

Boots Management Services Limited Gender Pay Gap Report as at April 2019



A message from Seb

“ Our gender pay gap statistics are of huge importance to us as a business where women make up more than three quarters of both our workforce and our customer base. We continue to strive to make Boots a truly inclusive and diverse place to work. ”

Our third gender pay gap report highlights the progress that we are making in helping all of our colleagues to reach their potential.

Once again, we are performing significantly better than the national average on median pay and have continued to reduce our gender pay gap year on year. We are helping more women to progress to leadership positions and I am pleased that we have seen a 7.3% rise in the number of women in our highest paid quartile.

Boots has a proud history of championing women and today we continue to drive inclusion, champion diversity and promote opportunity for everyone. In the past year we have established a UK Women of WBA business group to support our female colleagues with personal development, career advancement and to create a working environment where all colleagues can thrive. Our flexible working statement is now included when advertising all our store and support office vacancies to encourage applications from those seeking flexibility. You can read more about what we have done and what more we plan to do in the report.

I am pleased that we continue to close our gender pay gap and am excited by our future plans to keep moving forwards and create an environment in which all colleagues can thrive.

Seb James



SEB JAMES

Senior Vice President and Managing Director
Boots UK and ROI

Understanding gender pay gap reporting

With 78% of our colleagues 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.

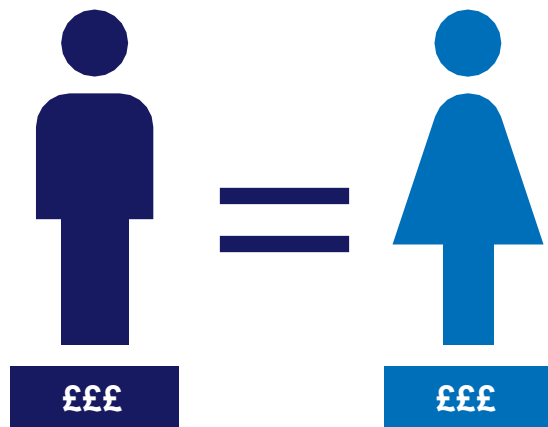
The legislation requires us to report our mean and median pay gap, bonus mean and median gap, the percentage of male and female employees who received a bonus payment and the percentage of males and females in each pay quartile.

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

A gender pay gap is different from equal pay.

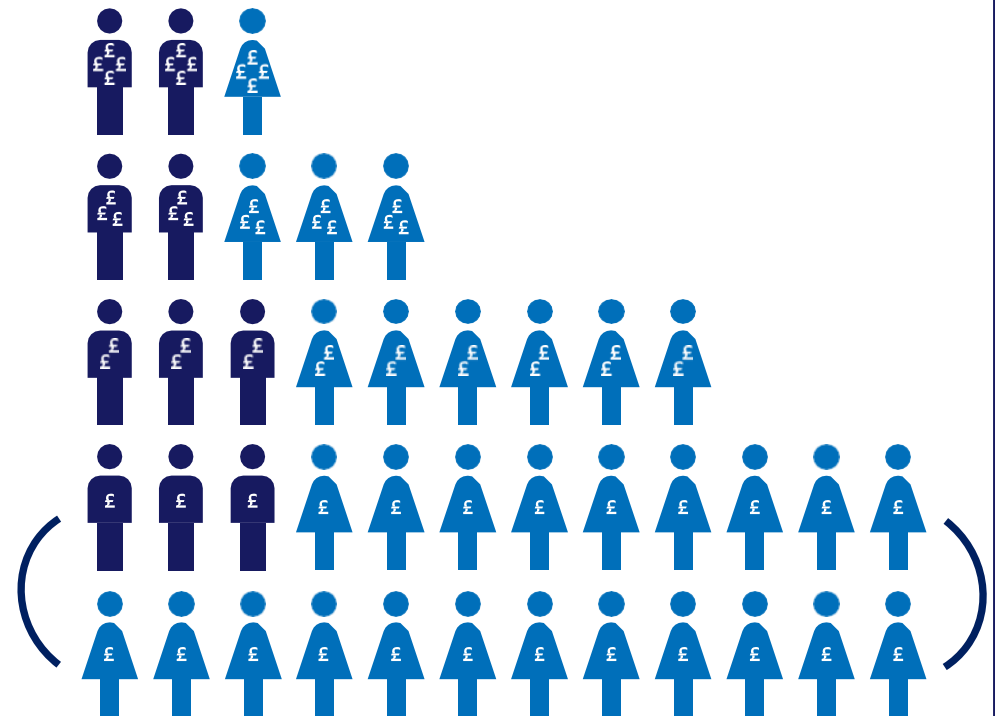
Equal pay

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.



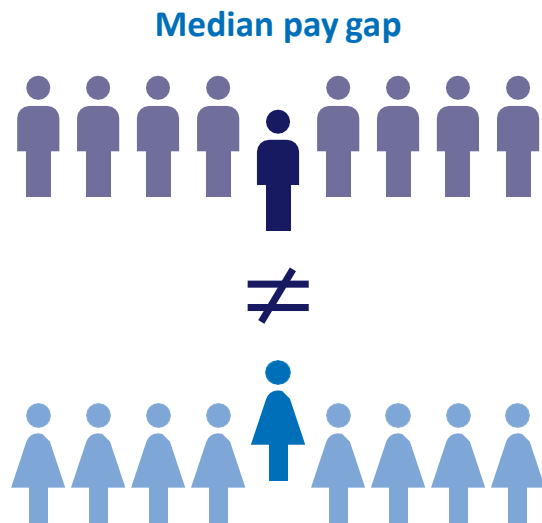
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

Understanding gender pay gap reporting

How are the median and mean pay gaps calculated?

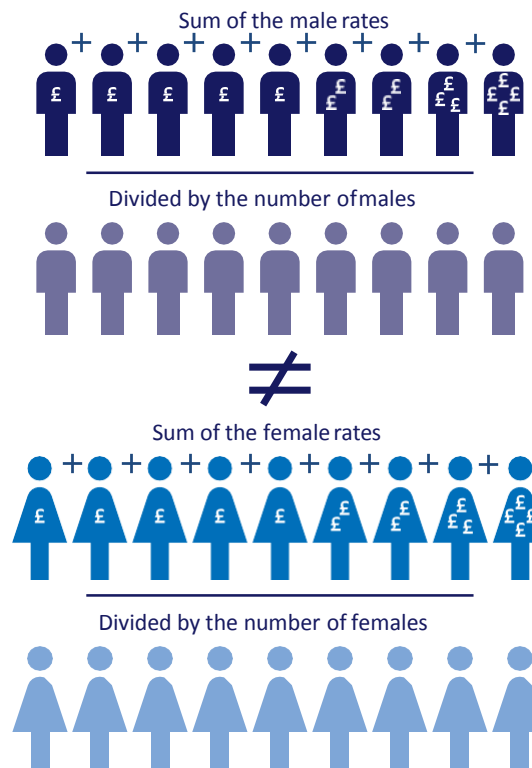
The median is the middle point of a range of numbers and the mean is the average of a range of numbers. How do we calculate this for gender pay gap reporting?

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.

Mean pay gap



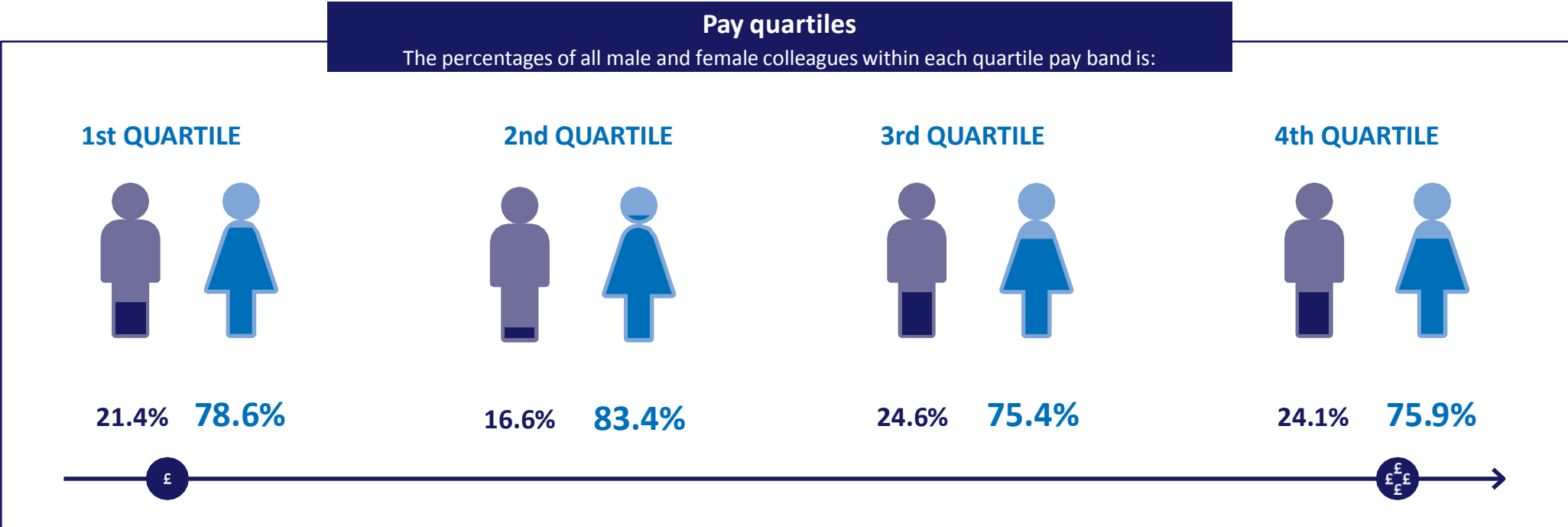
How is the bonus gap calculated?

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?

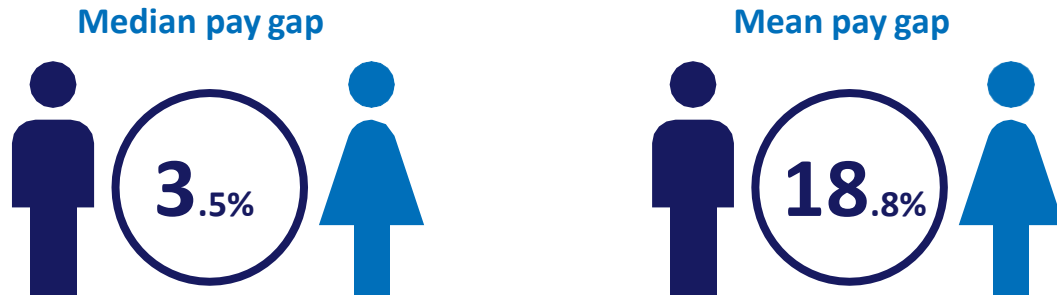
Pay quartiles are calculated by dividing all hourly rates paid across the business, from lowest to highest, into four equal sized groups of colleagues and calculating the percentage of males and females in each.

Our 2019 results



Our 2019 results

Gender pay gap

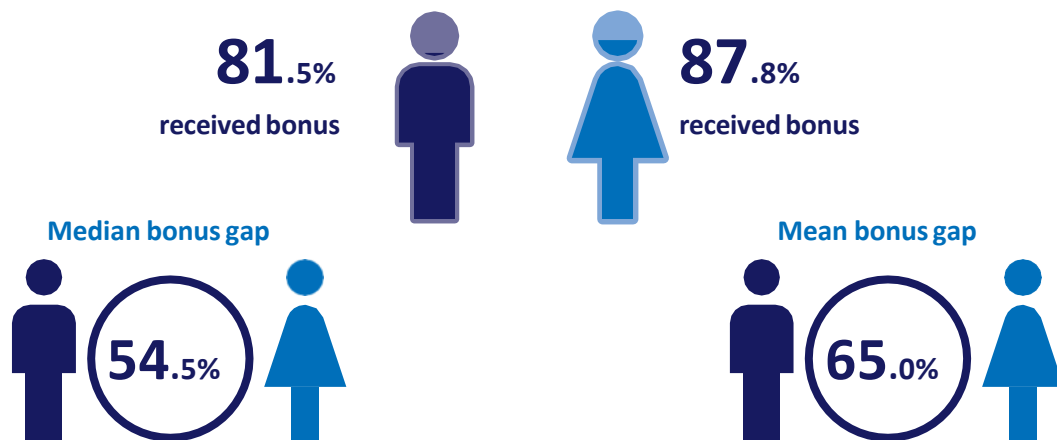


The structure of our workforce remains similar when compared with previous years, and we continue to employ a high proportion of women across the whole business. We have seen a 7.3% increase in the number of women in the 4th pay quartile.

Our median pay, at 3.5%, remains significantly better than the national average of 17.3% and we have seen a reduction from 5.4% last year. We are also pleased with the further 0.7% reduction in the mean pay gap versus last year. While we recognise that this is above the national average of 16.2% we feel confident in our plan to further reduce this in the future.

Median national average pay gap 17.3%, mean national average pay gap 16.2% based on estimates from the Office of National Statistics' Annual Survey of Hours and Earnings 2019.

Bonus gap



All bonuses paid in the year up to 5 April 2019 are used for the calculation of the bonus gap. The effect of this is that the mean bonus gap reduced and the median increased. The calculation is based on actual bonus paid rather than full-time equivalent and we have a high proportion of female colleagues who work part-time and received a pro-rated payment.

Our bonus schemes are gender neutral by design and 85% of colleagues received a bonus payment in this period.

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

Launched our **Women of WBA Business Resource Group**, which has attracted a growing number of members. The group's mission is to create an environment where women thrive, promoting diversity and inclusion across Boots with a purpose to inspire women to reach their desired potential at work.

All Boots Support Office and store vacancies now include a **flexible working statement** that advises potential applicants of our flexible working options, including job shares and part-time working. This is to encourage applications from those looking to work more flexibly.

Flexible working policies: 47% of colleagues work part-time (fewer than 30hrs per week) and we have reviewed our flexible working policies and benchmarked these against other similar employers to further understand what more we could do to support flexible working.

WHAT WE WILL BE DOING

Launching Menopause at Work Guidance to support women and line managers in managing symptoms of menopause at work.

Undertaking a **recruitment audit** to highlight barriers and unconscious bias in our processes. This will involve reviewing the recruitment process and the candidate journey.

Extending the reach of the Women of WBA Resource Group to encourage and gain members across our stores and warehouses.

Completing the roll out of **unconscious bias training** to all colleagues.

Introducing a business goal in our financial year 2019 - 2020 to **increase the number of women in key leadership roles**.

In support of women returning from maternity leave, we are opening a new **parenting room** in our Nottingham support office to enable breastfeeding mothers to express milk in a quiet, calm and private space. This room can also be used by new mums and dads visiting the site with their baby to feed/change/take some time out.

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

NATHAN CLEMENTS

HR Director Boots
UK & ROI



MICHAEL SNAPE

Chief Financial Officer
Boots UK & ROI

