

GENDER PAYGAP REPORT

GENDER EQUALITY



Introduction

This Gender Pay Gap Report is based on the 12 months up to April 2022. Superdrug and Savers are separate businesses, each operating on the UK high street and both owned by A.S. 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.

It is pleasing to see that our mean and median pay gap numbers continue to reduce year on year and our median continues to be well below the UK average. Within our retail functions, our median pay gap is under 5% and at our distribution centres, we are almost at parity with a median pay gap that is less than 1%. This demonstrates that our focus on succession planning, data, balanced shortlists, and working with female or minority owned talent search firms is paying off. Whilst we are not there yet, I am pleased that our gender pay gap continues to reduce year on year and I am confident that the programmes we have initiated will ensure we continue to move towards gender pay equity.

Internally and externally, we continue to be committed to our work on Diversity, Equity, and Inclusion, now part of our overall business strategy. Our partnership with Dial Global helps us ensure everything we do comes from a place of best practice. We focus on inclusion holistically through our recruitment practices the provision of DEI training and development for all team members. We run inclusive leadership workshops for managers and inclusion is part of all induction and development programmes. We also have a suite of eLearning available to anyone wishing to upskill and educate themselves and run regular panels and webinars on a range of inclusion and wellbeing topics.

Social mobility remains a key focus and we are committed to championing and investing in young people, including those who we know are still impacted by the pandemic. We are delighted to have signed the Care Leavers Covenant Pledge, supporting care-experienced young people nationally, building on our work with Drive Forward in the Croydon area for the past few years. We continue to invest in our school leaver Apprenticeship programme, offering young people a gateway into the world of work and a pipeline of talent for our business. We are very proud to be rated in the Top 100 Apprenticeship employer/providers in the country.

Our workplace has focused employee support groups. Within these, we continue our relationships with The Valuable 500 focusing on disability inclusion, the Race at Work Charter, and LGBT Switchboard. We celebrated key events such as Pride, Black History Month, and International Women's and Men's days, and introduced a new age inclusion support group into our DEI strategy.





Introduction cont.

Our Gender Equality Network remains focused on supporting our female employees in the workplace through our family friendly and flexible working policies, coaching and mentoring, and investing in women at all levels of the business through development programmes and learning. We have a Menopause Policy and supporting toolkit and have signed up to the Wellbeing of Women Menopause Pledge. We have also opened conversations about pregnancy loss and fertility, supported by our Pregnancy Loss policy. We have continued our work with Domestic Abuse charity, Hestia to ensure we talk about and offer safe spaces for our employees as well as our customers.

We know that wellbeing and mental health initiatives are key to supporting team members in our business. Over the past year we have focused on financial wellbeing to support with costof-living and long-term financial health. We have introduced additional discount opportunities, free period products for all our team members, offered mortgage and pensions advice and support. In addition, we have recently launched WageStream, an app which allows all employees to access their earned wages when they most need it ahead of payday. It also enables them to develop easy and regular savings habits and access financial education articles to help with budgeting, saving, and key topics such as cost of living.



Any DEI strategy needs to be supported by relevant data if it is to be successful. We support the Tech Talent Charter, taking part in their annual benchmarking survey and sharing best practice. We have also commenced our employee inclusion data collation project. This is crucial as an increasing number of our team members and our customers choose not to be put into female and male categories.

At Superdrug and Savers, we know that a fantastic team member experience equals a great experience for our customers, and we continue to seek ways to ensure all team members get the support and recognition they deserve in the workplace.



Amy Davies

People Director, A.S. Watson Health and Beauty UK

Our People

In the UK, 58% of retail sector employees are women. At Superdrug and Savers, we employ even more women, with 79% of our workforce identifying as female. In the last year 78% of women received a promotion.

We are proud to give employment, training, and development to women at all levels of the business from our entry level roles to our most senior.



Breakdown by gender:

14,784 Total colleagues across the UK and Ireland

TRAINING:

77%

Of the number of training hours invested in women

PROMOTIONS:

78%

Of all internal promotions were women (2,109)



69%

Of women on development and leadership development programmes

86%

75%

Of 209 apprentices were female

versus an average of 51% of all apprentices

Of 748 Kickstarts were female

versus a national average of 42%

Our People

We are passionate about supporting women's careers at all levels of the business from entry level to the boardroom. Below Meg, Louise, and Gabrielle talk about their careers with us.



Meg Potter Trading Director I'm Meg Potter, Trading Director at Superdrug. Over my 14-year career here one of the greatest things has been the opportunity for progression and the support I've received for my development.

I joined in 2008 as a Senior Buyer and after 3 years I secured a place on an internal senior development programme, Aspire to Lead. This was a one-year course involving regular sessions with a business coach, designed to prepare me for a senior leadership role. Following this, in August 2012, I was promoted to Head of Trading. After several years in various Head of Trading roles, I was offered a place on a global leadership programme with our parent company AS Watson. The programme was affiliated to the Ivey Business School in Canada and enabled me to network with Directors from other countries. Shortly after this, in April 2022, I was promoted to Trading Director.

The support I have received as a working parent has been a key enabler of my career journey at Superdrug. My decision to have a family has never held me back, in fact, I secured my Head of Trading role 2 weeks into maternity leave even though I was about to take a year out of the business. I returned to work on a 4-day week, increasing to 5 days when my daughter was school age but based on a hybrid of 2 days working from home. Whilst hybrid working is now widespread, it was rare in the retail industry in 2013, and Superdrug's flexible approach enabled me to balance my career with family life. Something I continue to be able to do in my Director role today.



Gabrielle Robinson-Roache People Development Advisor Hi! My name is Gabrielle and I'm a People Development Advisor. I joined Superdrug in 2021 as an Inclusion Coordinator on a work placement. Following that, I gained a permanent role the in the People Development team.

I have worked in the PD Team for a year now, running the Head office induction for all new starters. My time so far with Superdrug has allowed me to further develop my skills in administration, Excel, and organisation. I also gained my Level 3 in Facilitation in 2022. I love working for Superdrug not only because of the freebees (they're awesome!) but because of the culture. It's a place where I can be myself, and I have been able to network and meet some amazing people.

I look forward to running more face-to-face sessions this year and collaborating with other departments to make people development even better!



Our People



Louise Starkey Area Manager- Savers

I've enjoyed a career at Savers since 1999, starting as an Assistant Manager and very quickly being promoted to Store Manager and then Area Manager.

Over the years I have always been encouraged and supported to expand my knowledge and development. The company gave me the opportunity to complete a CIPD in learning and development which has helped me in my role leading a fantastic team of store managers and has given me the knowledge to support them in their own development.

In the last few years I have taken part in the company development programmes Step up to Lead and Lead@savers. It's inspiring to see so many talented employees progressing in their careers.

My role as Area Manager gives me the opportunity to support stores achieving our goal to deliver Happy Teams and Happy Customers. I am so proud to work for a company that totally supports equality and diversity and the development of its people and feel very privileged to be part of the Savers family.





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.

The definitions and calculations are described below.

Mean	The average of a data set	Simply taking an average across female and male team members regardless of role or experience
Median	The middle of a data set	Order all data from highest to lowest and use the middle. Imagine we asked all our female team members to stand in a line in order of pay and our male team members to do the same. The median looks at the middle female team member and middle male team member and any difference in hourly pay.
Quartile	Four equal data sets	Listing the rates of hourly pay for each team member across the business from lowest to highest, and then splitting into four equal groups from the lowest paid quartile to the highest

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. 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.



Our Data

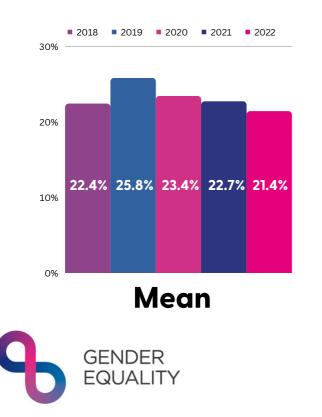
Our information includes the following information: Ordinary pay; which is not limited to basic pay as it can include premium payments and holiday pay. It does not include overtime, pay relating to redundancy/termination of employment of contracts, pay in lieu of leave of the value of benefits which are not in monetary form. Calculations for ordinary pay are based on the snapshot date at 5th April 2022. 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 2022.

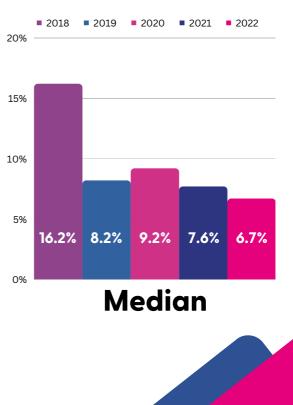
We have shared:

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

A few extremely high or low numbers in a data set can skew mean data results and inflate the overall number. The median ignores outliers and therefore we think is a better reflection of the pay gap.

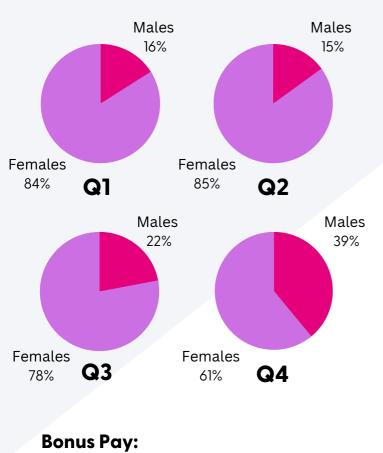
Percentage difference between men's and women's hourly pay rates at Superdrug and Savers:





Our Data

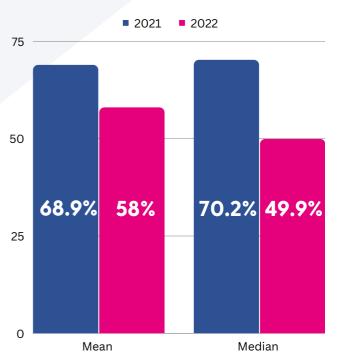
Proportion of men and women in each quartile band is as follows:





Bonus pay difference between women and men

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



31%

Of men received a bonus

Of women received a bonus

The reason more men receive a bonus than women is because the small % of men in our business are likely to be in middle and senior management roles that offer a bonus scheme; whereas we employ more women in roles that are not eligible for bonus.

