



**2023 UK
GENDER PAY
GAP REPORT**



Good Purpose, Good Business...



Max Amen
General Manager
UK & Ireland



Lauren Smith
Senior People Director
UK & Ireland

Our mission is to enable all individuals to look, feel & be their true selves

As a purpose-driven organisation, entering its fourth year as a standalone company, we are proud to be building a sustainable business rooted in our Wella Company values of Collaboration, Courage, Creativity, Connection and Commitment. At Wella Company, we believe in the principle of building business for good; striving to have a positive impact on Planet, People and through our Products.

Our portfolio of iconic professional, retail hair, nail and beauty tech brands allow us to connect and work with a diverse community of more than 90 million industry professionals and beauty ambassadors, social influencers, customers & employees across the globe. This is our Wella Family, who we are dedicated to serve and proud to support - because when the industry thrives, so do we.

In Wella Company's Environmental & Social Impact Report 2022 there is a clear commitment to placing gender inclusion high on our strategic agenda. Wella Company is proud to be a part of the United Nations Global Compact (UNCG) and to have signed both the Women's Empowerment Principles (WEPs) and the UN Standards of Conduct to tackle LGBTQIA+ discrimination, advocating our support behind these important initiatives to advance our societal goals. Internally, 59% of our overall global workforce identify as female and the Wella Company Board has a 58% female representation – key indicators that we are embracing our ambition to lead positive change and remain true to our commitment of achieving our gender parity goals.

The UK Gender Pay Gap Report is a welcomed opportunity for us to measure our progress and hold ourselves accountable. 2024 marks our third year of submitting the GPG Report, continuing our journey of fostering a culture where diversity, equity, inclusion & belonging are celebrated, and all employees are encouraged to lead as owners and as One Team. **This pay gap report covers the period 6th April 2022 – 5th April 2023**, whereby we worked with a third-party auditor – Willis Towers Watson – to prepare and calculate the statistics in line with the reporting requirements.

CONTEXT

OUR PEOPLE

WE ARE COMMITTED TO CREATING A DIVERSE, EQUITABLE AND INCLUSIVE COMPANY WHERE EVERYONE FEELS THEY BELONG & CAN BE THEIR TRUE SELVES.




We do this by embracing the principles of diversity, equity, inclusion and belonging amongst more than 6,000 employees globally. 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 Company Affinity group and the Women in STEM Affinity group.

AFFINITY GROUPS

Our six groups are just the start of bringing people closer together at Wella Company

-  **LGBTQIA+ AFFINITY GROUP**
-  **Network of Black Leaders and Executives (NOBLE) AFFINITY GROUP**
-  **ASIAN AFFINITY GROUP (AAG)**
-  **HISPANIC/LATINX/ MEXICAN (HLM) AFFINITY GROUP**
-  **WOMEN OF WELLA (WOW) AFFINITY GROUP**
-  **WOMEN IN STEM AFFINITY GROUP**



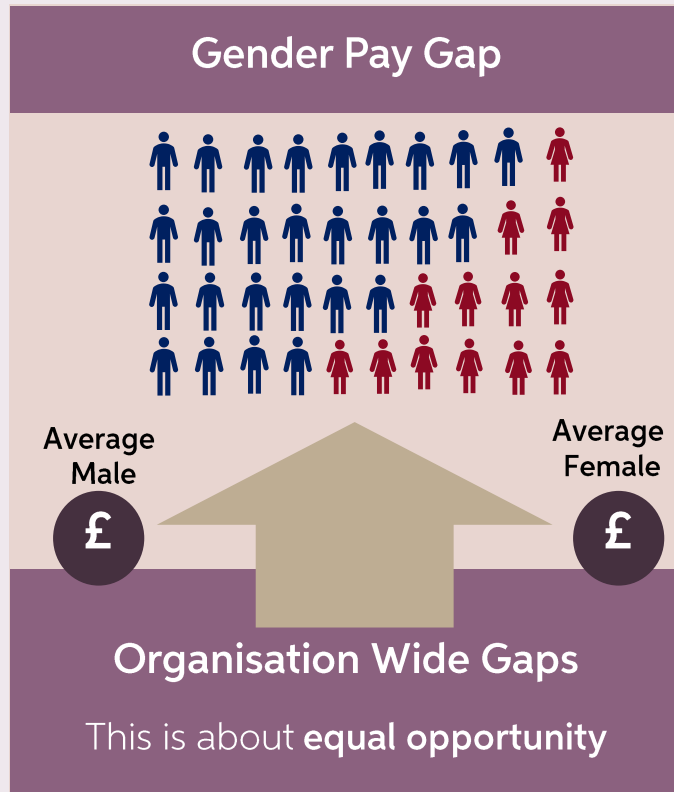
OUR GLOBAL AMBITION

- Achieve 50% Female Directors & above
- Further close the pay gap between men & women
- Continue to support employees through affinity groups to help everyone to feel recognized, respected and professionally empowered
- Increase the representation of racially & ethnically diverse leaders , particularly in the US & Brazil to more closely resemble our consumer demographic profile

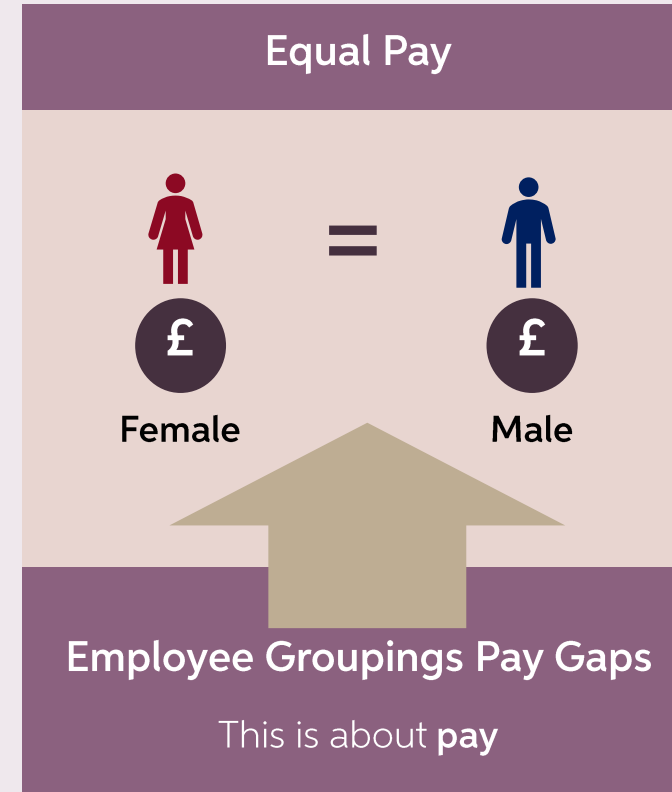


Understanding the Gap: What Does it Mean?

Remember Equal Pay, is NOT the Same as the Gender Pay Gap



A gender pay gap is the difference between the average pay of all men in an organisation and average pay of all women in an organisation – it is a **collective comparison**



An equal gap is the difference in pay between a man and a woman performing an equivalent role within the organisation – it is an **individual comparison**.

Gender Pay Gap Definitions

Who is Included in the Analysis

All employees employed with **Wella UK on 5th April 2022**, who were receiving their full ordinary basic pay, were considered a “relevant” employee. Employees who were 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.

Gender Pay Gap

Shows the difference in average earnings 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 & long service awards.



An equality measure that shows the difference in earnings between women and men

Gender Pay Gap Definitions Cont.

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 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.



**WELLA UK 2023
GENDER PAY GAP RESULTS**

Unpacking Wella UK's Gender Pay Gap

UNDERSTANDING THE METRICS

The report gives Wella UK the opportunity to review our gender pay gap, explore the factors contributing to the gap and most importantly look at solutions to bridge the gap.

The data represented in this report as of April 2023 shows;

- **Mean gender pay gap:** 29.2%
- **Mean bonus pay gap:** 66.0%

Despite the pay gap this is not a result of paying men and women differently for the same or equivalent job role.

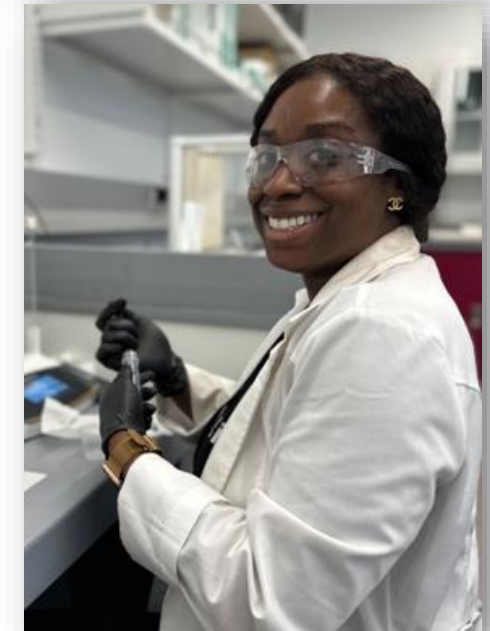
A significant number of Wella UK global employees and Wella UK ghd employees were counted as part of the total Wella UK payroll which influenced the overall UK pay gap results. These employees are located in the UK but work for and are based within the global Wella UK organisation hence for legal reasons, do 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 17.3% (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 typically higher compared to the UK market average for 2022, aside from Wella UK, excluding ghd & Global, which is lower than the market average.

COMPARISON TO WHOLESALE OF PERFUME & COSMETICS INDUSTRY

Compared to the Wholesale of Perfume and Cosmetics Industry*, Wella UK's overall mean pay gap is in line with the industry average and the mean bonus gap is slightly higher than the average. Wella UK excluding ghd and global has a significantly lower mean hourly pay gap and mean bonus gap than the industry average.



Wella UK Gender Pay Gap Results

Executive Summary

THE MEAN PAY GAP HAS INCREASED SLIGHTLY COMPARED TO THE PREVIOUS REPORTING YEAR, WHILST THE MEAN BONUS GAP HAS INCREASED SIGNIFICANTLY FROM THE 2022 FIGURES FOR WELLA UK

MEAN HOURLY PAY GAP

2022

27.6%

2023

29.2%

The **hourly pay gap** has increased by **1.6%**, from 27.6% to 29.2% in favour of men. This can be largely attributed to the distribution of female to male ratios across the different pay quartiles.

MEAN BONUS GAP

57.5%

66.0%

The 12-month **mean bonus gap** similarly favours male employees and has **increased by 8.5% to 66.0% gap overall.**

The hourly pay gap is less significant than the bonus pay gap. This can be **attributed to a change in female: male distribution across the pay quartiles** (see slide 11). While there has not been a change in the upper quartile distribution (52% females and 48% males), there have however been changes within the middle quartiles, which has contributed towards the overall pay gap. **In the lower quartile, female distribution has seen a meaningful increase from 70% in 2022 to 78% in 2023.**

It should be noted that as a small entity, Wella UK will be more likely to experience volatility in gender pay gap figures, with tangible differences noted, as employees enter or exit the company. Despite an increase in the mean hourly pay gap and bonus gap for Wella UK, we understand that these are largely attributable to specific areas of the business, namely: ghd and Global Employees. On slide 19 you can find an updated analysis excluding these employee groups.

Supplementary Analysis

Pay Gap is narrower when looking only at Wella UK Local Market Employees

RELEVANT EMPLOYEES 2023



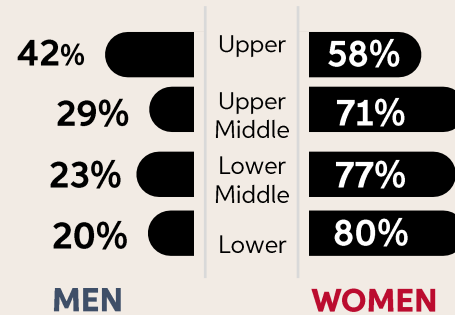
233 Total

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

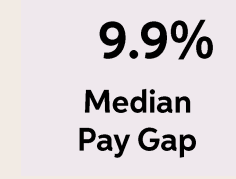
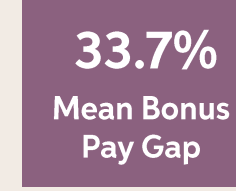
HOURLY PAY GAP FULL PAY RELEVANT EMPLOYEES AS AT APRIL 2023



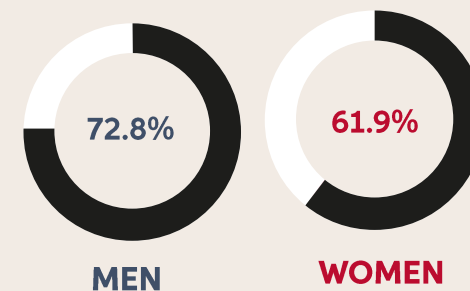
Wella UK LTD's PAY QUARTILES



BONUS PAY GAP ALL EMPLOYEES APRIL 2022 TO APRIL 2023



% OF EMPLOYEES RECEIVING BONUS/INCENTIVE



Wella UK Executive Level Statistics

THE FEMALE EXECUTIVE EMPLOYEE POPULATION AT WELLA UK REMAINS STABLE, AND IN GOOD PROPORTION TO THE MALE EXECUTIVE EMPLOYEES.

Wella UK EXECUTIVE EMPLOYEES

During the period April 2022 – April 2023, Wella UK had **20 Executive Level employees**.

- Executive Level positions made up 6% of the total UK employee population
- 55% of the Executive employee population is female



Wella UK Statistics on Total Female and Male Split

Wella UK LTD WORKFORCE IS MADE UP OF THE FOLLOWING EMPLOYEE GROUPS ACROSS THE UK: STUDIO STAFF, DISTRIBUTION CENTRE STAFF, FIELD BASED STAFF & HEAD OFFICE STAFF

During the period April 2022 – April 2023, Wella UK Ltd employed **343 employees across the UK.**

Studio Staff (6% total population: 71% female / 29% male)

Employees are based in our London and Manchester Studios, providing training academies for customers and partner salons including face-to-face and virtual education courses & qualifications.

Distribution Centre Staff (16% total population: 66% female / 34% male)

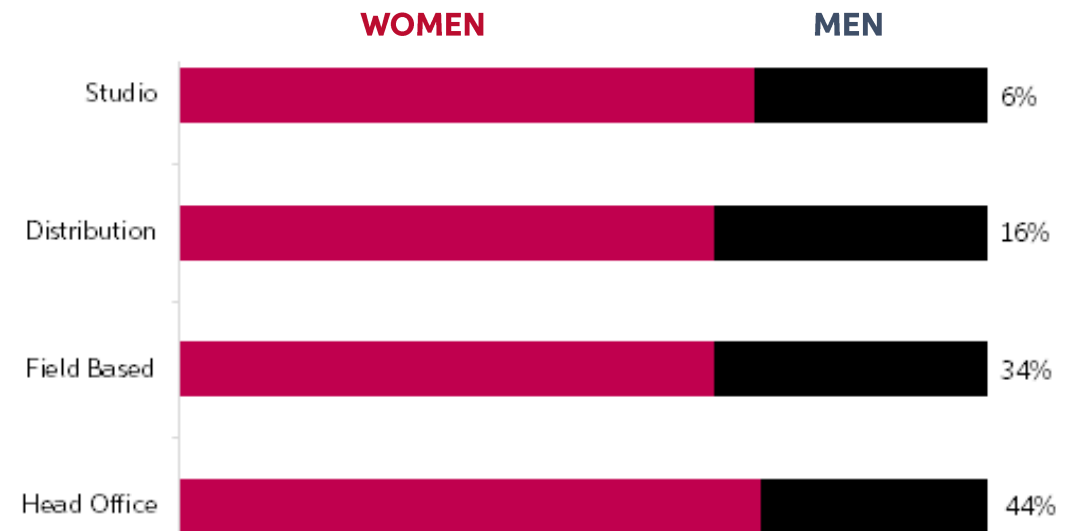
Employees are based in Basingstoke, Bournemouth and Watford sites working in Supply Chain & Finance.

Field Based Staff (34% total population: 66% female / 34% male)

Employees are based across the UK working in Sales and Education.

Head Office Staff (44% total population: 72% female / 28% 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.



Wella UK vs. **Market** Comparison

THE MEAN HOURLY & BONUS PAY GAP ACROSS WELLA UK ENTITIES ARE HIGHER COMPARED TO THE MARKET AVERAGE FOR 2022. THE MEDIAN HOURLY PAY GAP IS HIGHER AND THE MEDIAN BONUS GAP IS LOWER AT WELLA UK'S ENTITIES WHEN COMPARED TO THE MARKET DATA

UK 2022 Gender Pay Gap All Companies

**MEAN HOURLY PAY GAP
(Median Gap)**

12.1%
(9.2%)

**MEAN BONUS GAP
(Median Gap)**

31.4%
(15.5%)

**Total
Wella UK**

29.2%
(21.0%)

66.0%
(14.5%)

**Wella UK
(excl ghd & Global Employees)**

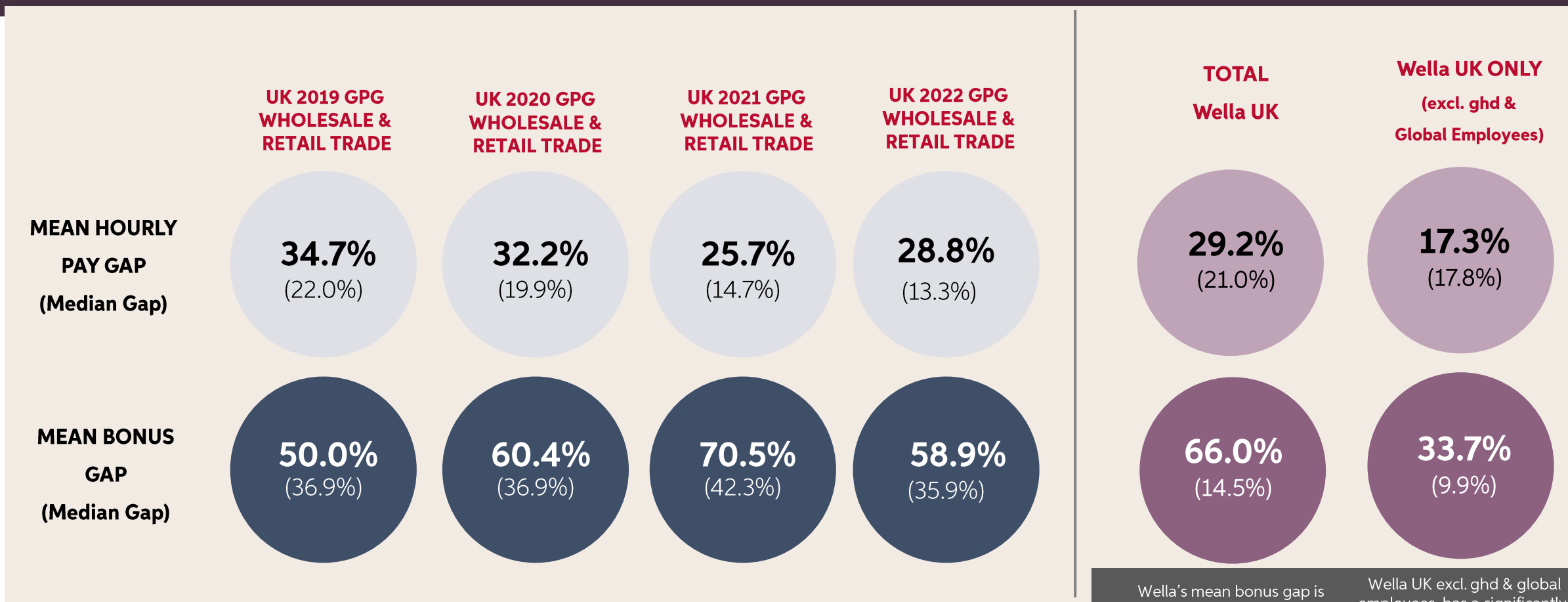
17.3%
(17.8%)

33.7%
(9.9%)

The **Wella UK Entities Total** mean and median gender pay gaps are typically higher than the UK market. When considered individually, Wella UK (excluding ghd & Global employees), is only marginally higher than the market average.

Wella UK vs. Industry Comparison

WHILE THE GAP BETWEEN WELLA & THE WHOLESALE OF PERFUME & COSMETICS INDUSTRY* HAS INCREASED FOR BOTH HOURLY PAY & FOR BONUS PAY GAPS – WELLA'S OVERALL MEAN PAY GAP IS IN LINE WITH THE INDUSTRY AVERAGE (MEDIAN PAY GAP IS HIGHER).



* SIC 46450 – Wholesale of perfume and cosmetics (Wella UK industry classification)

Wella's mean bonus gap is higher than industry average, yet the median pay gap is significantly lower.

Wella UK excl. ghd & global employees, has a significantly lower mean hourly pay gap & mean bonus gap than the industry average

**HOW IS THE
GENDER PAY GAP
BEING ADDRESSED**



Working to Close the Gender Pay Gap at Wella UK

Our Commitment to Closing the Gap

Wella Company takes its commitment to supporting gender equity and closing the pay gap seriously. We are pleased to share some of the actions and initiatives that were taken to support this commitment within Wella UK, laying further foundations for career support & development opportunities for our female colleagues.

ACTION 1: A STRONG FEMALE TALENT PIPELINE

We recognise that an important part of reducing the Gender Pay Gap, is ensuring that Wella UK provides women with meaningful promotion and career development opportunities, particularly into senior management & leadership positions. Since the last GPG Report, **23% of the UK female population have either been promoted, taken on a new role or an enlarged job scope.** Identifying female talent, is important to proactively plan for the succession of critical roles in Wella UK and we are committed to ensure that there is a pipeline of potential female successors .

ACTION 2: INTRODUCTION OF WELLA WOW PROGRAMME

In 2023, Wella Company introduced the WOW Incentive Programme for all permanent employees. The initiative encourages all employees to think and act like “Owners” to increase the Company’s profitable growth. By doing so, all employees will be able to share in the value that they have helped to generate and financially benefit when the company succeeds. **Eligible employees will receive a monetary WOW Award** – a number of months’ salary based on the company’s value at the time of private equity exit.



ACTION 3: RELEVANT FEMALE HEALTH & PARENTAL LEAVE POLICIES

Wella UK is pleased to provide holistic wellbeing support to our female colleagues, as well as their families and loved ones.

In 2023, an **all-encompassing female health policy**; including support streams relating to infertility, baby loss and menopause were introduced. Enhancements to existing parental leave policies ahead of UK legislative requirements and many market standards, were also implemented. For example: **parental leave coaching is now provided as a wellbeing benefit** to guide female & male colleagues during this period of transition.

ACTION 4: INTRODUCTION OF A FORMAL UK MENTOR PROGRAMME

Wella UK is proud to **launch the first mentor programme** as an exciting yet **critical development measure for our female talents**. This initiative is an opportunity for our female colleagues to act both as mentors to younger talents in the organization, by imparting important career skills and experiences; as well as to be mentored by inspirational senior leaders from different functions at Wella UK. This is a critical measure to identify & develop females into more senior leadership roles across the organisation.

ACTION 5: #WEARECOMMITTED LAUNCH WELLA UKI DEI&B TASKFORCE

In 2023, Wella UK relaunched the DEI&B taskforce called **“We are Committed.”** The group is made up of diverse representatives from different functions and seniority levels of our organization. Annually, **at least two key initiatives focus on female and gender related DEI&B topics**, namely: celebrating International Women’s Month (March) & education and awareness during Women’s Health Month (October).



Our People, Our Greatest Asset

Sharing their success stories of working together to create the extraordinary

“WE are building an organisation where every employee is invested in the Company’s success. When we win, we all win together...”

Gretchen Koback Pursel
Chief People Officer

“

I really value the paternity leave that Wella UK offers to new dads. I have a young daughter, with another due in May! This time will help our daughter, Ella, to adjust and allow me to establish a nurturing connection with our newest arrival. For my wife Mel – who has a demanding career of her own, we can share the responsibilities of caring for our girls, giving her important time for rest and recovery. This shared experience ensures a smoother adjustment for the entire family!

”



Sam Davis
People Partner
Dad to Ella & daughter on the way

**Associate Director
Pure Play**



“

Throughout my career I have benefitted from mentors formally and informally. I am delighted to have the opportunity to be part of Wella UK mentorship scheme, it allows for knowledge sharing that goes much deeper than just your day-to-day job. I love being part of someone else's journey and supporting the growth of talent within the company.

Angela Carden & Scott Evans
Mentoring Partnership

The mentorship program is an excellent collaboration that offers a roadmap for learning and growth, allowing me to benefit from the vast knowledge and experience of individuals from different parts of the organisation. This partnership provides a nurturing coaching dynamic, that aids in the enhancement of my skills and knowledge, ultimately boosting my confidence for future success.

”



**Commercial
Education
Manager**

Our People, Our Greatest Asset

Sharing their success stories of working together to create the extraordinary

“

I have been with the company for 20 years thanks to the career & development opportunities. After 17 years in Finance, I was given an opportunity to change my functional career path and lead the Sales & Educational team for the Professional side of the Wella UK business. This is the largest organisation within the UK & I and a passionate and vibrant team working with small and large businesses in the hairdressing industry. As a company we believe in giving our people opportunities to move to exciting roles within and across functions, celebrating courage and



Tatiana Suvorova
Senior Director Professional Sales & Education
Cross-Functional Career Development

”

**eCommerce
Manager Wella
UK Store**



I joined Wella UK 9 years ago without any customer service or technical experience. The company has given me the chance to learn, develop and have a career that I never dreamed possible. The confidence and knowledge I have gained from the people and resources around me has led me to the world of eCommerce. I feel honoured to work for a company that believes in its people, and I feel super motivated to keep learning and being the best version of me. The company mantra of Belief Creates Reality has been so true for me. The Mentor Partnership has been hugely beneficial in understanding strategy and developing the confidence of public speaking. Being paired with Ray is super exciting because he has been through the ranks in his career; his experience is exactly what I am looking for to develop in my role. For me it has also been rewarding to build my network within the business.

”

**Associate Director
Retail Sales**

Ray Whitley & Emily Prosser
Mentoring Partnership



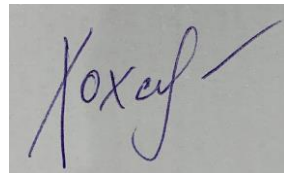
“

Having joined Wella UK just over a year ago, after working in a number of international blue-chip companies, I am finding this a remarkable breath of fresh air. The people, can-do attitude and innovation are inspiring. The business' belief in volunteering has granted me the pathway to become a magistrate and giving back to the community in which I live. The Mentor Partnership has given me the opportunity to play to a strength and passion for developing talent; it has been so refreshing and fun to work with Emily, from a totally different part of the Wella UK family. One of the many benefits has been for me to also learn and grow.

”

STATUTORY DECLARATION

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



Anna Khokhlova
Market CFO UKI



