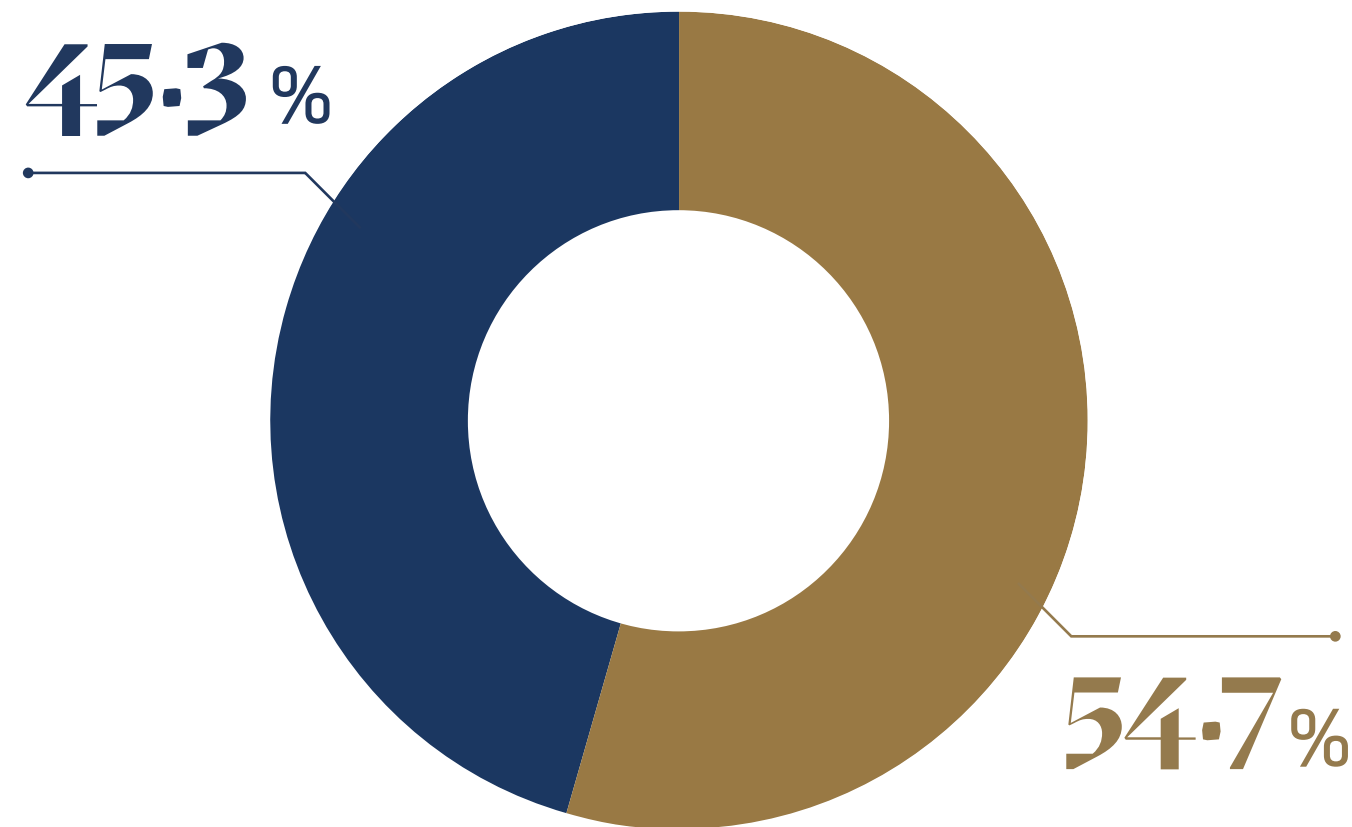




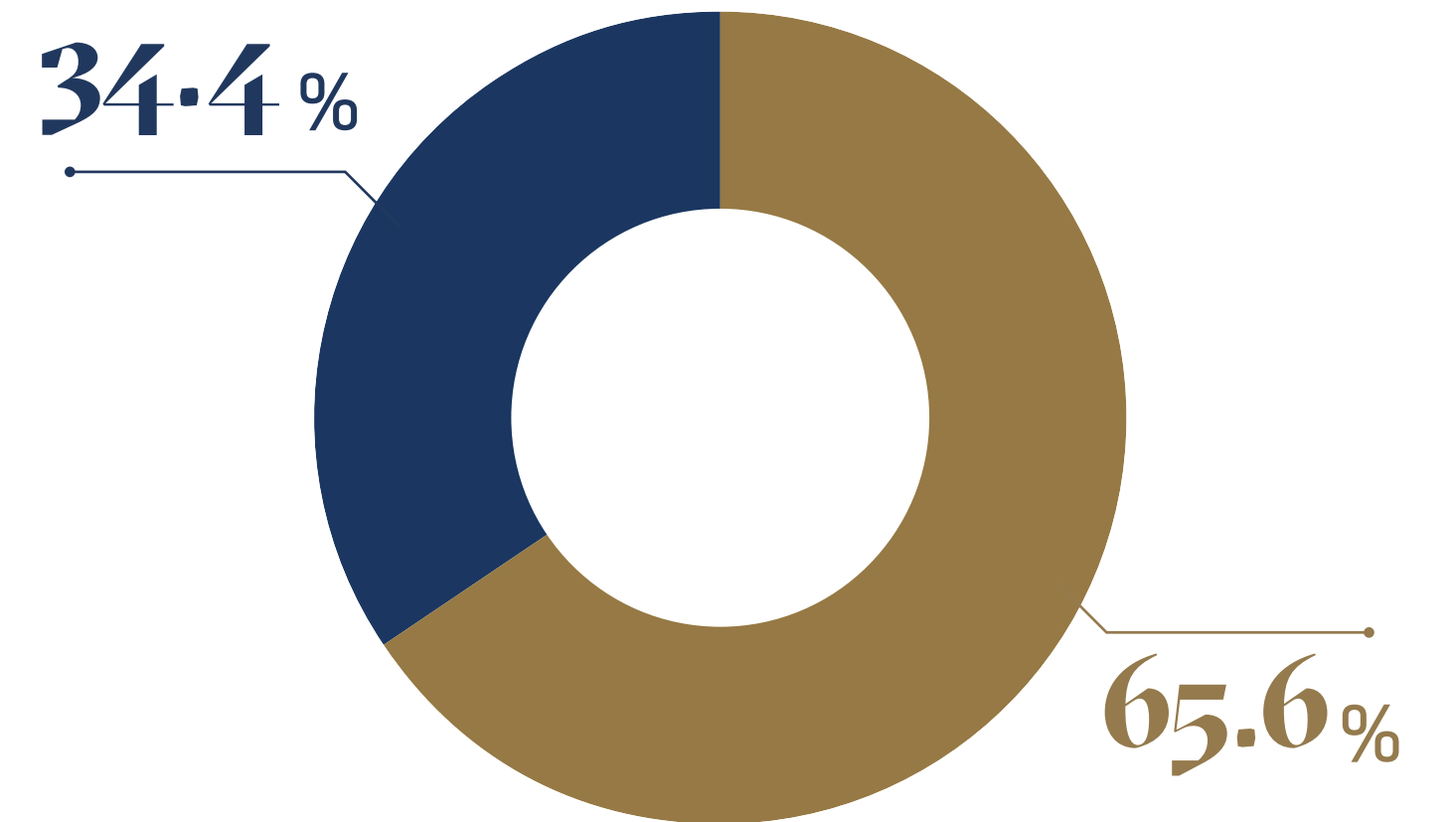
PROPORTION OF FEMALES AND MALES IN EACH QUARTILE PAY BAND



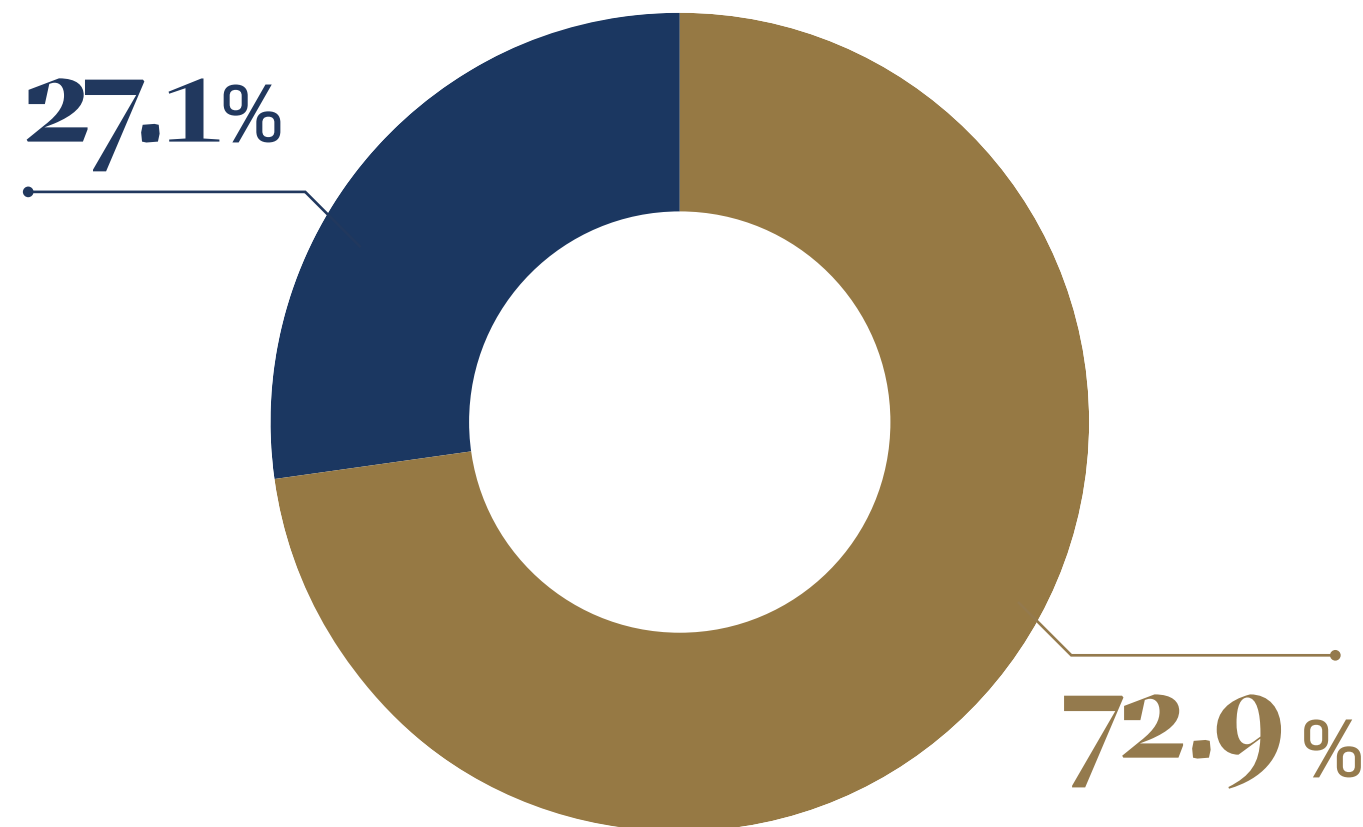
LOWER QUARTILE



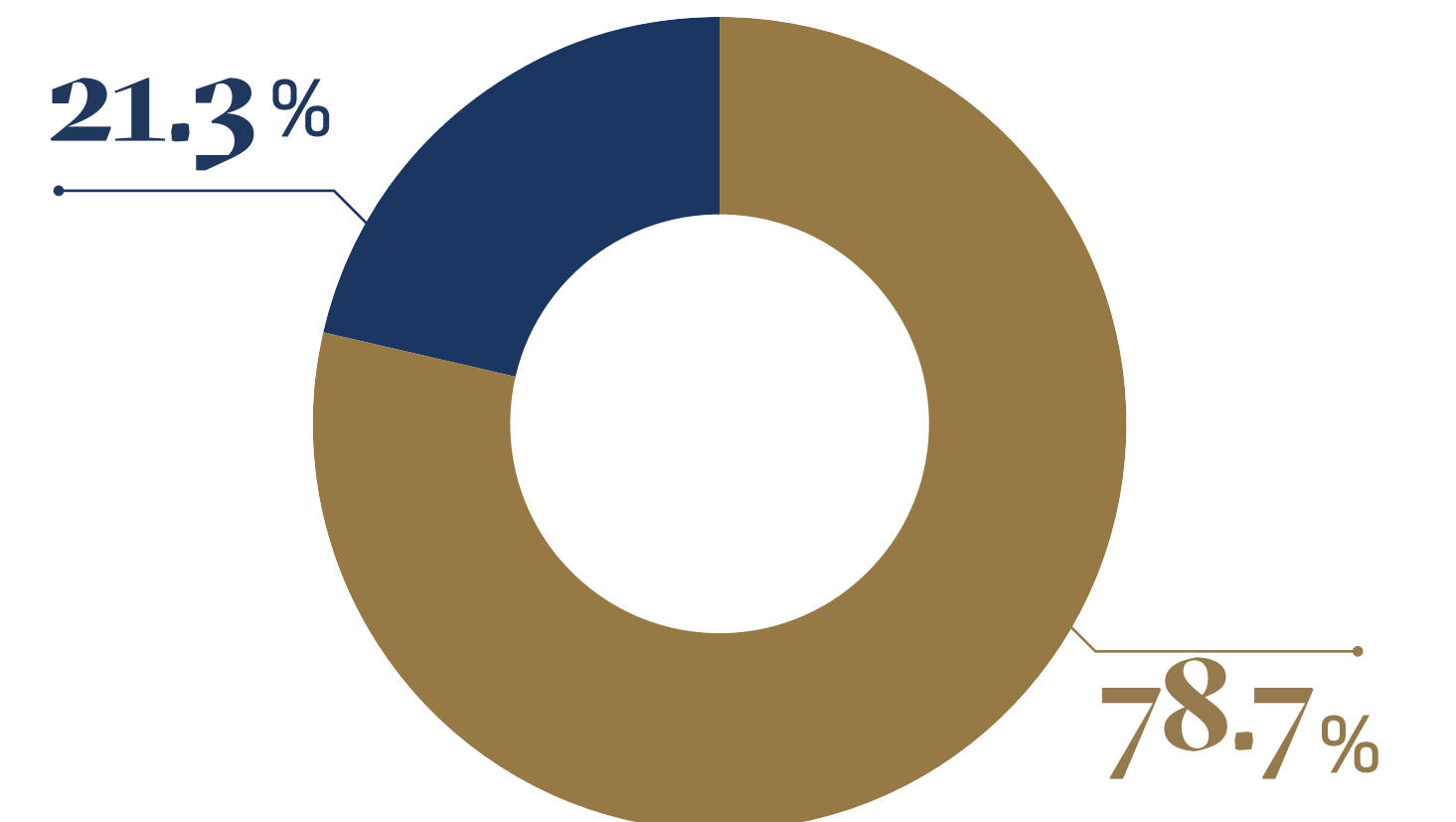
LOWER MIDDLE QUARTILE



UPPER QUARTILE

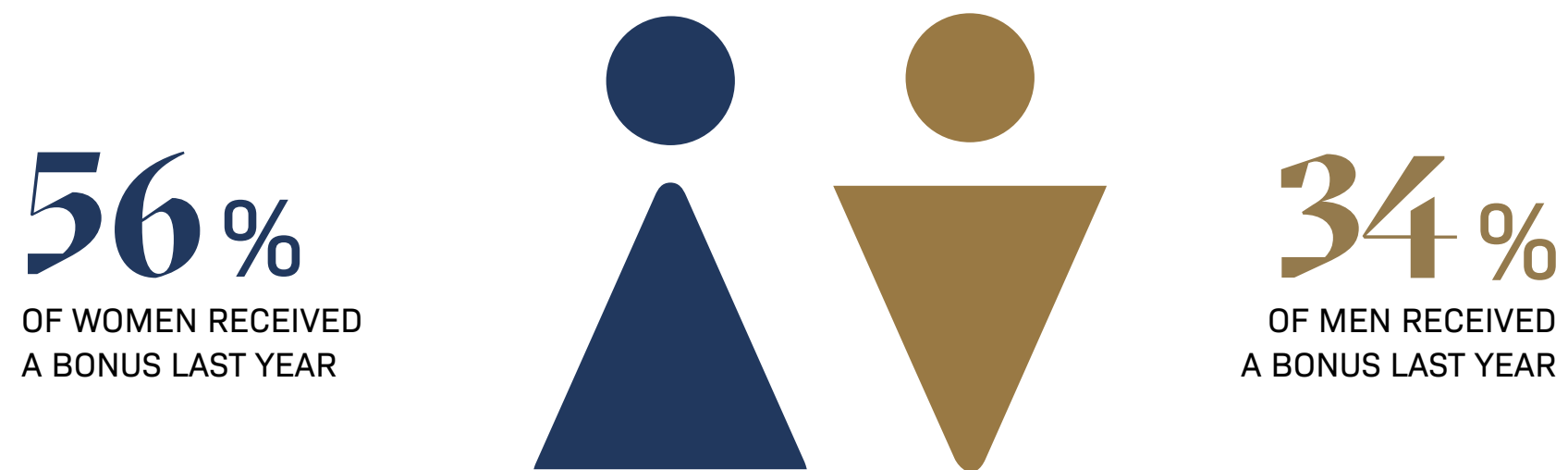
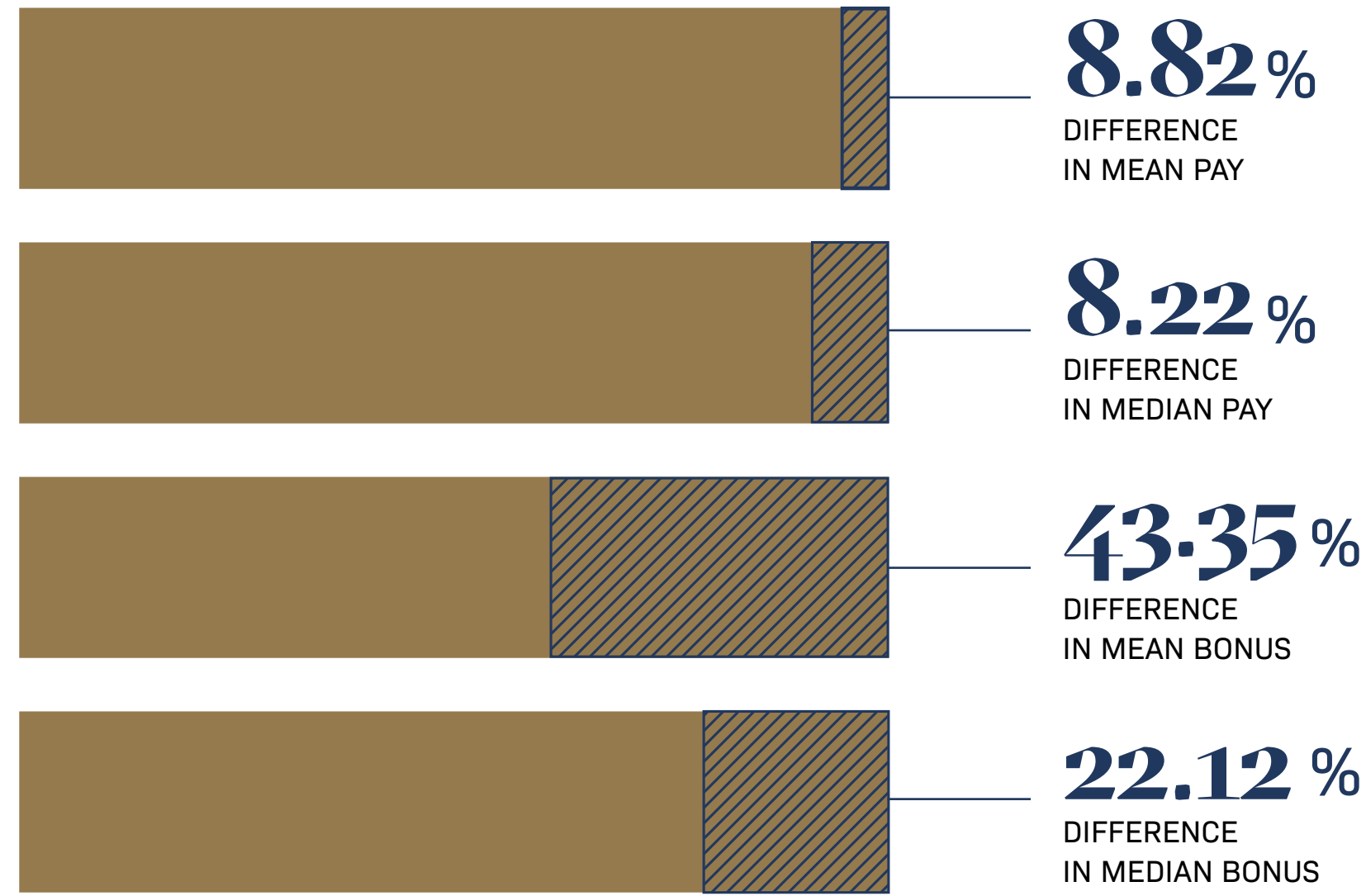


UPPER MIDDLE QUARTILE



YEAR
ON
YEAR
COMPARISON

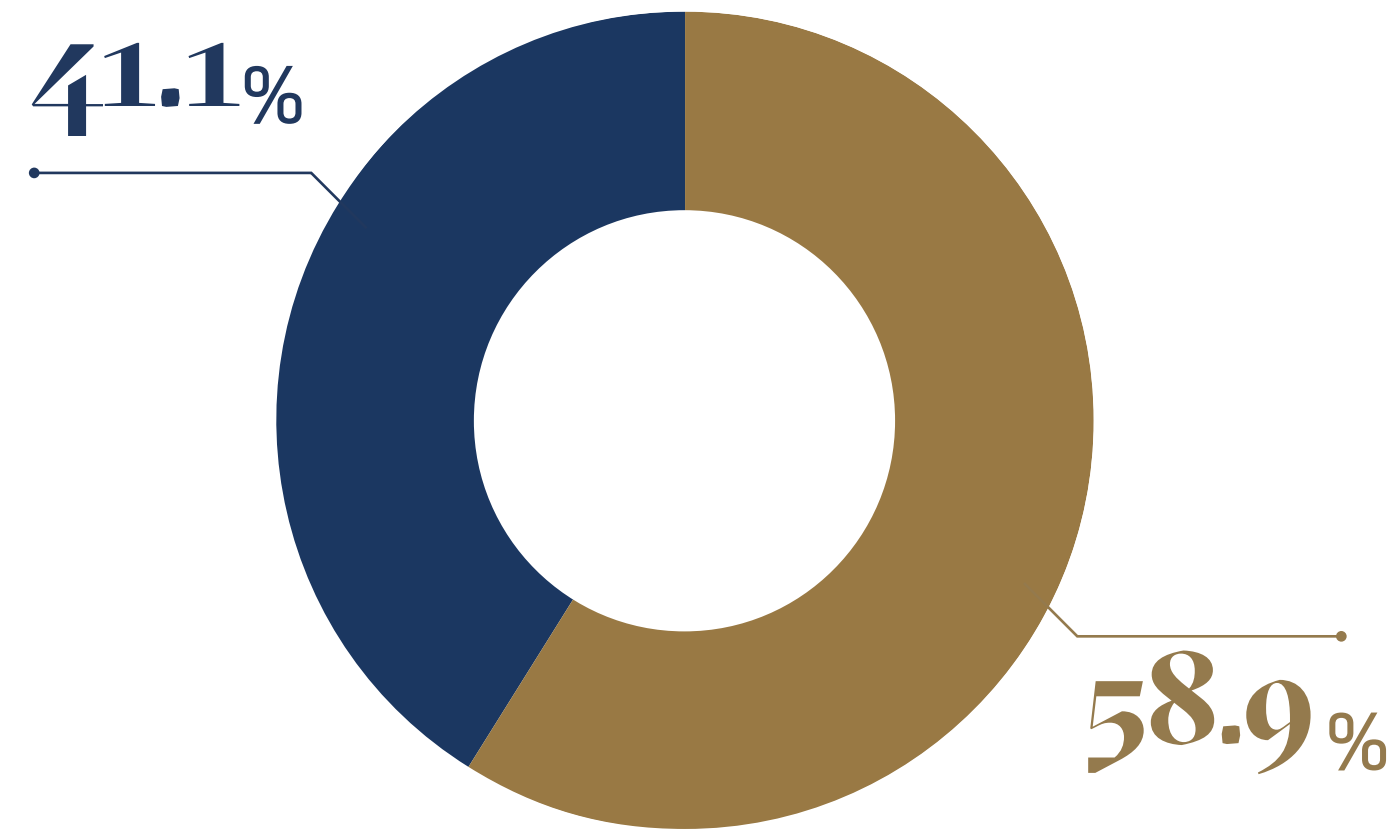
	2021	2022	2023
MEAN GENDER PAY GAP	6.69%	5.48%	5.24%
MEDIAN GENDER PAY GAP	7.25%	7.02%	8.72%
MEAN GENDER BONUS GAP	46.46%	41.74%	38.82%
MEDIAN GENDER BONUS GAP	1.58%	-16.37%	21.14%
MALES RECEIVING BONUS	17.98%	20.02%	37%
FEMALES RECEIVING BONUS	19.96%	26.34%	59%



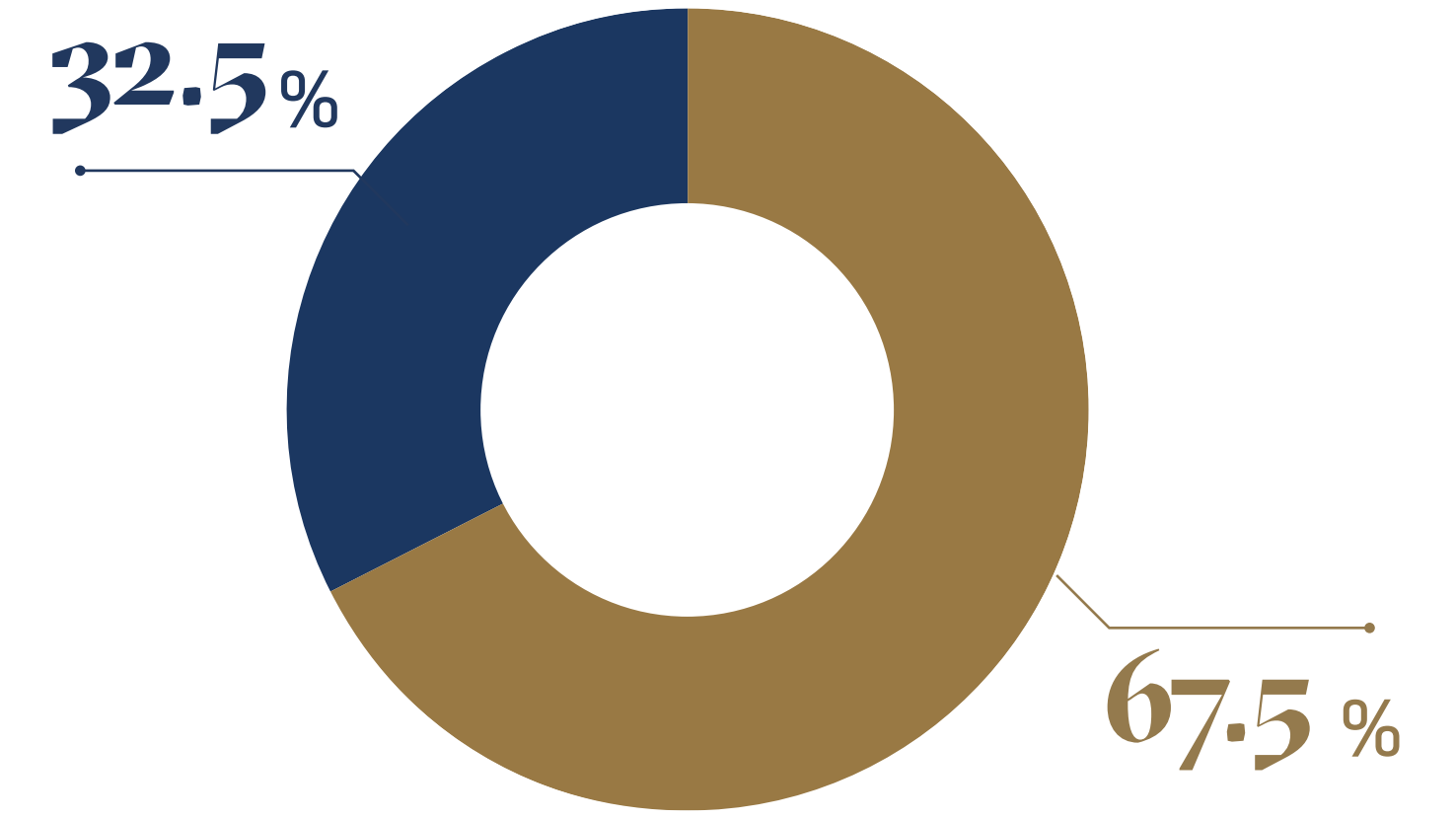
PROPORTION OF FEMALES AND MALES IN EACH QUARTILE PAY BAND



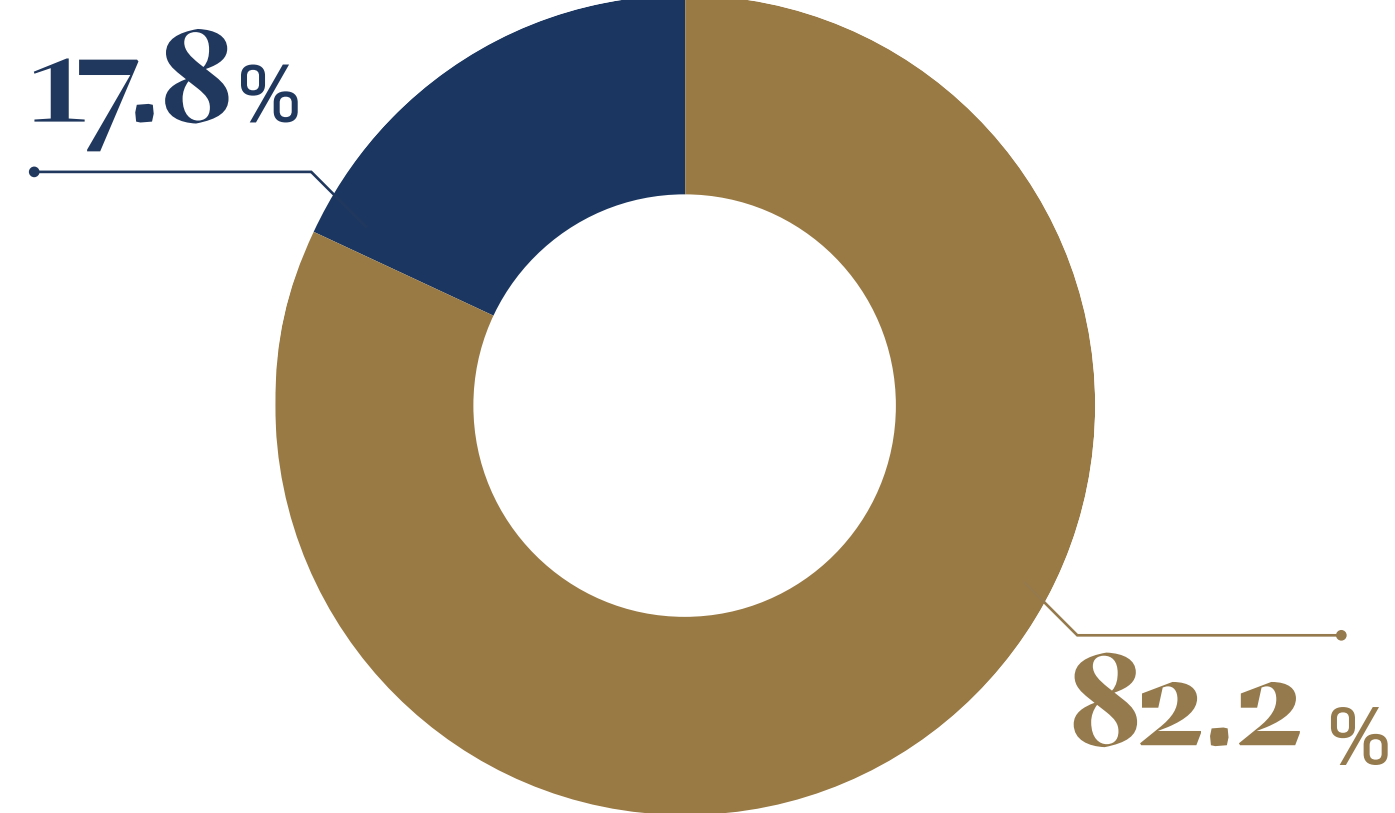
LOWER QUARTILE



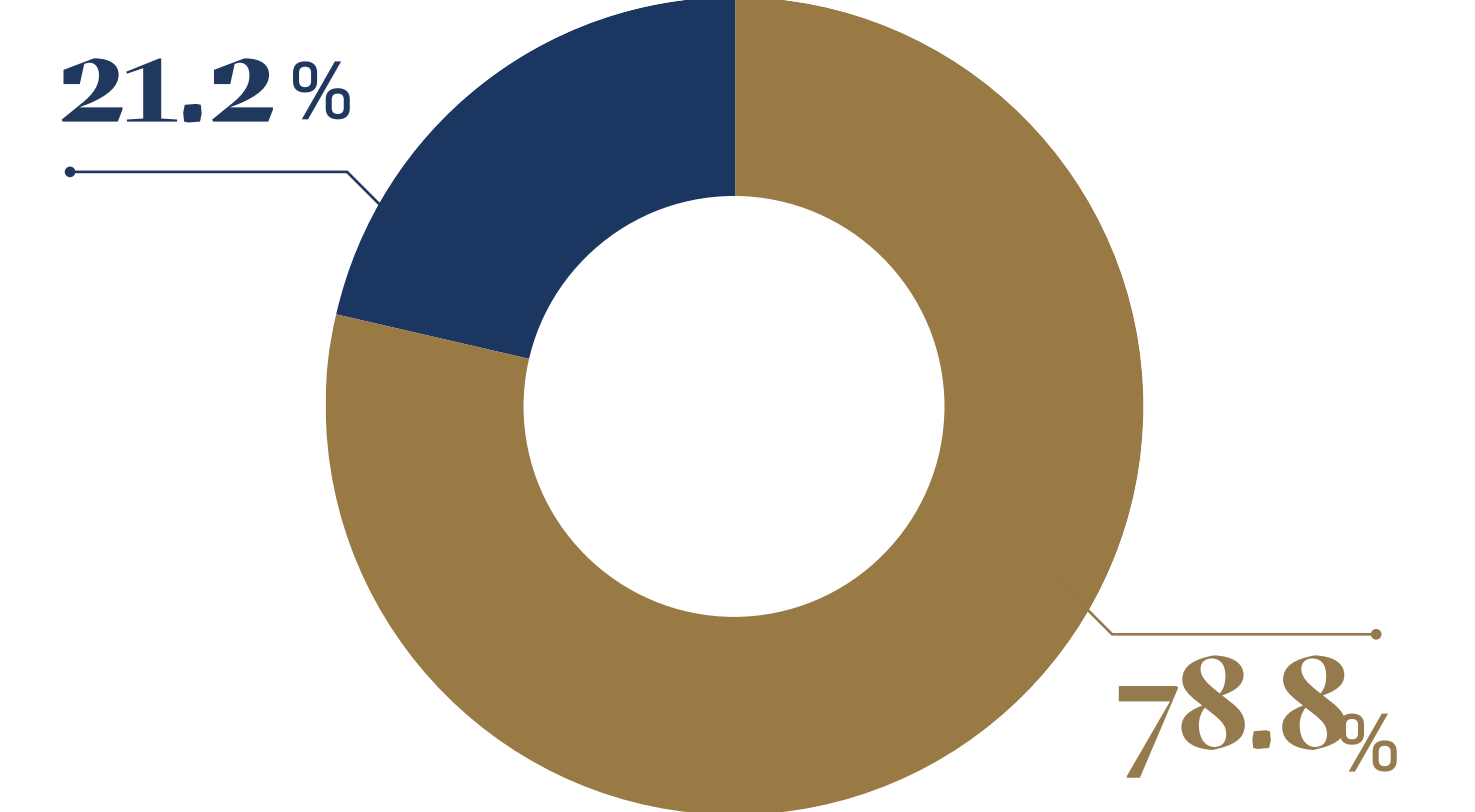
LOWER MIDDLE QUARTILE



UPPER QUARTILE

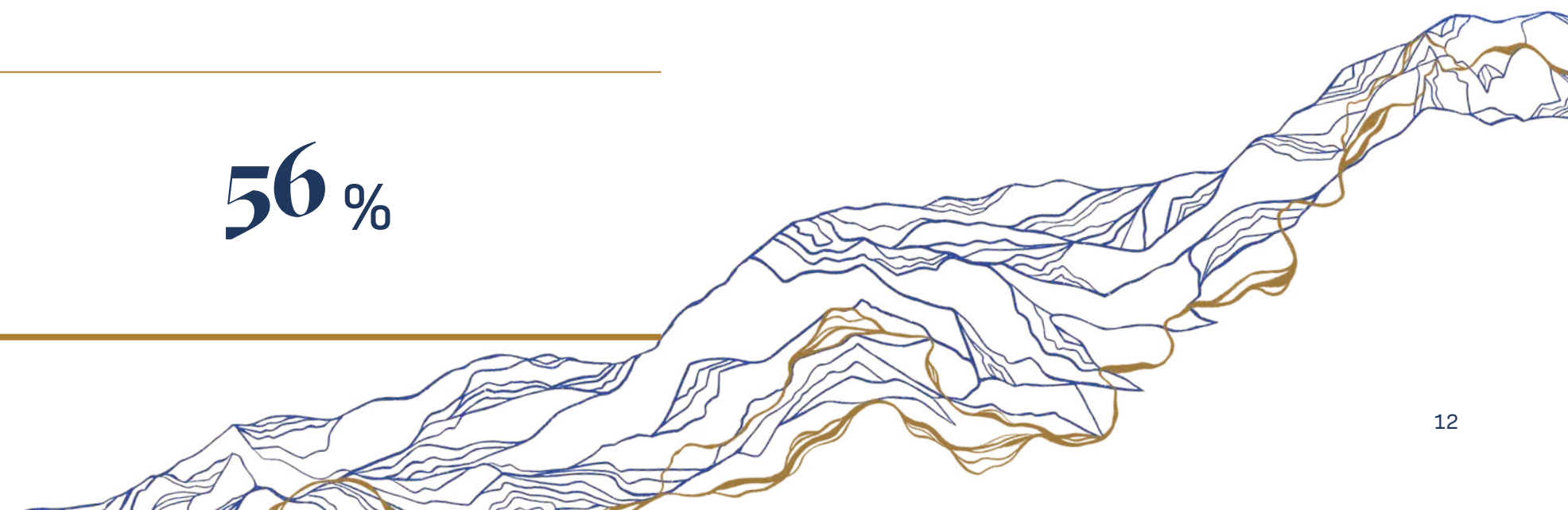


UPPER MIDDLE QUARTILE



YEAR
ON
YEAR
COMPARISON

	2021	2022	2023
MEAN GENDER PAY GAP	9.52 %	9.41 %	8.82 %
MEDIAN GENDER PAY GAP	6.66 %	7.97 %	8.22 %
MEAN GENDER BONUS GAP	52.23 %	44.36 %	43.35 %
MEDIAN GENDER BONUS GAP	23.24 %	-1.16 %	22.12 %
MALES RECEIVING BONUS	15.64 %	17.14 %	34 %
FEMALES RECEIVING BONUS	14.08 %	19.07 %	56 %



04

CLOSING THE GAP



CLOSING THE GAP

BREAKING DOWN BARRIERS

Harmful stereotypes and unchecked, unconscious bias are just some of the barriers that stifle women's development and progress in the workplace.

Addressing these barriers requires a commitment to creating long-term sustainable change. Since our last report, we have reviewed the language in our job adverts with the support of Fluid (our LGBTQ+ network) to ensure our vacancies are attractive to an audience of all genders and ethnicities. We aim to use gender balanced shortlists for all our vacancies; our assessment methods are based on objective performance criteria to mitigate the risk of bias; and we also commit to exploring flexible working arrangements in our job ads.

Our HR team has also undertaken a review of our recruitment agency partners during the latest reporting period, with the aim of protecting the values of diversity and inclusion in our agency selection criteria. These improved criteria will factor in the agency's own employee diversity profile and its support for diversity & inclusion.

To support the next generation of Chivas Brothers employees, we're continually looking to level the playing field for those seeking a career in our industry. As part of this, we now support the Bright Futures internship scheme, a programme founded in 2013 by Pernod Ricard UK that offers year-long placement opportunities in key business areas such as Finance, IT, Marketing, HR, and Communications.

Each placement offers invaluable business experience and real responsibility alongside unique training opportunities to aid professional development and set each individual up for future success. In the following months, we'll be welcoming a cohort of new talent, 66% of which are female.



CLOSING THE GAP



"Chivas Brothers has created a collaborative environment where the 'old boys club' is no longer the loudest voice at the table. I can see and feel a cultural shift, even in a traditionally male-dominated sector such as manufacturing."

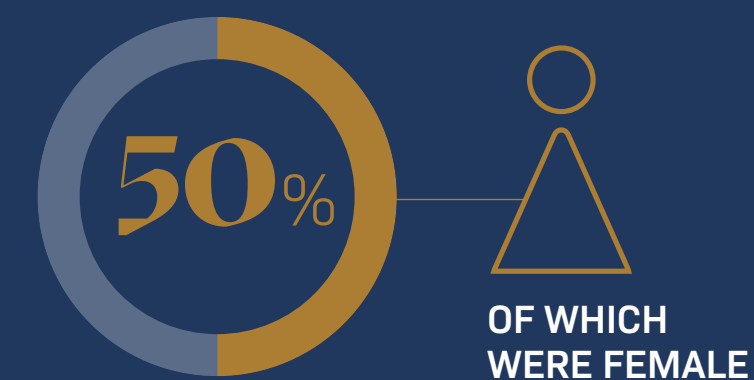
KIRSTY LAUCLAN
- TRANSFORMATION LEAD

July 2023 marked a key milestone for our Brand Ambassadors Programme as we welcomed the largest number of female ambassadors representing our whisky portfolio on a global scale. Improving on the 2022 intake (50% male ambassadors and 50% female ambassadors), this cohort consisted of 64% women and 36% men. To ensure that we can continue to see a diverse selection of applicants come forward, we have taken the decision to remove the need for a degree to apply for the programme.

We operate a range of company-wide training programmes to improve the career prospects of under-represented groups.

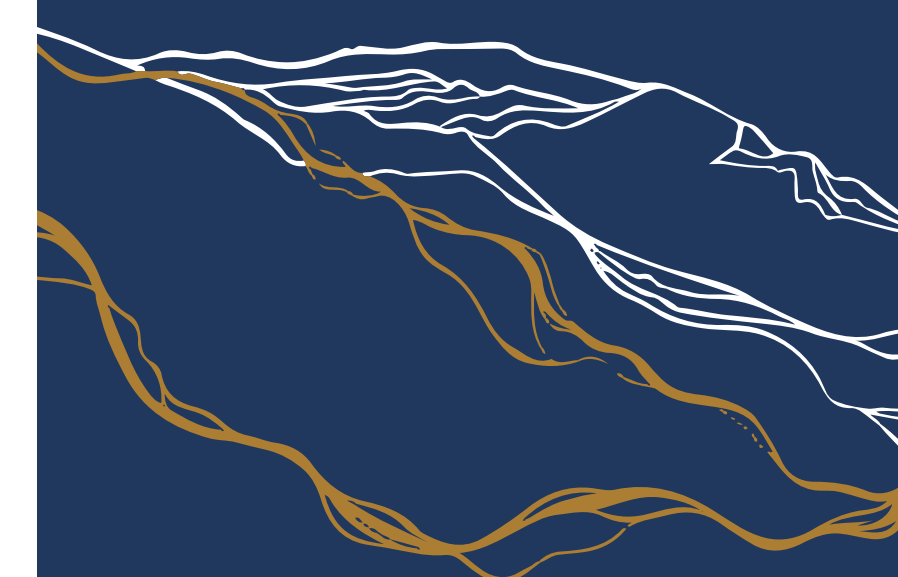
One of our key programmes, **INSPIRE**, encompasses four modules spanning **leadership, coaching, communication and feedback**, with each specifically designed to inspire great leadership.

Since its launch in January 2024, the programme, available virtually and in-person, has trained many delegates



"Embracing diversity, along with fostering inclusivity, is pivotal for the thriving whisky industry. Today's whisky enthusiasts encompass a diverse array of individuals, reflecting the evolving landscape of our society. Acknowledging and embracing this transformation is not only a natural progression but also a responsibility we undertake to showcase a more realistic portrayal of today's whisky drinkers."

NATASHA OWUSU
- INTERNATIONAL AMBASSADOR
PROGRAMME MANAGER



CLOSING THE GAP

SUPPORTING FAMILIES

As a business, we want to support our employees professionally and personally. Making the decision to start a family can be an exciting and overwhelming time for many. We also recognise that modern families can take on many forms and so we have looked to create a more holistic approach to how we support our employees through this.

Since our last reporting period, we have updated and enhanced our parental policies, increasing our paternity leave from four weeks to eight weeks, with full pay. This is significantly above the two weeks mandated by the UK government, and all eligible employees have taken up the enhanced paternity leave policy since it has been available.

We have also introduced guidance for anyone looking to enter into a surrogacy agreement, and established a new policy on pregnancy loss, giving those impacted time off and advice on where to locate support.



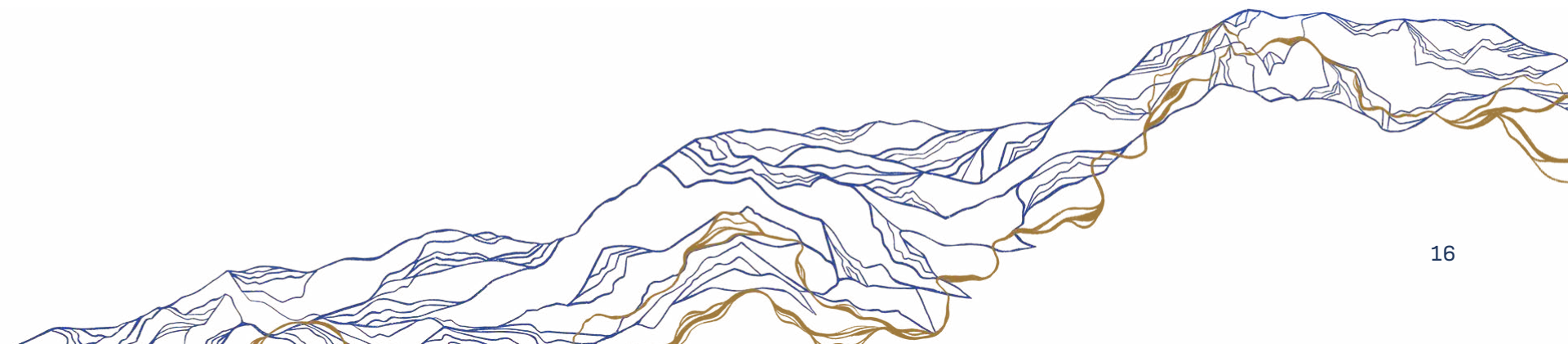
"Returning to work after my second child, I knew the balancing act would stretch me emotionally and physically. I've been able to discover a newfound vitality in adopting a progressive way of working: a job share. With the business' full support to trial this arrangement, we have created a pioneering model that could pave the way for returning parents in the future, offering a flexible and sustainable approach to work-life balance. This not only provides a route for parents to re-enter the workforce smoothly but also signals that the business can accommodate candidates with differing circumstances."

ROWAN AHMADI-NAMEGHI
- HEAD OF INTERNAL COMMUNICATIONS AND CULTURE



"Knowing that my employer actively prioritises the wellbeing of mums and dads, and recognises the importance of family life made me feel a great sense of pride."

RAPHAEL JOUVE
- HEAD OF ARCHITECTURE & INNOVATION



CLOSING THE GAP



NURTURING HUMAN CONNECTION THROUGH EMPLOYEE RESOURCE GROUPS

At Chivas Brothers we believe in conviviality – bringing people together to share authentic experiences and make new connections – and we understand our responsibility in nurturing united and inclusive communities throughout the business.

Our employee resource groups (ERGs) support colleagues with a shared identity, experience, or background and since 2021, we've seen the creation of three networks across our UK affiliates:



"I genuinely value working in a company that recognises the inherent worth of its people. My role as Libra Co-Chair brings me immense satisfaction. ERGs have a transformative power to cultivate genuine connections, facilitating meaningful change towards a more inclusive, empathetic workplace where mutual learning thrives."

GEMMA CANEPA
- SUSTAINABILITY & RESPONSIBILITY MANAGER
AND LIBRA CO-CHAIR

CLOSING THE GAP



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





Chivas Brothers
Pernod Ricard

