



Our People Report Including the Gender Pay Gap 2021

Introduction



At Superdrug and Savers the success of our team is key to delivering excellent service and great products for our customers. We're committed to being a truly inclusive workplace and providing the environment for everyone to thrive. It's why we're thrilled to have been shortlisted for the diversity champion award with Retail Week, and that Superdrug has been recognised for the 3rd year running in the Financial Times Diversity Leaders index.

We are also continuing to work with Investing in Ethnicity and the Social Mobility Index to help us ensure that we take action to ensure equity across our focus areas.

As a health and beauty retailer we know that a growing number of people choose not to be put into male or female gender categories, and we support them in both their shopping needs and in the workplace. For this report we have calculated all our figures using the current gender specific regulations.

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 team, we take a joint approach and share a workforce which is why our numbers are reported together. Overall, our mean and median gender pay gap have reduced year on year across the business. This continues our trend of improvement.

Last year our bonus payments were impacted by the temporary closures and reduced footfall in our city centre and destination shopping locations in the 2020 year. Our figures therefore represent a non-typical year, even though they show an improvement.

This year for the first time we're introducing targets to continue to drive a more equitable future. Since being able to deliver training in a more flexible and blended way we've seen an increase in the take up of training hours by women in our business, up 12% on last year's report. In turn this means more women than before are being promoted, up from 73% to 81% of all promotions in our business. And whilst we're proud of this number we want to go further and will be targeting 85% to keep this momentum going.

As part of A.S. Watson we're also committed to championing young people and will be continuing to invest in training for young people under the age of 23, who we know have been impacted so much by the last 2 years.

We're confident that in striving for this we will be able to close the pay gap and ensure that we are able to promote brilliant individuals.

A handwritten signature in black ink that reads "Amy Davies". The signature is written in a cursive, flowing style.

Amy Davies

People Director AS Watson Health and Beauty UK

***Coronavirus impact on our report** – at the time of our report some of our colleagues were on furlough if they were unable to work due to the pandemic. This means a small number of people were excluded from our report and they were predominantly female. Our bonus payment falls at the end of the reporting year, so this means much of the bonus used in the calculation related to the 2020 year, which paid out in March 2021. Due to the nature of the temporary store closures and trading conditions, the payments do not represent a typical year and should be reviewed in this context.*

What we've done

2021 REPORTING YEAR IN NUMBERS

19,111

TOTAL
COLLEAGUES
ACROSS UK
AND IRELAND



81%

OF THE NUMBER
OF TRAINING
HOURS INVESTED
IN WOMEN



UP
12%
ON LAST YEAR

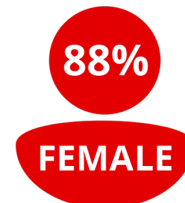
OF 1,654
INTERNAL
PROMOTIONS

81%
FEMALE



UP
3%
ON LAST YEAR

328
APPRENTICES



85%

OF PEOPLE ON OUR
RETAIL MANAGEMENT
TRAINING PROGRAMME
ARE WOMEN



953

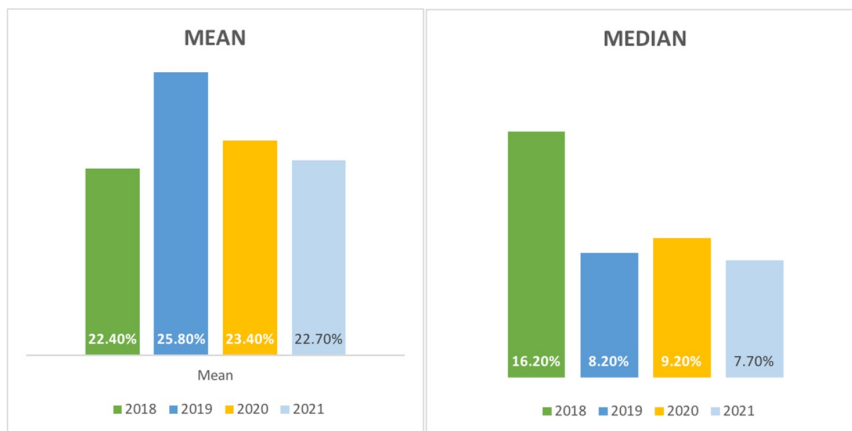
PEOPLE ON
THE KICKSTART
PROGRAMME

75%
FEMALE

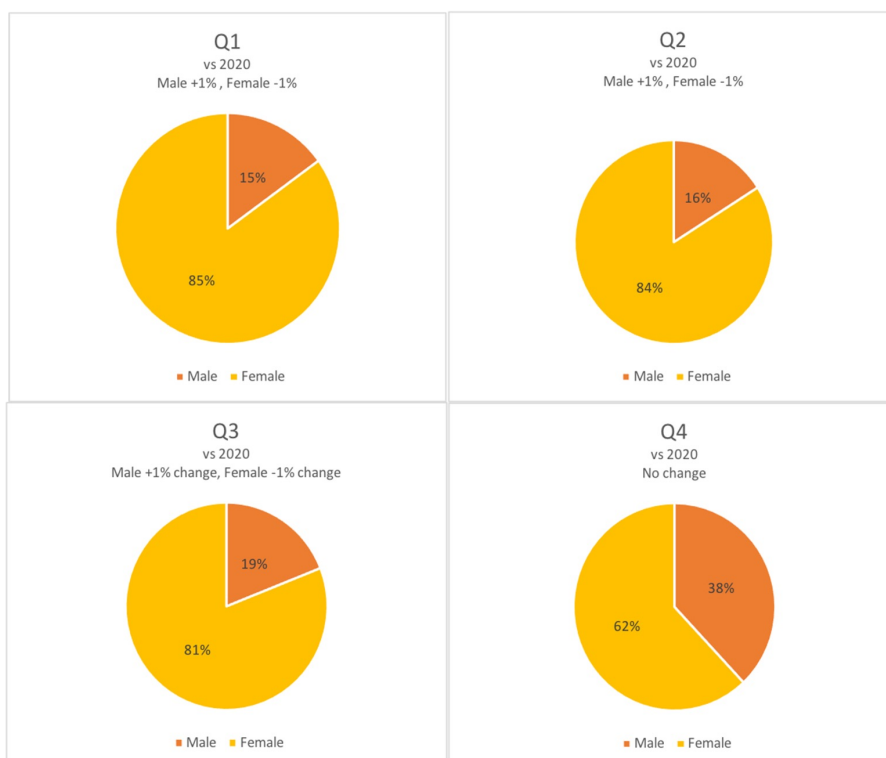
Where we are now

For information on how we calculated these figures, please refer to final page.

The percentage difference between men's and women's hourly pay rates at Superdrug and Savers

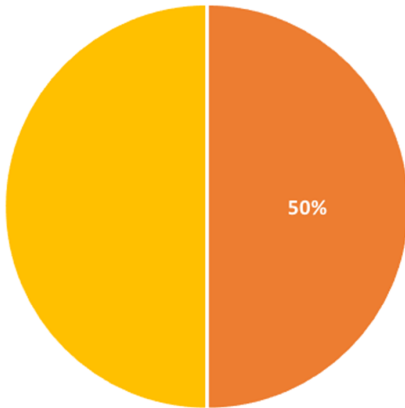


Proportion of men and women in each quartile band

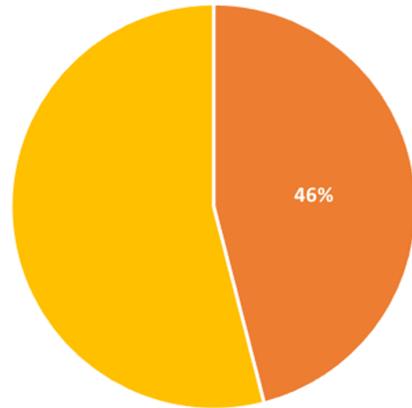


Bonus Pay

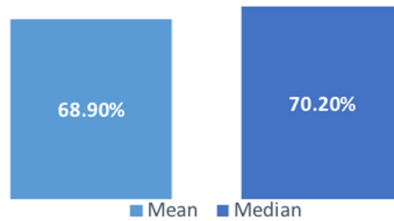
Men receiving a bonus



Women receiving a bonus



Bonus pay difference between men and women



How we calculated our figures

Understanding the Gender Pay Report.

The gender pay gap figures show the difference in the average pay of men and women, regardless of the nature of their work, across a whole organisation. It can be driven by having an unequal number of men and women across different roles through the business. It is important to note that this is not the same as equal pay for men and women. Equal pay comparisons involve a direct comparison between men and women doing the same, similar or equivalent work. We're confident that the men and women who work for us are being paid equally for doing equivalent jobs, whatever they do. The main reason for our gender pay gap remains the same as last year; we have more women in lower paid roles than men, for instance working as sales advisors in stores, which leads to a gender pay gap.

How do you calculate the Median Gender Pay Gap?

Gender pay gap reporting regulations ask that companies report both the mean and median gender pay gaps. Imagine if we asked all our male colleagues to stand in line in order of their pay, from the lowest hourly rate of pay to the highest. And then asked our female colleagues to do the same, in order of their hourly pay. The median gender pay gap is taken from identifying the male colleague in the middle of his line, and the female colleague in the middle of her line, and then looking at the difference in their hourly rate of pay.

How do you calculate the Mean Gender Pay Gap?

The mean gender pay gap shows the difference in average hourly rates of pay between men and women. So simply taking an average across male or female colleagues regardless of their role and experience.

What are Pay Quartiles?

In addition to reporting the mean and median, we also have been asked to report information in quartiles. These are calculated by listing the rates of hourly pay for each colleague across the business from lowest to highest, and then splitting these into four equally sized groups, from the lowest paid quartile to the highest paid quartile.

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 or the value of benefits which are not in a monetary form. Calculations for ordinary pay are based on the snapshot date at 5th April 2021. 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 2021.

