



Pernod Ricard UK

Créateurs de convivialité

Making meaningful change

The Pernod Ricard UK Ethnicity Pay Story 2024



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, Malibu, Havana Club, Altos, Kahlúa, Perrier-Jouët, G.H. Mumm to name a few.

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



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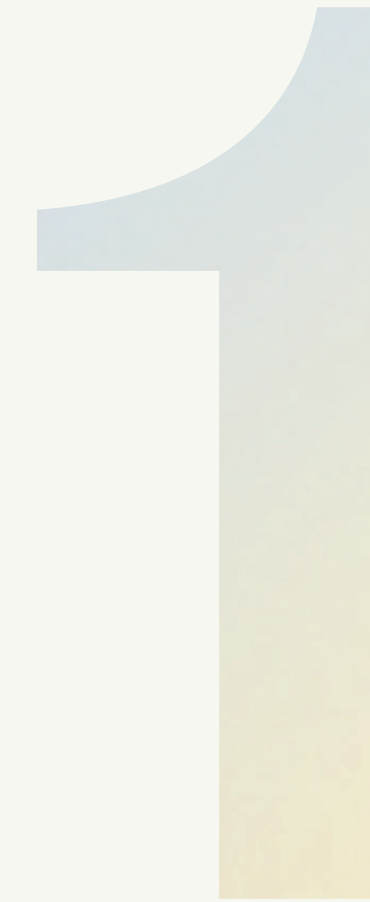
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setting out our stall
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Our greatest asset

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.





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.

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

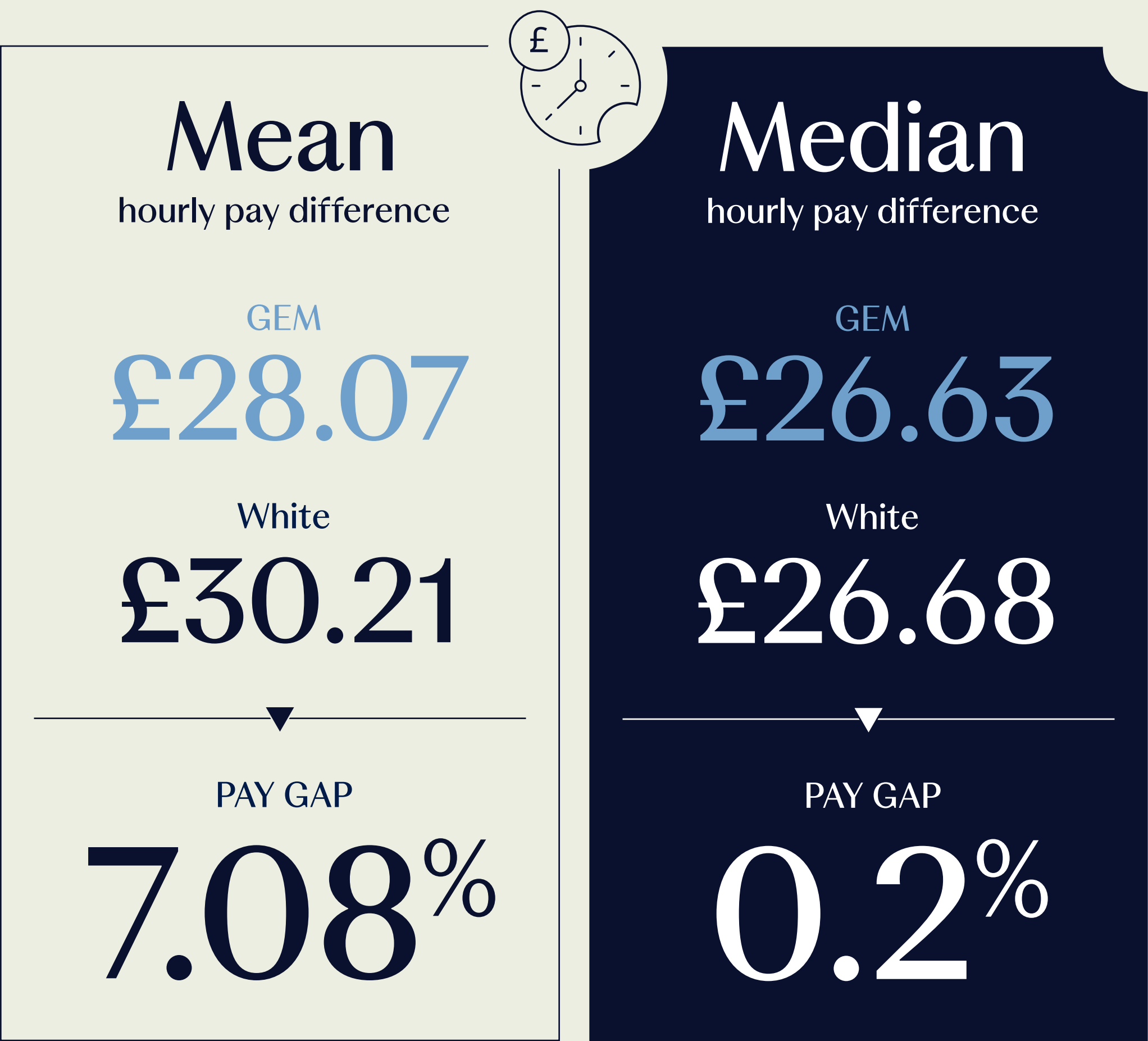
Over the last 12 months, we've made strides on our journey towards creating a more ethnically diverse workplace.

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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.

Mean

The mean is essentially the average wage.

It's calculated by adding up the pay of everyone at an organisation ...



... divided by the number of colleagues.

Median

The median is the middle point of a wage range.

Imagine lining up all colleagues' pay from smallest to largest ...



... the median figure is in the middle.

Median is a more representative figure because the mean can be skewed by a small number of people on higher pay.



Picturing the numbers (continued)

There is still more work to be done, however, we have made great strides in closing our Ethnicity Pay Gap this year with a particular highlight being the significant reduction in the Bonus Gap verses last year.

Bonuses	GEM 23	White 215
Bonus distribution	85%	87%
Mean bonus difference	£3,818.81	£7,714.75
	BONUS GAP	50.5%
Median bonus difference	£4,164.08	£4,456.18
	BONUS GAP	6.55%





Exploring the figures

Taking a deeper look at the
story behind the numbers.

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Exploring the figures

Year on year comparison

When we consider the comparison between this year and that of the most recent reporting cycle in 2023, we see positive trends in the form of a narrowing ethnicity pay gap at both the mean and the median (with the median almost eliminated).

Metric		2021	2022	2023	2024	Variance since last year	
Ethnicity Pay Gap	Mean	28.3%	32.67%	18.83%	7.08%	-11.74%	↓
	Median	25.9%	20.91%	13.32%	0.2%	-13.11%	↓
Ethnicity Bonus Gap	Mean	49.7%	82.12%	112.82%	50.5%	-62.32%	↓
	Median	27%	27.41%	29.21%	6.55%	-22.65%	↓
% Receiving Bonus	GEM	74.1%	57.14%	62.16%	85.29%	23.13%	↑
	White	86.7%	72.94%	81.75%	86.92%	5.17%	↑

The headline figures

When we look across the three most recent reporting cycles, we see a consistent narrowing ethnicity pay gap, with a generally consistent median, narrowing in the most recent reporting cycle.



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 under-represented 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.



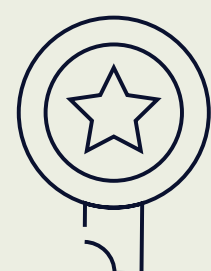


Sustaining our efforts

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.

Our HR philosophy is to attract, develop and retain brilliant individuals and make the most of their unique talents. We do this by creating an encouraging environment where everyone is motivated to develop and progress. One of the ways we do this is by providing flexible working policies, which give our people the space and freedom they need to deliver their best work and develop their career. For example, we recently introduced a 'work from anywhere' policy, which allows colleagues to work from anywhere in the world for up to 15 days a year.



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.

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 benefiting 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.

This year, we launched **Horizons** to help boost the career progression and professional development of all our employees. This includes a **Talent Marketplace**, a platform powered by AI that connects employees with development opportunities based on their skills, skills interest, career history and job profile.



What we're doing in

Diversity & 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.



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

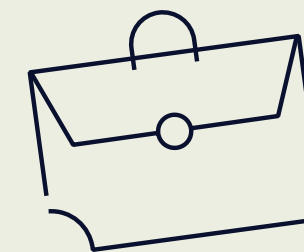
► Creating this inclusive culture goes beyond supporting our colleagues: it paves the way for our success, gives us a competitive advantage and makes us an excellent place to work.

► 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.

► 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.

► 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.

► We have partnered with PSALT, a non-profit organisation founded by Sam Akinluyi, former MD of Innocent Smoothies, to support career prospects for GEM talent from lower socio-economic backgrounds through mentoring, training, and internship placements. Our marketing team has offered three placements to GEM talent, furthering our commitment to a more diverse workforce through our Bright Futures program.

► We believe creating a wider population of ethnically diverse managers and senior leaders will be key to closing our ethnicity pay gap.



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.

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