

Ethnicity Pay Gap Report 2021



Pernod Ricard UK
Créateurs de convivialité

We are proud to be voluntarily publishing our ethnicity pay gap for the first time. We have a long term and continuous focus on Diversity & Inclusion and this report supports our commitment to transparency and openness.

The team at Pernod Ricard is a diverse, multi-national community of professionals, in which 23% of our team identify as non-white British. However, as no statutory framework exists for the explicit purpose of the calculation of an ethnicity pay gap at this time, we have chosen to base our analysis on the measures of average hourly pay and bonus required by regulatory Gender Pay Gap reporting combined with the self-identification categories of ethnicity captured within our Human Resources Information System (HRIS).

Using this strictest measurement of available data, we draw a direct comparison between employees identifying themselves as white and those identifying themselves within non-white ethnic categories. This report summarises our data as of April 2021 and going forward, we commit to publishing this information annually.

We fully understand that our ethnicity pay gap is driven by the under-representation of ethnic minority groups across our senior organisational levels and our approach to diversity, inclusion and equality is supported by a range of initiatives that underpin our ambition to provide a truly inclusive working environment that is based on respect and mutual trust. The details are set out in this report.

We know that we still have much to do to earn and maintain our place as an inclusive employer of choice. Releasing this data is a pivotal step in recognising where we must do more to sustain a fair and diverse community for our people, ensuring they are proud to belong, committed to care and empowered to perform.



Pam Rowan

HR Director – PRUK



Committed
to **care**



Empowered
to **perform**



Proud
to **belong**



With diversity, inclusion and equality consistently at the top of our corporate agenda we have a range of ongoing initiatives that support our ambitions to maintain our position as an employer of choice.

We have developed a bespoke internal site to share all our information across our three key 'Better Balance' initiatives: **Mental Health, Diversity & Inclusion and Wellness Works.**



We believe that diversity – across all dimensions – is an outcome of an inclusive and respectful culture.

We are clear that all of our people have a part to play in ensuring we always provide an inclusive environment.



Pam Rowan
HR Director

Our Ethnicity pay gap reporting explained

As no statutory framework exists for this purpose, using available categories within our HRIS (where we have an ethnicity disclosure rate of 100%) combined with the key statutory measurements required in reporting of the Gender Pay Gap, here we offer an assessment of our ethnicity pay gap as the gap between employees identifying as White (including White British and White Other) and employees identifying themselves as all other Ethnicities:

THE MEAN PAY GAP IN HOURLY PAY RATES AND BONUS



The sum of hourly rates divided by the count of all employees and broken into white vs. other ethnicities.

THE MEDIAN PAY GAP IN HOURLY PAY RATES AND BONUS



Lowest hourly paid Median hourly paid white VS other ethnicities Highest hourly paid

Median hourly pay white vs. other ethnicities.

— The percentage of employees within each category of ethnicity who received a bonus in the reporting period.

— The total percentage of employees identifying themselves within each category of ethnicity.

— The distribution of employees identifying themselves within each category of ethnicity by hourly pay quartile.

PRUK Ethnicity Pay Gap Statistics

Overall **Median**
Hourly Pay Gap

25.9%

Overall **Median**
Bonus Gap

27.0%

Overall **Mean**
Hourly Pay Gap

28.3%

Overall **Mean**
Bonus Gap

49.7%

Profile of Employees receiving a Bonus

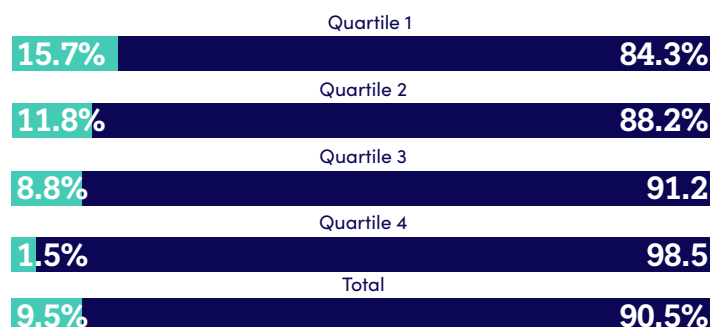
All PRUK employees are entitled to a bonus payment subject to our Bonus Scheme Rules. In the reporting period, all eligible employees received a bonus.

The distribution of bonus payments for white employees vs employees of all other ethnicities is the product of the reporting snapshot date in relation to employment dates.

74.1%
Other Ethnicities

86.7%
White

Average Hourly Pay Quartile Distribution



Other Ethnicities White

Understanding our data



Other Ethnicities
Total PRUK

9.5%

White
Total PRUK

90.5%

Other Ethnicities
UK National*

13.0%

White
UK National*

87.0%

*Source – Employers Network for Equality & Inclusion 2018

While in hourly pay quartiles 1 & 2, PRUKs representation of ethnicities other than white is comparable to the UK national figures, at hourly pay quartiles 3 & 4 our results are below the national average figures. The analysis of our ethnicity pay and bonus data therefore confirms that our ethnicity pay gaps (as at April 2021) arise because ethnic minority individuals hold fewer senior positions within the business than non-ethnic minority individuals.

We continue to monitor all reward decisions from an ethnicity perspective to ensure that our processes are free from bias; all reward recommendations are reviewed through both an ethnicity and gender lens and are also reviewed by our Global HQ, Managing Director and HR Compensation & Benefits team prior to final sign off.

We have worked hard to increase our rates of ethnicity disclosure within our HRIS from 43% in April 2020, to 100% in April 2021. This valuable contribution by our team has allowed us to produce this comprehensive report.



Diversity & Inclusion: A focus on our culture and our talent

We recognise that our desire to improve the equal representation of a diverse ethnic and cultural mix at all our organisational levels will only be achievable with the right business culture and a truly inclusive and welcoming working environment. To this end, we relentlessly focus on providing a working environment that is always underpinned by respect and tolerance.

We have work to do in increasing the representation of non-white ethnicities at PRUK and we're reviewing our processes to challenge any bias which may exist.

We provide mandatory inclusive leadership training for all employees.

We insist on diverse selection panels on every single recruitment campaign.

We are partnering with specific recruitment agencies dedicated to supporting ethnic and minority groups.

Our dedicated D&I Champions will continue to promote and role model our diversity drive, creating a wide range of opportunities to educate our team.

Our industrial placements programme, Bright Futures, is governed using diversity metrics to ensure our young talent is representative of our customers, consumers and the wider UK community.



Driving Better Balance

Our leadership development approach supports our current and future leaders as role models. We actively promote the benefits of gender balance at all levels through our 'Better Balance' programme and seek to address any challenge of unconscious bias through training interventions including Inclusive Leadership and Inclusive Culture.

Mental Health

We believe that the Mental Health of our colleagues can have a profound and positive impact within our business and we are therefore committed to creating a safe, healthy workplace where the mental and physical health of employees are valued equally.

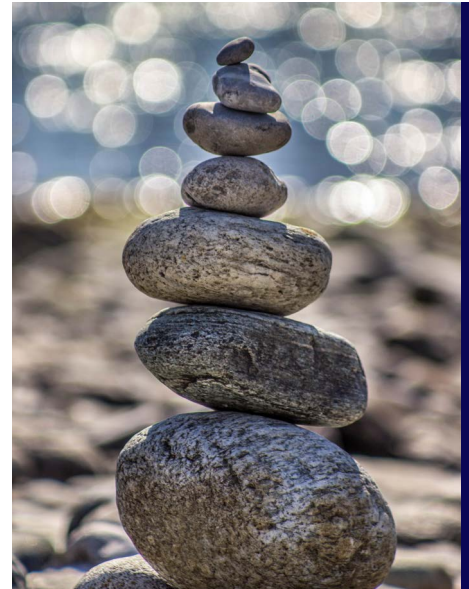
In 2020/21 our team has experienced the universal challenges brought by the COVID pandemic and in response, over the last 18 months, we have expanded and enhanced the range of existing mental health resources available to all our employees to promote and sustain good mental health.

We have doubled our workplace Mental Health First Aiders, to 20, all whom are fully trained, willing and able to provide support for those that need it, whenever they need it.



In addition, we have provided :

- Mental Health Awareness Training for all Managers
- Access to 1-1 sessions with a fully qualified and experienced counselling psychotherapist
- An 8 part programme from The Art of Brilliance including 'The Art of Being Brilliant'; 'Bouncebackability' and 'The Why Factor'
- Cognitive Behavioural Therapy (CBT) available via our Private Medical Insurance provider (Vitality)
- 24/7 Employee Assistance Programme (EAP) - a confidential advice service which offers support in all areas including health & legal advice, debt



Physical Health - Wellness Works

We believe in actively supporting the health and well-being of our colleagues by encouraging all our employees to adopt a healthier lifestyle and providing opportunities to focus on physical and mental well-being.

We have maintained our focus on the importance of physical health and in addition to the numerous clubs already available including Tennis, Football, Pilates, Yoga, Book Club and Wine Club, we have created a suite of resources, sessions, training and guidance available to everyone to help make sure we continue to look after ourselves even in the most challenging of times.

Smart Working

Promoting work life balance through flexible working and family friendly policies

Work life balance is rightly recognised as a key component of success in every dimension. That is why we work 'SMART' at PRUK. Our team are invited to choose (within agreed parameters) when, where and how they work. SMART Working is a partnership between our Managers and Employees, and it is this partnership approach, rooted in mutual trust, that is critical to making our initiative a success.

We continually evaluate, update and enhance our policies and we have recently revised our family friendly policies to increase Company pay within our maternity, paternity and shared parental leave entitlements.

In the past year we have also taken the decision to reduce our contractual working week by

2.5
HOURS

▼

6.7%
DECREASE

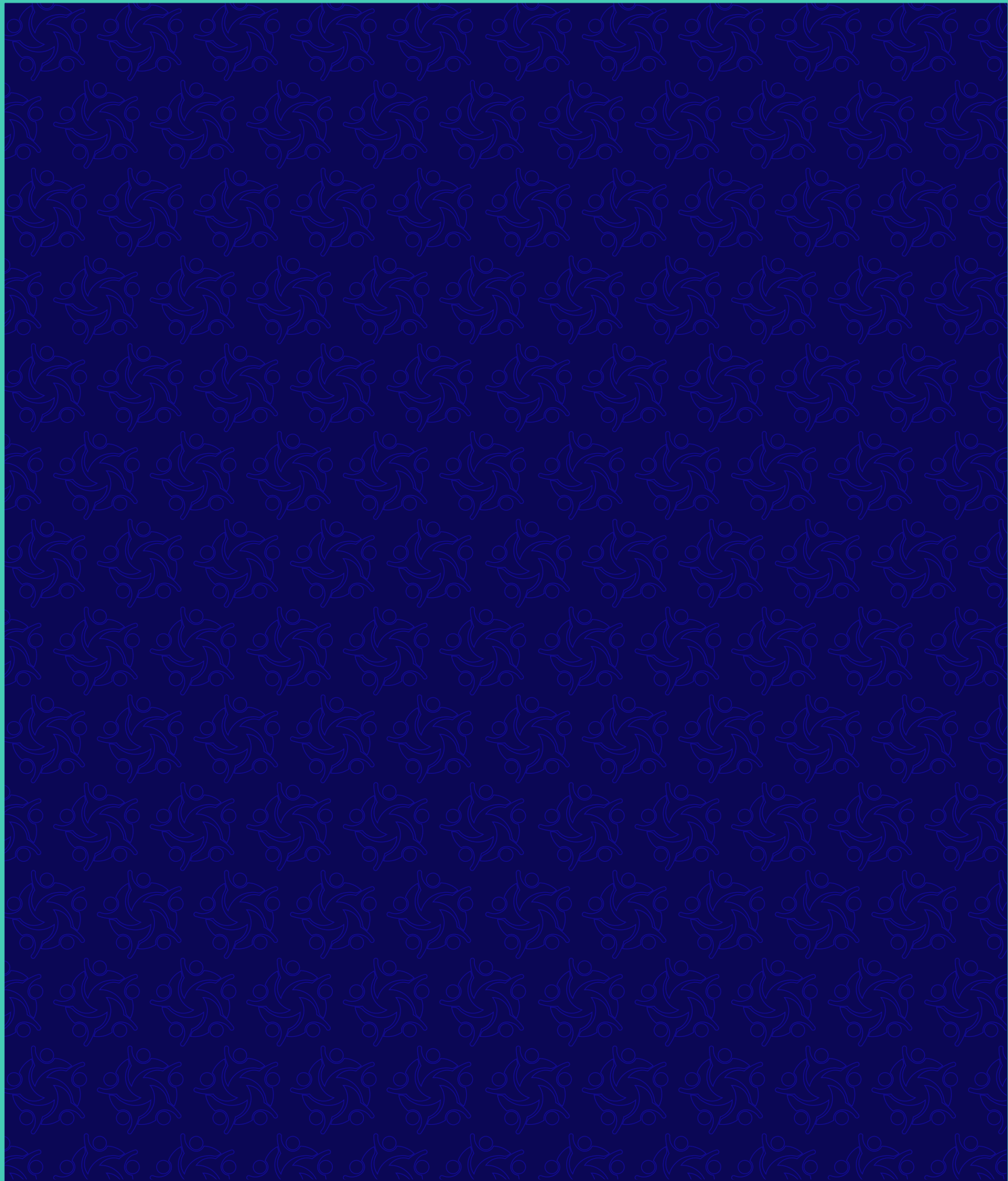
and increased our annual leave entitlement by

3
DAYS

▲

12%
INCREASE





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