



Beam **SUNTORY**

2017 Gender Pay Gap Report

4th April 2018

Welcome to our Gender Pay Gap Report

At Beam Suntory, our people are our #1 Priority. Across our global business, we are committed to developing and supporting a highly diverse workforce and ensuring that remuneration remains fair and competitive for all employees.

Beam Suntory UK Ltd was created following the acquisition of Beam Inc. by Suntory Holdings Ltd in 2014. Following this acquisition, both companies' existing spirits brands and operations were merged under Beam Suntory. Today, Beam Suntory's UK business is comprised of five distillery sites (Auchentoshan, Glen Garioch, Ardmore, Bowmore, and Laphroaig), a corporate office, bottling plant, warehousing sites in Linlithgow and around Glasgow, and a corporate office in Uxbridge. As of the 5th April 2017, we had 362 employees working across those UK sites.

Our people are our key competitive advantage, and many members of staff in our UK bottling, distilling and maturation sites have tenures in excess of 20, 30 and 40 years. The passion and commitment that our employees bring cannot be underestimated, and we remunerate and reward our people accordingly.

2017 has been a transformational year for Beam Suntory UK, as we concluded a large-scale harmonisation project which reviewed and re-designed employment terms and conditions for all Beam Suntory UK employees following the 2014 merger. This harmonisation project resulted in a new set of market-leading employment terms for every employee of Beam Suntory UK.

Beam Suntory's global policy is to remunerate and reward people based on their performance and contribution. It should also be noted that base pay is only one component part of our reward philosophy and as an organisation we want our employees to contribute and share in the overall success of our company, so we have built a robust reward approach that supports this objective.

This report lays out our UK gender pay gap statistics for 2017, as well as providing some important context. Although we are pleased to say that these statistics compare favourably to the Office of National Statistics average, we recognize that there is still work to do to close the gap that does exist. We are committed to building on the great work already achieved through our harmonisation project, and we are actively taking additional actions to ensure that Beam Suntory UK is a true leader in this area.



Judith Sommerville

HR Director, UK, EMEA Manufacturing and International Supply Chain.
Beam Suntory UK Ltd

Declaration: I confirm that the information reported is accurate and is reflective of the snapshot date of the 5th April 2017.



Number of UK employees



Understanding Our Gender Pay Results

The gender pay gap that the data reflects is linked to the significantly higher number of males working across our manufacturing areas. These roles historically tend to attract more male applicants than female due to the nature of the work and the hours of work required. As a result of the variable shift patterns attached to these roles, these employees also receive a shift allowance premium, which increases the average salary for our male employees. Across our manufacturing areas, our remuneration framework is based on an individual's role in the business, and gender is not reflected.

For other areas of our business, we have a more even split between male and female employees, including across the senior roles we have based within the UK. However, we do see a difference in the tenure of these roles. We have more males at a senior level with longer tenures, which means they are more likely to be in receipt of long-term incentives, which contributes to the gap.



Difference in
Median Hourly Pay

2.3%

Difference in
Mean Hourly Pay

7.6%



Difference in
Median bonus

-113.3%

Difference in
Mean bonus

8.5%

Males
receiving a bonus

96.9%

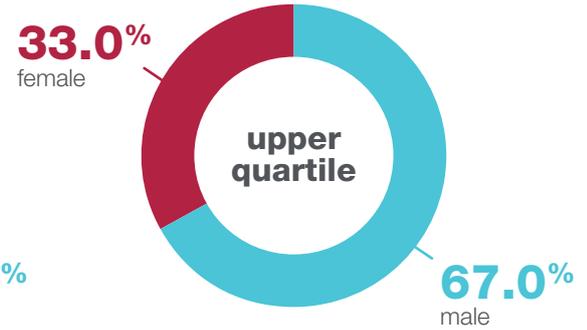
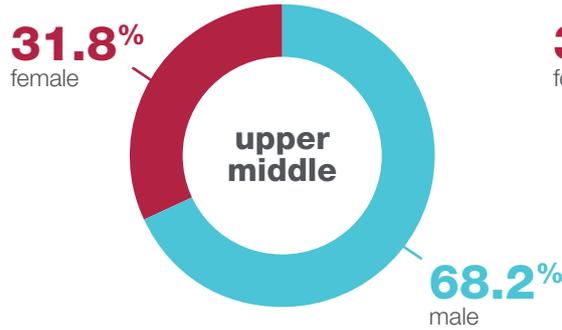
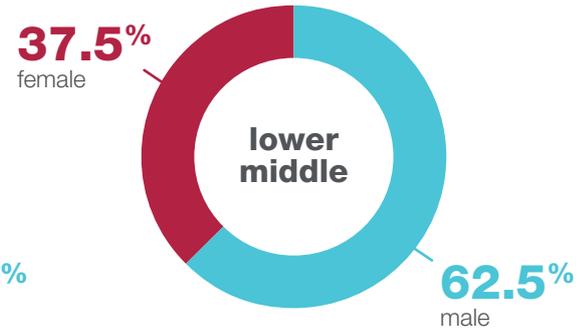
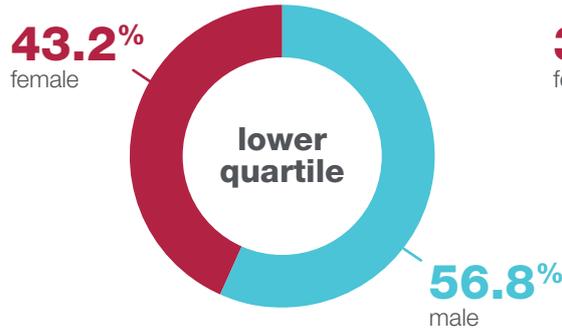
Females
receiving a bonus

94%

The bonus gap is driven predominantly by our manufacturing employees, the majority of whom are male. Across manufacturing, the bonus percentage earnings are lower when compared with our other functional roles across the UK business.



Quartile Data



Looking Ahead

At Beam Suntory, we pay and reward people according to their role and contribution to the business. We are already taking action to further improve our processes in this area.

In 2017, we introduced a clear banding structure across our UK manufacturing operations. Across our functional areas, we already had a clear grading structure in place, allowing us to demonstrate a robust and transparent process for reward decisions, which also supports our pay-for-performance philosophy, ensuring equity and consistency.

We also have enviable development programmes within both Beam Suntory and Suntory Holdings which support leadership development and other career development opportunities for a diverse range of employees from across the business. This now includes a global women's senior leadership programme, which is already playing a highly active role in creating a strong leadership pipeline of female talent.

We are proud of how far we have come, and we are looking forward to building on these initiatives in the future.