



Gender Pay Gap Reporting 2017



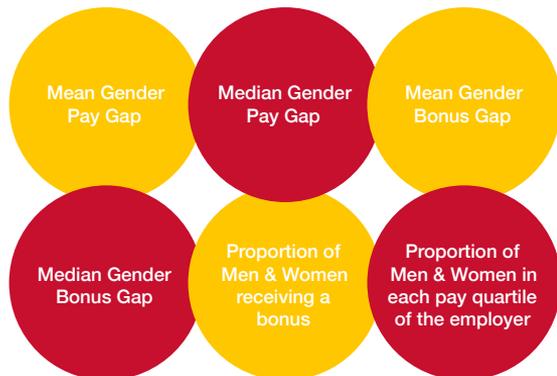


What is the gender pay gap?

The gender pay gap measures the difference in the average pay of male and female employees, which is expressed as a percentage of the average pay of male employees. This is different to equal pay, which refers to male and female employees receiving equal pay for doing the same or similar jobs.

What numbers are reported?

There are six separate disclosures required by the legislation:



Our gender pay gap

Under the Government's new gender pay gap regulations, companies need to report their gender pay gap for all legal entities with 250+ GB employees. Accordingly, we are required to publish our gender pay gap data for Tennent Caledonian Breweries UK Ltd and this is on Page 3.

However we believe it is more relevant and useful to provide information for all our employees who work for or in support of our business in Great Britain and this is set out below.

GB Business

	Mean	Median
Gender Pay Gap	5.3%	20.7%
Gender Bonus Gap	54.8%	-12.5%
Adjusted Gender Bonus Gap*	20.9%	-12.5%

Key:

Mean: This is the difference between the average rate of pay between men and women.
Median: The median is calculated by listing all the pay amounts in numerical order and taking the middle amount. This is the median pay.

Calculating hourly rate of pay and bonus pay.

Hourly rate of pay is calculated taking into account basic pay, allowances, pay for leave and shift premium pay received in April 2017. It does not take into account pay referable to overtime, or pay in lieu of leave. Bonus pay is calculated taking into account bonuses received and taxable share options exercised during the year to 5 April 2017.

Proportion of male and female employees in each pay quartile band.

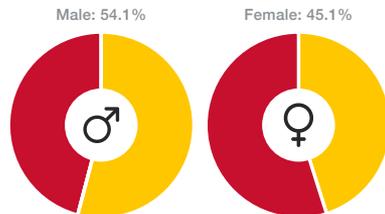
Quartile bands are calculated by ranking employees based on hourly rate of pay and dividing the ranking into four equal-sized groups.

*The regulations require share options exercised by employees during the year to 5 April 2017 which resulted in a gain subject to income tax to be included as bonus pay. We do not consider including gains made on the exercise of share options to be a fair analysis of bonus within our organisation, as employees have a number of years in which to choose when to exercise their share options and this does not therefore fairly represent the bonuses earned by our employees during the year. We have therefore chosen to calculate the mean gender bonus gap by excluding the exercise of share options during the year.

Pay Quartiles

Pay Quartile	Male	Female
Upper	69.7%	30.3%
Upper Middle	83.6%	16.4%
Lower Middle	56.0%	44.0%
Lower	66.1%	33.9%

Proportion of male and female employees receiving a bonus





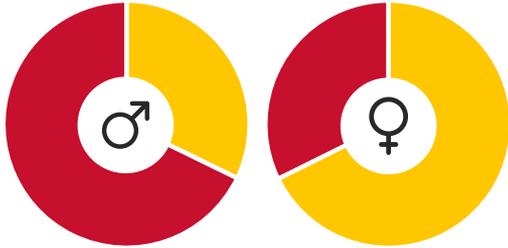
Understanding the gender pay gap data

We have **447 employees** who work directly for or in support of our GB business. This includes employees involved in the **manufacturing, warehousing, sales & distribution** of our products as well as professional support services such as **finance, marketing, HR, IT** and **procurement**.

Proportion of males and females employed

Male: 67.8%

Female: 32.2%



Gender pay gap

The mean gender pay gap across our GB business is **5.3%** which compares favourably with the UK average of **17.4%**¹. The median gender pay gap across our GB business is **20.7%** which is marginally higher compared to the UK median of **18.4%**¹.

Our gender pay gap is partially driven by Operations, where roles are held primarily by male employees, consistent with demographics in the wider manufacturing sector. These roles typically require employees to work shift patterns and therefore attract a shift allowance in addition to basic pay. Additionally, there is a higher proportion of male employees in senior roles compared to female employees and this is something that we are cognisant of.

Gender bonus gap

The data illustrates that across our GB business a higher proportion of male employees received a bonus during the year to 5 April 2017 compared to female employees. This is primarily driven by Operations and Sales achieving targets and being awarded bonus payments during the year. Both of these areas employ a high proportion of males. As our targets were not achieved in other areas of the business, bonus was not paid out.

The median bonus paid to females was higher than the median bonus paid to males. This is why the gap is -12.5%. This is largely because female employees who received a bonus are primarily engaged in professional or sales roles while male employees who received a bonus are primarily engaged in operations roles. Higher bonuses are typically paid across professional and sales roles compared to operational roles.

The mean bonus gender gap across our GB business is **54.8%** (**20.9%**, when excluding the exercise of share options during the year.) This is a direct consequence of a higher proportion of male employees in senior management roles compared to female employees and senior roles receiving higher bonuses compared to other positions.

We continuously strive for consistency and fairness across employee pay arrangements and ensure that colleagues receive the same career development opportunities. In this regard, we will monitor our gender pay gap and look to improve the gender balance across our business.

¹ Source: ONS Annual Survey of Hours and Earnings: 2017 provisional and 2016 revised results



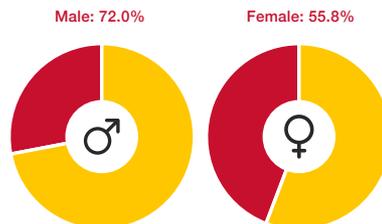
Statutory Disclosure for Tennent Caledonian Breweries UK Ltd

	Mean (%)	Median (%)
Gender Pay Gap	11.4	21.3
Gender Bonus Gap	64.8	-33.3
Adjusted Gender Bonus Gap*	33.7	-33.3

Pay Quartiles

Pay Quartile	Male (%)	Female (%)
Upper	70.1	29.9
Upper Middle	92.5	7.5
Lower Middle	71.6	28.4
Lower	42.4	57.6

Proportion of male and female employees receiving a bonus



Key:

Mean: This is the difference between the average rate of pay between men and women.
Median: The median is calculated by listing all the pay amounts in numerical order and taking the middle amount. This is the median pay.

Proportion of male and female employees in each pay quartile band.
 Quartile bands are calculated by ranking employees based on hourly rate of pay and dividing the ranking into four equal-sized groups.

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Declaration

I confirm that our gender pay gap data has been calculated according to the requirements of the Regulations.

Stephen Glancey
 Group Chief Executive Officer