



# Gender Pay Gap Report 2022



## 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, continued to exceed the 250 employee mark on the snapshot date of 5<sup>th</sup> April 2022.

The data contained within this gender pay gap report demonstrates that LLG, along with many other companies in the UK, still has work to do to close the gender pay gap that exists.

We continue to be 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\*\*.

In last year's report, we were not able to include some of our higher paid positions which were held by women due to them either being on furlough or maternity leave. This is not the case this year and they are included in this year's data.

This year's report therefore shows a more reflective view on the Gender Pay Gap in our business than last year, and brings the median gap down from 18.3% to 9% (Fig. 3) which, while still high, is notably smaller than the National Average for all employees in 2022 (14.9%\*).

Similarly the mean hourly gender pay gap has reduced by almost one quarter from 33.8% last year to 25.5% (Fig. 4).

\* Source: Annual Survey of Hours and Earnings, Office for National Statistics, 2022.

\*\* This primarily explains why the mean gap is significantly higher than the median gap.



# Our Statistics

FIG. 1: TOTAL PERCENTAGE OF WORKFORCE

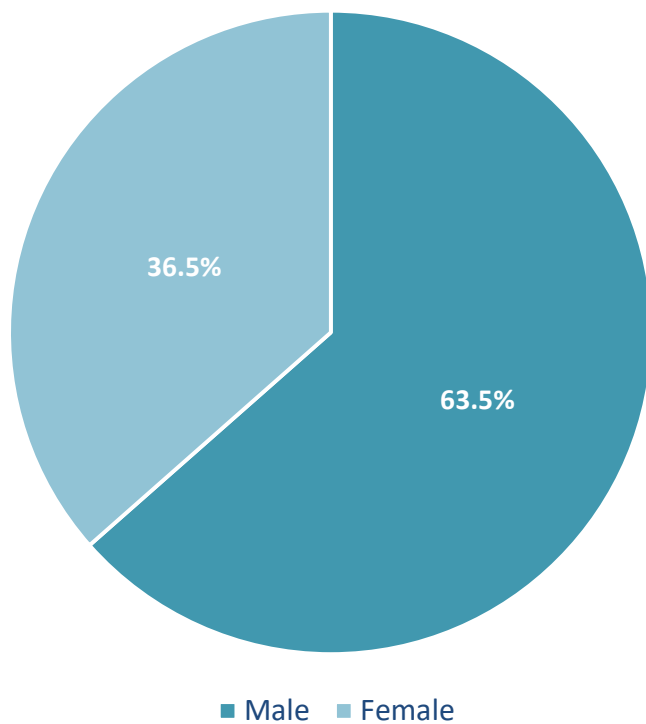
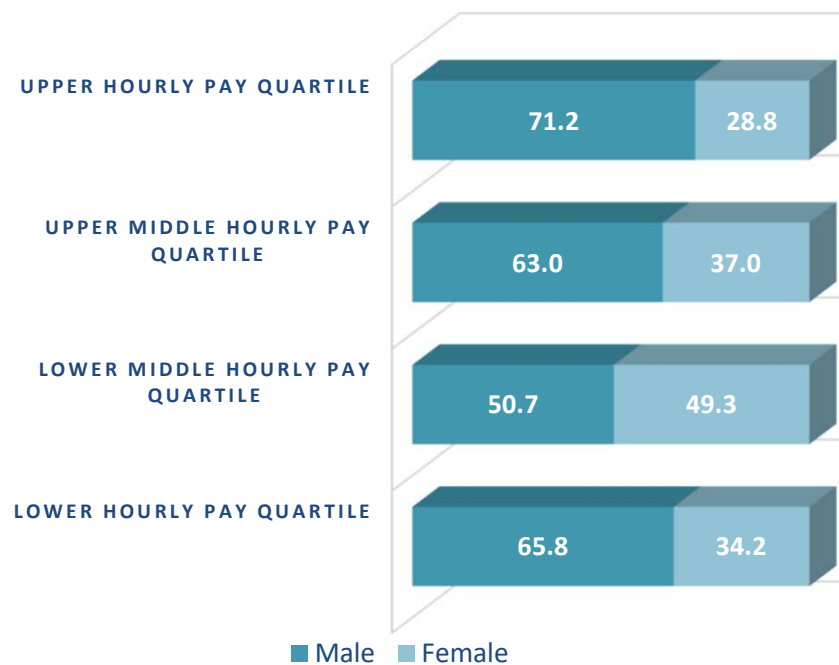


FIG. 2: PERCENTAGE OF MEN AND WOMEN IN EACH HOURLY PAY QUARTILE



The data in each of these quartiles shown in Fig. 2 is determined by following the legislation's steps of:

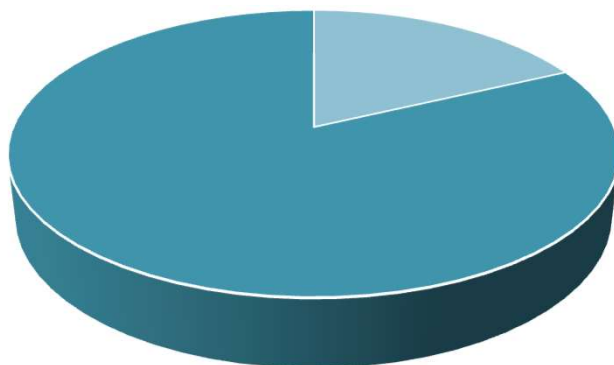
- ranking the hourly pay rates of full-pay relevant employees from the highest to the lowest
- dividing them into 4 equal groups (quartiles)
- identifying the proportion of males and females in each of these quartiles



# 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 2022).

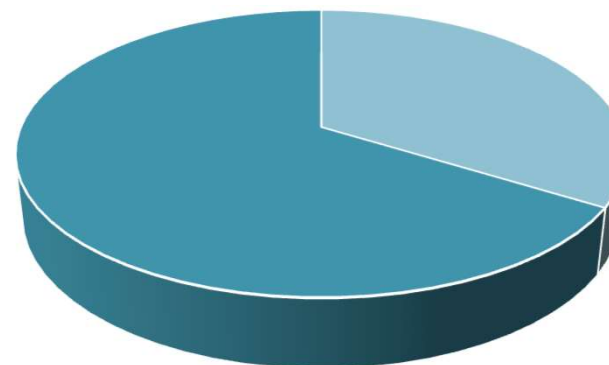
**FIG. 3: HOURLY GENDER PAY GAP  
+9.0% MEDIAN**



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

**FIG. 4: HOURLY GENDER PAY GAP  
+25.5% MEAN**



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. Given the large number of men that are hourly paid, this results the median average bonus paid to women being higher than the median average bonus paid to men (Fig. 6) and a -2.9% gap. As with the hourly 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 many other businesses, continued to face in the year to 30 September 2021, we were delighted to be able to pay bonuses to the vast majority of our team in FY21.

Fig. 5 shows that 11.6% of men and 13.2% of women did not receive bonus pay in the 12 months leading up to 05.04.22.

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**

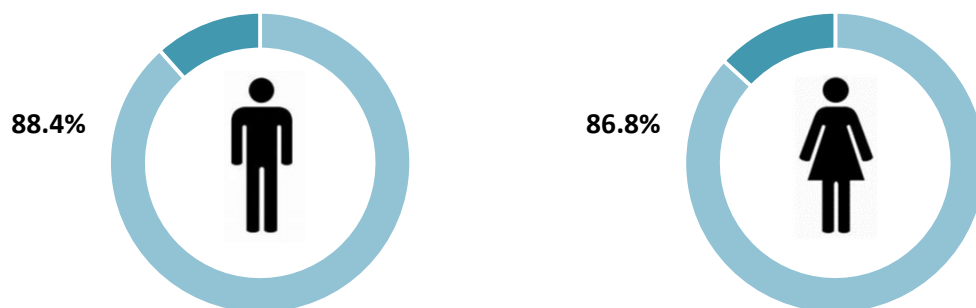


Table 1: Reasons for no bonus	Employed on/after 1 August	Targets not met
Male	10%	1%
Female	12%	1%

- 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 leading up to the snapshot date
  - 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, etc. which were paid in the 12 months leading up to 05.04.22.

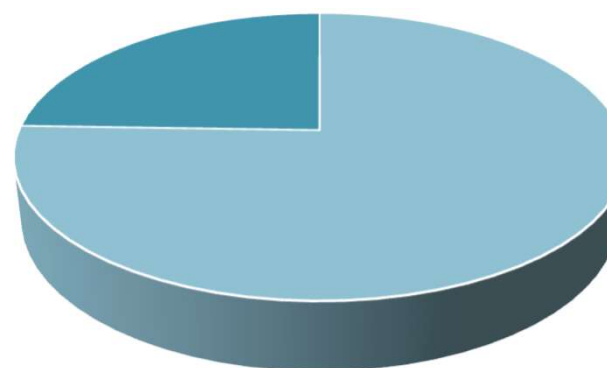
**FIG. 6: BONUS GENDER PAY GAP  
-2.9% MEDIAN**



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 leading up to the snapshot date
- 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

**FIG. 7: BONUS GENDER PAY GAP  
+75.5% MEAN**



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 leading up to the snapshot date, which were made to all relevant male employees
- 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 only our second year of preparing our gender pay gap information, we are continuing to take this opportunity to thoroughly analyse our position and reflect on the results. We acknowledge that there is work that needs to be done to continue to close the gap and are committed to achieving this through meaningful permanent changes.

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

## **People Development & Recruitment**

We are very proud of our high staff retention rates and as the business continues to grow, we will continue to help internal candidates progress and fill positions as they become available.

We have introduced 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. In 2023, we intend to expand the talent development programme to a wider range of employees at varying levels of seniority across the business.

We expect that both of these initiatives will allow and 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 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**

We will continue to review our remuneration packages regularly to ensure there is fairness across the organisation.





## Previous Data

2021		
	Median	Mean
Gender pay gap - hourly pay	18.3%	33.8%
Gender pay gap - bonus	0.0%	69.6%
	Male	Female
% receiving bonus	89.4%	83.0%
Lower quartile	57.6%	42.4%
Lower middle quartile	53.4%	46.6%
Upper middle quartile	71.2%	28.8%
Upper quartile	74.1%	25.9%



## DECLARATION

I confirm that the information reported is accurate as at the snapshot date of  
5 April 2022.

**Chris Mitchell, CFO**  
March 2023

