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Boots Management Services Limited

# Gender Pay Gap Report

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As at April 2023

Member of Walgreens Boots Alliance



# A message from Seb

With the vast majority of our team members being female, creating a truly inclusive and diverse environment is a guiding ambition at Boots.

Our 2023 gender pay gap results shows some of the progress we are making to inspire everyone to reach their full potential. With a median pay gap of 0.1%, significantly lower than the national average, I am pleased to see a 2.2% reduction in our mean pay gap from last year, down to 16%.

Much of this progress has been achieved due to our continued focus on making sure women are given equal opportunity to become leaders of our business, and I am pleased to say that, as at 5 April 2023, 38% of our senior leadership team are women.

We expect this to grow further since the implementation of diverse candidate shortlists and interview panels for all leadership positions.

We also continue to focus on wider actions to make our workplace more inclusive. We have achieved accreditation as a Menopause Friendly Employer and we are now one of the first employers to cover the cost of team members' HRT prescriptions.



Looking ahead to next year we will offer better support surrounding fertility and baby loss and extend our reverse mentoring programme as part of taking on an intersectional perspective.

We'll continue to listen to our Women of WBA business resource group, as it shares new and brilliant ideas that will enable Boots to further evolve into the future.

There is still plenty of room for improvement as we strive to further reduce our gender pay gap and seek new ways to empower all our team members to shape their workplace.

**Seb James**

Managing Director  
Boots UK and Ireland

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?

### 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.

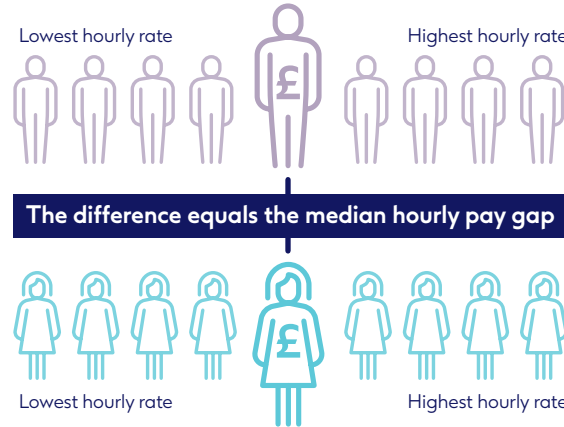
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

# How are the 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.

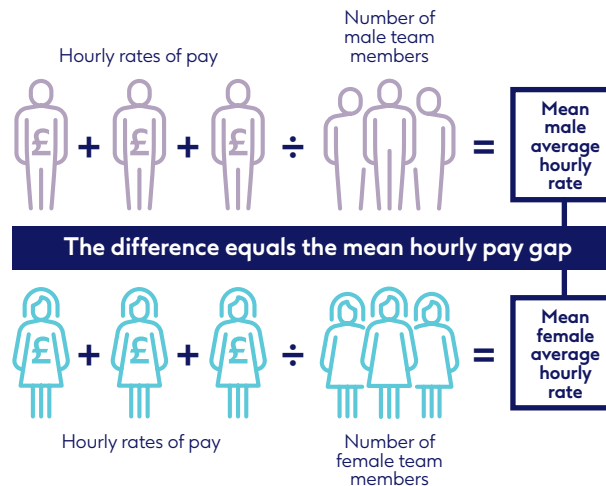


## How are the pay quarters calculated?

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.

## 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.



## How is the bonus gap calculated?

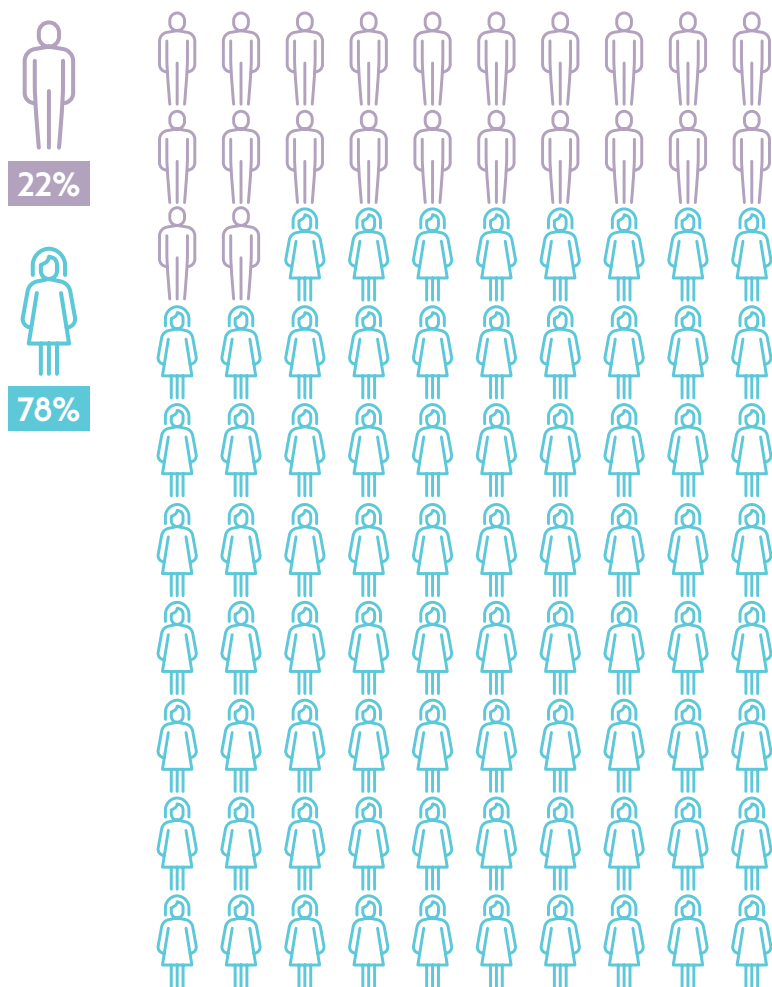
The mean and median bonus gaps are calculated in the same way as the gender pay gaps. However, this time we use the actual bonus paid to team members.

We also report the number of male and female team members receiving a bonus (as a percentage of the total male and female population).

# Our 2023 results

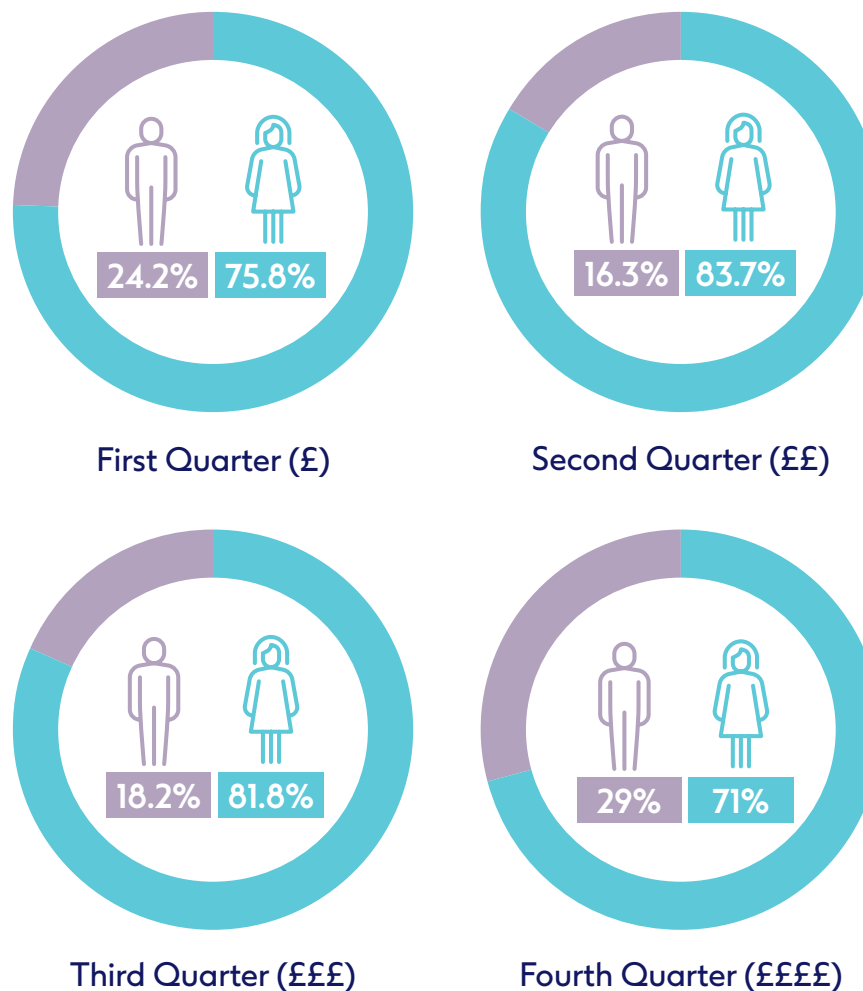
## Team members

The percentages of all male and female team members are:



## Pay quarters

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

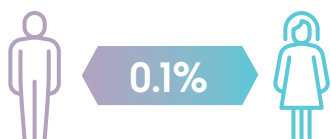


# Our 2023 results

## Gender pay gap

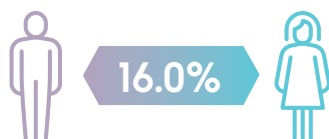
The structure of our workforce remains similar year on year. As a health & beauty retailer offering part-time working opportunities, a high proportion of our workforce continues to be women.

### Median pay gap



For this reporting period our median pay gap remains broadly the same at 0.1% and continues to be significantly better than the national median pay gap.

### Mean pay gap



Our mean pay gap is 16.0%, a reduction of 2.2% year on year.

Median national pay gap 14.3%, mean national average pay gap 13.2% based on estimates from the Office for National Statistics' Annual Survey of Hours and Earnings 2023.

## Bonus gap

All bonuses paid in the year up to 5 April 2023 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.

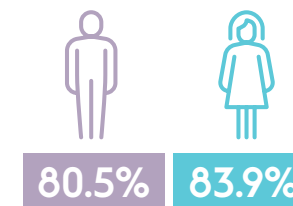
We have seen our median bonus gap has increased by 14.7%. This is influenced by the Christmas gift scheme which offers a single full-time equivalent payment that it is prorated for part-time employees.

Following a slight change in the number of women working part-time, the median bonus gap this year reflects the difference between a full-time and a part-time pro-rated Christmas gift payment resulting in an overall increase in median bonus gap.

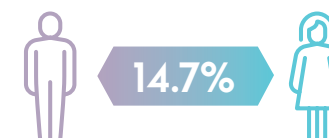
Our mean bonus gap has increased by 2.2% versus last year.

This calculation is influenced by the variable performance of our different bonus schemes in any given year.

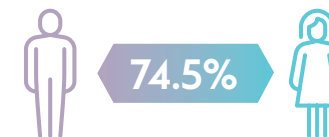
### Received bonus



### Median bonus gap



### Mean bonus gap



# 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:

- In July 2022, we became the first health and beauty retailer to be independently accredited as a menopause friendly employer in recognition of our efforts to destigmatise the subject and to provide support for our team members experiencing menopause within the organisation. This included rolling out bespoke guidance and training for individuals experiencing menopause and their line managers as well as a series of awareness and engagement activities.
- We also became one of the first employers to introduce a policy enabling team members to claim back the cost of their HRT prescriptions from us, thereby removing the cost barrier that prevented some of our team members receiving the support they needed.
- In 2022, we also became the first health and beauty retailer to achieve the Age Inclusive accreditation from the age diversity organisation, 55/Redefined in recognition of the inclusive culture we've created for women and all team members, throughout their working lives.
- We worked with Women of WBA BRG to highlight and raise awareness of the changing health and care needs of women across their lives and how we can provide the appropriate support at work
- Mandated the requirement for diverse candidate shortlists and interview panels for all leadership positions.

## What we will be doing

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

- Continuing our focus on creating a menopause friendly working environment by adopting an intersectional perspective and raising awareness on how the menopause can impact those different backgrounds and communities.
- Extending our reverse mentoring scheme more broadly across the business to enable more people to understand the lived experience of women in our organisation and how as allies they can champion a more equitable environment for all.
- Improving our policies and guidance on baby loss and fertility to better support team members who experience this.
- In response to feedback and based on their specific needs, our new Working Parents and Caregivers Business Resource Group will be setting up support groups whereby team members can share their experience of parenting and caring at various stages of life and provide support and help to each other.

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



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Chief Financial Officer,  
Boots UK & Ireland and  
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