



Pernod Ricard UK

Making meaningful change

The Pernod Ricard UK ethnicity pay story 2023



Introduction

We are Pernod Ricard UK – the UK arm of global drinks producer Pernod Ricard. We’ve been creating conviviality and unforgettable experiences in the UK since 2001, bringing people together through our unrivalled portfolio of spirits, wines and champagnes.

Our products are some of the best-known brands in the world: Absolut, Jameson, The Glenlivet, Beefeater, Havana Club, Kahlúa, Perrier-Jouët, G.H. Mumm, Campo Viejo and Jacob’s Creek to name a few.



Our Employer Value Proposition

Proud to belong

Empowered to perform

Committed to care

Throughout this document, we may refer to ourselves by our acronym – PRUK – and Pernod Ricard as the ‘Group’.

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Our greatest asset

Our people are at the heart of everything we do and we're committed to making sure they have the environment where they can truly thrive.

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Our greatest asset

We're a business driven by conviviality: our purpose is to bring people together to share in the magic of human connection. With that at our core, it's crucial our colleagues feel their best, not only so they can be their best and do their best, but to help them embody our purpose.

Enabling that means providing a workplace where people feel they belong: where they can be their true selves.

A workplace where people's unique talents and backgrounds are celebrated; where they have opportunities to grow and progress; and where every interaction is authentic and collaborative, because it's underpinned by a culture that's open and fair.

Why we're telling this story

While there is, as yet, no legal requirement for employers to report on their ethnicity pay gap, we want to take this extra step in the interests of transparency and to improve inclusion – both within our business and the wider industry.

By better understanding the demographics of our people, we can pinpoint areas for improvement and take more informed actions to better support them. Publishing these details also helps distil the challenges ethnic minority communities face and, with better understanding of those hurdles, we can tailor our ways of working to become a more inclusive place to work.

This is our third year of reporting our ethnicity pay gap and we're pleased to see positive trends. Both our median and mean gaps have narrowed, showing the steps we've taken since last year, as part of our diversity and inclusion action plan, are making an impact.

But we know that meaningful and sustained change takes time, and so our efforts will continue.

This report details what we're doing to address the gap and make PRUK a more ethnically diverse business.

What is the ethnicity pay gap?



The ethnicity pay gap shows the difference in average pay between colleagues who identify as 'white' (including 'white British' and 'white other'), and colleagues identifying as all other ethnicities. For the purposes of this report we have identified these as 'white' and 'global ethnic majority (GEM)'.

There are six metrics we report on:

Mean ethnicity pay gap

Median ethnicity pay gap

Bonus distribution

Mean ethnicity bonus gap

Median ethnicity bonus gap

Pay quartiles



Picturing the numbers

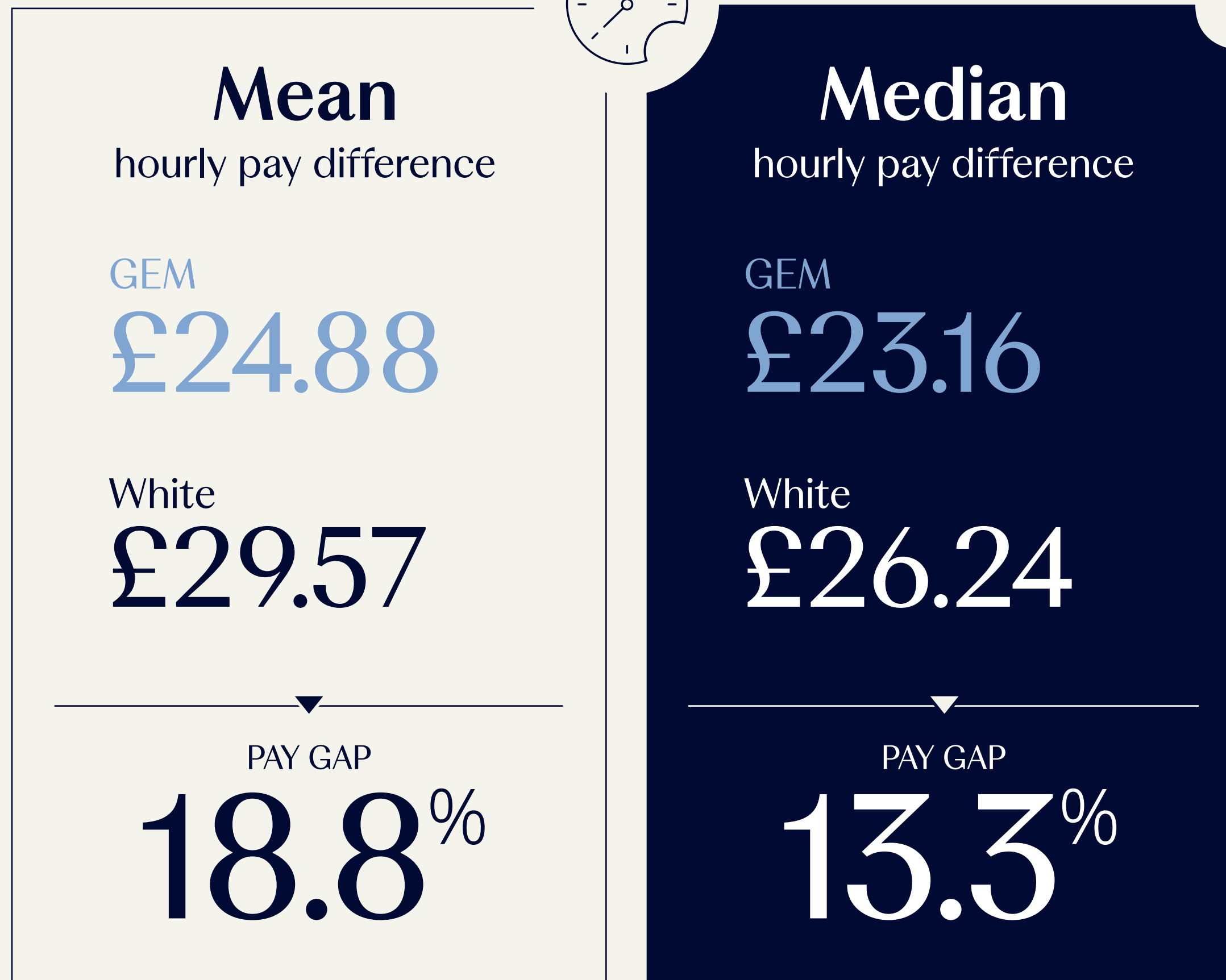
Over the last 12 months, we've made strides on our journey towards creating a more ethnically diverse workplace.

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Picturing the numbers

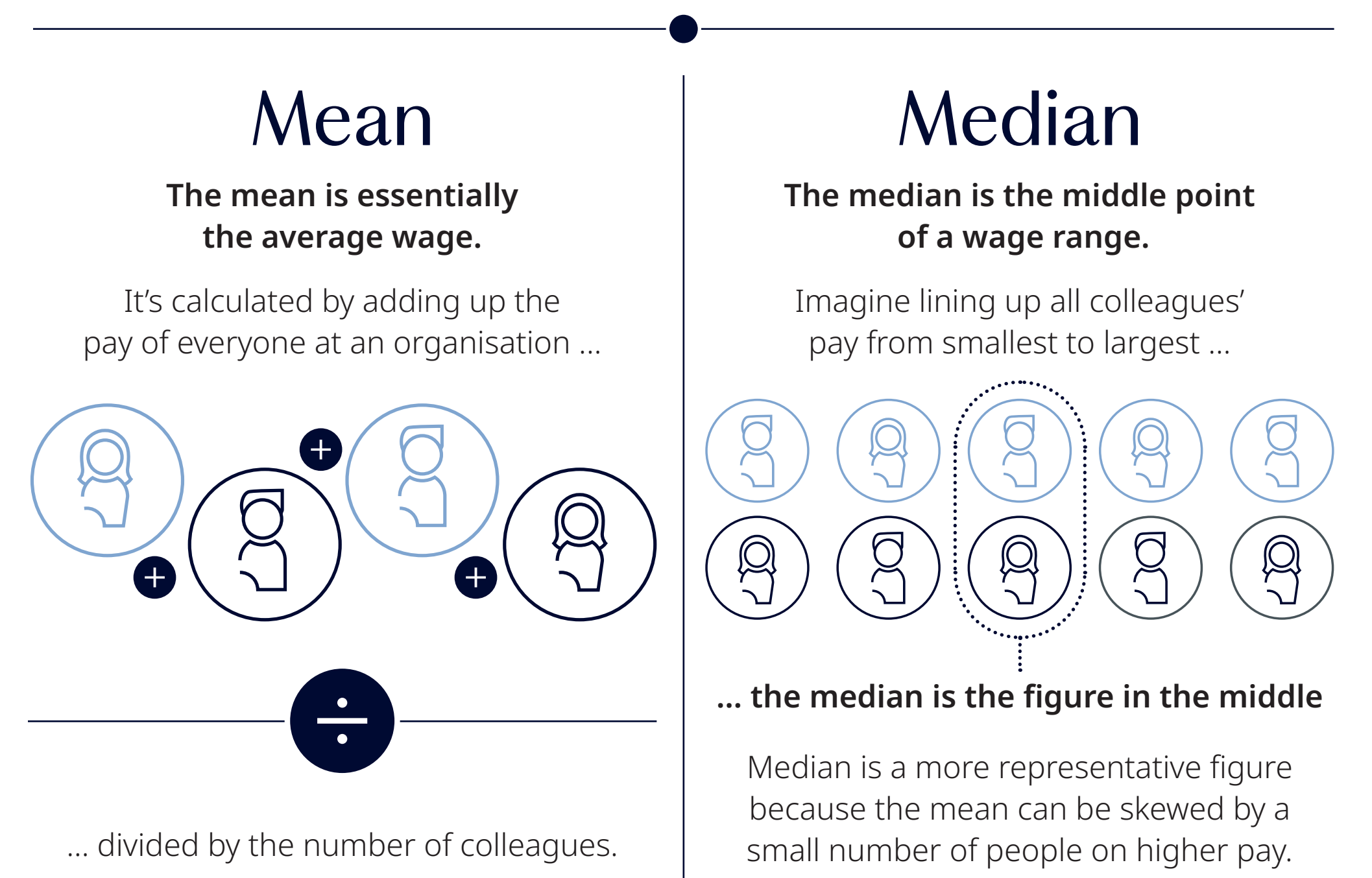
Below, we show the top-line figures that illustrate the progress we've made.



Mean and median numbers – what's the difference?

When it comes to pay reporting, mean and median figures are the commonly accepted numbers that feature in reports such as this.

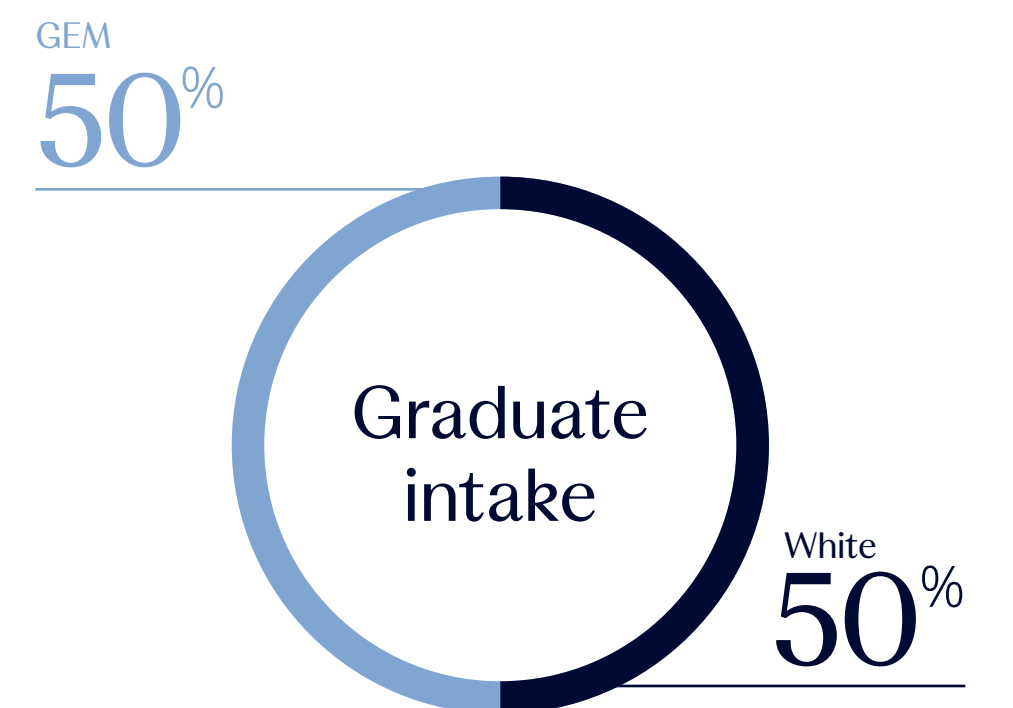
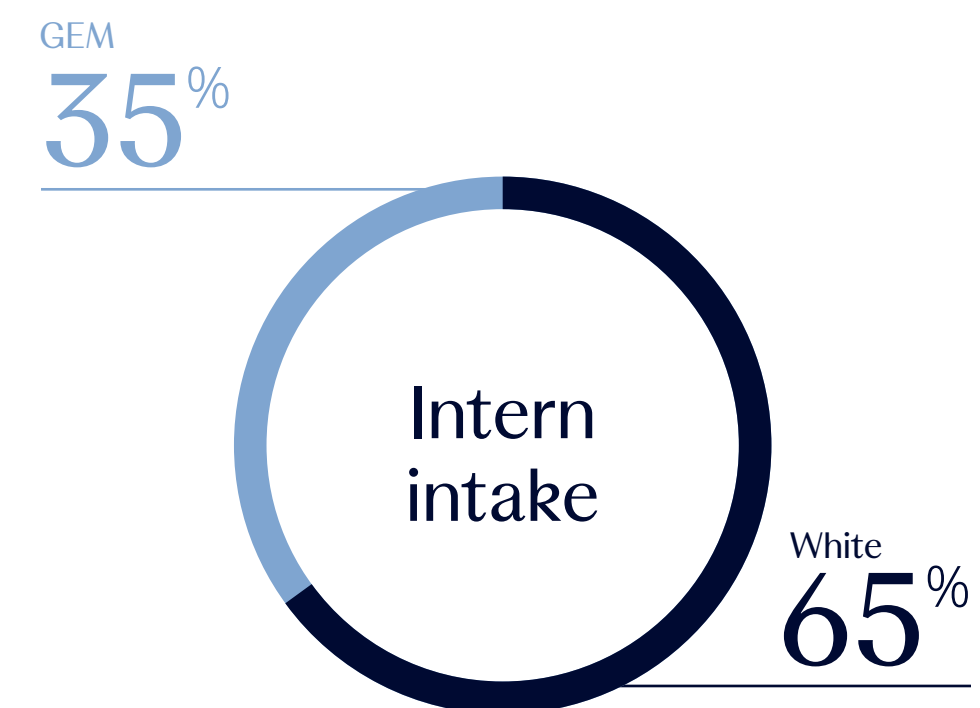
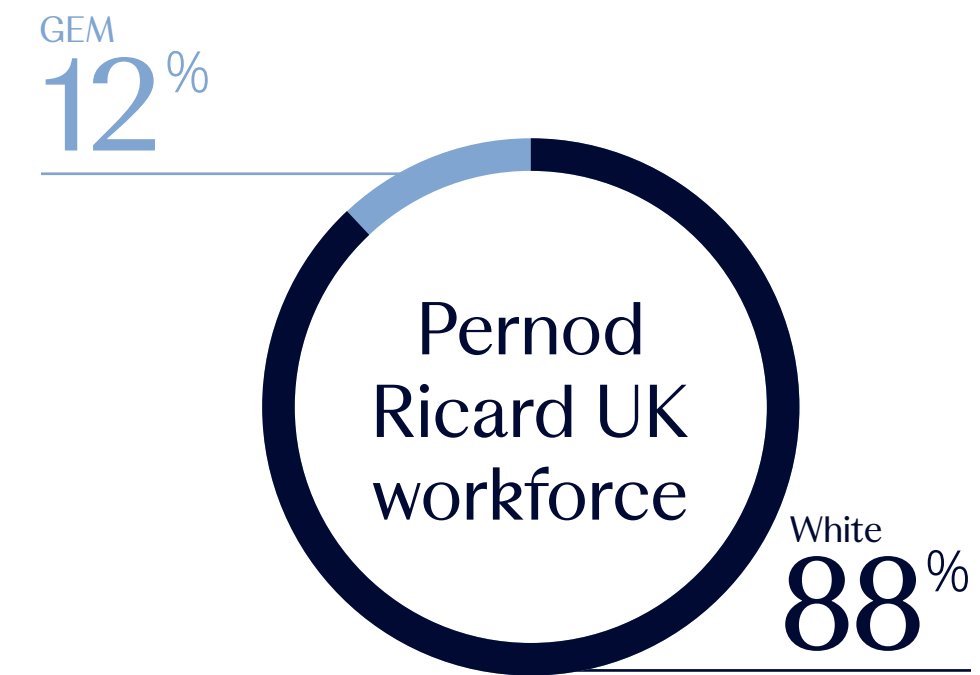
We report on both to give a full, clear and robust picture of our pay by ethnicity.





Picturing the numbers (continued)

Bonuses		
Number of colleagues receiving a bonus	GEM 23	White 215
Bonus distribution	62%	82%
Mean bonus difference	£4,152	£8,837
<p>BONUS GAP 112.8%</p>		
Median bonus difference	£3,773	£4,875
<p>BONUS GAP 29.2%</p>		



82% of people in England and Wales are white and 18% belong to a black, Asian, mixed or other ethnic group (2021 Census data).



Exploring the figures

Taking a deeper look at the story behind the numbers.



3



Exploring the figures

Year on year comparison

When we look at how 2023 compares to previous years, we can see we've made progress. Both the mean and median pay gaps have narrowed and there are also more GEM colleagues receiving bonuses.

However, we're aware our ethnicity bonus gap has widened, especially at the mean. We're working on this and have strategies in place to support our ethnically diverse colleagues develop their careers with us.

Metric		2021	2022	2023	Variance since last year
Ethnicity Pay Gap	Mean	28.30%	32.67%	18.83%	-13.85 ↓
	Median	25.90%	20.91%	13.32%	-7.59 ↓
Ethnicity Bonus Gap	Mean	49.70%	82.12%	112.82%	30.70 ↑
	Median	27.00%	27.41%	29.21%	1.80 ↑
% receiving Bonus	GEM	74.10%	57.14%	62.16%	5.02 ↑
	White	86.70%	72.94%	81.75%	8.81 ↑

The headline figures

We're pleased that both our median and mean ethnicity pay gaps have come down, however, we acknowledge there's still a pay gap between GEM and white colleagues.

The figures show the gap is more pronounced at the mean. The underlying reason for this is that we have a higher representation of ethnically diverse colleagues in more junior roles, and a higher representation of white colleagues in senior positions.

A lack of diverse representation in some of our more high level roles is also contributing to the overall gap.

To help balance this, we're striving to find more talent from ethnic minority groups when more senior positions become vacant.



Read more about what we're doing in recruitment on p15.





Exploring the figures (continued)

Bonuses and who gets them

As an equal opportunities employer, all permanent colleagues – irrespective of their position, ethnicity, age or gender – are eligible for a bonus.

The reason for the bonus gap is the same as our pay gap: we have a higher proportion of white colleagues in senior, more highly paid roles. This results in higher bonuses going to white colleagues, relative to the lower awards received by GEM co-workers.

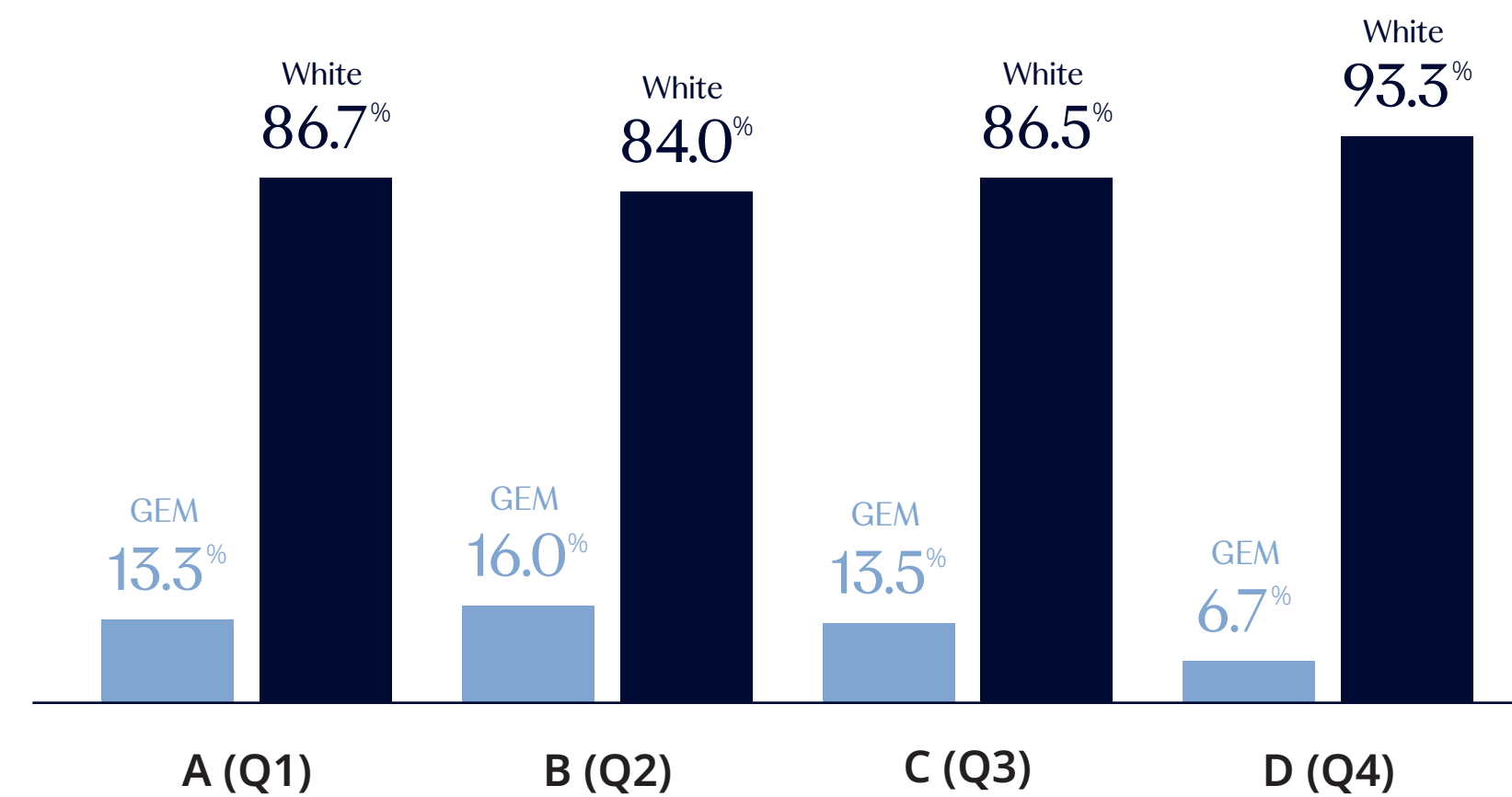
Career development

Our distribution of ethnically diverse employees by pay quartiles shows us that GEM colleagues are significantly underrepresented in all brackets, most notably in the highest quartile.

The concentration of colleagues from ethnic minority backgrounds in the lower quartiles reflects the overall ethnic profile of PRUK and the fact these employees are in more junior roles.

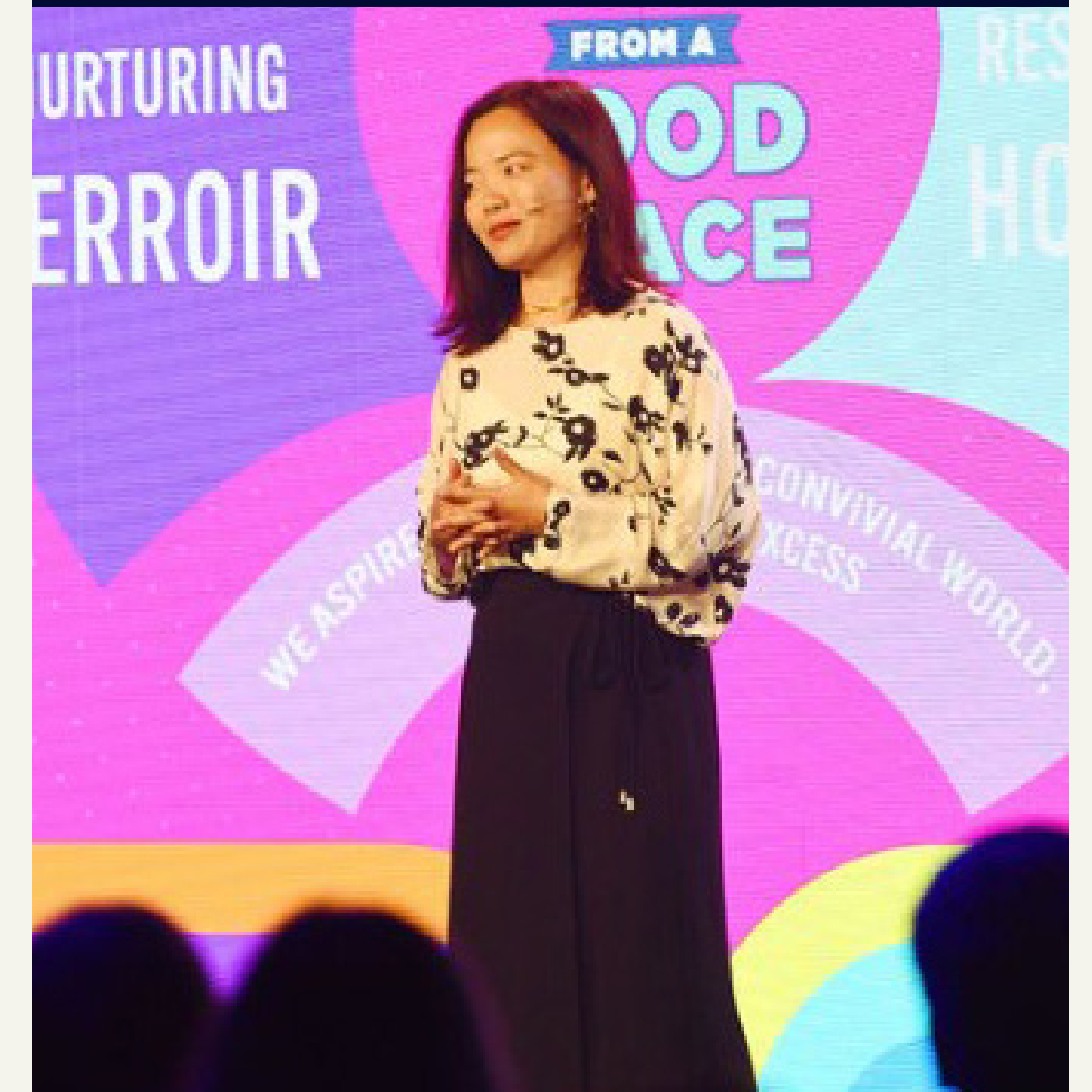
While we know we need a stronger pipeline of ethnically diverse talent, GEM colleagues are represented across all quartiles and we have plans in place to further improve this.

Ethnicity Distribution by Pay Quartiles



What's a quartile?

These are the groups we place colleagues in based on their job level. The most senior positions sit in the upper quartile, while our junior roles sit in the lower quartile.





Sustaining our efforts

Our numbers only tell half the story. While they evidence that we're headed in the right direction, we know there's more that needs to be done.





Sustaining our efforts

There are many factors that contribute to the ethnicity pay gap, including social, regional, economic and educational aspects. Successfully tackling inequality and the under-representation of ethnically diverse colleagues will require wide reaching action, which we're committed to taking.

This includes building on past initiatives and introducing new ones; because it's only by being proactive and adaptable that we'll create the equitable, fair environment we're striving for.



What we're doing in employee development

We're passionate about helping our people make the most of their talent, skills and abilities, and so employee development is a key focus area for us.

- ▶ In 2013 we launched our flagship reverse mentoring programme, which is sparking more meaningful, vulnerable conversations between employees and senior leaders, while fostering a sense of collaboration that cuts through hierarchy.

Through the programme, senior leaders are paired with employees to hear their diverse insights, experiences and recommendations. The first phase saw seven directors paired with seven colleagues and has proved to be a great success. We've recently expanded the programme to our next management level.

- ▶ Externally, we're active champions of **Diversity and Inclusion in Grocery**, an initiative helping to make our industry more progressive.

We're pleased that our people are actively involved in its work, having appeared as keynote speakers on conference panels and joining its mentoring programme. Four colleagues are signed up as mentors, helping to develop and nurture minority talent, and a further four employees are benefitting as mentees.

- ▶ We're also continuing to work closely with **Social Starters**, a non-profit group that supports social enterprises and start-ups. It pairs smaller businesses with experts from bigger organisations who volunteer to share their expertise. Our people have been able to support social enterprises through the scheme while enjoying the benefits of volunteering.



What we're doing in diversity and inclusion

- ▶ Our United Networks are now fully embedded in the business. These colleague-led groups give under-represented and minority employees a platform to share their experiences, opinions and thoughts, while providing a safe space for them to connect, collaborate and celebrate their differences. We're proud that the United Networks are run by colleagues, empowering them to set their own agenda and bolster our diversity and inclusion in the way they see fit.
- ▶ We have United Networks representing women and our LGBTQ+ community and, since compiling the numbers for this report, we've launched PR Noir UK – our group for colleagues from minority ethnic backgrounds. It's providing invaluable feedback to senior leaders about how we can better support minority communities and, as a result, we've adapted our diversity, equity and inclusion (DE&I) focus.
- ▶ We're now putting a stronger emphasis on cultural inclusion, as opposed to the broad 'diversity' brush. We believe this renewed focus will deliver meaningful, sustained change and put us at a competitive advantage.
- ▶ We also have an established team of D&I champions that we continue to work with to promote equality, diversity and inclusion across the business. The champions organise a range of educational activities that help all colleagues better support one another, while celebrating the uniqueness of our workforce.
- ▶ Our brands are also helping to reflect our 'committed to care' value. In particular, we recently launched the **Absolut Choir** with singer, actor and LGBTQ+ icon Olly Alexander. The choir aims to create a platform for important voices while celebrating diversity and inclusion.



Colleague story

Empowered without barriers

As a founding member of PR Noir UK*, Lead Customer Marketing Manager **Keli Toseafa** is championing the perspectives of people of colour and helping to drive change from the bottom up.

It was amazing to have the freedom and trust to create Noir. It's empowering to have those opportunities to drive the agenda; to talk about the topics that matter to us, share our opinions and experiences and have that space for edifying conversations that are going to change mindsets.

I'm under no illusion that every change we suggest is going to happen, but the amount of interest we've had – particularly from leaders – is really encouraging. People are willing to get involved and listen. A couple of years ago we couldn't have had those conversations.

The business has acknowledged it has a bit of a gap and a way to go, especially when it comes to people of colour holding senior roles. But there's a progressive, open culture – and that's crucial for making change happen.

I've been with PRUK nearly eight years and I've never felt my colour or gender have held me back or stopped me applying for opportunities.

I was part of a pilot mentoring scheme with Grocery Aid and was mentored by someone in the industry. That came at the ideal time for me, as I was feeling very unsure of myself. Having that support from an external perspective showed me I was capable and renewed my self-confidence.

I was also put forward for the Women of the Future Awards, which has further empowered me, and having access to [mental health support platform] Unmind has been amazing. I took advantage of the life coaching when I was struggling with imposter syndrome. It helped me hone in on what matters to me, who am I and what my values are, and that massively helped me show up as my authentic self. If I can't do that, I'm just pretending – which is exhausting – and I can't thrive in my professional environment.

It's great to see the company investing time and resource into things like that and creating that equality of opportunity.



The business has acknowledged it has a bit of a gap ... but there's a progressive, open culture and that's crucial for making change happen.



*PR Noir UK is our newest United Network. It was launched after we compiled the numbers for this report (post April 4, 2023).



Colleague story

Trusted to lead

Support, trust and belief has helped **Anil Measuria** develop his career and head up the Performance Marketing Team. Now he's showing others – especially those from minority backgrounds – what's possible.

My career at PRUK has been pretty phenomenal. That's down to the level of support I've received, the belief people have had in me and their willingness to learn, adapt and make changes based on my thoughts and recommendations. As someone from an ethnic background, it's been amazing to have that influence.

I joined the company in 2019 and came into a brand-new role. It involved a lot of upskilling and educating, informing senior leaders about the opportunities around ecommerce and online marketing. That role evolved and allowed me to build new opportunities for my career, and others.

I then moved into another new role based on the success of my previous position and the support from key stakeholders

who saw my growth potential. And now I'm on the marketing leadership team.

I hope my career path reassures others that, no matter your background, if you've proven yourself and have delivered, then you'll be rewarded. It's also important that people from minority ethnic backgrounds see someone like me making that progression. It's a clear example that, regardless of colour, you can grow in this business and be supported.

Our Digital Reverse Mentoring Programme has played a big role in my progression. I was paired with our former MD and, as a digital expert, was able to download all my knowledge and make recommendations. And the opinions I shared have genuinely shaped the company: I've never felt dismissed because of my colour.

Earlier on in my career I was also nominated to go on the Future Leaders course, which was amazing. I know that choice was based on my willingness and eagerness to learn, so I'm also a great example that those schemes are for all types of people and not a select few. These opportunities are for everyone.



It's also important that people from minority ethnic backgrounds see someone like me making that progression. It's a clear example that, regardless of colour, you can grow in this business and be supported.



Sustaining our efforts (continued)

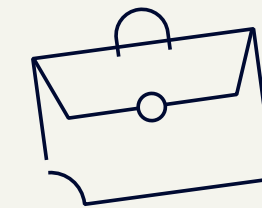


What we're doing in HR

Our HR philosophy is to continue to promote a positive culture where everyone – regardless of their ethnicity – feels engaged, recognised, valued and encouraged, and that they're treated fairly and equitably.

- ▶ Creating this inclusive culture goes beyond supporting our colleagues: it paves the way for our success, gives us a competitive advantage and makes us an excellent place to work.
- ▶ To maintain this culture, we've taken – and continue to take – steps to adapt and update our HR work. One of the biggest changes we've made is repositioning the strategic importance of DE&I so it now forms one of the pillars of our people strategy.

- ▶ We're also focusing on taking a globally consistent approach to DE&I, which draws on best practices adopted by our Pernod Ricard teammates from across the world. In September 2022 we launched our global DE&I framework, which is helping us maintain our focus.
- ▶ Alongside this, we're constantly evaluating our HR policies and tools to make sure they proactively support all employees, helping them deliver results and, in turn, advance their careers at PRUK.
- ▶ Beyond these ways of working, we're also committed to externally benchmarking salary ranges for all our roles. This makes sure everyone is paid fairly for the same or similar work. It's why we always ensure equity when grading roles.



What we're doing in recruitment

Our recruitment approach has a strong focus on striking a greater ethnicity balance. We proactively reach out to and engage with different sections of society, so we can source talent from the most diverse candidate pools.

As a result of this approach, we're pleased that minority groups represented

35%
of our intern intake

In fact, women made up
50%
of our graduate intake in 2023

- ▶ To support this, we're making sure all our recruitment panels are as diverse as possible. All recruitment offers also go through a rigorous internal process to avoid any potential bias before they're made to the candidate.
- ▶ We believe creating a wider population of ethnically diverse managers and senior leaders will be key to closing our ethnicity pay gap.
- ▶ Building a strong pipeline of ethnically diverse talent is crucial to help us do this, as is supporting our existing GEM colleagues move into more senior positions. We're doing more to champion our ethnic minority population, so they have the confidence and skills to take a step up, and are working with partners to build a more diverse recruitment pipeline.



Epilogue

We're committed to improving our ethnic and cultural mix at all levels of our business. But we know we'll only improve representation at PRUK by nurturing the right culture and working environment.

That's why we're relentlessly focused on sustaining a workplace that's underpinned by respect, tolerance, openness and fairness – and on giving our people the support, training and development they need to realise their full potential and thrive here.

We acknowledge that some groups are still under-represented in our business, but we're determined to change this. We want our workforce to reflect the diverse communities we work in and customers we serve, so we can build on our success while supporting the wider industry in tackling inequality.

We have an action plan to do this but are always looking at how it can be adapted and improved, so we can accelerate these changes and better address pay disparities. We look to our people to help us do this: continually listening to their feedback and experiences to support us on our DE&I journey.

Because closing our ethnicity pay gap is just that – a journey. It won't happen overnight, but we're pleased to be making progress and know that – by harnessing our values and the collective power of our people – we'll continue moving in the right direction, together.





Pernod Ricard UK