



GENDER PAY GAP

REPORT 2020

This report details our
April 2020 to April 2021 results



Since the Government introduced the requirement for businesses to report on their gender pay gap in 2018, we've continued to focus on our inclusion and diversity agenda, with gender representation and gender pay an important part of this.

Since our 2019 report, our mean gender pay gap has dropped from 9.0% to 8.2%, and our median gender pay gap has dropped from 2.5% to 0.8%. The proportion of women in our upper pay quartile has increased from 30% to 31%, and the proportion of females paid a bonus has increased from 84% to 86%. However, our bonus gaps have increased, largely due to higher bonus payments in the most recent reporting period, which has compounded the existing bonus gaps.

We remain committed to making HEINEKEN UK a truly inclusive and diverse organisation. Despite a challenging 2020 which none of us could have predicted, we've made some good progress on this. Particularly with the introduction of our Gender Task Force, which has senior sponsorship and representation from across the business, to bring more gender balance to our business.

The restrictions imposed by the pandemic have clearly shown that we can work more flexibly. We're determined to change the way we work forever. A blended approach of home and office working is our way forward with many of our colleagues already working in this way. This is supported by our Smarter Working policy. In areas where working from home is not an option, we're exploring how Smarter Working can work for them too.

Over the remainder of the report, we provide more detail about our gender pay gap and the further steps we're taking to address it.

Best wishes

A handwritten signature in black ink, appearing to read 'D. Flochel', with a long horizontal line extending to the right.

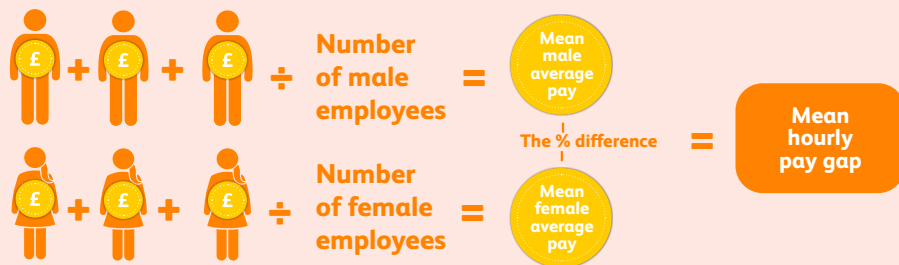
David Flochel
Managing Director, HEINEKEN UK

WHAT IS THE GENDER PAY GAP AND HOW IS IT CALCULATED?

The UK Government's Gender Pay Gap Regulations require companies to report their gender pay gap for all legal entities in Great Britain with more than 250 employees, with the aim of creating transparency and encouraging employers to explore any gender pay gaps revealed by the process.

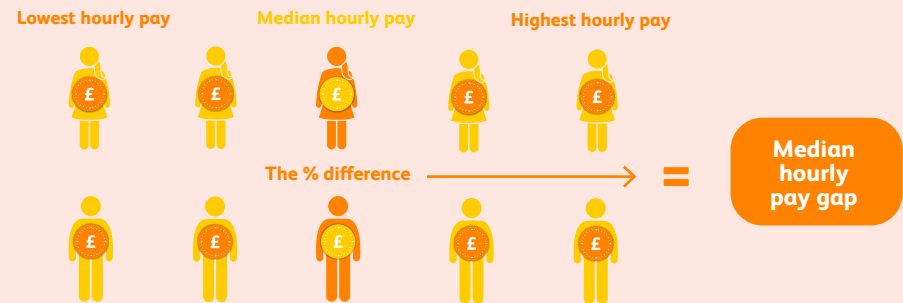
The gender pay gap shows the difference in average pay between women and men. It's different to equal pay, which relates to what women and men are paid for the same or similar jobs or work of equal value.

How we calculate the MEAN difference



The mean gender pay gap is the percentage difference between the hourly pay of all male employees divided by the total number of males, and the hourly pay of all female employees divided by the total number of females.

How we calculate the MEDIAN difference



If all female colleagues were lined up in order of hourly pay and all male colleagues were also lined up in order of hourly pay, the median pay gap is the percentage difference between the hourly pay of the middle female and the hourly pay of the middle male.

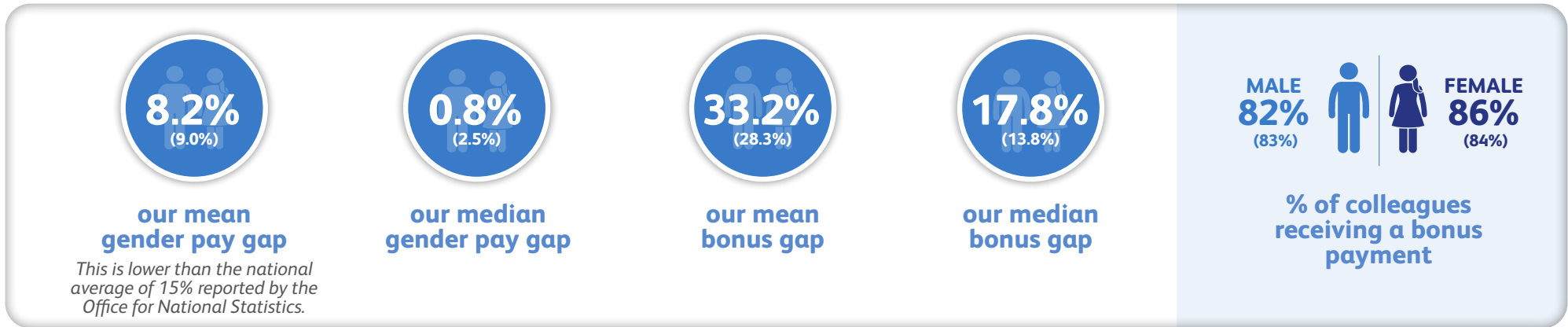
Why the difference?

Because different jobs pay differently and the number of men and women performing these jobs varies, a gender pay gap can exist. For example if there's a higher proportion of men in senior roles and/or a higher proportion of women in junior roles the gender pay gap will be bigger.

Why is gender pay gap reporting important?

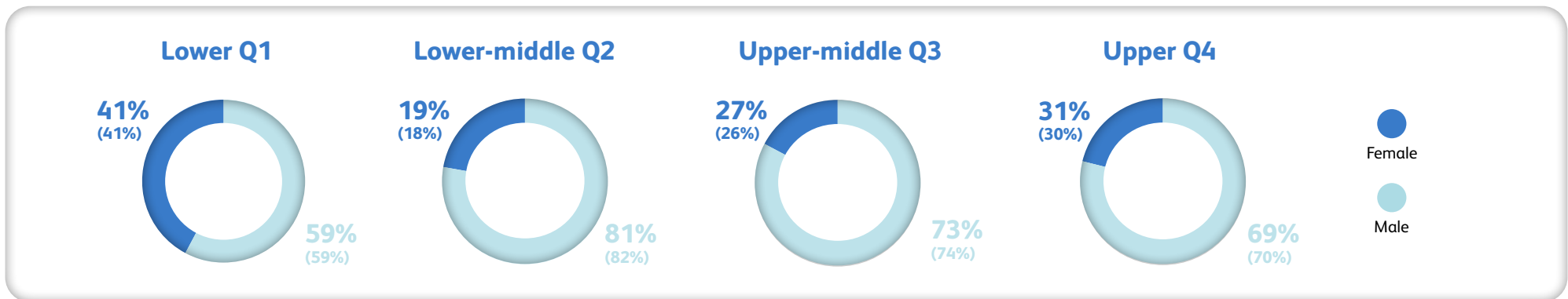
Gender pay gap reporting is an important step forward in putting a spotlight on where companies may have gender imbalances within their workforce, to assist them in understanding what's driving it and importantly, what to do to improve it.

HOW DO WE MEASURE UP?



Pay Quartiles

This shows the proportion of males and females in each pay quartile, ranging from the lowest hourly rate of pay to the highest. Each quartile has an equal number of colleagues.



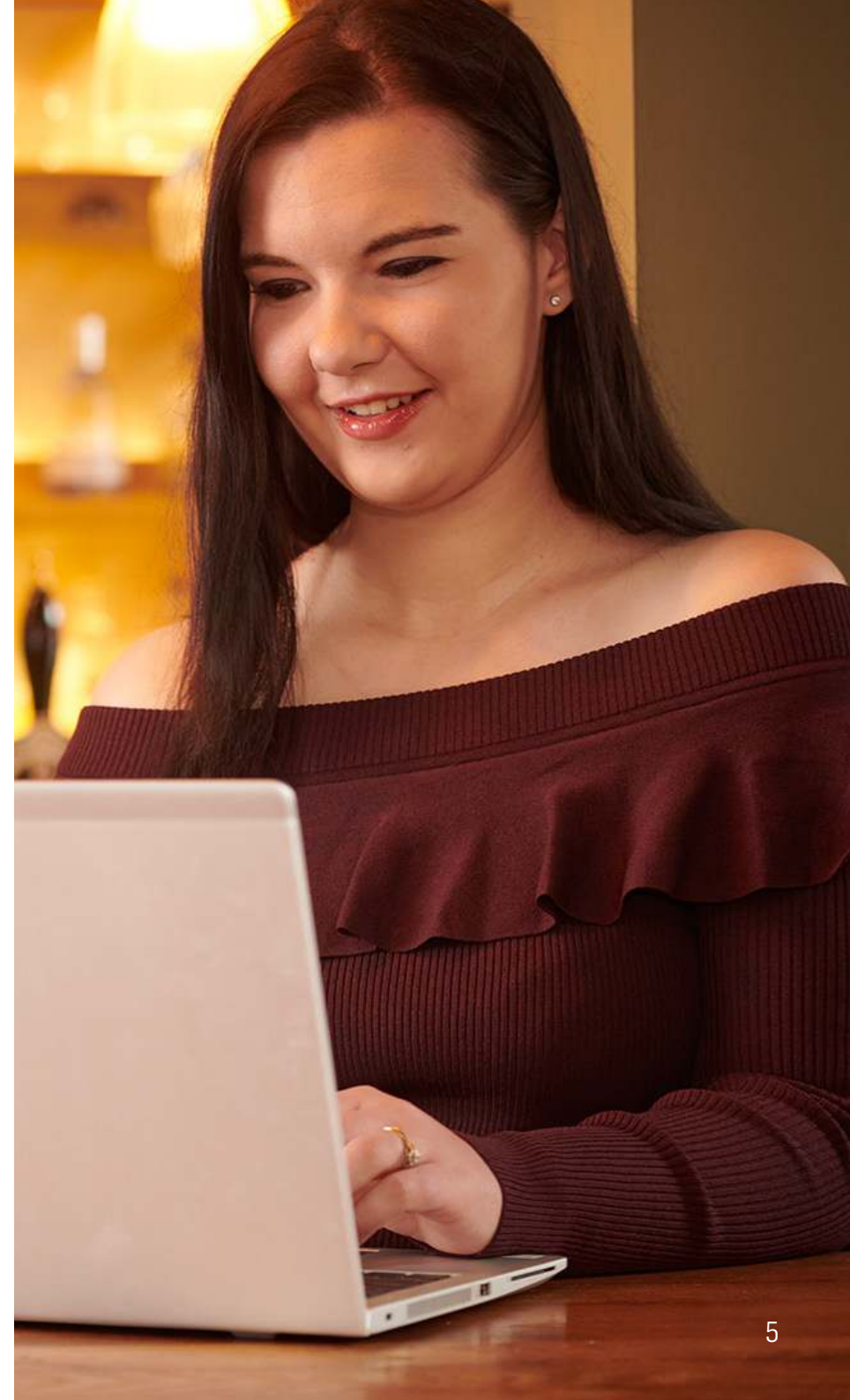
Data as at 5th April 2020. Figures in brackets are our 2019 results.

WHAT DO OUR RESULTS MEAN?

We've seen a reduction in our pay gaps, and a slight increase in the proportion of females in our upper pay quartile. This is positive, and our pay gap compares well to the UK national average reported by the Office for National Statistics. While we're pleased to be heading in the right direction with our pay gaps, we recognise we're not there yet with regards to balanced gender representation at all levels in our business.

The make-up of our workforce continues to be predominantly male, with 29% female and 71% male colleagues. Just over 25% of our middle and senior leadership roles are occupied by females, with higher levels of remuneration attached to more senior roles. We also have a higher proportion of men in our breweries and commercial areas, where roles typically attract a premium through shift payments and higher levels of bonus.

We've set ourselves a clear ambition to increase the proportion of women in senior roles and acknowledge it will take time to get there.



WHAT ARE WE DOING TO CLOSE THE GAP?

In 2018 we launched our Inclusion & Diversity (I&D) Strategy, which sets out our ambition to be a truly inclusive organisation where we all feel we belong. We've made some good progress towards our ambition and are absolutely committed to drive further change to ensure we make even greater progress on this journey.

In previous gender pay gap reports we've highlighted the changes to our Family Leave policies to make them more equitable, the support we give to returning mothers and what we're doing to attract more women to HEINEKEN and ensure our recruitment processes are fair. In 2020 we had an even greater focus on gender representation and bringing more gender balance to our business.



Smarter Working

In 2019 we launched a new approach to flexible working, supported by our Smarter Working policy. By introducing the concept of Smarter Working we've looked to truly change our mind-set when it comes to how we support colleagues.

The reality is that the pandemic has forced all colleagues who can do so, to work from home, and at HEINEKEN we will not return to our old ways of working. The pandemic has proved that many of our colleagues can work successfully from both the office and home, and they'll continue to be able to have this balance moving forward, with blended working here to stay.



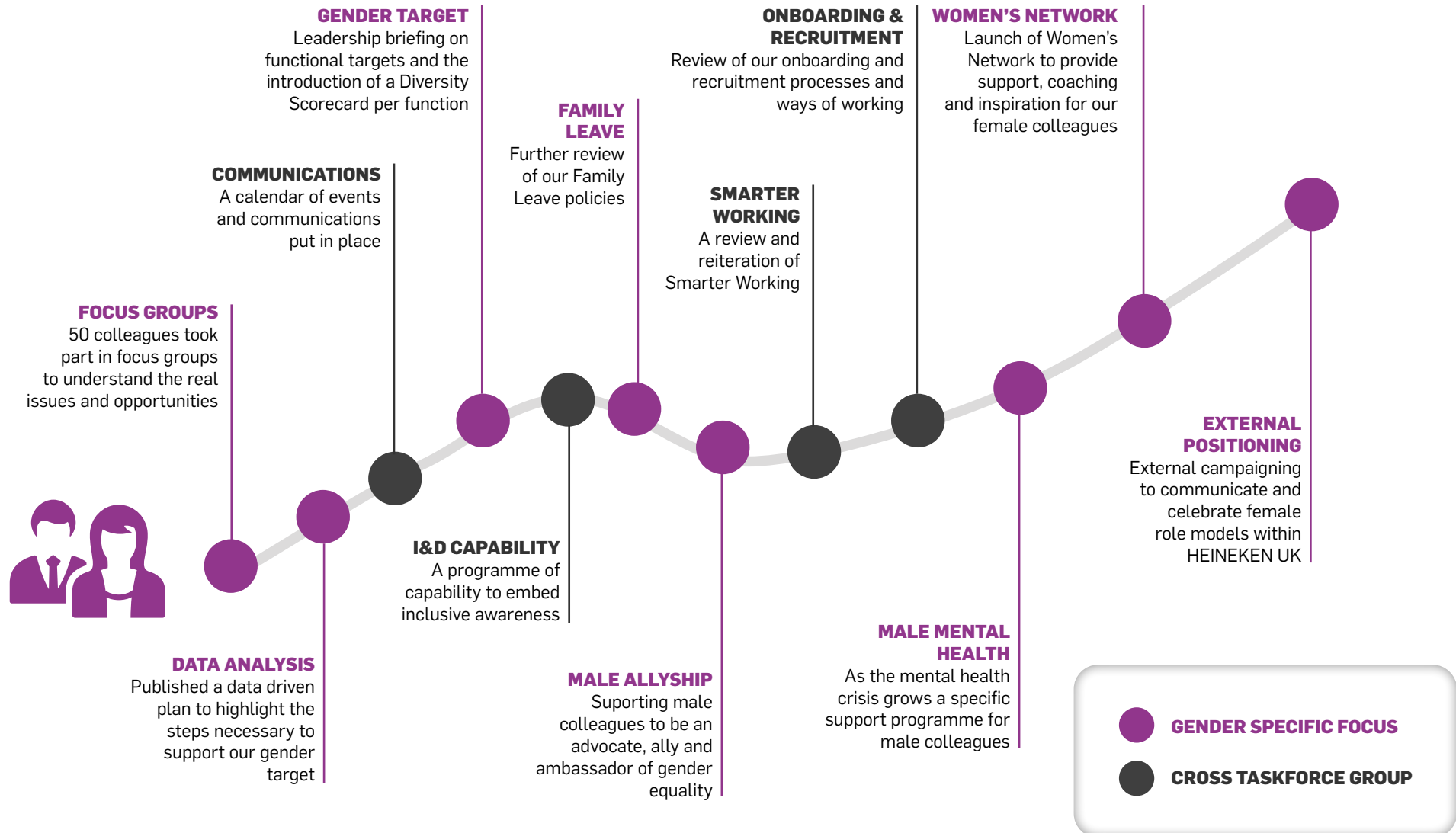
Gender Task Force

The Task Force has a comprehensive action plan in place to address gender representation and progression across HEINEKEN UK (see next page). A series of focus groups was held initially to understand the issues and opportunities which exist from a gender perspective. Priorities on our roadmap include:

- Carrying out detailed data analysis on gender by function.
- Continuing to hold functional leadership briefings which drive planning and accountability for gender and diversity at a functional level.
- Further review of our Family Leave policies.
- Launch of a Women's Network which will provide support, coaching and inspiration for everyone at HEINEKEN – not just women.

The Gender Task Force sits within a suite of broader I&D Task Forces, which have interdependencies and together will shape and change our business for the better.

HEINEKEN GENDER TASK FORCE: ROADMAP





Statutory Disclosures

Legal Entity: HEINEKEN UK Ltd

Gender Pay Gaps:

Difference in hourly rate of pay
– mean 8.2%

Difference in hourly rate of pay
– median 0.8%

Difference in bonus pay
– mean 33.2%

Difference in bonus pay
– median 17.8%

Employees who received a bonus payment:

Males who received a bonus payment
– 82%

Females who received a bonus payment
– 86%

Employees by pay quartile:

Upper quartile
Male – 69%
Female – 31%

Upper middle quartile
Male – 73%
Female – 27%

Lower middle quartile
Male – 81%
Female – 19%

Lower quartile
Male – 59%
Female – 41%

Declaration

I confirm the information and data reported is accurate as of the snapshot date 5th April 2020, and in line with the UK Government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

A handwritten signature in black ink that reads "Jane Brydon".

Jane Brydon
People Director
HEINEKEN UK