



LIZ EARLE®

Liz Earle Beauty Co.

Gender Pay Gap Report as at April 2022

Member of Walgreens Boots Alliance

# A MESSAGE FROM HELEN

Welcome to our 2022 Gender Pay Gap Report. The data we are sharing in this report is accurate and has been prepared in line with relevant guidelines.

This year, we continued to deal with the COVID-19 pandemic and some significant world affairs, and our team members have demonstrated incredible resilience and dedication. As another year passes, I can say that I am incredibly proud of our ability to adapt to change in a very challenging environment.

We continue to invest in and share opportunities for our team members' personal development. This includes Skin School for all new team members in our retail team, which offers a series of training modules covering skin physiology, differences in skin ethnicities, aging and menopausal skin needs. It also gives them an industry accreditation through the Conference of International Beauty Therapy and Cosmetology (CIBTAC).

A huge part of our success is down to women, from our co-founders to our 88% female workforce. Over the past year, we have seen women's health and gender bias discussions in the workplace and media, and at Liz Earle Beauty Co. all our team members have access to join various Business Resource Groups including the Diversity, Equity and Inclusion Panel, the Menopause Network and Women of WBA, run locally by our Isle of Wight team and through our parent company Walgreens Boots Alliance (WBA). In addition, we continue to improve the support we offer all employees to balance work and family life by promoting flexible working policies and parental support resources.

We have seen an improvement in our mean pay gap with this year being 15% compared to 23% in 2021 and our median gap is 3%. Our salary structure is not influenced by gender and we have clear salary grades in place to help safeguard this.

Thank you for taking time to read our report. We are committed to deliver further improvements to ensure Lia Earle Beauty Co. is an inclusive, enjoyable and supportive place for all our team members. I look forward to sharing further updates in future.



**HELEN FARRANT – HEAD OF HR, LIZ EARLE**



# INTRODUCTION

Founded in 1995 on the idyllic shores of the Isle of Wight, Liz Earle Beauty Co. is one of the UK's most-trusted beauty brands with bestselling products across skin, body and haircare – namely Cleanse & Polish™ Hot Cloth Cleanser which has over 130 prestigious industry awards and counting.

As a brand, we continue to champion initiatives and campaigns that celebrate and support women – from marking International Women's Day, to sourcing selected ingredients from women's cooperatives around the world. In 2019 we announced our partnership with the Global Shea Alliance; we are embarking on an initiative aimed at helping 800 shea pickers in the North Gonja District, Ghana work more efficiently and generate more income through cooperative and business trainings, health and safety trainings, as well as building a warehouse to facilitate the women's access to storage. Closer to home, we offer flexible working opportunities that encourage a healthy work-life balance.

Throughout the last 25 years, we have always put considerable focus on ensuring our colleagues benefit from a happy and supportive working environment, both in our head offices on the Isle of Wight and London, and our stores and counters throughout the UK and Ireland. Having used the information from our 2019 report to help drive policies and initiatives, we welcome gender pay gap reporting and see it as an opportunity to identify any areas of improvement that can still be made across the business.

## WHY ARE WE DOING THIS?

UK companies with over 250 employees have been required to publicly report on their gender pay gap under legislation that was introduced in April 2017. With 88% of our colleagues being female, pay equality is really important to us and the legislation is helping 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 gaps for both pay and bonus, the percentage of male and female employees who received a bonus payment and the percentage of males and females in each pay quartile.

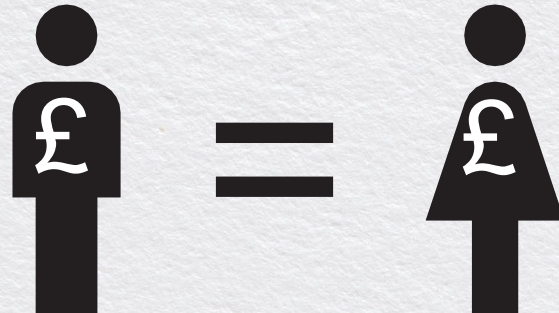
# UNDERSTANDING GENDER PAY GAP REPORTING

## 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

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



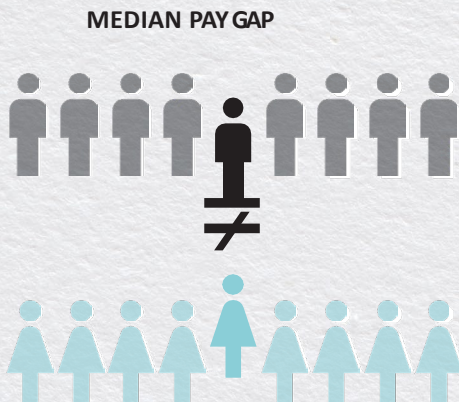
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

# UNDERSTANDING GENDER PAY GAP REPORTING

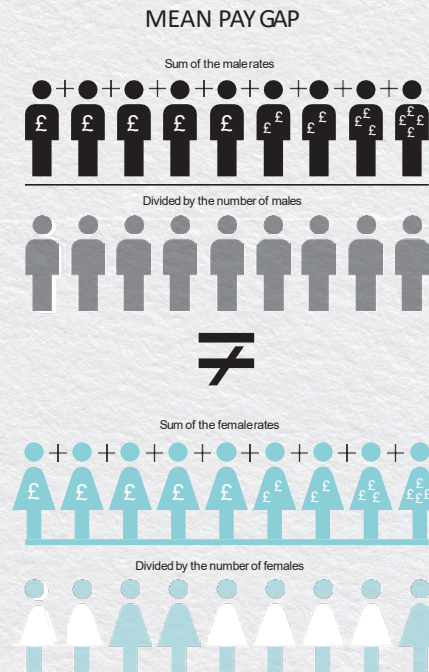
## HOW ARE THE MEDIAN AND MEAN PAY GAPS CALCULATED?

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.

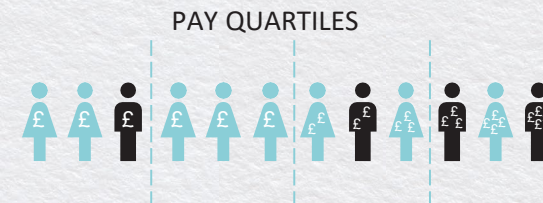


## HOW IS THE BONUS GAP CALCULATED?

The mean and median bonus gap 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 QUANTILES 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 RESULTS

## 2022

12%



GENDER SPLIT OF  
OUR EMPLOYEES

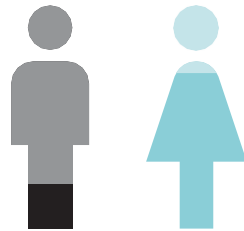


88%

### PAY QUARTILES

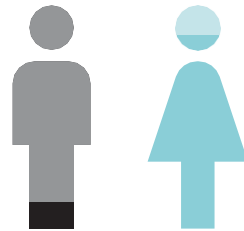
The percentages of all male and female colleagues within each pay quartile is:

#### 1st QUARTILE



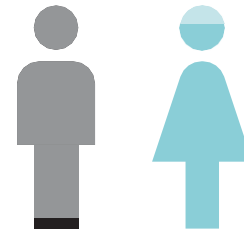
11% 89%

#### 2nd QUARTILE



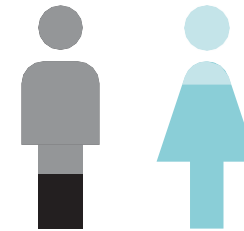
9% 91%

#### 3rd QUARTILE



8% 92%

#### 4th QUARTILE



20% 80%

# OUR RESULTS

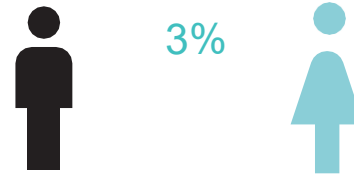
## 2022

### GENDER PAY GAP

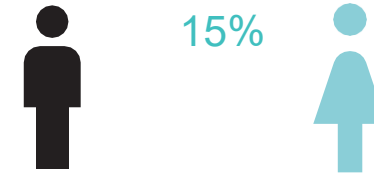
Although we have a consistently high proportion of women across all pay quartiles, our pay gap is driven by the large number of customer-facing roles, which are held predominantly by women. This is reflective of the industry in which we work.

Our median pay gap is significantly better than the national average of 15.4% in favour of men, however we recognise that there is always work to be done to improve.

### MEDIAN PAY GAP



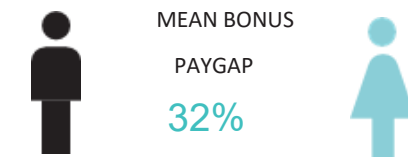
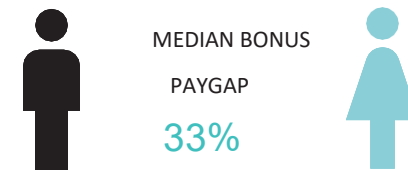
### MEAN PAY GAP



### BONUS GAP

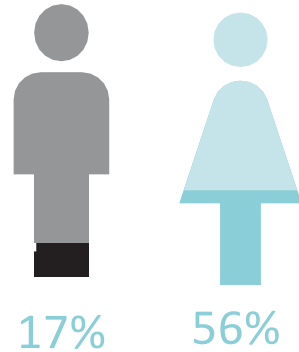
The Gender Pay Bonus Gap calculation covers any payments relating to profit-sharing, productivity, performance, incentive or commission.

All bonuses paid in the year up to 5 April 2022 are used for the calculation of the bonus gap. All of our bonus schemes are gender neutral by design. The calculation is based on actual bonus paid rather than full-time equivalent and we have a high proportion of female team members who work part-time and received a pro-rated bonus which means the mean gap is naturally higher.



# OUR COMMITMENT

As a business, we continue to build a diverse and inclusive culture. We are proud that 56% of our female employees and 17% of our male employees work part time, giving them the opportunity to balance their home and work lives., this is an increase form last year.



## WORK PART TIME

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.

Helen Farrant

Head of HR

Liz Earle Beauty Co.

David Worters

Finance Manager

Liz Earle Beauty Co.

