LIZ EARLE®

Liz Earle Beauty Co.
Gender Pay Gap Report as at April 2023

Member of Walgreens Boots Alliance

A MESSAGE FROM HELEN

Welcome to our 2023 Gender Pay Gap Report. The data we are sharing in this report is accurate and has been prepared in line with relevant guidelines.

As I reflect on another year, I am incredibly proud of what we have achieved. Our hero product Cleanse & Polish™ Hot Cloth Cleanser won its 150th industry award, we completed a refurbishment of our Warehouse operations securing our future here on the Isle of Wight and we continue to deliver a strong sales performance despite the rising cost of living across the UK and Ireland.

We continue to invest in and share opportunities for our team members' personal development. This includes our double-award winning Skin School for all Retail team members, 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 90% 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).

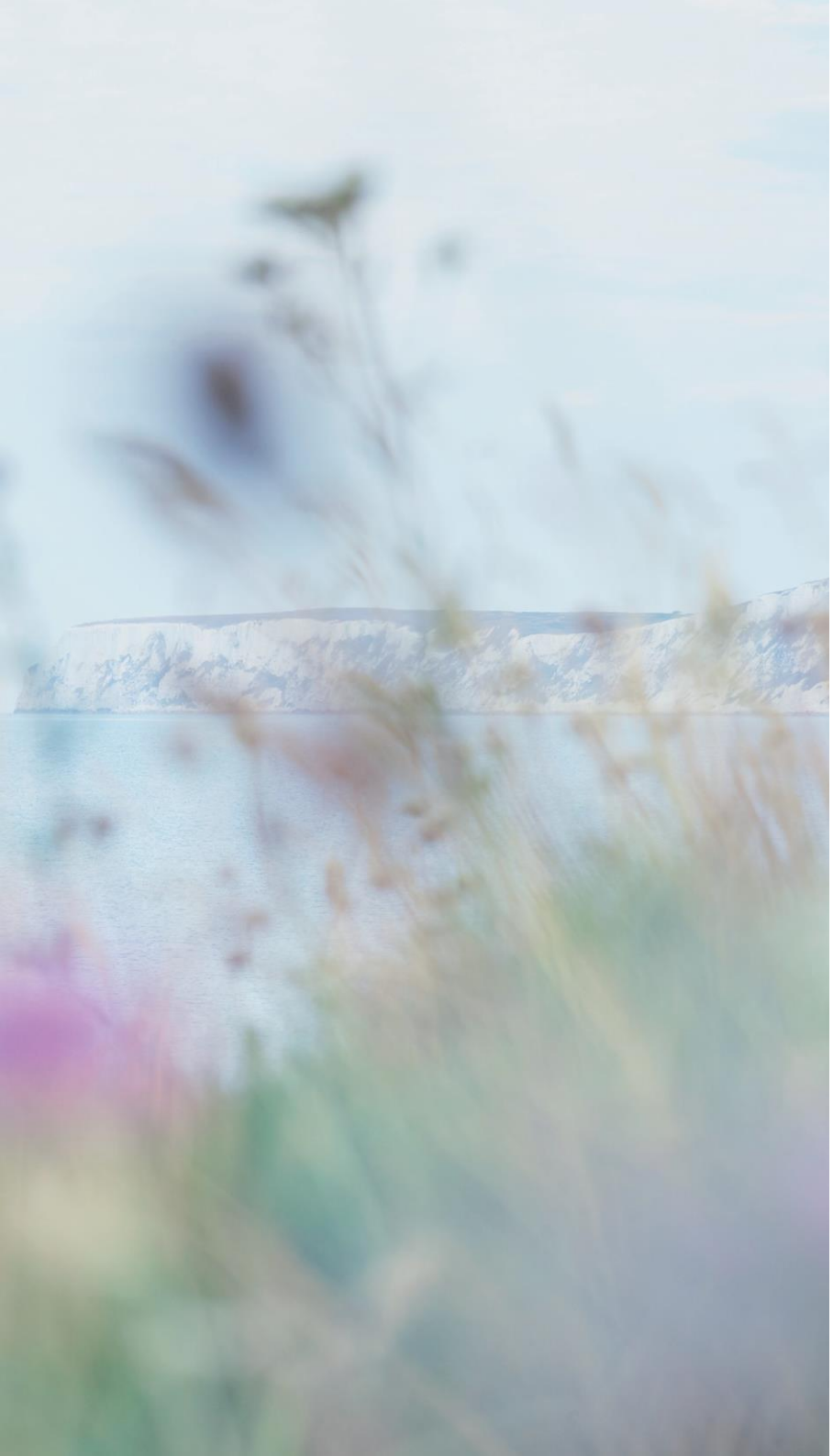
To support our employees in the lower quartile, our Operations Executives and Retail Advisors, we pay the National Living Wage. This year, we have also introduced a new Pregnancy Loss Policy, allowing up to two weeks of paid leave to support team members' physical and emotional recovery following a pregnancy loss.

We continue to improve the support we offer all employees to balance work and family life by promoting our flexible working policy and parental support resources.

Our mean pay gap is 21%, and our median gap has improved from 3% to 1%. 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 Liz 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 150 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 and embarked on an initiative aimed at helping 800 shea pickers in the North Gonja District, Ghana work more efficiently and generate more income through training as well as building a warehouse to facilitate the women's access to storage. Closer to home, our flexible working policy helps to support a healthy work-life balance.

Throughout the last 28 years, we have always put considerable focus on ensuring our colleagues benefit from a happy and supportive working environment, both in our offices and our stores and counters throughout the UK and Ireland. 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 90% 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.

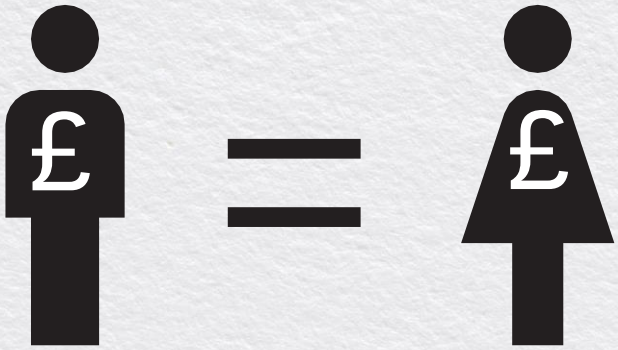
UNDERSTANDING GENDER PAY GAP REPORTING

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?

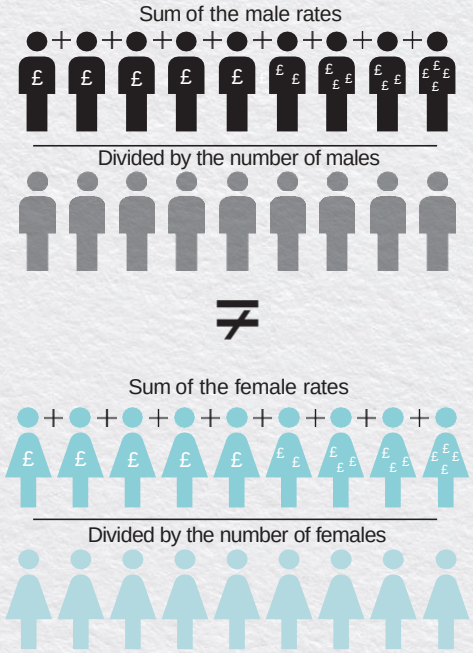
The median is the middle point of a range of numbers and the mean is the average of a range of numbers. How do we calculate this for gender pay gap reporting?

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

MEDIAN PAY GAP

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?

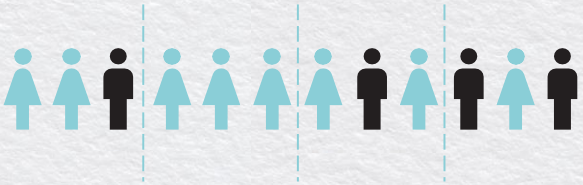
The mean and median bonus gap are calculated in the same way as the gender pay gaps. However, this time we use the actual bonus paid to colleagues. We also report the number of male and female colleagues receiving a bonus (as a percentage of the total male and female population).

HOW ARE THE PAY 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.

PAY QUARTILES



OUR RESULTS 2023

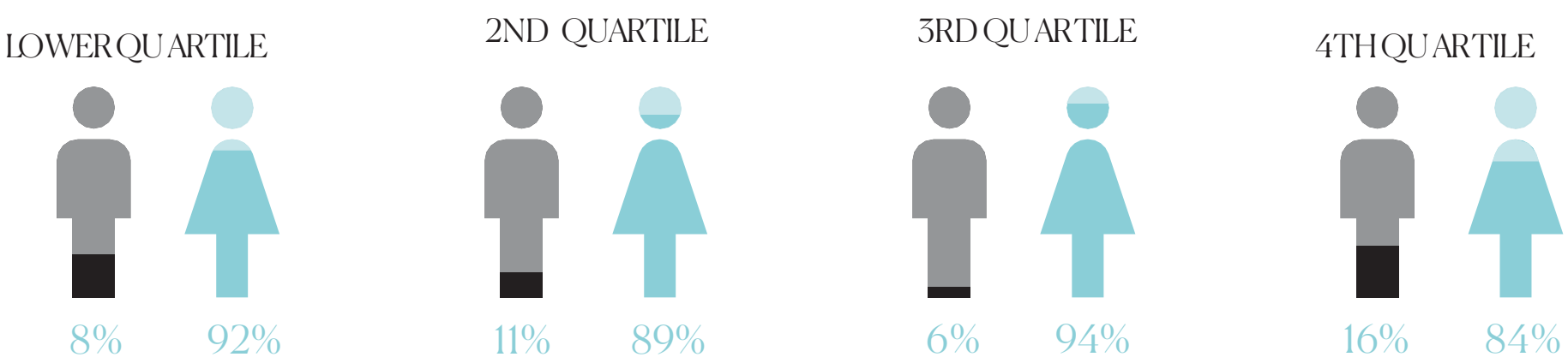
10%

GENDER SPLIT OF OUR EMPLOYEES

90%

PAY QUARTILES

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



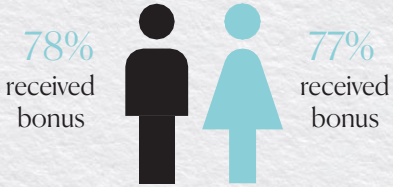
OUR RESULTS 2023

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 however we recognise that there is always work to be done to improve.

BONUS GAP

The Gender Pay Bonus Gap calculation covers any payments relating to profit-sharing, productivity, performance, incentive or commission. This year 77% of employees received bonus. The bonus gap is driven by the large number of lower quartile roles which are held predominantly by women.



WHAT ARE WE DOING TO ADDRESS OUR GENDER PAY GAP?

THE GREEN HOUSE, OUR ISLE OF WIGHT HQ

- **Remuneration:** We have a clear governance process around any decisions regarding salary, we have clear salary grades in place and regularly review these against market rates to ensure we are fair to all employees and are providing a competitive renumeration package.

- **Flexible working**: Through our flexible working policy, we encourage our leaders to keep employees up to date on the options available to them and support them through any relevant processes.

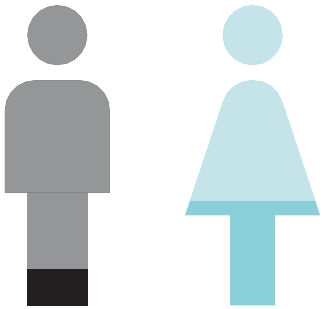
- **Maternity Pay:** Most of our employees are female, so it is important that we have the right support in place to help them balance their home and work life. We do not want our employees to feel financial pressure during what should be a very special time in their personal life, our maternity pay is 12 weeks full pay.

- **Leadership development**: Our Manager Effectiveness Model to support the development of the skills and behaviours needed for both men and women to progress within their chosen career. This will support our employees and create transparency across our promotion and rewards processes, while protecting our fair approach to succession and talent planning.

- **Wellbeing:** The wellbeing of our colleagues is of utmost importance to us. The rapidly changing and uncertain world we live in creates many challenges for our employees in their professional and personal lives. Our employees have access to free, confidential advice and support services and we have a corporate Wellbeing partner which gives employees access to free exercise, dietary and wellbeing resources. .

OUR COMMITMENT

As a business, we continue to build a diverse and inclusive culture. We are proud that 59% of our female employees and 9% of our male employees work part time, giving them the opportunity to balance their home and work lives.



9% 59%

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.

LIZ EARLE®