

Berry Bros. & Rudd

2018 Gender Pay Gap Report



BY APPOINTMENT TO
H.M. THE QUEEN
WINE & SPIRIT MERCHANTS
LONDON



BY APPOINTMENT TO
H.R.H. THE PRINCE OF WALES
WINE & SPIRIT MERCHANTS
LONDON

BERRY BROS & RUDD
3, ST. JAMES'S STREET, LONDON

WINE & SPIRIT MERCHANTS

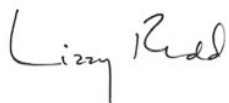
Foreword

At Berry Bros. & Rudd, it is our culture and our people that makes us unique.

Since our founding by the Widow Bourne in 1698 we have been at the forefront of our industry and today we are an international, family-run business with a talented, creative and passionate team.

We are committed to the principles and practices of providing equal opportunities. While we have a history of women working at a senior level in the business, there is always room for improvement, and we will continue to look at ways to promote and ensure roles and opportunities are accessible to all.

I am pleased to share our Gender Pay Gap figures and to reiterate our ongoing commitment to remaining an innovative and inclusive workplace.



Lizzy Rudd
Executive Chairman



What is the Gender Pay Gap?

The UK Government has introduced a new reporting requirement which requires companies to publish data on the differences in average earnings between women and men. The difference is known as the Gender Pay Gap.

The Gender Pay Gap is not the same as 'Equal Pay', which relates to how women and men are paid when they are doing the same job or work of equal value. A company can have a Gender Pay Gap without having a difference in equal pay.

What are the reporting requirements?

Any legal entity with more than 250 employees on the 5th April each year must publish specific gender pay statistics within one year after this date. On the 5th April 2018 there were more than 250 employees in our largest employing entity, BB&R Limited. The data that you see on the Government website is for this employing entity only.

The six sets of figures which employers need to publish are:

- The difference in the **median** and **mean** hourly pay between men and women based on their pay on 5th April 2018
- The proportion of women and men in each **pay quartile** based on their pay on 5th April 2018
- The **median** and **mean** difference in total bonus received between men and women in the 12 months up to 5th April 2018, and
- The **proportion** of men and women who received a bonus in the 12 months up to 5th April 2018

Who is included in our Gender Pay Gap statistics?

- The Gender Pay Gap is a UK only reporting requirement
- Berry Bros. & Rudd has two separate employing entities in the UK; **BB&R Limited** and **Berry Bros. & Rudd Limited**
- The reason we have two separate employing entities is due to our historic corporate structure
- Under the regulations we are only required to report on BB&R Limited as it had a total UK population of over 250 employees on 5th April 2018. We have provided these figures on the Government website and in the last slide of this report
- However, we wanted to share the gender pay statistics for the entire UK Berry Bros. & Rudd employee population to give the most complete view of our organisation
- In the next two slides the figures provided are for 'Berry Bros. & Rudd', meaning the combined gender pay statistics for our total UK operations, as shown in the table below:

Berry Bros. & Rudd 344 employees	
BB&R Limited 262 employees	Berry Bros. & Rudd Limited 82 employees



What is our Gender Pay Gap?

Median Gender Pay Gap

2.9%

UK Median
= 17.9%*

The median gender pay gap is the difference between the 'middle' male and 'middle' female employee's hourly rate of pay after ordering all employees by rate of pay from lowest to highest. This value is then divided by the 'middle' male employee's rate of pay to generate a percentage.

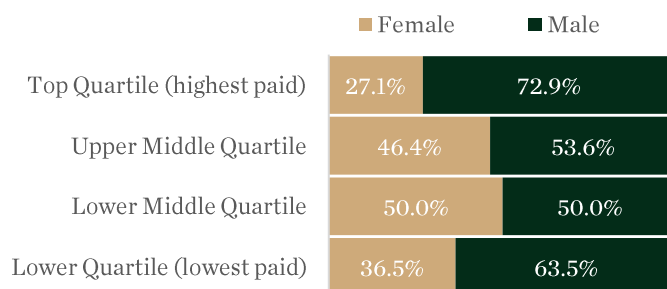
Mean Gender Pay Gap

13.2%

UK Mean
= 17.1%*

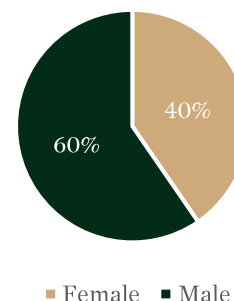
The mean gender pay gap is the difference in the average hourly rate of pay between male and female employees. This difference is then divided by the hourly rate of pay of the average male employee to generate a percentage.

Employees by Pay Quartiles

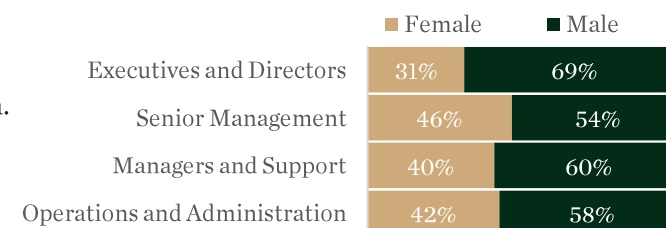


This shows the proportion of male and female employees in four quartiles after ranking individuals by their hourly pay from highest to lowest.

Why do we have a Gender Pay Gap?



- Overall within Berry Bros. & Rudd there is a higher proportion of male employees compared to female employees, with female employees representing an average of 40% of all roles within the business.
- The Berry Bros. & Rudd median and mean Gender Pay Gap figures are both below the national average for the UK, with the median value significantly below.
- The main driver behind the mean Gender Pay Gap was the under-representation of women within the most senior roles within the business.
- While overall representation of female employees was 40%, this reduced to an average of 30% for the most senior roles (as shown below).
- By comparing male and female employees at the same Organisational Level the mean pay gap falls significantly. This shows that the main driver of our mean gender pay gap is the uneven distribution of men and women at each Organisational Level.
- Male employees make up a majority in both the highest pay quartile and in the lowest pay quartile. The driver for the difference in the highest pay quartile is the lower proportion of women in senior roles. The main driver for the difference in the lowest pay quartile is a higher proportion of male employees in warehouse roles which are based outside of London.



*Source: 2018 national average based on Office of National Statistics

What is our Gender Bonus Pay Gap?

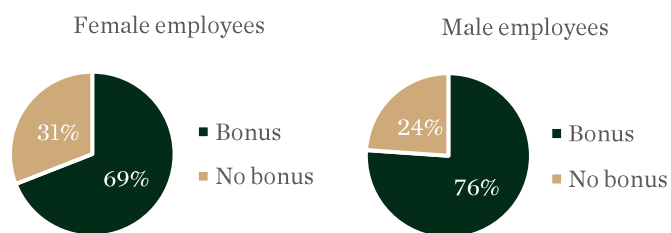
Median Gender Bonus Gap

34.4% The median gender bonus gap is the difference between the 'middle' male employee's total bonus and the 'middle' female employees total bonus after ordering all employees from lowest to highest based on their total bonus value. This difference is then divided by the 'middle' male employee's bonus value to generate a percentage.

Mean Gender Bonus Gap

48.3% The mean gender bonus gap is the difference in the average bonus award made to male employees compared to female employees, in the 12 months to the 5th April 2018. This is then divided by the male employee average bonus to generate a percentage.

Proportion receiving a bonus



This is the proportion of male and female employees who received a bonus in the 12 months to the 5th April 2018.

Why do we have a Gender Bonus Gap?

- All employees in the UK are eligible to receive an annual bonus award based on their individual performance and on overall company performance.
- Our reported figures for the number of employees receiving a bonus are less than 100% because there were employees who joined towards the end of the performance year who were therefore not eligible for a bonus payment. This will be the case every year due to the eligibility rules for new joiners.
- The reason that the percentage of female employees receiving a bonus is less than the percentage of male employees is due to a higher proportion of female employees joining Berry Bros. & Rudd in the 12 months to April 2018 compared to males (as a proportion of the existing population). As a result, a higher proportion of women were ineligible for a bonus that year because a higher proportion were new joiners towards the end of the performance year.
- Overall, we have a higher median and mean bonus gap compared to our median and mean Gender Pay Gap. This is predominantly driven by:
 - the difference in the representation of female employees in our most senior roles. This affects the bonus measure to a greater extent than the pay gap measure, as these roles typically have a larger bonus opportunity both overall and as a proportion of base salary,
 - the significantly higher proportion of male employees in sales and senior sales roles which attract a higher proportion of bonus pay compared to non-sales roles through sales incentives, and
 - the bonus gap calculation method, which only measures actual bonus paid and is not adjusted for part-time hours. As a result, when the bonus for a part-time female employee is compared to a full-time male employee this shows a larger bonus gap. In Berry Bros. & Rudd 85% of part-time employees are female which increases our gap. However, we are committed to continuing to offer part-time opportunities even though this currently affects our Gender Bonus Gap unfavourably.

Our commitment

We are committed to constantly improving how we attract, engage and develop our teams to ensure Berry Bros. & Rudd continues to be an inclusive workplace now and into the future.

Recruitment

- We will always seek to recruit based on skill and ability, irrespective of someone's gender, race, religion or other protected characteristics, and will be running recruitment training for managers in 2019 to ensure this is firmly embedded within our business.

Training and Development

- We have put a significant focus on development over the last two years, with a range of courses available on personal and workplace related topics. We believe in an inclusive approach to our development opportunities, with all employees able to attend these courses; helping our teams to realise their full potential.
- We have encouraged and supported coaching and development within the business and will continue to do so going forward.

Retention

- We will continue to offer flexible working opportunities, and encourage all employees to work with their managers and teams to get the right working balance.
- We will continue to offer service-related enhanced maternity, paternity and adoption leave, and will review these and other parental leave policies later this year to ensure they still meet the needs of our teams and the business.
- We will publish our 2019 Gender Pay Gap report later this year, ahead of the April 2020 deadline required under the regulations.



Gender Pay Gap disclosure

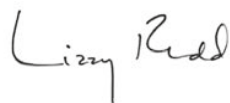
The tables below show our Gender Pay Gap figures for BB&R Limited as well as the combined UK population within Berry Bros. & Rudd:

	Mean gender pay gap (%)	Median gender pay gap (%)	Mean gender bonus gap (%)	Median gender bonus gap (%)	Proportion of males receiving a bonus (%)	Proportion of females receiving a bonus (%)
Berry Bros. & Rudd	13.2%	2.9%	48.3%	34.4%	76.1%	69.1%
BB&R Limited	20.9%	10.1%	26.6%	29.3%	78.1%	69.9%

Proportion of males and females by pay quartiles (%)								
	Top Quartile		Upper Middle Quartile		Lower Middle Quartile		Lower Quartile	
	Males	Females	Males	Females	Males	Females	Males	Females
Berry Bros. & Rudd	72.9%	27.1%	53.6%	46.4%	50.0%	50.0%	63.5%	36.5%
BB&R Limited	80.0%	20.0%	60.9%	39.1%	53.1%	46.9%	64.6%	35.4%

Directors Declaration

I confirm the Gender Pay Gap information in this report is accurate as of the 5th April 2018 snapshot date



Lizzy Rudd
Executive Chairman