

Boots Management Services Limited Gender Pay Gap Report as at April 2022



A message from Seb

At Boots, women make up more than three quarters of our workforce and our customer base. It's critical that our gender pay gap statistics show not only our progress but importantly where we must focus to continue to make Boots a truly inclusive and diverse workplace.

The 2022 gender pay gap report highlights our commitment to inspire and support all team members to reach their full potential.

We continue to perform significantly better than the national average on median pay and our mean gap is broadly consistent with last year. There is always more to be done and we will continue working hard to reduce the gap.

With a proud history of championing women, Boots continues to drive inclusion, champion diversity and promote equity. In the year to April 2022, our Women of WBA Business Resource Group has continued to play a pivotal role, we have introduced DEI workshops and menopause training, implemented new recruitment software and surveyed our team members on flexible working.

In the year ahead, our Business Resource Groups will continue to focus on how we better understand the impact of the menopause and remove barriers to accessing support. We will roll out a reciprocal mentoring scheme to help senior leaders empathise with the lived experiences of our team members; promote specific DEI e-learning; launch our new Business Resource Group for working parents and caregivers; and highlight our partnership with Busy Bees Nurseries to offer discounted childcare to our teams.

Please do take a moment to read the report to find out more.



A handwritten signature in black ink, appearing to read 'Seb James'.

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.

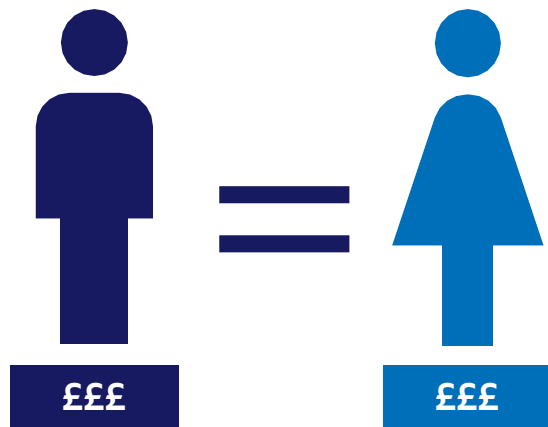
The legislation requires us to report our mean and median pay gap, bonus mean and median gap, the percentage of male and female team members who received a bonus payment and the percentage of males and females in each pay quarter.

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

A gender pay gap is different from equal pay.

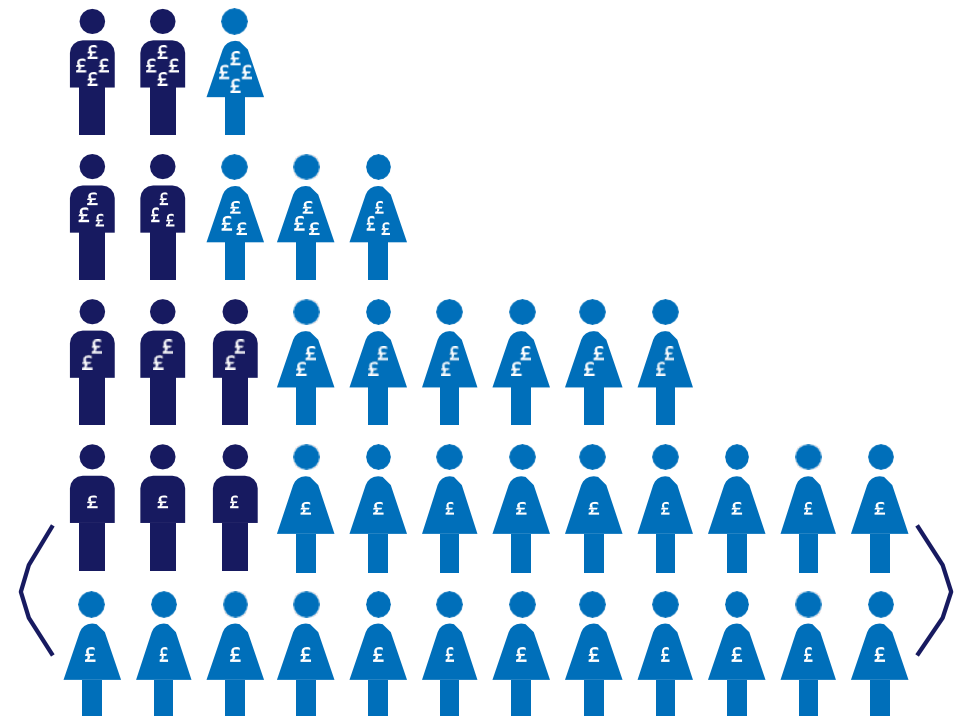
Equal pay

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.



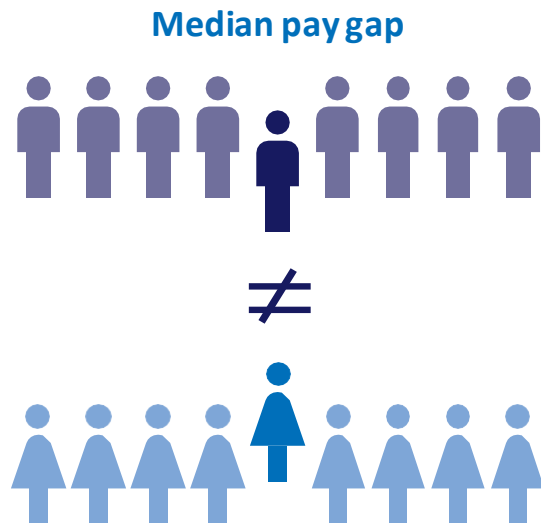
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

Understanding pay gap reporting

How are the median and mean pay gaps calculated?

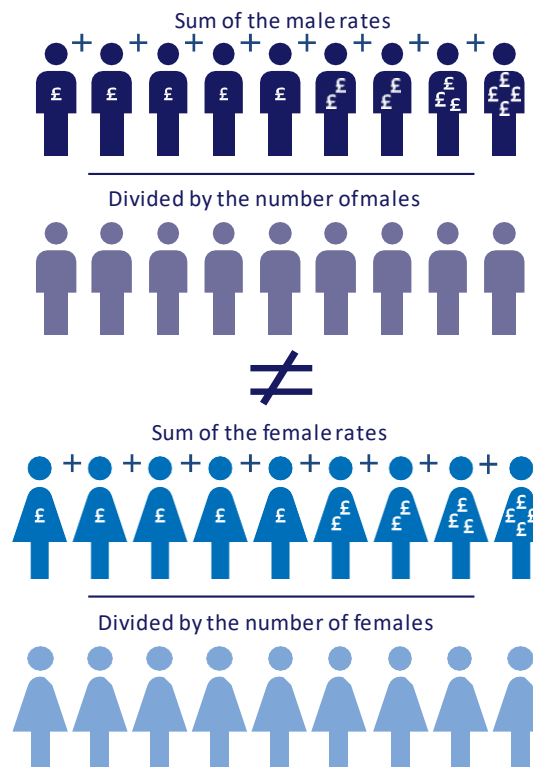
The median is the middle point of a range of numbers and the mean is the average of a range of numbers. How do we calculate this for gender pay gap reporting?

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?

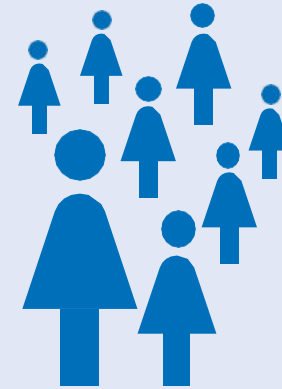
Pay quarters are calculated by dividing all hourly rates paid across the business, from lowest to highest, into four equal sized groups of team members and calculating the percentage of males and females in each.

Our 2022 results

For the 12 months ending 5th April 2022



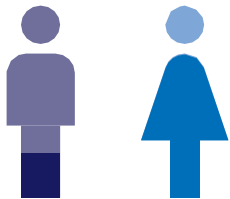
Percentages of all our male and female team members



Pay quarters

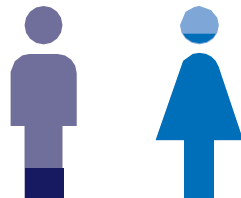
The percentages of all male and female team members within each pay quarter are:

1st QUARTER



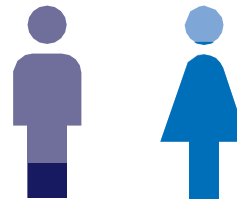
22.1% 77.9%

2nd QUARTER



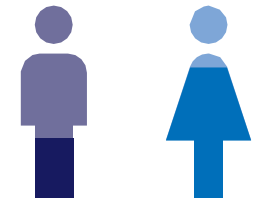
19.2% 80.8%

3rd QUARTER



15.9% 84.1%

4th QUARTER



30.5% 69.5%

£

£m

Our 2022 results

For the 12 months ending 5th April 2022

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, our median pay gap was 0%. Our mean gap at 18.2% is broadly consistent with last year.

Median national pay gap 14.9%, mean national average pay gap 13.9% based on estimates from the Office for National Statistics' Annual Survey of Hours and Earnings 2022.

Bonus gap

79.5%
received bonus



80.6%
received bonus



Median bonus gap



Mean bonus gap



All bonuses paid in the year up to 5 April 2022 are used for the calculation of the bonus gap. 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 which means the mean gap is naturally higher.

We have seen that our median bonus gap has remained the same as last year. The median data points reflected payments under a Christmas gift scheme offering a single full-time equivalent pay-out value, as a result no gap existed, which is the same as last year. Our mean bonus gap has increased by 6.4% versus last year. 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 team members in their day to day experience of working at Boots and in their aspirations to develop and progress. Examples of these include.

- Our **Executive Diversity, Equity and Inclusion steering committee** continued to take ownership of the agenda supported by our executive champion for Gender Equity who role modelled allyship and amplified the key gender equity messages across the organisation.
- We conducted senior leader **workshops on diversity and inclusion** covering the key concepts and the importance of equity initiatives as well as highlighting the role leaders can play in creating an inclusive environment for their teams.
- We implemented 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.
- We conducted 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.
- We introduced leader and team member **training on the menopause**; the symptoms, how this can affect women at work, and how to provide support. As part of this we also made a commitment to working towards becoming **independently accredited as a menopause friendly employer**.
- Our Women of WBA UK Business Resource Group held its **inaugural International Women's day awards** to recognise and celebrate those inspirational role models across the organisation leading the gender equity agenda.

WHAT WE WILL BE DOING

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

- Working with our Women of WBA UK Business Resource Group (BRG), to continue to raise awareness about the effects the menopause can have on team members and how to access the support and help available. We'll also be exploring what steps we can take as an employer to **remove barriers to accessing support** such as meeting the cost of HRT prescriptions issued to our team members.
- Following a successful senior leader **reciprocal mentoring scheme** we're going to roll the programme out across the organisation to enable leaders to understand more about the lived experience of women in our organisation and how they can support through allyship and champion equitable practices.
- We'll be adopting **hybrid working practices** where roles allow, to enable team members to work in the way that's best for them and to support a better work/life balance.
- Building on the success of our senior leader inclusion workshops, we'll be creating team member **e-learning on the importance of diversity, equity & inclusion**, the difference between equity and equality, and highlighting the key concepts such as privilege and the importance of allyship in the workplace.
- Building on the success of our menopause awareness campaign, and using a life course approach, we will be working with our Women of WBA BRG to highlight **and raise awareness of the changing health and care needs of women across their lives**, including some previously taboo topics such as fertility and baby loss.
- We will partner with **Busy Bees Nurseries to offer discounted childcare** to our team members.
- We'll be launching a new BRG for **working parents and carers** with a view to highlighting the specific needs of this group and what we can do to ensure they are supported at work.

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