

# DIAGEO

Gender Pay Gap Report 2020



[Hear more about the work we have been doing to Champion Inclusion and Diversity](#) 

# Foreword



**Mairéad Nayager**  
Chief HR Officer



**Ivan Menezes**  
Chief Executive

**At Diageo, our ambition is to become one of the most trusted and respected consumer products companies in the world. We are driven by a core belief that successful businesses are those that harness the benefits of a truly inclusive and diverse culture. The gender pay gap is a key area of consideration in building an inclusive business, and one that we continually seek to improve.**

In this report, we provide gender pay gap information for our Great Britain and Scotland businesses. We identify the causes of the pay gap and outline our ongoing plans for closing this gap. These plans include removing barriers, challenging stereotypes and creating opportunities, particularly for women in respect of roles that are more likely to be filled by men.

We continue to foster inclusion and diversity through progressive policies and initiatives that actively encourage gender parity and contribute to closing the pay gap in the longer term. These include programmes that encourage women to consider careers in science, technology, engineering and manufacturing (STEM), diversity training and through our recruitment practices.

In 2020, our fourth year of reporting, we have continued to improve the median gender pay gap across our combined legal entities in Great Britain and Scotland. Since 2017, our combined median pay gap has narrowed from 8.6% to 2.8%. In our Diageo Great Britain business, this year, the gap has again widened in favour of women, and in our Diageo Scotland business it is unchanged. We are proud of the progress we are making, but we know there is more to do.

We're delighted that, following the introduction of ambitious family leave policies in 2019, the average number of days taken by men for family leave increased from 11 to 92 in our Diageo Great Britain business and from 11 to 109 in our Diageo Scotland business.

Championing inclusion and diversity is one of Diageo's strategic priorities and we want to leverage the broadest range of backgrounds and skills to create a fully inclusive, high-performing culture. In 2020, 39% of leadership roles globally were held by women. As part of our new 'Society 2030' global action plan, our ambition is for 50% of leadership roles to be held by women by 2030.

We recognise that gender parity is just one measure of an inclusive workplace and we are dedicated to creating a culture where every individual can thrive. In November 2020 we set an ambition to increase representation of leaders from ethnically diverse backgrounds to 45% by 2030. In October 2020, we joined the 'Change The Race Ratio' campaign to champion ethnic diversity in business in Great Britain. By joining the campaign - coordinated by the Confederation of British Industry - we have committed to taking meaningful action that will not only increase ethnic diversity in business, but also create a culture that enables all individuals to thrive.

## Fast facts 2020\*

**Equileap Top 100 Companies globally for gender equality**

**1<sup>st</sup>**

### Our Board

3 out of 8 Board Directors are women



**Female engineering apprentices hired in Scotland**

**54%**  
(2019: 38%)

### Executive Committee

38% of our Executive Committee are women



### Senior leadership

**39%**  
of our global senior leadership team are women\*\*

### Number of employees

**4,438**  
employees across Great Britain and Scotland

\* Data points as at 5 April 2020

\*\* As at 30 June 2020

# Measuring the pay gap

The gender pay gap shows the difference in average pay between women and men. Positive measures (percentages with a '+') indicate the extent to which women earn, on average, less per hour than men. Negative measures (percentages with a '-') indicate the extent to which women earn, on average, more per hour than men. The gender pay gap does not measure equal pay, which relates to what women and men are paid for the same or similar jobs or work of equal value.

## Calculating our numbers

Under the UK Government's Gender Pay Gap regulation, all legal entities in Great Britain with more than 250 employees are required to report their gender pay gap.

Diageo employs approximately 4,373 people across the two legal entities in Great Britain covered by the regulations: Diageo Great Britain (1,261) and Diageo Scotland (3,112).

Diageo Great Britain employs those involved in support and global functions, the distribution, marketing, import and sale of beer and spirits, as well as the packaging of beer at our Runcorn manufacturing plant.

Diageo Scotland is primarily a manufacturing business and employs those involved in the distillation, warehousing, maturation and bottling of Scotch whisky and other spirits.

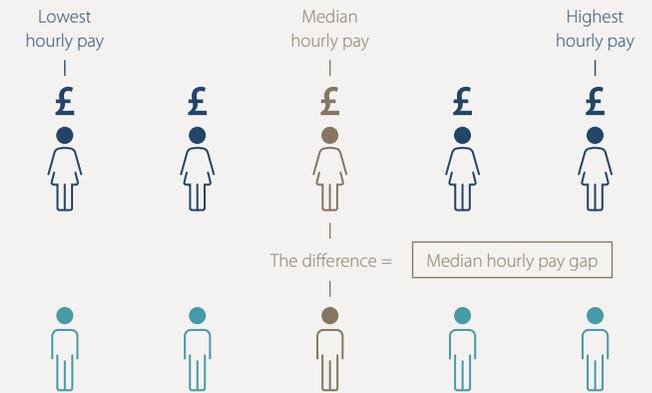
We also provide combined gender pay data for all employees across Great Britain, which includes employees in legal entities with fewer than 250 employees. In 2020, the number of employees included in our combined data is 4,438.

Our figures exclude our employees in Northern Ireland, as Northern Ireland is not covered by the reporting regulations.

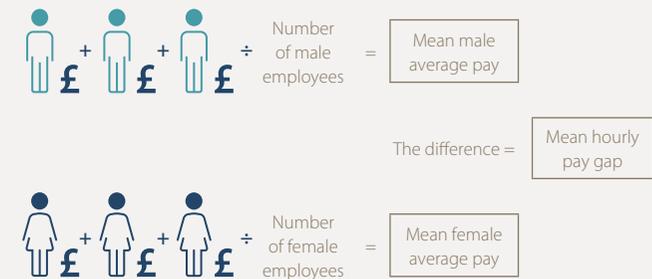
In this report we are sharing the median and mean (average) pay gaps between men and women's hourly pay and bonuses.



## How we calculate the median difference



## How we calculate the mean difference



# Understanding our pay gap

## Diageo Great Britain and Diageo Scotland combined

(Includes all employees across Diageo Great Britain legal entities)

In 2020 we continued to see positive movement across our combined hourly median pay gap, reaching 2.8%. This means that our gender pay gap has more than halved since we started reporting in 2017, as we continue to evaluate and improve how we approach hiring and promoting employees, and how we manage retention across our Diageo Great Britain and Diageo Scotland businesses.

Our combined median pay gap is primarily influenced by our manufacturing operation in Diageo Scotland and our Runcorn packaging operation in Diageo Great Britain. These are manufacturing businesses that have predominantly male workforces, in line with the manufacturing sector. Shift patterns and anti-social hours, primarily taken on by male employees, further impact the gap in these businesses. While our combined median gender pay gap has improved year on year, and is significantly below the current ONS figure of 15.5% for businesses in Great Britain, we recognise we have more work to do to close the gap.

The median combined bonus pay gap again improved significantly this year to -0.4%. In the period to April 2020 a greater number of women were in roles that received higher bonus payments as a result of strong business performance.



### Median hourly pay gap

**+2.8%**

2019: +4.0%

### Median bonus pay gap

**-0.4%**

2019: +8.7%

### % receiving a bonus payment

**53.5%**

2019: 49.7%

### % of total employees

**63.4%**

### Mean hourly pay gap

**-6.6%**

2019: -7.5%

### Mean bonus pay gap

**+6.0%**

2019: +11.1%

**75.0%**

2019: 72.6%

**36.6%**

**Diageo Great Britain**

There are 1,261 employees in our Great Britain business. Most are based at our headquarters and work in functions such as sales, finance and procurement. We also have a packaging operation at Runcorn, where roles are more typical of a manufacturing operation.

The higher median hourly rate for women continues to be driven by greater female representation in office-based roles, which are typically higher paid than more junior roles in field sales and manufacturing, which continue to be filled predominantly by men. We continue to advance recruitment practices to ensure we're attracting wider and more diverse candidate pools.

The median bonus pay gap increased significantly this year and continues to be in favour of women. As in 2019, this is the result of increasing numbers of women in more senior roles in areas of the business where variable compensation, including bonuses, was higher in the 12 months to 5 April 2020.

Our mean bonus pay gap also widened this year to +26.0%. This continues to be driven by more senior roles that benefit from higher variable pay, including bonuses and long-term incentive plans.

**Diageo Scotland**

There are 3,112 employees in Diageo Scotland, which operates a number of distilling and packaging sites along with warehousing operations, our cooperage and coppersmith workshop.

In 2020 our median hourly pay gap was unchanged, as female representation in senior roles remained at the same level as last year. The gap continues to be significantly impacted by men holding a large proportion of the roles eligible for shift allowances. Currently there are over two-and-a-half times more men in shift-working roles, in line with the long-term trends of manufacturing roles predominantly filled by men. Although there have been positive developments over the last few years, with more women taking up shift working opportunities, progress has been gradual and we recognise that that we still have more to do.

The median bonus pay gap has improved again this year. This is also a result of an increase in the number of women in more senior roles that have higher bonus opportunities and include participation in our long-term incentive plan.

**Median hourly pay gap**

**-20.5%**

2019: -14.8%

**Mean hourly pay gap**

**-5.2%**

2019: -3.8%

**% receiving a bonus payment**



2019: 86.4%

2019: 86.2%

**Median bonus pay gap**

**-24.5%**

2019: -4.4%

**Mean bonus pay gap**

**+26.0%**

2019: +21.1%

**% of total employees**



**Median hourly pay gap**

**+16.8%**

2019: +16.4%

**Mean hourly pay gap**

**+8.5%**

2019: +7.6%

**% receiving a bonus payment**



2019: 37.1%

2019: 63.7%

**Median bonus pay gap**

**+20.6%**

2019: +38.2%

**Mean bonus pay gap**

**+12.1%**

2019: +31.5%

**% of total employees**



[We also rolled out an ambitious new Family Leave policy to our global markets in May 2019, ensuring minimum standards for both men and women. Read more here.](#)

## Closing the gap

While we have made progress over the last few years, we know there is more to do to close our gender pay gap. We continue to work on initiatives that will, over time, make Diageo an even more inclusive and diverse business.

### Early career initiatives

We recognise that creating a pipeline of future female leaders for our business is key to shifting long-term trends in science, technology, engineering and manufacturing (STEM) roles. Following the intake of two brewing and distilling scholars on the Diageo Scholarships at Heriot-Watt University in September 2019, a further two female students enrolled as engineering scholars in September 2020.

This year a majority of our apprentices hired in Scotland were women who are now working in mechanical or electrical engineering roles. In addition to this, we offered four female apprentices (out of a total seven) work placements through the Foundation Apprenticeship programme. Delivered by Skills Development Scotland and a key part of the Scottish Government’s work addressing youth unemployment, the programme offers students in senior secondary education experience in a local business.

After applying through an assessment day, the apprentices work on practical projects relevant to their studies – for example, business management and engineering – and at the same time build communication, teamwork and networking skills that will help them thrive in a future workplace. Working with local government and Skills Development Scotland on the Foundation Apprenticeship programme allows us to both build a pipeline for our apprenticeship programme and support students in the local area.

We continue to develop strategic partnerships with local schools in the communities in which we operate and to offer apprenticeship opportunities – specifically in engineering, operator and coppersmith roles.

### Supporting gender equality: Diageo’s Family Leave policy

In April 2019, we introduced a new policy offering men and women an equal 52 weeks’ parental leave, with the first 26 weeks fully paid. Parents employed by Diageo retain benefits and bonuses regardless of gender, sexual orientation or whether they become parents biologically, via surrogacy or adopt.

Nick Payman, who was recently promoted to Head of Marketing for Smirnoff in Great Britain, took family leave when he and his wife had their second child, a son named Xander. “Time goes so quickly,” says Nick. “We’re both working parents so it’s a hard work/life balance to try and create. But for us, being present is incredibly important – not just physically present but also emotionally present as well.”

Having previously taken two weeks’ statutory paternity leave when his daughter Bella was born, Nick noticed a significant difference in being able to take six months’ family leave.

“It was an amazing experience to have a bond that I don’t think you can necessarily get as quickly when you’re working the whole time”.

“A family is a team. I was able to give my wife time for herself while she’s been on maternity leave. She’s not the only person doing all the childcare, and also, it’s given her time to reflect on her own life, and what she wants to do and what she wants to be going back to. And with two weeks you just don’t have those opportunities.”

While a ‘no-brainer’ for Nick, some friends outside the company questioned the impact it might have on his career. “Diageo have been the complete opposite,” says Nick. “They’ve made me feel so comfortable about the decision I’ve made... it was very simple in terms of applying for it, and equally in terms of coming back into the business”.



Photo posed by models



**Recruitment**

Attracting more women to our manufacturing roles in our Scotland and Great Britain businesses continues to be one of our biggest challenges. We continue to run all our job profile advertisements through a gender decoding application to ensure that we do not default to language that could be considered gender specific and have improved the advertising and targeting of female candidates for operator roles.

Following the recommendation of an internal task force in December 2019, we have taken steps to make our job adverts more transparent by including additional detail about the manufacturing site and shift patterns associated with particular roles. As a result of the task force’s findings, we also widened our candidate pools by removing the requirement for large company experience for some operator roles, where Diageo provides job-specific training. This year, we also started using an online interviewing platform for our junior role applications, which has led to shortlists that are significantly more diverse.

Last year we identified that better connections to our local communities would also support wider candidate pools and we have made progress this year by leveraging the government’s ‘Find a Job’ website. We also increased attendance at

university and college career fairs, attracting more candidates to apply to our graduate and apprentice programmes. Over time, we expect these actions to further support the diversity of our talent pool in manufacturing.

**Diversity training**

This year we’ve continued to roll out Inclusive Leadership training, supporting our leaders to develop greater insight into how inclusion affects performance; the factors which may positively or negatively impact the building of an inclusive workplace; and practical insights into how they can manage their people with more focus on inclusion. We have also developed the next phase of our diversity training for line managers, which

includes a Hiring for Performance toolkit. While focussed on inclusivity in its entirety, rather than gender alone, the toolkit is designed to equip people managers with the knowledge they need to further improve their practice around hiring talented, diverse people for Diageo.

**Beyond gender**

We continue to work with others to drive change. We have been a founding member of the United Nations Unstereotype Alliance since its launch in 2017, working to portray equality and diversity in our work and collaborating with peers across industries to combat harmful stereotypes in advertising. We are members of the World Federation of Advertisers’ Diversity & Inclusion

Taskforce, as well as of Open for Business, a coalition of companies that advocates LGBTQ+ rights around the world. We also continue to build employee-led advocacy through active employee resource groups (ERGs). These groups support their members and offer leaders the opportunity to understand the barriers and concerns of diverse communities both within and outside the organisation, so that we can develop progressive approaches to breaking down barriers. Our ERGs organise Diageo’s annual INC Week, a dedicated inclusion week for employees that opens up a range of important topics through panel discussions, office celebrations and personal storytelling.

Through initiatives such as the ‘Diageo Flex Philosophy’, launched in November 2020, we’re supporting employees and line managers to discuss and agree working patterns that allow them to deliver their best work. Our partnership with flexible working consultancy Timewise allows us to further support and promote flexible working for both men and women, and to continue to drive change within Diageo.

**Returners’ Programme**

“It was almost like the job advert was written for me,” says Jelena Beaton, a Project Engineer who recently joined Diageo on a permanent contract through the Returners’ Programme. Launched last year, the programme offers six-month internships to individuals who have been out of the workplace for at least two years, and encourages hiring managers to recognise the diverse skills that prospective employees may have built while away from work.

Jelena, who is based in Abercrombie, Scotland, had taken a ten-year career break to raise a family when she decided to return to work. “I was wondering how I’d find a job with the gap in my CV. I didn’t know myself anymore in a workplace – but I thought this was a really perfect opportunity”.

A qualified Petroleum Engineer, Jelena found her professional experience readily

transferable to a different industry. “I already had strong engineering skills because of my background. I now manage and bring to life projects at Diageo’s maturation and distillery sites in southern Scotland”.

“The Returners’ Programme is a great opportunity for people with good engineering skills to gain relevant industry experience and grow their confidence,” says Neil Dicks, Jelena’s manager. “The Programme has proved very successful for us and we have so far recruited two women as permanent employees”.

As well as planning to continue the Returners’ Programme next year, Diageo also sponsors the Creative Equals Returner scheme, which supports women returning to the creative industries after a career break.

 [Find out more here.](#)



 **50% of our Johnnie Walker blenders are now female. [Read more about the women who make our spirits around the world](#)**

# Statutory disclosures

## Diageo Great Britain

	2020	2019
% male/female employees	<b>53.8%/46.2%</b>	53.7/46.3%
Median gender pay gap	<b>-20.5%</b>	-14.8%
Mean gender pay gap	<b>-5.2%</b>	-3.8%
Median bonus pay gap	<b>-24.5%</b>	-4.4%
Mean bonus pay gap	<b>+26.0%</b>	+21.1%
% males/females receiving a bonus payment	<b>80.1%/84.6%</b>	86.4/86.2%
Upper quartile* (male/female %)	<b>52.0%/48.0%</b>	52.6/47.4%
Upper middle quartile (male/female %)	<b>45.0%/55.0%</b>	49.0/51.0%
Lower middle quartile (male/female %)	<b>57.0%/43.0%</b>	55.3/44.7%
Lower quartile (male/female %)	<b>65.0%/35.0%</b>	65.3/34.7%

\* Quartiles are based on hourly pay rates

## Diageo Scotland

	2020	2019
% male/female employees	<b>67.6%/32.4%</b>	68.0/32.0%
Median gender pay gap	<b>+16.8%</b>	+16.4%
Mean gender pay gap	<b>+8.5%</b>	+7.6%
Median bonus pay gap	<b>+20.6%</b>	+38.2%
Mean bonus pay gap	<b>+12.1%</b>	+31.5%
% males/females receiving a bonus payment	<b>44.4%/68.7%</b>	37.1/63.7%
Upper quartile* (male/female %)	<b>78.0%/22.0%</b>	78.1/21.9%
Upper middle quartile (male/female %)	<b>73.0%/27.0%</b>	73.8/26.2%
Lower middle quartile (male/female %)	<b>65.0%/35.0%</b>	64.5/35.5%
Lower quartile (male/female %)	<b>57.0%/43.0%</b>	57.7/42.3%



## Declaration

We confirm the information and data reported is accurate as of the snapshot date 5 April 2020

*Mairéad Nayager*

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Chief HR Officer

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Captain Morgan



*Tanqueray*

