

# Boots Management Services Limited Gender Pay Gap Report as at April 2021



# A message from Seb

It has been another year of progress for Boots with many accomplishments to celebrate, particularly with regard to the area of Diversity, Equity & Inclusion (DE&I). The COVID-19 pandemic has had an unimaginable effect on our patients, customers and team members alike. Despite the challenges it has brought, we have been able to minimise its effect in a number of areas, including maintaining normal pay rates for team members who were furloughed during the various periods of national lockdown.

Women make up over three quarters of our workforce and we have an inherent responsibility as a business to ensure we support all of our team members to develop and fulfil their aspirations at Boots.

Our 2021 gender pay gap report shows our median pay gap remains well below the UK national average and we continue to see a sustained reduction in our mean pay gap. The progress we have made so far is reassuring, but our journey continues as we maintain our focus on making further headway in the coming months and years.

We have a vision to create a culture where DE&I is at the centre of everything we do. We are stepping forward with our recently refreshed WBA goals and values to become an even more open, diverse and welcoming business; one where all team members can bring their authentic selves to the workplace and be heard.

We have made good progress towards our goals this year through a number of initiatives. In particular, our Women of WBA Business Resource Group has championed gender equity with academic research into the effect of the COVID-19 pandemic on women and their careers. In support of our ambition to increase the number of women in leadership roles, we have introduced mandatory diverse shortlists, interview panels and performance metrics relating to an increase in the number of women in those roles.

As we look ahead to our ambitions for the coming year, this work will continue with senior leader workshops on gender equity, company-wide training and support relating to the menopause, and a reciprocal mentoring scheme pilot to help leaders and their teams understand more about the lived experience of women in our organisation and the importance of allyship.

I remain incredibly proud to be part of a business that continues to champion our DE&I agenda and further a culture in which everyone can feel seen, heard and understood.



A handwritten signature in black ink, consisting of stylized initials 'S' and 'J' followed by a horizontal line.

## **SEB JAMES**

Senior Vice President and Managing Director  
Boots, UK and ROI

# Understanding pay gap reporting

With 78% of our team members 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.

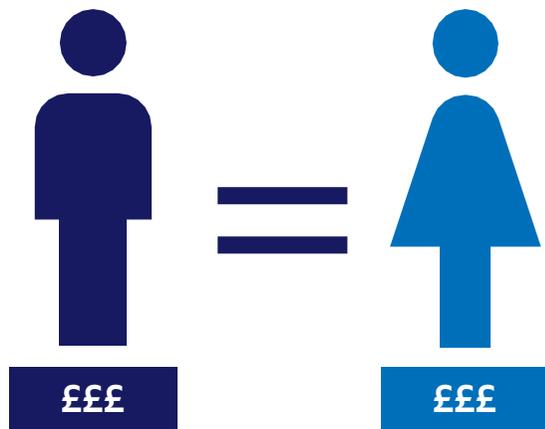
The legislation requires us to report our mean and median pay gap, bonus mean and median gap, the percentage of male and female team members who received a bonus payment and the percentage of males and females in each pay quarter.

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

A gender pay gap is different from equal pay.

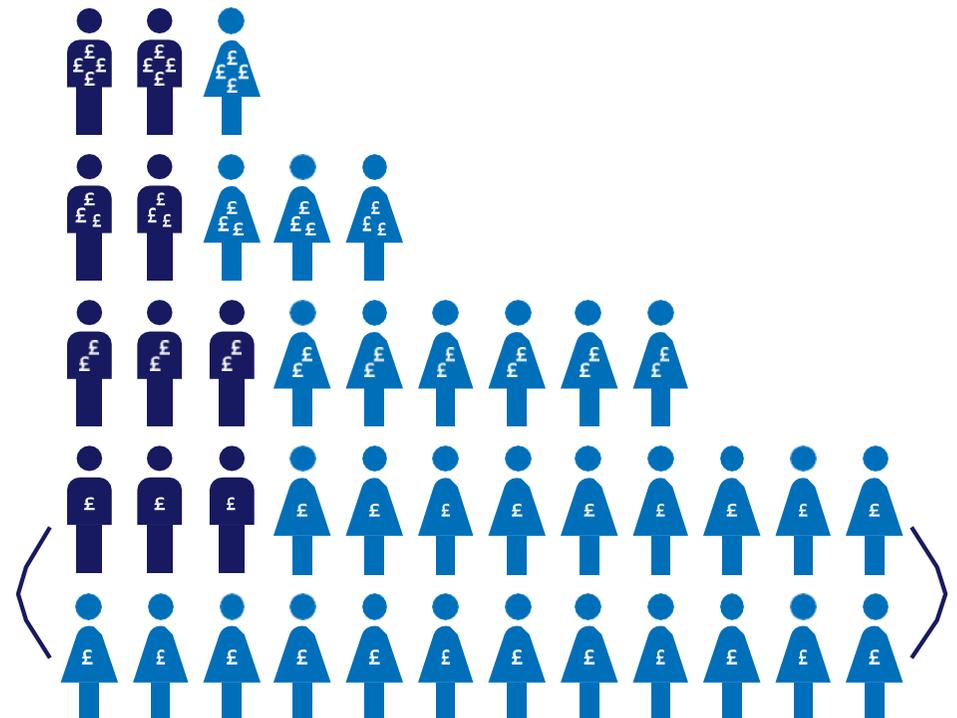
### Equal pay

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 team members irrespective of the work they perform.



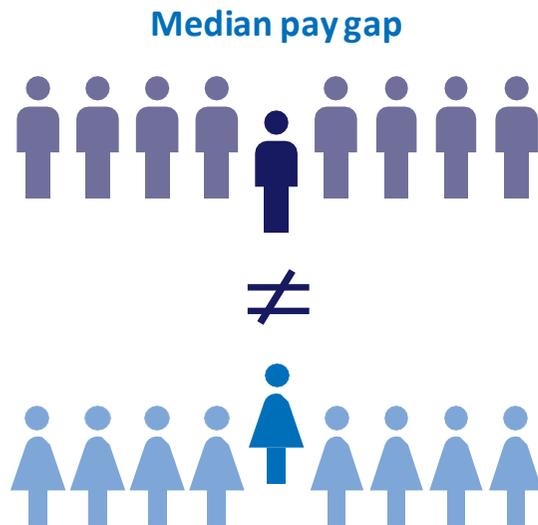
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

# Understanding pay gap reporting

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

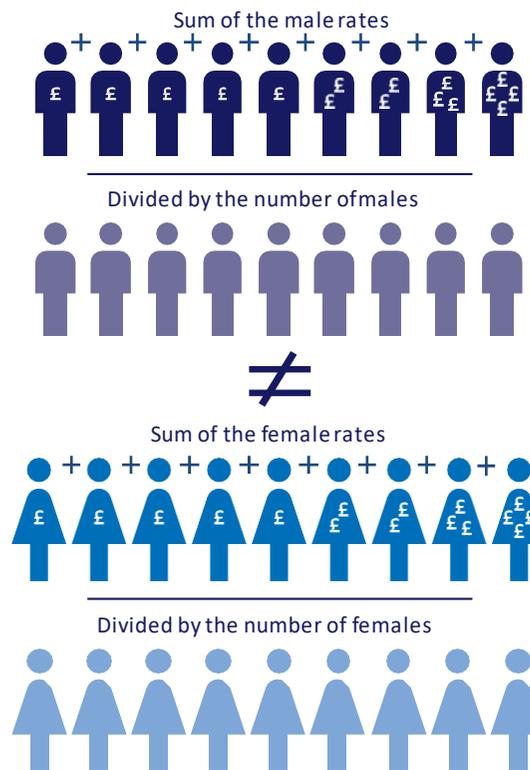
The median is the middle point of a range of numbers and the mean is the average of a range of numbers. How do we calculate this for gender pay gap reporting?

**Median pay gap** – If all our male team members 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 team member on the male line and the middle team member on the female line.



**Mean pay gap** – If we add together all the hourly rates of male team members and calculate the average and do the same for female team members, 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 team members. We also report the number of male and female team members receiving a bonus (as a percentage of the total male and female population).

## How are the pay quarters calculated?

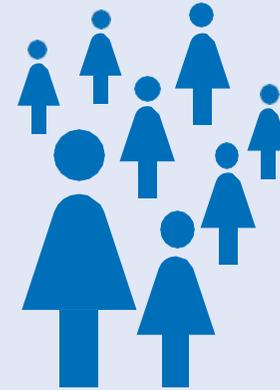
Pay quarters are calculated by dividing all hourly rates paid across the business, from lowest to highest, into four equal sized groups of team members and calculating the percentage of males and females in each.

# Our 2021 results

For the 12 months ending 5th April 2021



Percentages of all our male and female team members

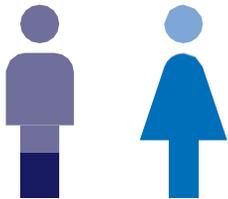


78%

## Pay quarters

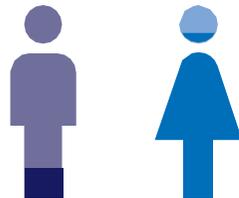
The percentages of all male and female team members within each pay quarter are:

1st QUARTER



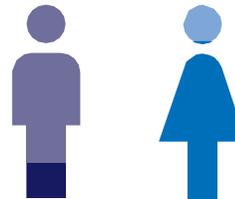
24.0% 76.0%

2nd QUARTER



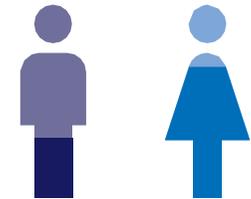
15.1% 84.9%

3rd QUARTER



18.4% 81.6%

4th QUARTER



31.6% 68.4%

£

£m

# Our 2021 results

For the 12 months ending 5th April 2021

## Gender pay gap

### Median pay gap



### Mean pay gap



The structure of our workforce remains similar year on year. As a health & beauty retailer offering flexible and part-time working opportunities, a high proportion of our workforce continues to be women. For this reporting period, we have seen an increase of 2.3% of women in our 3rd quarter.

At 2.7%, our median pay gap remains significantly better than the national median pay gap. Our mean gap at 18.1% is a reduction of 0.4% year on year.

Median national pay gap 15.4%, mean national average pay gap 14.9% based on estimates from the Office for National Statistics' Annual Survey of Hours and Earnings 2021.

## Bonus gap

89.4%  
received bonus



93.0%  
received bonus



### Median bonus gap



### Mean bonus gap



All bonuses paid in the year up to 5 April 2021 are used for the calculation of the bonus gap and all of our bonus schemes are gender neutral by design. The calculation is based on actual bonus paid rather than full-time equivalent and we have a high proportion of female team members who work part-time and received a pro-rated bonus.

We have seen that our median bonus gap has reduced. This year the median data points reflected payments under a Christmas gift scheme offering a single full-time equivalent payout value and no gap existed. Our mean bonus gap has increased by 13.3% but is similar to our 2019 result. This calculation is influenced by the variable performance of our different bonus schemes in any given year.

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

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

## WHAT WE'VE DONE SO FAR

We continued to introduce new initiatives to support women in their day to day experience of working at Boots and in their aspirations to develop and progress. Examples of these include:

- To understand the effect of the **COVID 19 pandemic** on women and their careers, our Women of WBA Business Resource Group members participated in academic research on the subject.
- To further build on our business goal to increase the number of women in leadership roles, we introduced **mandatory diverse shortlist and interview panels** for key roles.
- We introduced **Diversity, Equity & Inclusion goals** and performance metrics to our bonus schemes.
- We paid our team members **full pay during periods of furlough** throughout the pandemic and the various periods of lockdown.

## WHAT WE WILL BE DOING

To maintain and build on our progress so far, we will be:

- Introducing an **Executive Diversity, Equity and Inclusion steering committee** who will lead the agenda within the organisation and who will hold themselves and others accountable for progress. Appointing an Executive Champion for Gender Equity who will role model allyship and amplify key gender equity messages across the organisation.
- Conducting senior manager **workshops on diversity and inclusion** covering the key concepts and the importance of equity initiatives.
- Implementing software to ensure our **job adverts and job descriptions use non gender biased language** to encourage even more women to apply for jobs at Boots.
- Conducting a company wide **survey on flexible working** to understand how best to support our team members' preferred ways of working in the wake of the pandemic.
- Providing leader and team member **training on the menopause**; the symptoms, how this can affect women at work, and how to provide support.
- Piloting a **reciprocal mentoring scheme** so our leaders can understand more about the lived experience of women in our organisation.
- Providing team member **e-learning on the importance of Diversity, Equity & Inclusion**, the difference between equity and equality, and highlighting key concepts such as privilege and the importance of allyship in the workplace.

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



**BEN HORNER**

HR Director  
Boots UK & ROI



**MICHAEL SNAPE**

Chief Financial Officer  
Boots UK & ROI