

Gender Pay Gap Report as at April 2021

Boots Hearingcare



A message from David

Welcome to our 2021 Gender Pay Gap Report.

This is our first report since the start of the COVID19 pandemic and so I want to begin by sharing my thanks to colleagues for their continued efforts during this time.

The pandemic was an unprecedented period, full of challenges and opportunities, and I am delighted to be able to share some of our highlights from this period, all whilst ensuring colleagues and customers remained safe and well.

We experienced a positive upward movement in the upper pay quartiles as our female leaders and audiologists continued to progress, which helped reduce the mean pay gap.

We also invested more heavily in our lower-paid colleagues in this year's pay review by bringing forward pay increases and putting more investment into the lower-pay quartiles.

Our female leaders and audiologists continue to progress and, from summer 2022, we will be launching career pathways and leadership programmes in the hope that we can further increase female progression within the organisation.

We are committed to improving the gender pay gap year-on-year and I look forward to publishing the 2022 report and sharing even more of our equality initiatives.

David Jenkins



David Jenkins

Managing Director,
Boots Hearingcare

Understanding Gender Pay Gap reporting

With 61% of our colleagues being female, gender balance is really important to us and the legislation continues to help us to look at things differently and identify ways we can work to close 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 employees who received a bonus payment and the percentage of males and females in each quartile.

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

A gender pay gap is different from equal pay.

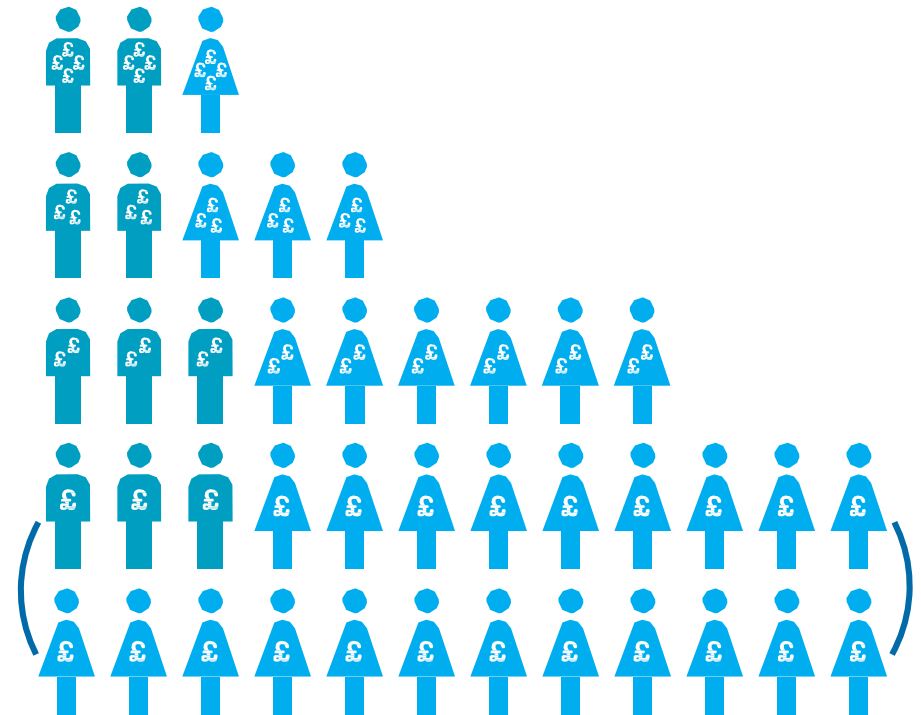
Equal pay

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 nearly 50 years.



Gender pay gap

A gender pay gap looks at the differences in pay between genders across groups of employees irrespective of the work they perform.



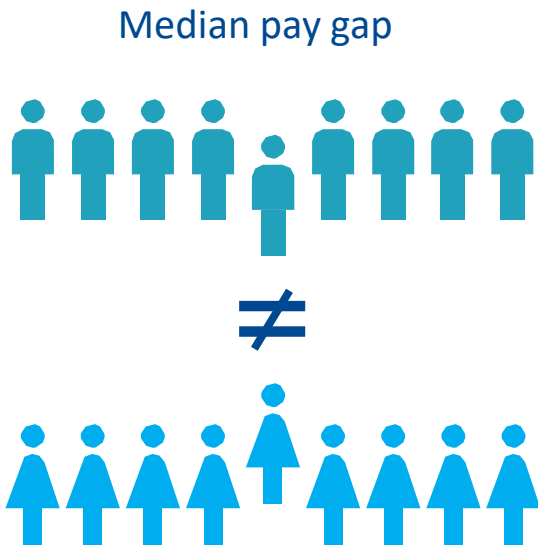
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

Understanding Gender Pay Gap reporting

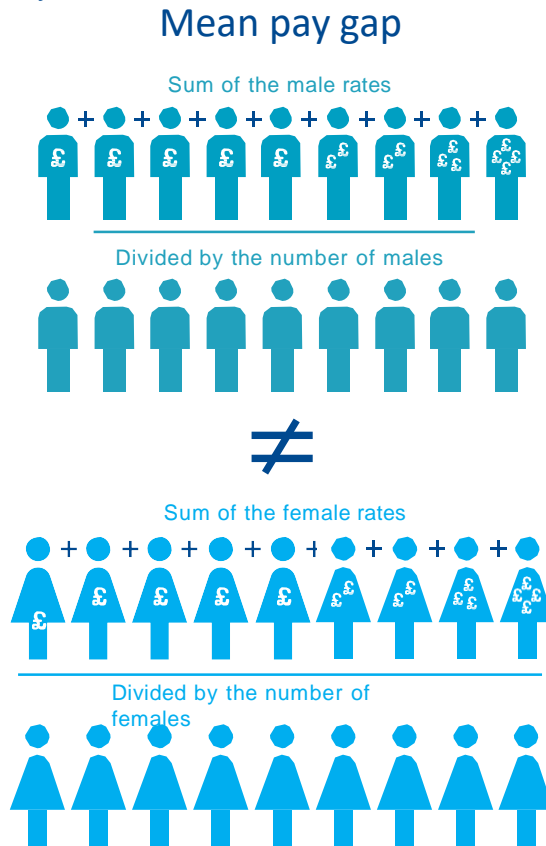
How are the median and mean pay gaps calculated?

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 colleagues 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 colleague on the male line and the middle colleague on the female line.



Mean pay gap – If we add together all the hourly rates of male colleagues and calculate the average and do the same for female colleagues, the mean pay gap (as a percentage) is the difference in pay between the average male and female hourly rate.

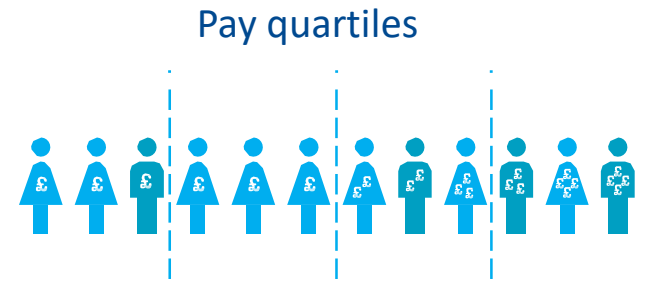


How is the bonus gap calculated?

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

How are the pay quartiles calculated?

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



Our 2021 results

Percentages of all our male and female colleagues



 39%

 61%



Pay quartiles

The percentages of all male and female colleagues within each quartile pay band is:



LOWER QUARTILE

 28%  72%



2nd QUARTILE

 37%  63%

3rd QUARTILE

 50%  50%

4th QUARTILE

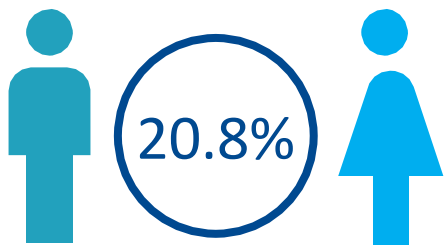
 48%  52%



Our 2021 results

Gender pay gap

Median pay gap



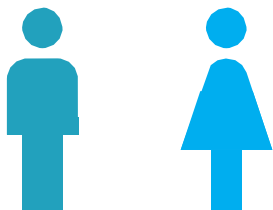
Mean pay gap



Our median pay gap has decreased from 27.3% to 20.8% which is a significant improvement. Our mean pay gap has only increased slightly to 18.9% from 17.4%. This is driven, in part, by more new female colleagues entering the company in lower level roles than men and higher % bonus payments to male colleagues. Whilst we are seeing more females in the 3rd and 4th quartiles and more women receiving bonus payments, this is not sufficient to offset the gap. Annual performance bonus payments, which would influence the hourly rate figure for lower-paid staff, fall outside the relevant pay period (being payable in May).

Bonus gap

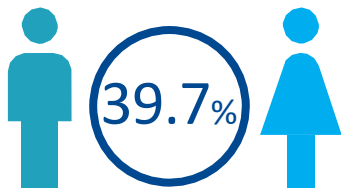
91.7%
received bonus



86.5%
received bonus



Median bonus gap



Mean bonus gap

The mean bonus gap is now 34.1% and the median gap is 39.7%. This is a significant improvement on our 2018/2019 position. Whilst the gap is higher than in 2020, there is a higher % distribution of payments to colleagues. Trading conditions in early 2020, would have adversely affected performance bonus payments with the advent of the pandemic and temporary store closures.

What are we doing to address our gender pay gap?

We are committed to encouraging and supporting female colleagues across the organisation and inspiring everyone to reach their full potential

What we've done so far

- We have further reviewed pay and reward mechanisms for support colleagues and set out salary guidelines to ensure we spent our budget to support the gender pay gap positively for those colleagues within the business
- We continue to focus on paying greater than national minimum wage with a commitment to extending that gap in future years and more investment in lower-pay ranges
- We extended life assurance benefit to age 75 and introduced flexible benefits in 2022.

What we're doing in the future

- Continue to review how we can attract more males into healthcare support roles and progress females into audiological and leadership roles
- Continue to ensure we have diversity in leadership roles and review flexible working arrangements to actively encourage more female senior leaders
- Review the variable bonus schemes each year across the company to improve attainment levels

Our commitment

As a business, we will continue to build a more diverse and inclusive culture.

We are proud that we offer flexible working to our colleagues, including increased hybrid working which increases rates of female participation in the workplace and assists with home and work-life balance.

We are committed to encouraging and supporting all colleagues across the organisation and inspiring everyone to reach their full potential.



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

Sharon Brand

HR Director, Boots Hearingcare

Sue Reece-Jones

Finance Director, Boots Hearingcare

