



Pernod Ricard UK
Créateurs de convivialité

PERNOD RICARD UK
GENDER PAY GAP REPORT
1st January 2023





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1. Introduction

In light of the Government Regulations regarding Mandatory Gender Pay Gap Reporting, which applies to all employers in England, Wales, and Scotland with at least 250 employees as of 5th April 2022, Pernod Ricard UK has compiled the following Gender Pay Gap report and narrative.

2. Foreword

Convivialité is our driving purpose, from our customer-centric strategy, through to our highly dedicated teams and sustainable and responsible approach to all our business interactions. As a global organisation, our vision is to become the leader of the wine and spirits industry, while valuing our employees and ensuring each of our brands is celebrated worldwide.

We recognise that the global pandemic (COVID-19) has brought many challenges for our organisation and in particular for families with caring responsibilities, who need to balance working from home with family life. We recognise that these challenges, even post COVID-19, are potentially shrinking an already pressurised female talent pool and continue to create the potential for the gender pay gap to widen as a result across the UK. At Pernod Ricard UK, we remain committed and focused on equality as we work towards a more gender balanced workforce.

We care for our people and know they are our greatest asset. We want to ensure our workforce is diverse and inclusive and our culture continues to be open, fair, and transparent. We are passionate about being an inclusive organisation and seek to provide job opportunities for everyone regardless of gender, age, background, and ethnicity. We are committed to building an organisation which leverages individuals' unique talents so that we turn every social interaction into a genuine, friendly, and responsible experience.

We continue our journey towards being a more gender balanced organisation, building upon the action plan we established to improve our programmes and activities already in place. We have a mean gender pay gap of 5.68% favouring males, with our median gender pay gap sitting at 10.31%. These figures compare favourably to the national figures reported by the Office for National Statistics. We actively continue to invest in providing access to training and development opportunities to our entire workforce to encourage and promote progression across the organisation.



3. Gender Pay Gap

Mandatory Gender Pay Gap Reporting applies to all private and voluntary sector employers in England, Wales, and Scotland with at least 250 employees as 5th April 2022. Those organisations are required to publicly report their gender pay gap metrics as follows on the government-sponsored website, with the aim of eliminating the gender pay gap:

Mean gender pay gap	Median gender pay gap	Gender bonus gap
Difference between average hourly earnings of males and females	Difference between median hourly earnings	Proportion of male and female employees receiving bonus within the 12 month period
Mean gender bonus gap	Median gender bonus gap	Pay quartiles
Difference between average bonus earnings	Difference between median bonus earnings	Insight into career paths

As of 5th April 2022, our mean gender pay gap stood at 5.68% favouring males, with our median gender pay sitting at 10.31%

Mean Hourly Pay Differences		Median Hourly Pay Differences	
Male Hourly Rate	£29.49	Male Hourly Rate	£27.11
Female Hourly Rate	£27.82	Female Hourly Rate	£22.31
Pay Gap	5.68%	Pay Gap	10.31%

Positively, these are both significantly below the national mean (14.6%) and well below the median (15.4%) as reported by the Office of National Statistics, reported in 2021.

The underlying reason behind the mean gap is predominantly due to the higher representation of women in more junior roles in our organisation and, to some extent, higher representation of males in more senior leadership roles. We know we have a lack of female representation in some of our more highly skilled roles, which is contributing to our pay gap though we strive to source female talent when roles become vacant.

We are confident that all our HR processes and practices ensure that men and women are paid equally for doing equivalent jobs across our organisation. While females currently represent 52% of our overall workforce, we are pleased that 54% of our management roles are currently being undertaken by females.



4. Bonus Payments and Participation

Our mean bonus gap currently stands at 14.08% favouring males, with our median bonus gap sitting at 18.45%. We have a slightly higher proportion of female employees receiving a bonus:

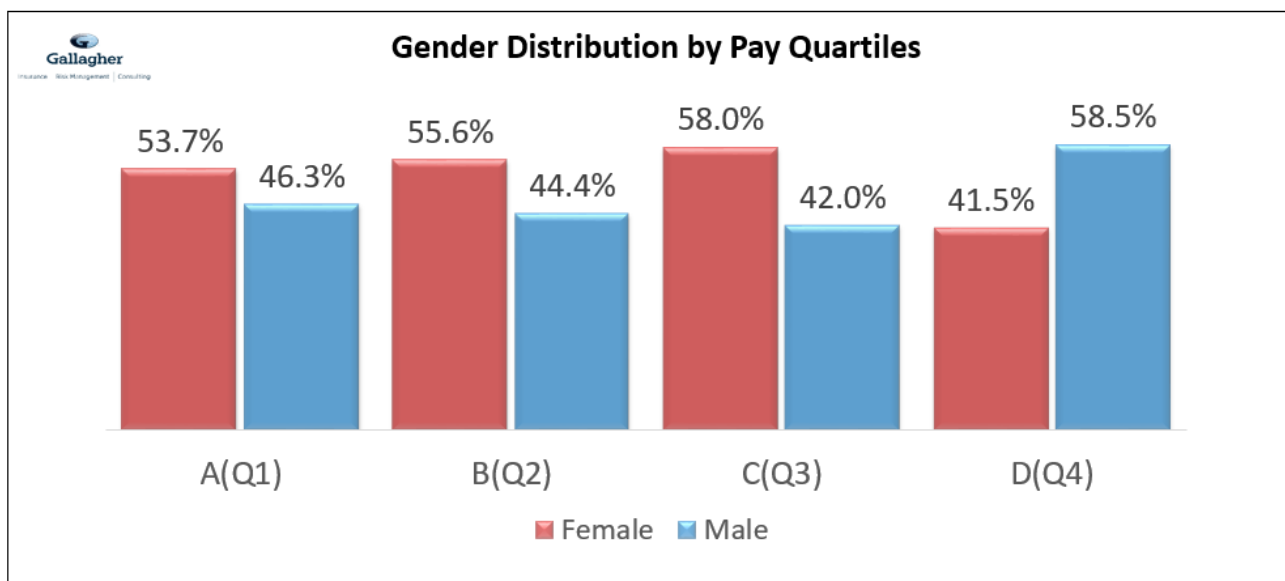
Gender	Number receiving a bonus	% Bonus Distribution	Mean Bonus Pay Differences	Median Bonus Pay Differences
Male	109	69%	£7,727.99	£5,373.67
Female	130	73%	£6,639.57	£4,382.10
Bonus Gap			14.08%	18.45%

In our organisation, as mentioned previously, we know we have a relatively higher number of male employees engaged in more senior, more highly paid roles. This results in higher bonus awards received by males, relative to lower bonus awards in the female population.

Discretionary performance-related bonuses are awarded and paid on an annual basis, taking account of company and individual performance. As an equal opportunities employer, all our permanent employees irrespective of their position, age, gender, or ethnicity, are eligible for bonus.

5. Career Paths and Earnings

Our gender distribution by pay quartiles, as defined by the regulations, show us that while female employees are well represented within the three lowest pay quartiles, they are under-represented in the highest pay quartile.



HR Strategy

Our HR philosophy is to continue to promote a positive culture where everyone, regardless of their gender, feels engaged, recognised, valued, encouraged, and where they are treated fairly and equitably.

We are pleased females currently represent 52% of our overall workforce. We continue to encourage greater female representation across the organisation through a variety of initiatives and are committed to maintaining the strong progress we have made over the last years, as we strive to continue towards a balanced organisation.

As part of this, we continue to actively create an environment where everyone is motivated to develop and progress through innovative HR policies and practices and an encouraging environment. We have taken remote working to a new level with the launch of our “Work from anywhere for up to 15 days policy”, which provides all employees with the opportunity to work anywhere around the world for 15 days in a year. Early feedback has been very positive.

We continue to ensure our HR policies encourage and support flexible working within the organisation and are working to ensure that what we have in place works for everyone. Our HR team actively supports our diversity message across the organisation by positively influencing and challenging our hiring managers to ensure they recognise how their individual behaviours and actions impact our overall ability to create an open, fair, and inclusive workplace culture that reflects our company values.

We proactively keep in touch with those on maternity leave and are pleased that we saw a 95% return rate in the reporting year. We look to support our career returners with different tools to positively impact their back to work experience, including comeback coaching to help our employees manage their return to work.

We recognise the motivational importance of positive senior role models to inspire confidence and success. We are pleased that 50% of our Executive roles are occupied by females and 54% of management positions are held by women. We acknowledge that our strategy needs to evolve to ensure we attract a higher proportion of females into our organisation and that we actively ensure our hiring managers reflect our strategic approach to diversity.

We ensure that all our HR policies and tools proactively support flexible working across the organisation, as we believe these policies encourage our talented and driven employees to deliver results and in turn advance their careers in our organisation.

Post COVID-19, we have actively focused attention on establishing our “new normal” at Pernod Ricard UK. As part of this, we have demonstrated our ongoing commitment to employee wellbeing, mental health, and mental fitness, through our Better Balance in the Workplace programme. We co-hosted a webinar with Ruby Wax, following up with mindfulness training and access to her book. At the same time, we launched our Mental Health platform, Frankie, providing all employees with direct access to external therapists and counsellors who can support employees in a variety of areas that may affect mental fitness, together with access to a wealth of mental fitness materials in the form of articles, videos, and webinars.

The response has been overwhelmingly positive. While all our employees have access to private medical insurance, this new provision has dramatically reduced the waiting times for our employees being provided timely access to high quality services.

We ensure roles are externally benchmarked on an annual basis, enabling us to obtain accurate market rates for each role. We acknowledge pay differentials may remain in certain cases due to factors such as length of service, seniority, and performance. Where pay differentials exist due to gender and are not justified by length of service, seniority, or performance, we ensure that every effort is made to bridge those gaps. As part of our annual performance management and pay review process we ensure our people are being paid fairly based on their role, responsibilities, experience, and performance.

Recruitment

We have launched a Centre of Excellence focused on talent attraction – as part of this, the HR Business Partnering team work collectively with the Talent Attraction team to ensure our internal female talent pipeline is present, active, and progressive across all grades and functions within the organisation.

The Talent Attraction team work exclusively with recruitment agencies who are committed to increasing the proportion of female candidates identified for new roles and creatively exploit different channels to source talent. We commit to gender-balanced candidate shortlists for all recruitments and our recruitment language has been refreshed to ensure it is fully inclusive, reflecting the diverse communities within which we operate. Rigorous internal processes ensure that all recruitment offers are subjected to both an internal peer comparison and external benchmarking critique before final signoff is given by our HR Director.

We ensure our recruitment approaches have a strong focus on ensuring a greater gender balance in potential candidates presented. Through the creation of our Centre of Excellence focused on talent attraction, we continue to develop alternative pipelines as we proactively engage different sections of the job market and creatively utilise different channels to promote our employer brand. As part of this, we have introduced gender balanced shortlists and refreshed our recruitment language to ensure it is fully inclusive, reflecting the diverse communities within which we operate. Our recruitment team are committed to driving diversity through our team KPI measurement. We have already seen direct positive impact in the form of 83% of roles recruited in the last year had a 50% or more female candidate shortlist, with 50% of all hires being female.

We continue to actively challenge all our hiring managers to ensure their behaviour reflects our values in all their interactions. Demonstrating our commitment as a company to diversity, we ensure all our recruitment panels are as diverse and inclusive as possible.

Rigorous internal selection processes ensure that all recruitment offers are subjected to both an internal peer comparison and external benchmarking critique before final signoff is given by our HR Director.

Through our partnership with Bright Network, we continue to promote our brand with university students and graduates across the UK. Our Bright Futures programme, offering a year-long placement across a variety of business specialisms in Pernod Ricard UK, is consistently highly rated and has been voted the number one placement opportunity in the FMCG category in the Top Undergraduate Employers Table. Within this we actively strive to ensure we appoint a diverse range of candidates.

We recognise the younger generation are vital to the long-term success and sustainability of our industry and are pleased that we also have a well-established apprenticeship programme in its third year of operation,

creating opportunities to support this age group. Our apprenticeship programme is now growing, and we are looking at additional business specialisms to benefit from this programme.

Development

Employee Development is a key focus within our organisation, and we are committed to making the most effective use of the talent, skills, and abilities of our employees. We support the training and development of all our employees and as part of this run a number of training programmes where we actively encourage more females to participate.

We have launched our mentoring programme across the organisation as we seek to nurture both men and women in our workforce. Within our Talent United programme, we have nine female mentors providing direction to mentees and a total of 20 female mentees within the programme. We meticulously apply a gender lens to all our talent development and succession planning discussions.

We continue to work with our established team of Diversity & Inclusion Champions to actively promote awareness of Equality, Diversity, and Inclusion across the business, to celebrate differences and create a range of education opportunities. We have just launched United Networks to better support minority groups in our organisation and we will be working closely with these groups to ensure our HR policies and practices reflect the different needs of our diverse employee communities. We conducted a D&I survey across our organisation and are using direct employee feedback from this to develop our longer-term D&I strategy.

We are pleased to work with the Women of the Future (WOTF) programme, which operates a portfolio of events and projects that support and celebrate the successes of women. We are proud that we continue to be recognised at the awards year-on-year, with two female employees winning the Business category over the last two consecutive years and a further three individuals shortlisted.

We are active champions of Diversity & Inclusion in Grocery, an initiative designed to make our industry a progressive environment where people and organisations can thrive – and are pleased that our employees are actively involved, including as keynote speakers in conference panels.

We conducted a programme of events on International Women's Day, hosting live events and webinars with senior female leaders candidly sharing their own experiences.



6. Year-on-Year Comparison

When we consider year-on-year comparison, we see positive trends in the form of a narrowing gender pay gap at both the median and the mean, together with a narrowing mean bonus gap, with a slight widening at the median.

	2020	2021	2022	2022 Vs 2021
Mean Gender Pay Gap	14.10%	11.80%	5.68%	-6.12%
Median Gender Pay Gap	13.50%	18.10%	10.31%	-7.79%
Mean Gender Bonus Gap	36.10%	18.70%	14.08%	-4.62%
Median Gender Bonus Gap	34.80%	15.90%	18.45%	2.55%
Males receiving bonus	81%	88%	69%	-19%
Females receiving bonus	68%	83%	73%	-10%



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7. Closing remarks

We know and understand the reasons why we see a gender pay gap within our organisation and are committed to actively managing this differential as an organisation, as we continue to move towards a more balanced workforce.

We constantly develop and improve our HR policies and practices to encourage and promote the development and progression of all our employees. We will continue to leverage technology to help us identify areas of our organisation that need renewed focus to drive continuous improvement relating to gender equality.

In line with our three pillars of Conviviality at Work - Proud to belong; Empowered to perform; Committed to care - we will continue to work with all our employees, and regardless of ethnicity, gender, age, disability, religion, or sexual orientation, provide them with opportunities to build their confidence and help them in reaching their full potential.