



# **GENDER PAY GAP 2023**

UK

# INTRODUCTION



A handwritten signature in black ink, appearing to read 'Max Amen'.

MAX AMEN

General Manager UK&I



A handwritten signature in black ink, appearing to read 'Lauren Smith'.

LAUREN SMITH

Senior HR Director, UK&I

## TOGETHER WE ENABLE PEOPLE TO LOOK, FEEL AND BE THEIR TRUE SELVES

As a purpose-driven company, we are committed to affecting positive change through our business action. While still a young, ambitious organisation, our People, Planet and Product commitments are the building blocks of our business. Every day, we support a legion of professional hair and nail artists and owners, connect more than 91 million customers and consumer beauty lovers, social influencers, ambassadors and employees across the globe. These people are our Wella Family, and together we impact positive change.

This is our second year of submitting a Gender Pay Gap Report and we welcome the opportunity to use this data to measure our progress and hold ourselves accountable. We lean into the complexity of these issues, approaching them with the same rigour that we put into creating our products.

Under the UK's Gender Pay Gap Regulations, all UK companies with more than 250 employees are required to report and publish statistics of their gender pay gap annually. This report covers the difference between the average earnings (hourly pay & bonus) across our UK business, as well as the proportion of men and women in each quartile of the workforce. This pay gap report covers the period 6<sup>th</sup> April 2021 – 5<sup>th</sup> April 2022.

For our reporting we worked with a third-party auditor – Willis Towers Watson – to calculate the statistics in line with their understanding of the gender pay gap reporting requirements.

CONTEXT

# PEOPLE: OUR EMPLOYEES

**WE ARE ON A JOURNEY TO CREATE A COMPANY THAT IS DIVERSE, EQUITABLE AND INCLUSIVE; WHERE EVERYONE CAN BE THEIR TRUE SELVES.**

We do this by embracing diversity, equity and inclusion principles among the nearly 6,500 employees across the 30 countries in which we operate. We want everyone in our Wella Company family to feel represented and empowered.

By creating a high-performing organisation where everyone can bring their best selves to work, we will collectively thrive. We are committed to attracting and retaining a diverse workforce, which includes, but is not limited to diversity in terms of gender, race, culture and nationality.

We are also cultivating an inclusive culture where people feel authentically heard, valued and appreciated, and the business can leverage the full value of their talents. To support this ambition, we have several active employee affinity groups, including the Women of Wella Affinity group and the Women in STEM Affinity group.



ACHIEVE  
**80%**  
EMPLOYEES FEEL  
EVERYONE CAN ACHIEVE  
FULL POTENTIAL

ACHIEVE  
**70%**  
EMPLOYEE  
ENGAGEMENT SCORE

ACHIEVE  
**80%**  
FEELING AS THOUGH  
THEY BELONG AT WELLA

TRAIN  
**100%**  
ON  
UNCONSCIOUS BIAS



## OUR AMBITION

- **Achieve 50% female directors & above**
- **Further close the pay gap between men & women**
- **Increase representation of racially and ethnically diverse leaders in US and Brazil to more closely resemble our consumer demographic profile\***

\*efforts are made across countries where Wella Company operates but tracked only where local laws and regulations allow

# GENDER PAY GAP DEFINITIONS



**Gender pay gap** shows the difference in actual earnings (hourly pay) between all men when compared with all women, at Wella UK. This does not assess equal pay for equal work, which considers the pay and benefits awarded to men and women in the same or similar jobs.

**Hourly pay** calculations include basic pay, car allowance, meal allowance, shift premium, first aid allowance, salary sacrifice pension, childcare vouchers, promotional allowance, holiday purchase.

**Bonus pay** elements include annual performance bonus, completion bonus, sales and education incentives, stocks, sign on bonus and long service awards.

## Who is included in the analysis

All employees employed with Wella UK 5<sup>th</sup> April 2021 who were receiving their full ordinary basic pay. Employees being paid at a reduced rate during April due to being on leave (e.g. statutory maternity leave, parental leave or statutory sick leave) were excluded from the pay gap calculations but included in the bonus gap calculations.

## Mean pay gap

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



## Median pay gap

This represents the middle point of the population. If you lined up all fully paid female employees and all of the fully paid male employees, the median pay gap is the difference between the hourly rate of pay for the middle female, compared to the hourly rate of pay for the middle male.



## Mean & median bonus pay gap

The mean bonus pay gap is calculated by adding together the bonus payment made in each gender group and then dividing that by the number of relevant employees in that group.

The median bonus pay gap is calculated by ranging the bonus payments from high to low and the one that is in the middle is the median. The difference is calculated between the bonus payment of the middle female employee and the middle male employee.



# A RETROSPECTIVE VIEW: UNDERSTANDING THE GAP

## UNDERSTANDING THE PAY GAP

The report gave Wella UK the opportunity to review our gender pay gap, identify potential areas of improvement, as well as reinforce our strong commitment to gender equity within our organisation. It is also important to understand the context of the data shown.

A significant number of Wella global employees were counted as a part of the total UK payroll which influenced the overall UK pay gap results. These employees are located in the UK but work for and are based within the global Wella organisation hence need to be included in the overall result calculations. As evidenced by the supplementary analysis, which reflects the UK market only, the mean gap for this group was considerably lower than total Wella UK, measuring at 13.6% (mean hourly pay gap) and 32.7% (mean bonus gap).

## COMPARISON TO MARKET

The mean hourly and bonus pay gap across all Wella UK entities are higher compared to the UK market average for 2021. The median hourly pay gap is slightly lower across Wella entities. Wella UK (excluding ghd & global employees) is marginally higher than the UK market average.

## COMPARISON TO WHOLESALE OF PERFUME & COSMETICS INDUSTRY

Compared to the Wholesale of Perfume and Cosmetics Industry\*, Wella's overall mean pay gap is in line with industry average and the mean bonus gap is significantly lower than the industry average. Since the last report, the gap between Wella and the industry has decreased for the hourly pay gap.



*\*Wella industry classification*

# TAKING ACTION TO REDUCE THE GAP

## OUR COMMITMENT TO REDUCE THE PAY GAP

We are committed to taking action to support gender equity within Wella UK and to reduce the gap. During the course of 2022/23, we are pleased to share a number of projects have been implemented to support this commitment.

In 2022, we undertook a **rigorous equal pay analysis**. This process reviewed differences in pay between employees in comparable roles and measured whether men and women were being paid in line with their peers in the context of their role, performance and location. Our principal is that for similar roles at the same Grade level and same location, there should not be any difference other than based on individual experience and performance. As a result, where significant pay gaps existed steps were taken to close these gaps.

In line with our focus on building a high-performance organisation, the company made significant investment in creating the **Wella Company Annual Incentive Plan (AIP)**, linked to the Wella Company Grading Framework. A rigorous bonus harmonisation process has ensured that this plan operates in the same way across our business and functions, a key factor in ensuring employees are compensated equitably.

Part of addressing the gap effectively is ensuring that we support women in progressing within the organisation with **promotion and career development opportunities**. In 2023, we are taking a more active approach to **succession planning** by ensuring that all critical roles have a strong pipeline of potential female successors.

In 2022 Wella UK ensured that all managers & employees were trained in **unconscious bias awareness** as part of our DEI strategic initiatives: setting the stage for other Wella global markets to implement similar programmes.



# STORIES FROM OUR PEOPLE

## WE ARE PROUD OF OUR PEOPLE WE WORK TOGETHER TO CREATE THE EXTRAORDINARY



The 16-month People Leadership Apprenticeship Programme that Wella offered me is the most comprehensive I've seen. Having an industry-recognised qualification at the end of it made it worthwhile. Having secured a promotion in-role through the course goes to show the benefits the programme brought. Building connections with passionate people, while leading and working on projects from DE&I, Women in Leadership, Community Action and Sustainability has been the most rewarding part of the whole programme.

### GEORGIA BRADLEY

Snr. National Accounts Manager | Apprentice Participant

Georgia has grown so much in role over the last 2 years - not just functionally but her strategic thinking, ability to influence key stakeholders and how she motivates those around her. While not yet in a team management role, she has assumed the position of a leader within the Retail Hair Sales team.

### DANIEL WHITE

Head of Retail Hair Sales | Mentor to Georgia Bradley



I have always been very ambitious and known that I wanted my career path to be stretching and varied with opportunities to grow myself and brands, be autonomous as well as mentor and coach others. Wella offers me this and more, with my role in the UK&I Leadership Team adding a platform to develop strategies and is a wonderful way to utilise my bags of energy to influence business wide activities and culture.

### GEORGINA EMSLEY

OPI Omnichannel Director



I joined Wella in 1989 as a guest artist and throughout my career at Wella, I feel very lucky to have been given the opportunity to develop and grow in a variety of roles within Education, Trade Marketing to Sales and Brand Marketing, both here in the UK as well as abroad in Australia. I've enjoyed a great career and have been fully supported over my years including studying for my CIM post-grad Marketing Diploma. I love a challenge, enjoy continual learning and being able to feel I add value. My career with Wella has definitely given me all of these and so much more - I can't wait to see what else is around the corner and continue on this rewarding journey.

### ALLISON HARGREAVES

Head of Education Craft & Community



I have been fortunate to use Wella's shared parental leave policy for each of my daughters. Most recently when Zoe arrived I was able to combine paternity leave, holiday and shared parental leave to have 12 weeks dedicated family time. This was invaluable as it allowed me to support my wife on her recovery, look after our 3 year old, Laura, and also get lots of quality time with baby Zoe. The HR team were very helpful in explaining the policy and the government legislation around shared parental leave which can seem daunting when you first read up about it. I'd highly recommend exploring options around shared parental leave for any expectant mums and dads.

### DAVID JOHNSTON

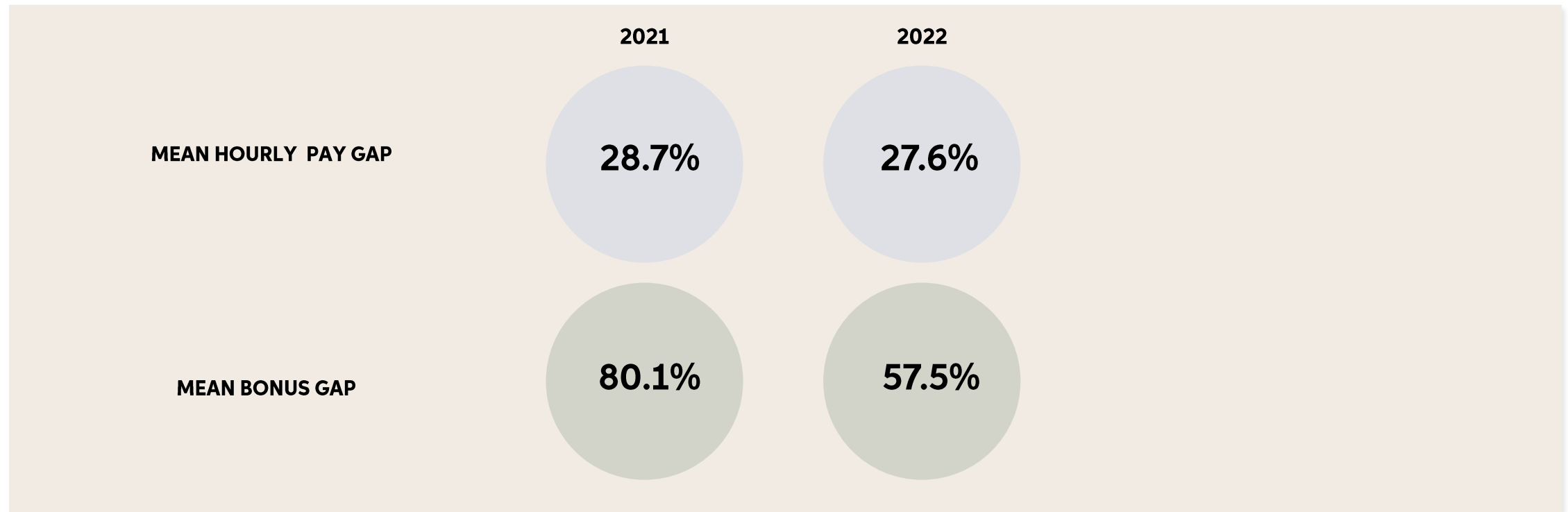
Supply Chain Director



# 2023 RESULTS

# OUR RESULTS - EXECUTIVE SUMMARY

**THE MEAN PAY GAP HAS DECREASED SLIGHTLY COMPARED TO THE PREVIOUS REPORTING YEAR, WHILST THE MEAN BONUS GAP HAS DECREASED SIGNIFICANTLY FROM THE 2021 FIGURE**



The **hourly pay gap at Wella has decreased from 28.7% to 27.6% in favour of men, a decrease of 1.1%**. The 12-month mean bonus gap similarly favours male employees, however has decreased by 22.6% to 57.5%.

The decrease in the hourly pay gap can be **attributed to an increase of women positioned in the upper quartile** of employee hourly pay **(50%-54%)**.

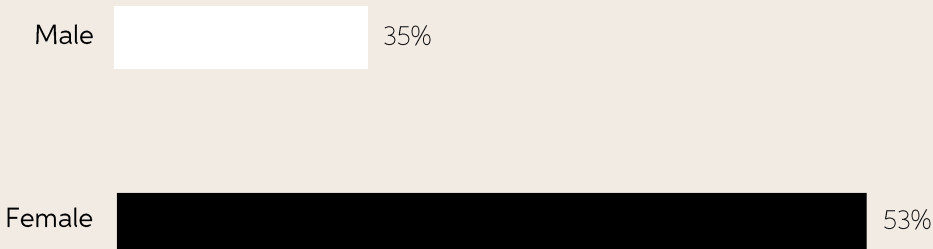
It should be noted that as a small entity, Wella will be more likely to experience volatility in gender pay gap figures, with employees making a tangible difference as they enter or exit the company.

# WELLA UK EXECUTIVE LEVEL STATISTICS

## WELLA UK EXECUTIVE EMPLOYEES

During the period April 2021 – April 2022, Wella UK had **19 Executive Level employees.**

- Exec Level positions made up 6% of the total employee population
- 53% of exec population are female



# WELLA UK LTD STATISTICS ON TOTAL FEMALE AND MALE SPLIT

## WELLA UK LTD WORKFORCE

During the period April 2021 – April 2022, Wella UK Ltd employed **341 employees across the UK.**

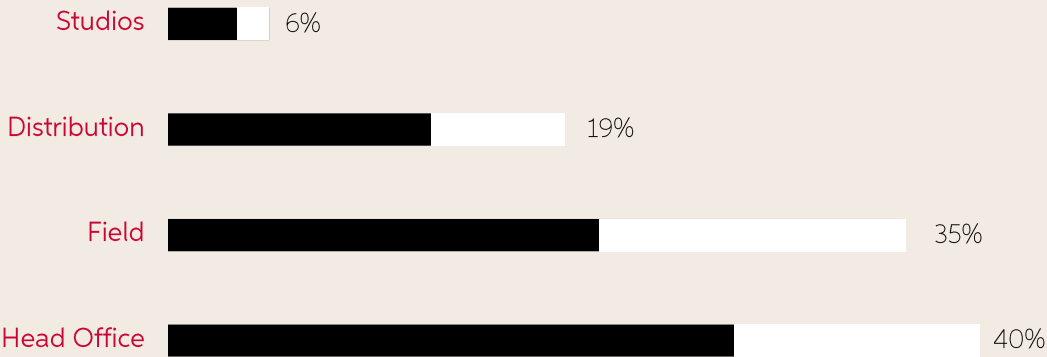
Our workforce is made up of the following groups:

**Studio Staff** (6% total population: 75% female / 25% male)  
Employees are based in our London and Manchester Studios, providing a training academy for customers and partner salons including face-to-face and virtual education courses & qualifications.

**Distribution Centre Staff** (19% total population: 69% female / 31% male)  
Employees are based in Basingstoke, Bournemouth and Watford sites working in Supply Chain & Finance.

**Field Based Staff** (35% total population: 62% female / 38% male)  
Employees are based across the UK working in Sales and Education.

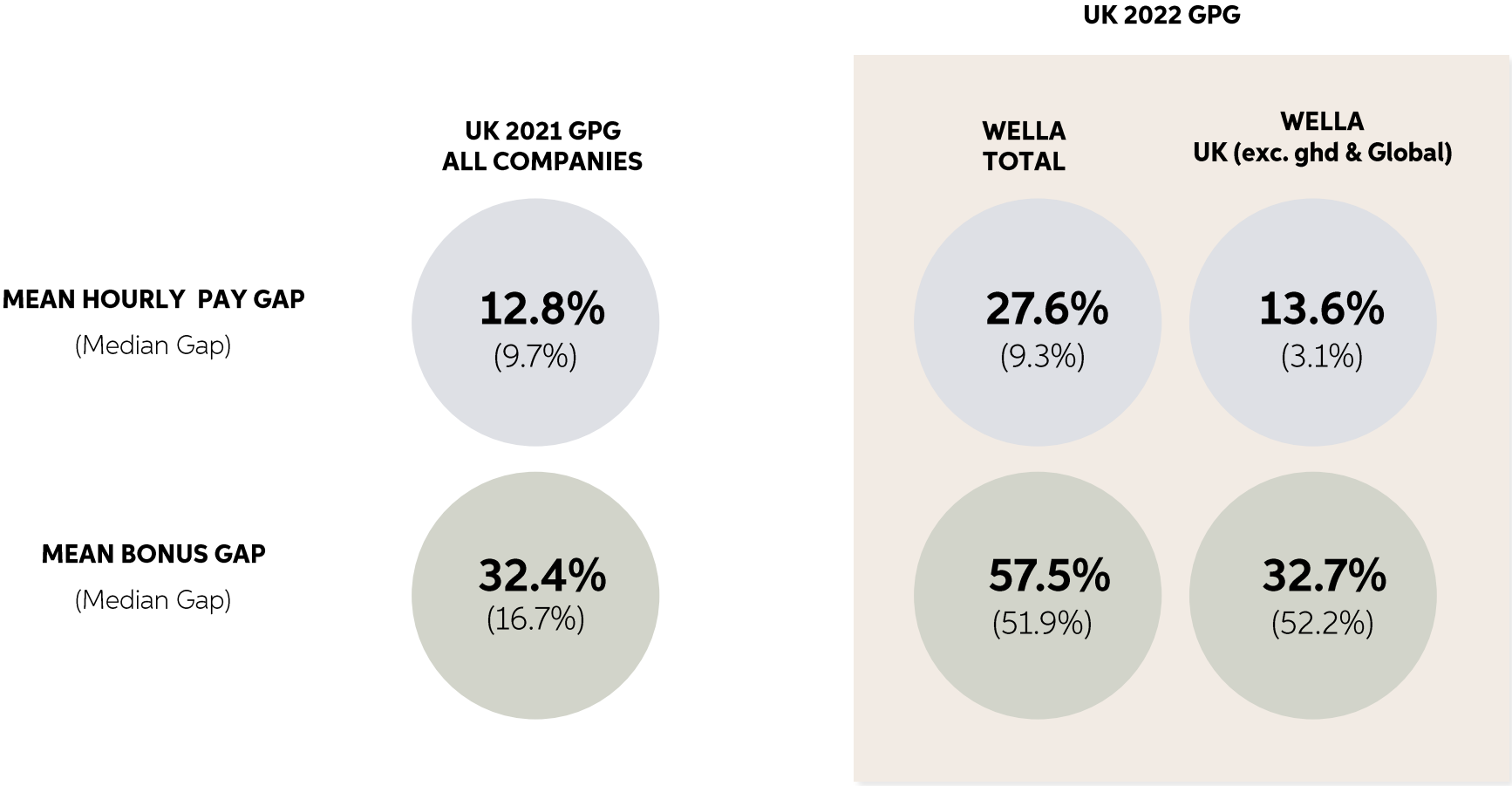
**Head Office Staff** (40% total population: 73% female / 27% male)  
Employees are based at our Wimbledon office in London working in functions such as Finance, HR, Supply Chain, I.T., Legal, Marketing, Sales and Education.





# COMPARISON TO MARKET

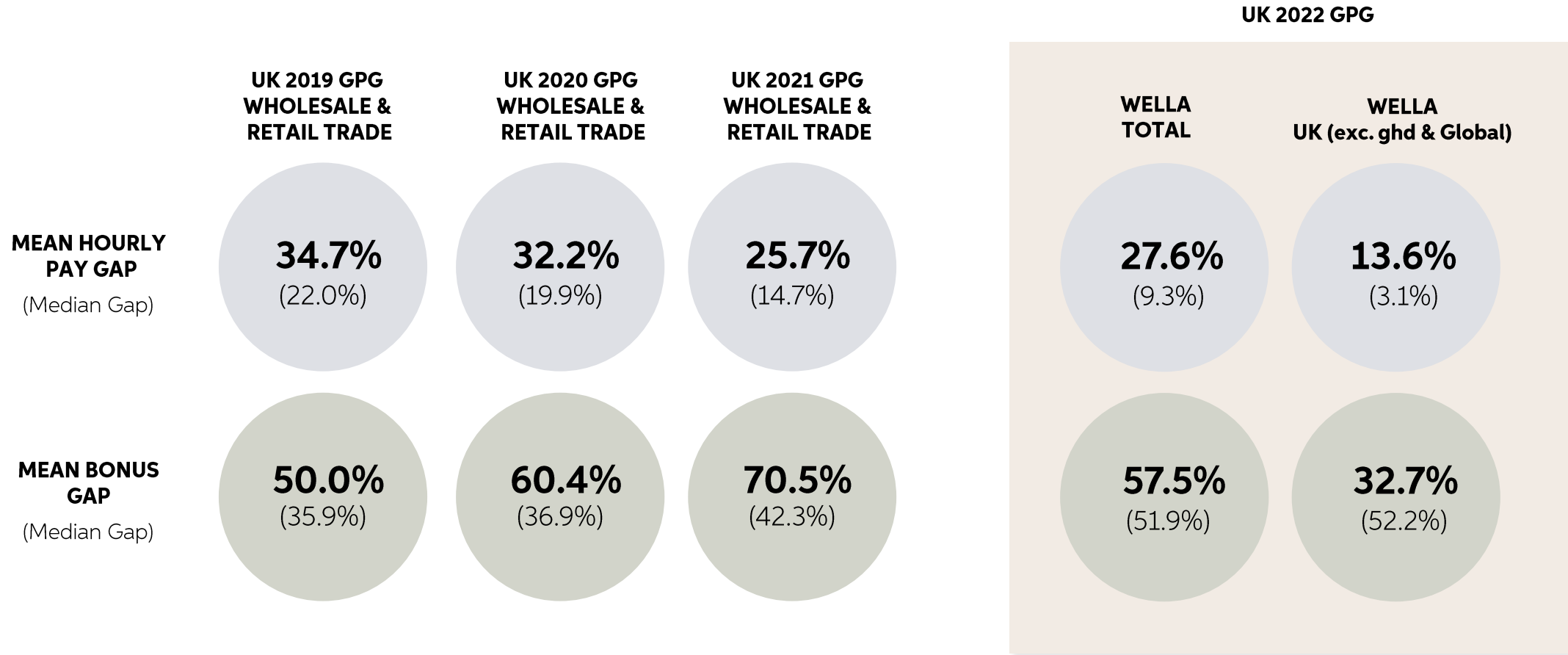
THE MEAN HOURLY AND BONUS PAY GAP ACROSS WELLA ENTITIES ARE HIGHER COMPARED TO THE MARKET AVERAGE FOR 2021.  
THE MEDIAN HOURLY PAY GAP IS SLIGHTLY LOWER ACROSS WELLA ENTITIES.



The Wella entities' mean and median gender pay gaps are typically higher than the UK market, aside from Wella UK, GHD & Global, which is only marginally higher than the market average.

# COMPARISON TO INDUSTRY

THE GAP BETWEEN WELLA AND THE WHOLESALE OF PERFUME AND COSMETICS INDUSTRY HAS DECREASED FOR HOURLY PAY GAP, AND INCREASED FOR BONUS GAPS.



The wholesale of perfume and cosmetics industry has seen a consistent decrease in pay gaps, and an increase in bonus gaps between 2019 and 2021 reporting.

- Wella's overall mean pay gap is in line with the industry average, whilst the median pay gap is lower.
- Wella's mean bonus gap is significantly lower than industry average, yet the median pay gap is slightly higher.
- Wella UK has a significantly lower means and median hourly pay gap than the industry average.

# SUPPLEMENTARY ANALYSIS - WELLA UK LOCAL MARKET EMPLOYEES ONLY

## RELEVANT EMPLOYEES 2022

Employees included in the bonus pay gap  
(all even if not on full pay)



314 Total

## PAY GAP - FULL PAY RELEVANT EMPLOYEES AS AT APR 2022

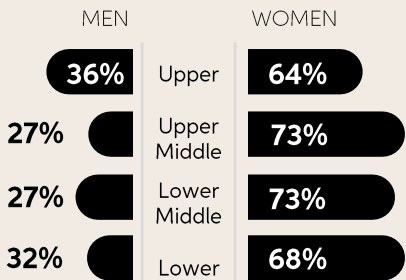
13.6%

Mean  
Pay Gap

3.1%

Median  
Pay Gap

### WELLA UK LTD's PAY QUARTILES



## BONUS PAY GAP – ALL EMPLOYEES FROM APR 2022 TO APR 2023

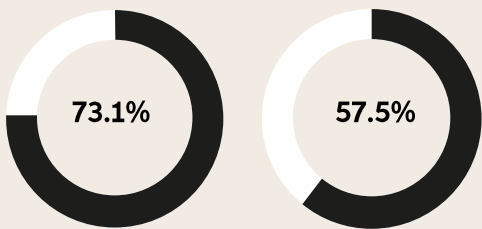
32.7%

Mean  
Pay Gap

52.2%

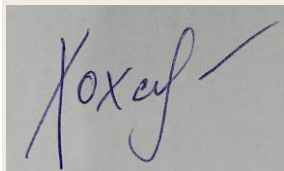
Median  
Pay Gap

### % OF EMPLOYEES RECEIVING BONUS/INCENTIVE



## STATUTORY DECLARATION

I can confirm that the information contained in this report is accurate.

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Anna Khokhlova  
Market CFO UKI