

# Boots Management Services Limited Gender Pay Gap Report as at April 2020



# A message from Seb

At Boots, women make up more than three quarters of our workforce and our customer base, so it's no surprise that our gender pay gap statistics are of huge importance to us as a business, and to me personally. As part of our vibrant Diversity, Equity and Inclusion agenda, we continue to strive to make Boots a truly inclusive and diverse place to work.

Our 2020 gender pay gap report highlights the progress that we are making in helping all colleagues to reach their full potential. We continue to perform significantly better than the national average on median pay and maintain momentum in reducing both our median and mean gender pay gap year on year. There is more to be done of course, and we will continue working hard to further reduce the gap, resolving any factors driving it. I am excited about our future plans.

Boots has a proud history of championing women and today we continue to drive inclusion, champion diversity and promote equity for all. This past year, our Women of WBA Resource Group has championed women's leadership journeys partnering with *Retail Week's Be inspired* program and *LeanIn.org's 'Lean in circles'*, following our International Women's Day celebrations. To provide support and to raise awareness across the business, we also created The Menopause group. In July 2019, our Women in Leadership conference for all senior leaders shared insight into why gender diversity in leadership is crucial to business success. Looking forward, we will hold listening sessions on racial equity to better understand the experiences of BAME women, as well as making process improvements to ensure we better attract and recruit talent consistent with our equity goals.

I am pleased that we continue to reduce our gender pay gap and foster an environment in which all colleagues can thrive. Over the coming year, we will be adding inclusion to our company values and we will introduce a Diversity, Equity & Inclusion goal within our incentive plans. Please take a moment to read more about what we have done and what more we plan to do.

Seb James



## SEB JAMES

Senior Vice President and Managing Director  
Boots, UK and ROI

# Understanding pay gap reporting

With 79% of our colleagues being female, gender equality is really important to us and the legislation continues to help us to look at things differently and identify ways we can work to further reduce our gender pay gap.

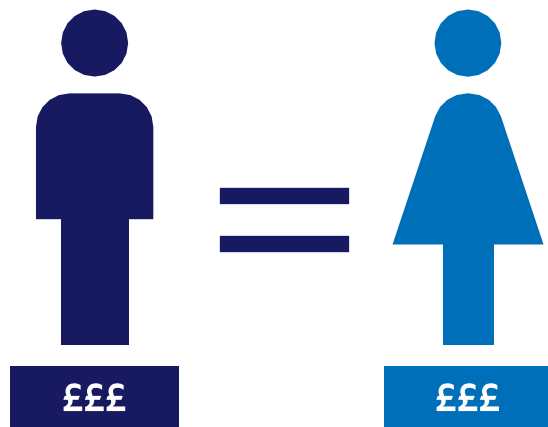
The legislation requires us to report our mean and median pay gap, bonus mean and median gap, the percentage of male and female colleagues who received a bonus payment and the percentage of males and females in each pay quartile.

## What is the difference between equal pay and a gender pay gap?

A gender pay gap is different from equal pay.

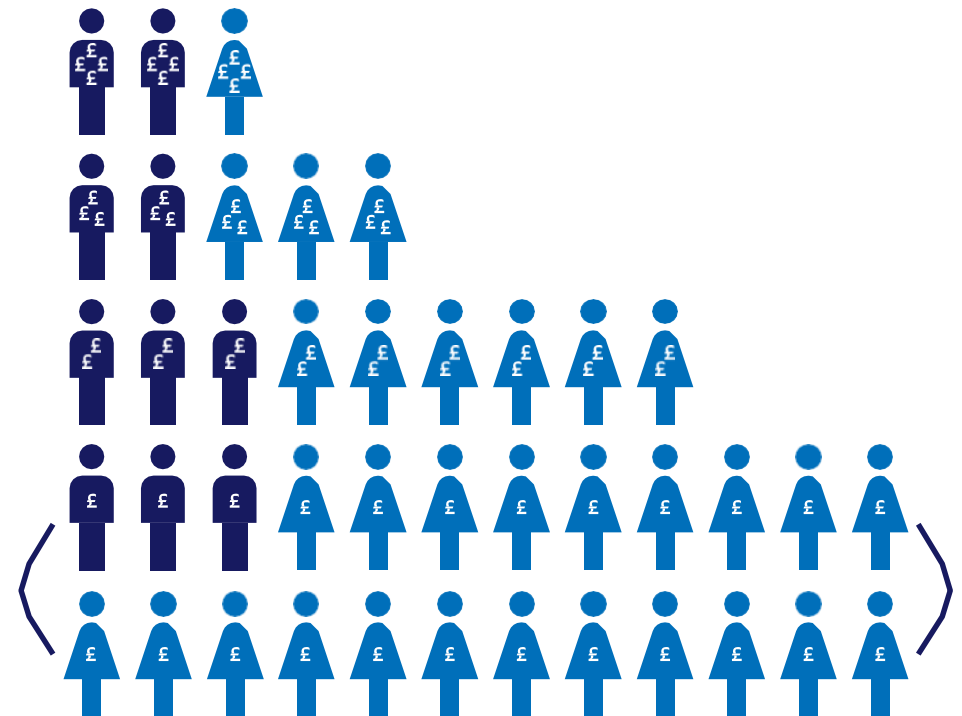
### Equal pay

Equal pay is paying males and females equally for like work, work of equal value and work rated as equivalent. There has been legislation outlining equal pay obligations in the UK for over 50 years.



### Gender pay gap

A gender pay gap looks at the differences in pay between genders across groups of colleagues irrespective of the work they perform.



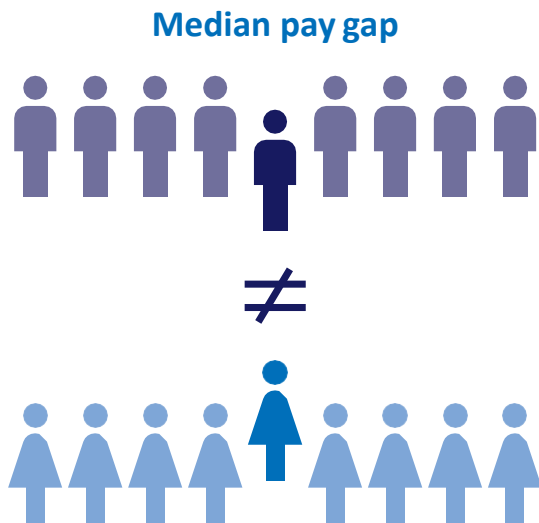
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

# Understanding pay gap reporting

## How are the median and mean pay gaps calculated?

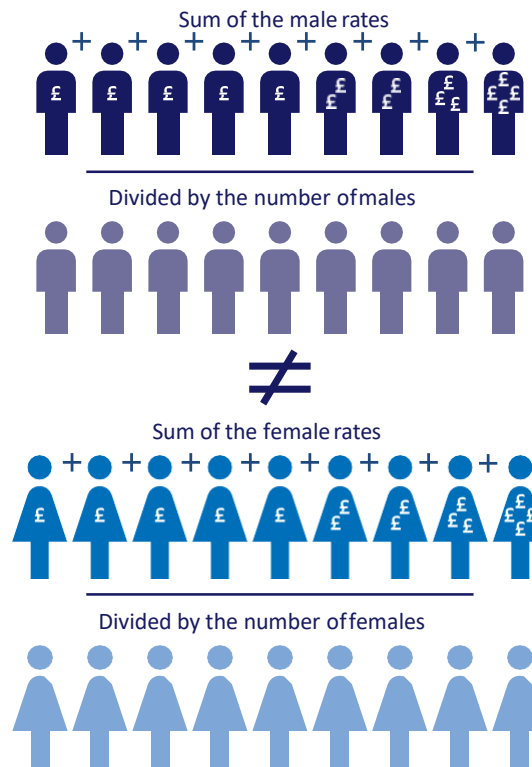
The median is the middle point of a range of numbers and the mean is the average of a range of numbers. How do we calculate this for gender pay gap reporting?

**Median pay gap** – If all our male colleagues stood in a line in order of lowest hourly rate earned to highest and all females did the same, the median pay gap (as a percentage) is the difference in pay between the middle colleague on the male line and the middle colleague on the female line.



**Mean pay gap** – If we add together all the hourly rates of male colleagues and calculate the average and do the same for female colleagues, the mean pay gap (as a percentage) is the difference in pay between the average male and female hourly rate.

### Mean pay gap



### How is the bonus gap calculated?

The mean and median bonus gaps are calculated in the same way as the gender pay gaps. However, this time we use the actual bonus paid to colleagues. We also report the number of male and female colleagues receiving a bonus (as a percentage of the total male and female population).

### How are the pay quartiles calculated?

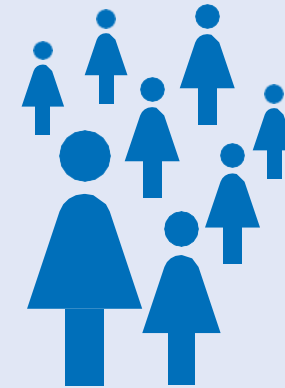
Pay quartiles are calculated by dividing all hourly rates paid across the business, from lowest to highest, into four equal sized groups of colleagues and calculating the percentage of males and females in each.

# Our 2020 results

For the 12 months ending 5th April 2020



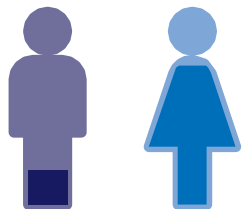
Percentages of all our male and female colleagues



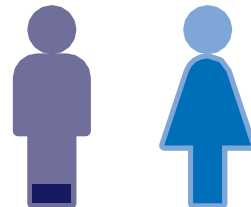
## Pay quartiles

The percentages of all male and female colleagues within each quartile pay band is:

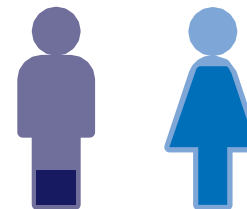
### 1st QUARTILE



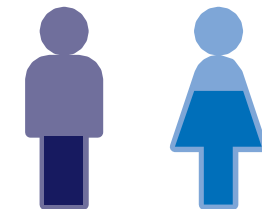
### 2nd QUARTILE



### 3rd QUARTILE



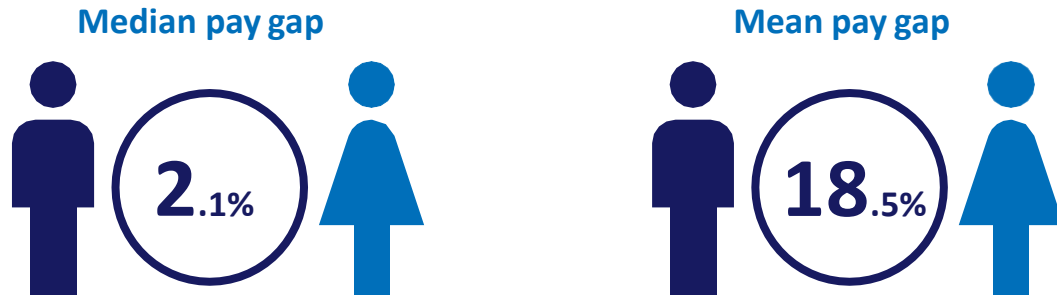
### 4th QUARTILE



# Our 2020 results

For the 12 months ending 5th April 2020

## Gender pay gap



Median national average pay gap 15.5%, mean national average pay gap 14.6% based on estimates from the Office of National Statistics' Annual Survey of Hours and Earnings 2020.

The structure of our workforce remains similar when compared to last year, with a 1% increase in our female population. We continue to employ a high proportion of women across the whole business. We have seen increases of women in the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quartiles whilst our female population has reduced by 6.6% in the 4<sup>th</sup> quartile. We have outlined our aims to address this in our action plan.

Our median pay gap, at 2.1%, remains significantly better than the national average of 15.5% and we are pleased to see a reduction of 1.4% versus last year. We have also seen a 0.3% reduction in the mean pay gap. This continues to be above the national average.

Our long term commitment is to address this gap by investing in talent programmes to grow a strong pipeline of candidates ensuring we are taking into account and addressing any particular barriers for female progression.

## Bonus gap



All bonuses paid in the year up to 5 April 2020 are used for the calculation of the bonus gap. The calculation is based on actual bonus paid rather than full-time equivalent and we have a high proportion of female colleagues who work part-time and received a pro-rated payment.

We have seen that both our mean and median bonus gaps reduced, however, not all of our bonus schemes resulted in a payment in the reporting period contributing to the reductions.

# What are we doing to address our gender pay gap?

We are committed to encouraging and supporting female colleagues across the organisation and inspiring everyone to reach their full potential.

## WHAT WE'VE DONE SO FAR

- We continue to introduce new initiatives to support female colleagues in their day to day experience of working with Boots and in their aspirations to develop and progress. Examples of these include:
- **Women in Leadership** conference for all senior leaders across Boots UK giving an insight into why gender diversity in leadership is crucial to business success and the role of leaders in supporting women's career progression.
- Our Women of WBA Resource Group piloted '**Learning Journeys**' which are 7 week-long self-guided programmes covering various topics to support women's leadership development.
- Our first week-long programme of content and activities around **International Women's Day** to engage all colleagues in the business, including panel events and career workshops hosted by senior female leaders.
- Partnering with thought-leaders LeanIn.org to launch '**Lean in circles**' in March 2020, as part of **International Women's Day** week of celebration.
- Signed up to **Retail Week's Be inspired** program including **sponsoring senior women** to join the 12 month leadership academy.
- Introduced a **Menopause group** to provide on-going support for our colleagues who are experiencing the menopause and to raise awareness across the business of this natural life stage.
- Opened a **parenting room** in Support Office to support working parents.

## WHAT WE WILL BE DOING

- We expect to see significant changes to the workplace as a result of **COVID-19**. To understand the effect of the pandemic on women and their careers as well as addressing our gender pay gaps more generally, we will introduce new initiatives including:
- Our Women of WBA resource group members will be participating in **academic research** on the impact of the pandemic on women and their careers.
- In our teams, we will hold **listening groups** to hear first-hand the reality of any new challenges and action plan in partnership to address these.
- We will introduce WBA-wide **Diversity, Equity & Inclusion goals** and tie these performance metrics to our FY21 bonus schemes.
- To encourage more women to apply for jobs at Boots, we will invest in software to ensure our **job adverts and job descriptions use non gender biased language**.
- To further build on our business goal to increase the number of women in leadership roles, we will be introducing **mandatory diverse shortlist and interview panels** for key roles.
- We will leverage listening sessions on racial equity to better understand the experiences of **Black, Asian, Minority and Ethnic women**.
- We will conduct a **Talent analysis** which will help us address specific skills or gaps which may further support women to progress in the organisation.
- We will partner with DIAL Global to support increasing **gender equity**, alongside other key facets of Diversity, Equity and Inclusion.

We confirm that the information contained within this report is accurate.



**BEN HORNER**

HR Director Boots  
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**MICHAEL SNAPE**

Chief Financial Officer  
Boots UK & ROI