2023

GENDER PAY GAP REPORT





Introduction

Our commitment to Gender Equality

With a headcount that is 78% female, it is crucial that our inclusion and wellbeing strategy addresses all aspects of the world of work for women. We invest in women at all levels of the business with 84% of our apprentices and 75% of delegates on our management and development programmes in 2023 identifying as female.

Our strategy begins with training our talent teams to recruit inclusively and utilising balanced shortlists for senior roles. Our new employer brand campaigns: Where You Can Be You at Superdrug, and We Love You As You Are at Savers, both focus on our belief that every team member can come to work as their authentic self.

We have introduced a dashboard to allow the People team to drive the right conversations, actions, and decisions with managers when it comes to pay, reward, and succession planning. Looking ahead to 2024, we will be introducing more data insight to allow our line managers to make even more informed decisions around pay and succession.

Our Gender Equality Network has focused on menopause since 2021. Each year, we share conversations about our experiences and raise awareness of the policy, toolkit, and our commitment to support those experiencing menopause. You can listen to our 2023 Menopause special of our <u>People Edit podcast here</u>

We recently launched our new Pregnancy Loss policy and guidance, giving paid leave to those who experience miscarriage or pregnancy loss, and following team member feedback, enhanced the maternity pay for our retail managers and paternity pay for all managers.

We have continued support for our team members with cost of living by increasing pay rates, additional discount events, and promoting Wagestream, an app that allows team members to access earned wages when they need it most, develop simple savings habits and have access to financial education. We also give free period and incontinence products in our workplace toilets for anyone to access.





As we have a largely female employee base, all of our inclusion activities impact the women in our workforce, directly or indirectly. We are proud of our intersectional approach to inclusion and therefore some of our other initiatives in the past year include:

- A suite of learning for anyone wishing to upskill and educate themselves on Gender Equality and all inclusion topics, from eLearning, webinars, podcasts, and more.
- Inclusive Leadership training for all new managers and as a core part of our development programmes.
- The Aviva DigiCare+ app available to all team members, offering free counselling sessions, access to digital GPs, health assessments, and a library of wellbeing resources for the whole family.
- New Religious Holidays policy to allow team members to take time off for the religious festivals of their belief.
- This year, we have placed an even greater focus on Wellbeing and Mental Health, rolling out a comprehensive face to face training programme for every manager across our retail, head office, and distribution sites. This bespoke training has been designed to drive an open culture where our teams feel comfortable and confident talking about mental health in the workplace.
- We continue to champion and invest in young people; care leavers and care
 experienced youngsters though our work with the Care Leavers Covenant and Drive
 Forward; our award-winning Apprenticeship programme; and our more recent work
 with HMP Bronzefield, offering permanent, paid roles to women leaving prison.
- We introduced a Reasonable Adjustments Passport and toolkit. This is to ensure team members with disabilities and long-term health conditions have better conversations about the adjustments they might need and feel more supported to stay in work.
- Finally, we partnered with Stonewall as a Workplace Diversity Champion, celebrating
 the positive feedback we receive from LGBTQ+ team members but also ensuring that
 we continue to educate and challenge ourselves in this area, as members of the
 community and as allies.







Introduction cont.

A summary of our numbers.

This Gender Pay Gap Report is based on the 12 months up to April 2023. Superdrug and Savers are separate businesses, each operating on the UK high street and both owned by AS Watson Health and Beauty (UK). When it comes to our teams, we take a joint approach and share workforce which is why our numbers are reported together.

Our pay gap has been on a steady decrease year on year. Our mean has once again reduced, suggesting that women saw higher increases on average versus men, thus closing the gap. Median rates increased slightly for the first time since 2020 though remain low.

Highlights include our Pharmacy Manager populations where the mean pay gap is at 0% for the second year running, Savers Store Managers also have a 0% mean gap and in our most senior leadership roles, excluding the CEO our mean pay gap is just 2%. Whilst we recognise that a pay gap in either direction is not ideal, we have also seen swings to pay gaps that favour women in some roles including Area Manager and Regional Healthcare Manager, which we will continue to monitor.

I am delighted that our bonus pay gap has decreased in both the mean and median numbers and in 2023 we saw more team members, both female and male, receiving bonuses. I am particularly pleased that our median bonus gap has decreased by over 12%. This is a good indication that we are making progress in the right direction and seeing women getting paid higher bonuses than before.

In late 2022 we commenced our employee inclusion data collation project. We know that increasingly people are choosing not to be put into female and male categories and internally, team members can identify as non-binary and other options when it comes to gender identity.

Due to small numbers for the 2023 data range, we made the decision not to include non-binary numbers in this years' report however we continue to monitor these numbers and will review again before the 2024 report.

In closing, our most recent engagement survey indicated that team members who identified as female scored higher for every question and had the highest engagement scores at 77% overall, increasing to 83% for our head office teams. The question "I can be myself at work" scored 83% by the women in our business. This suggests to me that Superdrug and Savers are great places to work for both women and men. I am satisfied that our numbers continue to improve overall, and I am confident that we have more strategies in place for the year ahead to ensure we remain on a path towards gender pay equity.

I confirm that the information and data provided in this report is accurate and in line with mandatory reporting requirements.



Oly Panes

Amy DaviesPeople Director, AS Watson
Health and Beauty UK

Our People

78% female

12,609 female team members



of the number of training hours invested in women (up 4% on the previous year)





360 apprentices 84% female We increased the number of women in the exec team from...

13% 25% In 2023

of women on management and leadership development programmes (up 6% on previous year)



78% of all internal promotions were women.

Women make up a large percentage of our workforce at 78%.

We focus on development of women at all levels of the business from our entry level roles to our most senior and in 2023, 84% of all training hours were invested in women and 78% of all promotions were women.



Our Stories

We are passionate about supporting women's careers at all levels of the business from entry level to the boardroom. Below Corena, Mei-Li, and Rachel talk about their careers with us.



Corena Bolderson Regional General Manager, Superdrug

Since being employed with Superdrug over 15 years ago, I have had many different roles and development opportunities. I started as a Store Manager Designate and quickly progressed to Store Manager, in one of our smaller stores. Within 5 years, I became a Top 100 Store Manager, which included training new members of management and Team Leaders aspiring to be Assistant Managers through our Retail Management Training programme.

I then became an Area Manager alongside completing the Aspire Programme. In 2021, I was promoted to Regional General Manager, working with some amazing Area Managers in an incredible Operational Team. I have so much to be grateful for as Superdrug has always opened many doors for me to progress.

The journey has not always been easy however, I have had setbacks, and have been rejected for internal promotions. This only made me stronger and more determined to prove to myself what I am capable of. I am a true believer in what happens, happens for a reason, and I would not have been on the path I am now if I had been successful in the other two roles. Therefore 'everything happens for a reason'.

I have always had a passion for our internal customers in our teams, as well as great service for our customers. I have always enjoyed championing our charity, Marie Curie over the years, and last year walked Snowdon by night with some of my team raising nearly £13k for this one activity.

I am truly blessed to have worked with so many amazing people, teams and leaders within the business that have supported, coached, and pushed me out of my comfort zone to develop and progress. They believed in me when I didn't believe in myself, and I will be forever grateful. Thank you to these individuals, they know who they are.

Our Stories



Mei-Li KingBuying Controller,
Savers

I'm Mei-Li King, Buying Controller at Savers. I've worked at Savers for over 16 years, and I feel very fortunate to work for a company where I have been able to grow personally and professionally, and where I feel supported and cared for, completely allowing me to be myself.

I started my career as a Junior Buyer in 2007, in a Buying Team of four people. As it was my first job following university, I had a lot to learn; about the products, our suppliers, and the business itself. However, I immediately felt welcome and any nerves turned into excitement as I began my career in Buying. I progressed to Buyer, then Senior Buyer, and in 2015 was promoted to Buying Controller, overseeing the Buying and Marketing Team which has now grown to 20 people. I also had the opportunity to take part in an Aspire development programme, Scotwork negotiation training and more recently the Winmark Leadership programme, which have all been incredibly informative and beneficial.

I love working for Savers, as it's a place where I truly feel my contribution makes a difference – from day-to-day buying and sourcing to ensure we deliver the best deals for our customers, supporting the team and their development, to forming departmental and company strategy. It's incredibly rewarding and I'm grateful for the opportunities Savers have given me!



Rachel Johal

National Transport

Operations Manager,

Superdrug & savers

Hi, I am Rachel Johal, National Transport Operations
Manager.

I started my career at Superdrug in 2007 when I joined the team at Dunstable Distribution Centre as Stock Control Team Leader when the site opened.

Following this I was promoted to Stock Control Shift Manager. I then wanted to gain more operational warehouse experience so moved across into an Operational Shift Manager role. After a few years I was promoted to DC Operations Manager and then soon after my return from maternity leave, I was promoted to National Transport Operations Manager. This involves managing the operations of our transport network for Superdrug and Savers. Although my new role is very different to where I started, I still hold that passion for stock but in an on wheels capacity!

Over the years Superdrug has always supported my development by providing me with opportunities to develop my skills and has recognised my skills and abilities for a role, providing necessary supportive knowledge training.

In 2022 Superdrug organised for me to attend, train and sit the exams for my Transport Mangers Certificate of Professional Competence qualification (CPC) which has allowed me to develop in my current role. I have found this supportive approach teamed with a flexible approach to working, has allowed me to succeed in my work and family life.

How we calculate our figures

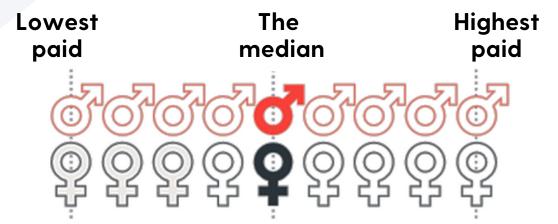
Gender pay gap figures show the difference in the average pay and bonus payments of men and women across an organisation, regardless of the nature of their work. It is a snapshot taken on 5 April each year.

We are required to report the mean and median gaps and four pay quartiles. The definitions and calculations are described below.

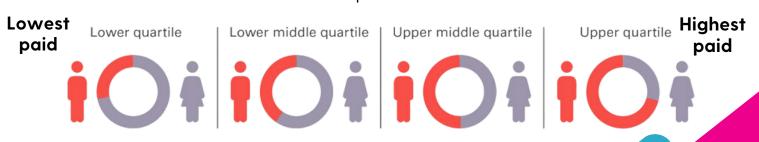
Mean: The difference in average hourly rate of pay between men and women.



Median: The median is calculated from laying out the lowest to the highest rates of pay for both male and female. The median pay gap is the difference between the female in the middle vs the male in the middle, as illustrated.



Quartiles: Quartiles are calculated by listing the rates of pay for each colleague across the business from lowest to highest, and then splitting these into 4 equal sized groups. The percentage of males and females is then calculated within each quartile.



How we calculate our figures

Gender pay gap data can be impacted by having an unequal number of women and men across different roles in an organisation. It is important to note that this is not the same as equal pay for women and men. Equal pay comparisons involve a direct comparison between women and men doing the same, similar, or equivalent work.

Our pay structures and processes mean we are confident that women and men who work for us are paid equally when doing equal jobs.

The main reason for our gender pay gap remains the same as in previous years; as with the retail industry in general, we over index when employing women in our organisation, with a headcount that is 78% female. This is most notable in part-time store-based roles where traditionally women make up a larger part of the UK part-time workforce. By contrast, most of the men we employ are in middle or senior management, higher paid roles, leading to a gender pay gap.

Part of our Gender Equality strategy is to increase the number of women moving into middle and senior management roles. We are doing this through inclusive recruitment practises such as balanced shortlists for all senior roles, and a focus on female and family friendly working practises and policies.

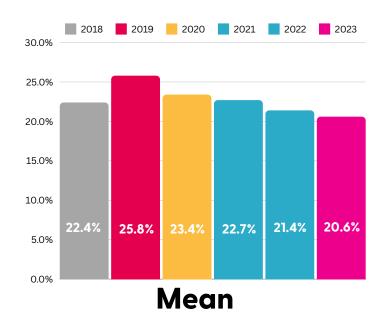
2023 Results

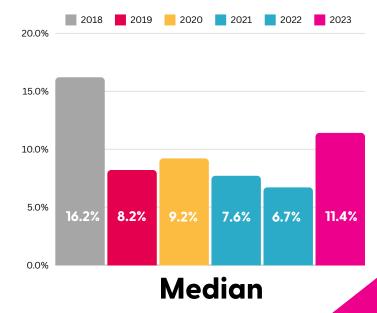
Our information includes the following information: Ordinary pay; which is not limited to basic pay as it can include premium payments and holiday pay. It does not include overtime, pay related to redundancy/termination of employment or contracts, pay in lieu of leave or the value of benefits which are not in monetary form. Calculations for ordinary pay are based on the snapshot date at 5th April 2023. We have used actual hours worked in the snapshot period for all employees. Bonus pay; any additional pay which is in the form of money or vouchers (includes our sales incentive prizes). Calculations for bonus are based on payments for the 12 months up to 5th April 2023.

We have shared:

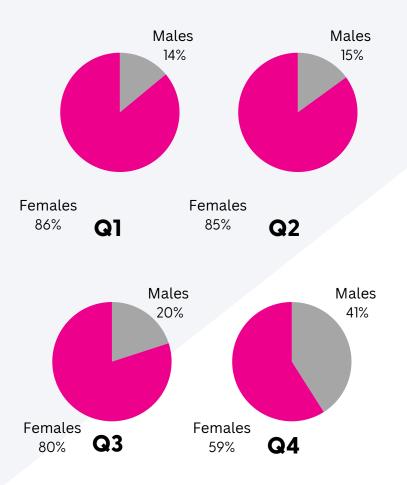
- The mean gender pay gap, based on hourly pay
- The median gender pay gap, based on hourly pay
- The percentage of men and women in each quartile
- The percentage of men and women receiving a bonus
- The mean bonus pay gap
- The median bonus pay gap

Percentage difference between men's and women's hourly pay rates at Superdrug and Savers:



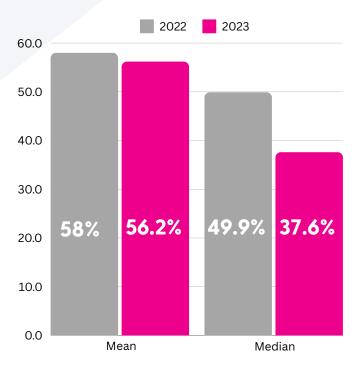


Proportion of men and women in each quartile band is as follows:



Bonus pay difference between women and men

Our mean and median bonus pay gap is reducing year on year.



Bonus Pay:



Of men received a bonus



Of women received a bonus

The reason more men receive a bonus than women is because the small percentage of men in our business are less likely than women to be in roles such as Sales Advisor that do not offer a bonus and more likely to be in head office or management roles that do offer a bonus.

