



# Gender Pay Gap Report 2021



## About us

We are an independent distiller and blender of some of the finest and rarest scotch whiskies in the world. Our heritage is amongst the oldest in the industry.

Here at the Loch Lomond Group ('LLG'), we are continuing to grow and as a result, our team at Loch Lomond Distillers Limited, the main trading company, surpassed the 250 employee mark on the snapshot date of 5<sup>th</sup> April 2021.

As such, we are publishing our gender pay gap report for the first time. The data contained within this report demonstrates that LLG, along with many other companies in the UK, has work to do to close the gender pay gap that exists.

We are absolutely committed to meeting this challenge.

## What is the gender pay gap?

A common misconception is that the gender pay gap is the same as equal pay. However, this is not the case.

Equal pay means that where men and women are performing equal work, or work of equal value, must receive equal pay. At LLG we are absolutely committed to this. Moreover, we are confident that colleagues across the business, both men and women, are paid fairly for the contribution that they make to our progress as a business.

The gender pay gap, on the other hand, is a measure of the difference between men and women's average earnings across an organisation regardless of their role or seniority. Here we acknowledge that, as with most employers, a significant gap exists and we are committed to working to closing this gap over time.



# Understanding our gender pay gap

Traditionally, our industry has attracted more men than women. This legacy undoubtedly contributes to our gender pay gap.

As an example, the shift teams in our distilleries are currently entirely made up of male employees. Factors that we feel have contributed to there being virtually no candidate interest from females when new positions come up for these shift roles include unsocial hours and inconvenient shift rotation patterns.

Partly because of these factors, these positions receive a higher hourly pay than non-shift work positions, which in turn contributes to the fact that there are more men than women in the higher pay quartiles (Fig. 2) and hourly gender pay gaps (Fig. 3 and 4).

This is something that we continue to seek to address.

Moreover, as with many companies, the most senior positions tend to skew the data and, while there are areas within our business where there is more of a balance, during the relevant period for reporting, the majority of our senior (and therefore highest remunerated) positions are held by men.

Moreover, during the pay period that was used for this report's calculations (April 2021), we had a number of our highest paid women who were not included on the list of full-pay relevant employees due to them being on furlough or maternity leave.

Both of these are significant contributors to the 34% gap in mean hourly earnings (Fig. 4), and helps to explain why this gap is that much higher than the median gap (18% in Fig. 3).

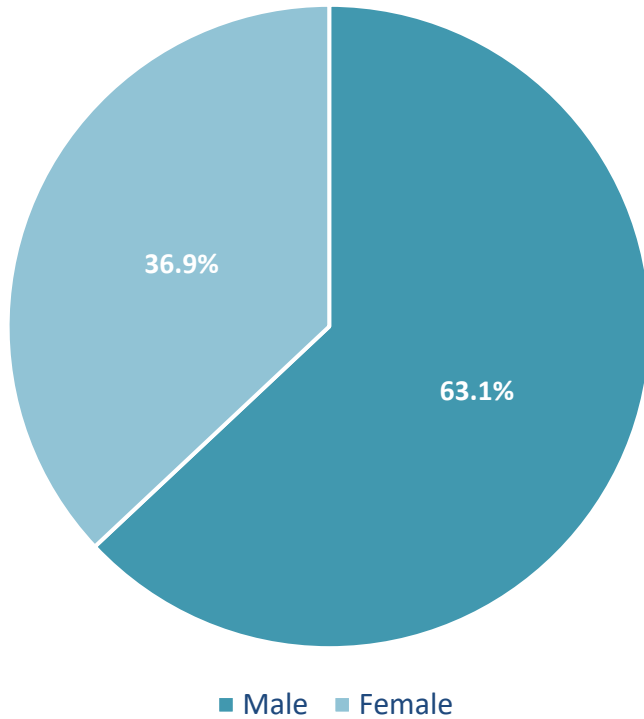
The median gap, while still high, is broadly consistent with the National Average in 2021 (15%\*).

\* Source: Annual Survey of Hours and Earnings, Office for National Statistics, 2021.

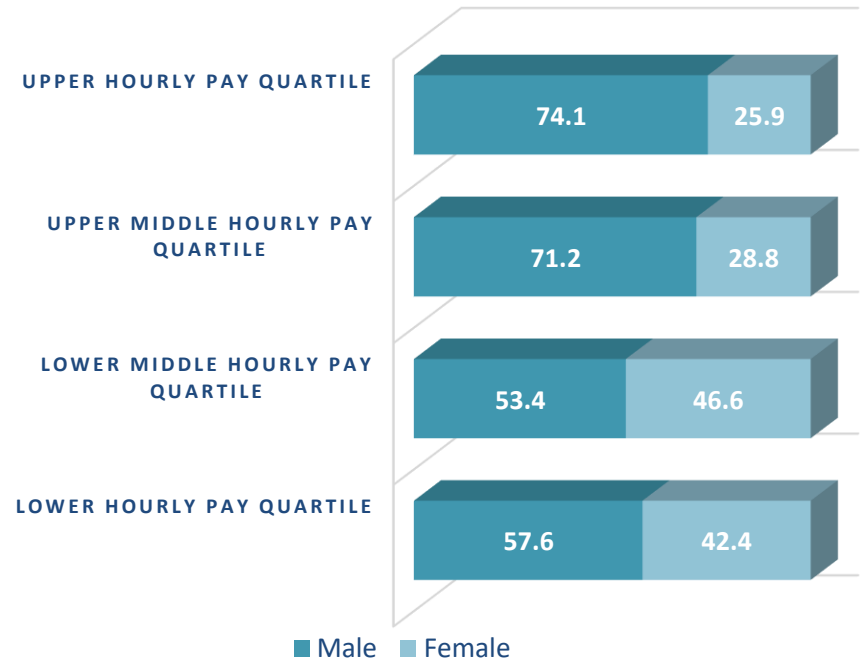


# Our Statistics

**FIG. 1: TOTAL PERCENTAGE OF WORKFORCE**



**FIG. 2: PERCENTAGE OF MEN AND WOMEN IN EACH HOURLY PAY QUARTILE**



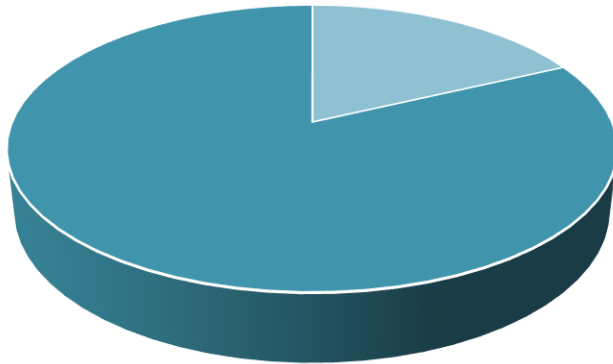
- The data in each of these quartiles shown in Fig. 2 is determined by following the legislation's steps of:
- ranking the hourly pay rates of full-pay relevant employees from the highest to the lowest
  - dividing them into 4 equal groups (quartiles)
  - identifying the proportion of males and females in each of these quartiles



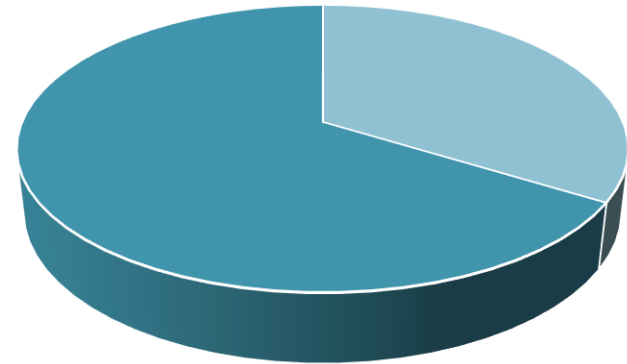
# Hourly Gender Pay Gap

Items included in calculating the hourly pay for full-pay relevant employees include basic salary, applicable allowances, bonus payments, etc. which were paid in the relevant pay period (April 2021).

**FIG. 3: HOURLY GENDER PAY GAP  
+18.3% MEDIAN**



**FIG. 4: HOURLY GENDER PAY GAP  
+33.8% MEAN**



The median (mid-point) gender pay gap for hourly pay as a percentage of men's pay, as shown in Fig. 3, is calculated as set out in HMRC's guidelines:

- identify all full-pay relevant employees who are men
- sort these employees into order by hourly pay amounts – lowest to highest
- identify the employee whose amount is in the middle of this list to find the median hourly pay figure for men
- repeat the above process, but this time for women
- subtract the median hourly pay figure for women away from the figure for men
- divide the result by the median hourly pay figure for men
- multiply by 100

The mean (average) gender pay gap for hourly pay as a percentage of men's pay, as shown in Fig. 4, is calculated as set out in HMRC's guidelines:

- add together the hourly pay of all full-pay relevant employees who are men
- divide this by the number of full-pay relevant employees who are men to find the mean hourly pay for men
- repeat the above process, but this time for women
- subtract the mean hourly pay for women away from the figure for men
- divide the result by the mean hourly pay for men
- multiply by 100



# Bonus Pay

Every employee at LLG has the opportunity to receive a bonus.

The bonus which is payable is determined in part by the overall performance of our business across its financial year (which runs from 1 October to 30 September) and by individual/team performance. To be eligible to receive a bonus, an employee must have been in the business for more than 2 months, be actively working and have met their individual/team targets.

For the majority of our hourly paid colleagues, the bonus paid is a flat amount to each team member. This is reflected in the nil gap in the median bonus paid (Fig. 6). As with the gender pay gap, it is the bonuses paid to senior management, where there is a predominance of men, that contributes to the gap in mean bonuses (Fig. 7).

Notwithstanding the significant challenges that we, along with every other business, faced in the year to 30 September 2020, we were delighted to be able to pay bonuses to the vast majority of our team in FY20.

Fig. 5 shows that 10.6% of men and 17% of women did not receive bonus pay in the 12 months leading up to 05.04.21. The breakdown of the reasons why these employees did not receive a bonus are shown in Table 1 below.

**FIG. 5: PERCENTAGE OF MEN AND WOMEN WHO RECEIVED BONUS PAY**

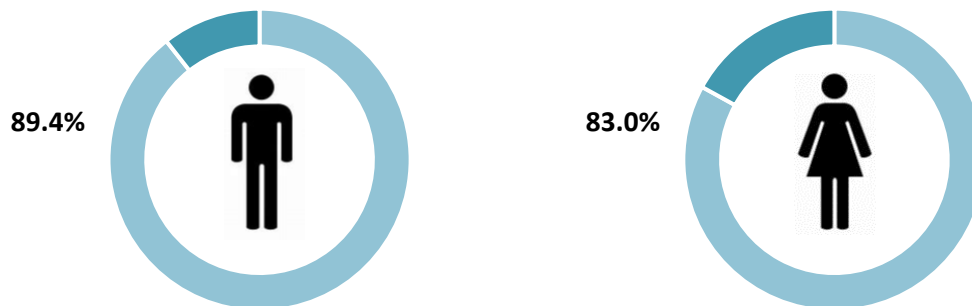


Table 1: Reasons for no bonus	Employed on/after 1 August	On Furlough	Targets not met
Male	65%	0%	35%
Female	69%	25%	6%

The data collected in Fig. 5 is, as instructed by legislation, calculated by following the below steps (separately for each gender):

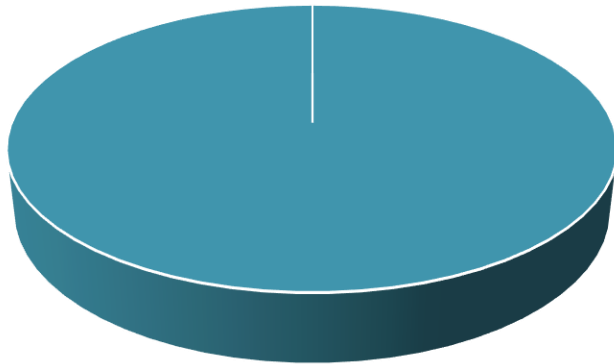
- adding together the number of relevant employees who were paid a bonus in the 12 months to 05.04.21
- dividing this by the total number of relevant employees (whether or not they received bonus pay)
- multiplying the answer by 100



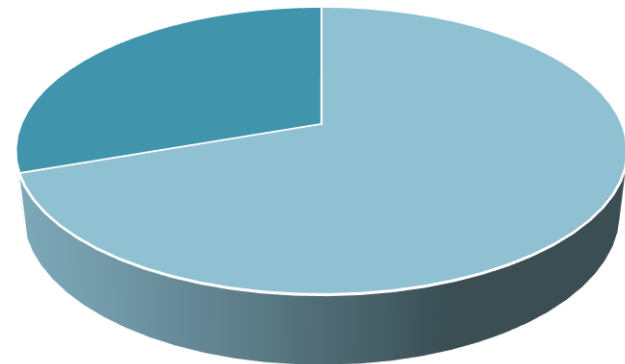
# Bonus Gender Pay Gap

Items included in calculating the bonus pay for relevant employees include rewards relating to performance, commission, long service awards, etc. which were paid in the 12 months leading up to 05.04.21.

**FIG. 6: BONUS GENDER PAY GAP  
0% MEDIAN**



**FIG. 7: BONUS GENDER PAY GAP  
+69.6% MEAN**



The median (mid-point) gender pay gap for bonus pay as a percentage of men's pay, as shown in Fig. 6, is calculated as set out in HMRC's guidelines:

- identify all relevant employees who are men and who received bonus payments in the 12 months to 05.04.21
- sort these employees into order by bonus pay amounts – highest to lowest
- identify the employee whose amount is in the middle of this list to find the median bonus pay figure for men
- repeat the above process, but this time for women
- subtract the median bonus pay figure for women away from the figure for men
- divide the result by the median bonus pay figure for men
- multiply by 100

The mean (average) gender pay gap for bonus pay as a percentage of men's pay, as shown in Fig. 7, is calculated as set out in HMRC's guidelines:

- add together the bonus payments made in the 12 months to 05.04.21 to all relevant employees who are men
- divide this by the total number of relevant employees who are male and who received bonus pay to give you the mean bonus pay for men
- repeat the above process, but this time for women
- subtract the mean bonus amount for women away from the figure for men
- divide the result by the mean bonus amount for men
- multiply by 100



# Our commitment to close our gender pay gap

As this is our first year of preparing our gender pay gap information, we have taken this opportunity to thoroughly analyse our position and reflect on the results. We acknowledge that there is work that needs to be done to close the gap and are committed to achieving this through meaningful permanent changes; not insincere short-term fixes.

Some of the areas we are focusing our efforts on include:

## **People Development & Recruitment**

We are very proud of our high staff retention rates. This does, however, impact on our ability to quickly reshape our workforce. Notwithstanding this, as we continue to expand our teams, we will continue to help internal candidates progress and fill positions as they become available.

We are also introducing a talent development programme to offer those identified as having the greatest potential to progress through the business with opportunity to learn from their peers and external influences so that they are better equipped to progress to more senior roles and have the biggest impact when they do.

We expect that both these initiatives will allow, indeed actively encourage, more of our female colleagues to progress to more senior roles.

We will also continue to invest in training our managers so that they follow our clear direction regarding the external recruitment. We strive to ensure that our recruitment process continues to consider each candidate based on their own merit and does not take into consideration any factor other than ability to add value to the business when deciding who we believe will be the best person for the position.

## **Remuneration**

On a more regular basis, we will review our remuneration packages to ensure there is fairness across the organisation.

## **Acting sooner**

We will prepare our gender pay gap data for the year to 5<sup>th</sup> April 2022 as soon as the information is available. This will allow us to see a more up to date picture of where we currently stand with our ever-growing workforce, reappraise our plan, and refocus our efforts to further close the gap.





## DECLARATION

I confirm that the information reported is accurate as at the snapshot date of  
5 April 2021.

**Chris Mitchell, CFO**  
March 2022

