




Gender Pay Gap Report 2024

Clarins UK Group | April 2024





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At Clarins UK our pursuit of diversity, equity and inclusion is still very much at the top of our agenda. We are committed to a continuing journey to ensure that we have fair and equitable practices that encourages growth, and provides a workplace where our people can flourish, grow and feel a sense of belonging.

Diversity, equity and inclusion was given a key focus in our global bi-annual employee engagement survey this year, emphasizing it as a key priority. It has remained a vital part of our recruitment and progression strategies to encourage greater gender diversity and more diverse applicant pools. We are extremely proud of the ratings we received, highlighting Diversity, Equity, and Inclusion, as a strength for the UK business, with ratings above the UK norm. We will continue to take further steps to continually develop our culture and promote equality, striving towards providing a working environment that accepts all differences in cultural background and lifestyles.

In 2023 women represented 95% of our workforce and held 100% of leadership positions. This has not changed since our last report. In General, women tend to be more highly represented in the retail beauty industry in line with the customer profile. The high female population and ratio of females to males continues to provide challenges when comparing the gender pay gap, which we outline in this report along with some of the ways we aim to improve gender diversity.

We are pleased to present our 2023 gender pay report. It highlights the opportunity for us to continually improve and challenge the gender norms associated with certain roles and professions within our industry.

Gender pay as well as equal pay is one aspect of our long-term commitment to diversity, equity and inclusion and forms part of our reward strategy that has the principles of fairness and transparency at its core.

We confirm the data reported is accurate.



Debbie Lewis

Managing Director
Clarins UK Ltd



Denise Bird Newell

Director of People, Culture & Facilities
Clarins UK Ltd



Overview: A reminder

What is the Gender Pay Gap?

- Gender pay shows the difference in average pay between all men and women within a company
 - it's a collective comparison.
- Equal pay compares the pay of a man and a woman who hold the same roles within a company
 - it's an individual comparison.

What causes the Gender Pay Gap?

The causes of the gender pay gap are complex, but one of the main reasons in our society is that men are still more likely to be in high paying senior roles. Women are more likely to be in occupations that offer less financial reward and in lower paying sectors of our economy. They are also more likely than men to be employed in part-time roles, which are often lower paid. Women are more likely to take career breaks to raise a family in comparison to men and to return in part-time roles.


In Clarins UK Ltd we have a very low ratio of men to women and men tend to be employed in professional services such as IT and Finance.

What is reported?

An employer must publish six calculations showing their:

1. Average gender pay gap as a mean average
2. Average gender pay gap as a median average
3. Average bonus gender pay gap as a mean average
4. Average bonus gender pay gap as a median average
5. Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment
6. Proportion of males and females when divided into four groups ordered from lowest to highest pay

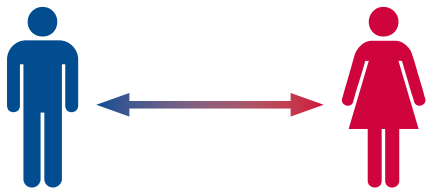


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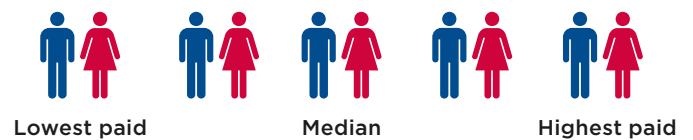
Mean Pay Gap

The mean pay gap is the difference in the average earnings between all women and men.



Median Pay Gap

The median pay gap is the mid-point between high and low earnings between all women and men.

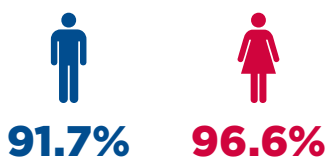


Our results

We have compared both the mean (average) and median (mid-point) in the hourly rate we paid to men and women on 5 April 2023. Below you can see both our mean and median gender pay and bonus gaps and the progress made when comparing with 2022 results. Our results will be discussed further in the **Understanding the Gap for Clarins (UK) Ltd** section.

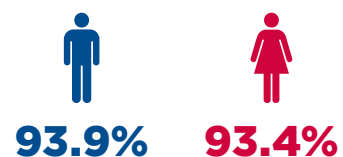
2022 results

Median Gender Pay Gap	Mean Gender Pay Gap
47.9%	29.9%
Median Gender Bonus Pay Gap	Mean Gender Bonus Pay Gap
57.8%	44.2%
Proportion of men and women receiving bonus	



2023 results

Median Gender Pay Gap	Mean Gender Pay Gap
53.3%	33.6%
Median Gender Bonus Pay Gap	Mean Gender Bonus Pay Gap
60.5%	41%
Proportion of men and women receiving bonus	



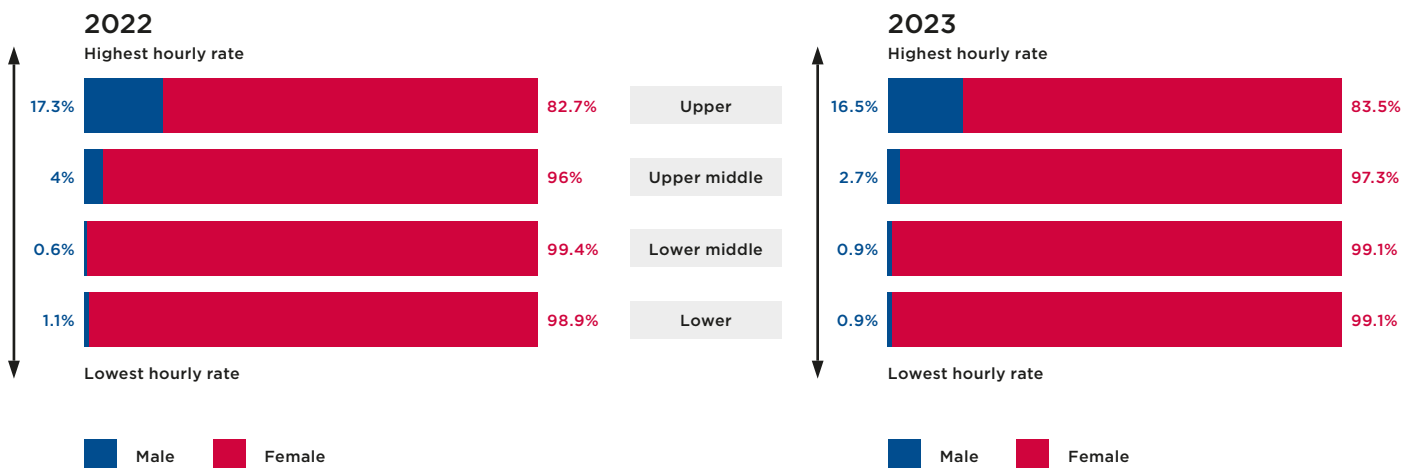
What's included in Bonus Pay

Our bonus pay includes sales commission and incentive payments, Christmas and performance bonus payments, Long Service Awards and Merit Awards.



Pay quartiles

The pay quartiles shown in the diagram below are calculated by listing the rates of pay for every employee from lowest to highest, before splitting that list into four equal-sized groups and calculating the percentage of males and females in each. Pay quartiles give an indication of women’s representation at different levels of the organisation.



The diagrams show that women make up the majority of the population in all quartiles. This has not changed since last year. Any changes in the male population have a significant impact due to the low number of men within the organisation and in each of the quartiles.

There were 30% more full pay relevant employees in this reporting period than the previous year due to reduced levels of absence.



Understanding the Gap for Clarins (UK) Ltd

Our gender pay gap results show that there is an increase in the mean pay gap from 29.9% to 33.6% and median gap of 47.9% to 53.3%. The median bonus gap has increased from 57.8% to 60.5% and the mean gap has reduced from 44.2% to 41%.

If we were to include our Distribution business as it has its own company status and does not meet the criteria for gender pay reporting in our total company reporting, our mean pay gap would reduce to 20.4% and the median pay gap would reduce to 33.4%. The median bonus gap would reduce to 44.3% and mean bonus gap would reduce to 18.7%. This indicates that our total UK business has greater equality between the pay for men and women when there is greater male representation in the lower quartiles to make comparisons with.

Some of the factors that influence our results are detailed below.

2023 saw further changes to the shape of our business. We experienced further store closures of our key trading partners, which led to redundancies and the retail landscape experienced higher turnover due to the economic position, where the war for talent has seen movement in pursuit of better pay and benefits to meet the rising cost of living. As a result, our employee population reduced by 3% overall.

The fashion and beauty industry continues to be over-represented by women in line with its consumer profile. As a beauty company our employee profile mirrors the industry, with the majority of our workforce being employed as Beauty Coaches and Beauty Therapists in the retail environment.

Career bands 2022	M	F	Career bands 2023	M	F
Leadership Team	0%	100%	Leadership Team	0%	100%
Senior Management	36%	64%	Senior Management	39%	61%
Middle Management	9%	91%	Middle Management	9%	91%
Junior Management	6%	94%	Junior Management	6%	94%
Technical, Clerical & Retail Operations	1%	99%	Technical, Clerical & Retail Operations	1%	99%



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We continue to have more women than men in our retail roles, which offers greater flexibility of shift patterns and hours and attracts more part-time workers. It continues to be the case that the men that hold these positions within retail are more likely to be in management roles in Flagship stores and have a greater longevity of service. Retail roles also tend to have lower market pay rates than office-based roles where we have more men employed in specialist and technical roles such as IT and Finance.

Sales-related bonus and reward payments are influenced by the number of hours worked. The majority of part-time roles are held by women. This year we reduced the frequency that we paid out sales performance reward for our sales teams and this meant there was a reduction in the number of payments in the snapshot period. If this had of been included it would have reduced the mean bonus gap to 38% and the median to 56.6%, which would have shown an improvement on the previous year.

In our Leadership Team roles there continues to be no gender pay gap as the population has remained 100% female within the reporting period.

We are confident that men and women are paid equally for equivalent roles as we have robust processes in place to uphold this. We use job evaluation methodology to compare jobs across the organisation to ensure relative alignment and external benchmarking to standardise our approach to job grading and reward. Our pay ranges differ for job family as well as grade to allow us to benchmark effectively and ensure competitiveness with the external market.



Closing the gap

Action plan

We continue to look for ways to close the gender pay gap with focus on our recruitment, reward, family friendly policies and agile working practices. We also continue to strive to find ways to increase diversity and attract more men into the retail beauty industry so that there is a better balance of male and female representation. The marketing campaigns for our male grooming products aim to raise awareness of our men's range and our Brand, and in turn encourage more males to consider a career with Clarins in the underrepresented areas such as retail. In addition, we are also looking for ways to increase female representation in the male dominated areas such as IT and Finance.

We are continuing to take action to help reduce and close the gender pay gap by:

- Increasing transparency in pay and reward that is benchmarked both internally and externally, especially during recruitment and career progression
- Proactively monitoring and identifying any gaps or equal pay issues by comparing salaries of men and women, by job level, and by function across the business, especially during performance and salary reviews and recruiting
- Harmonising benefits and monitoring our reward schemes and agile working practices across our business entities
- By providing recognition, rewards and benefits that are of value to employees to aid retention and promote behaviours that deliver excellent customer service
- Working with our global and local Diversity, Equity & Inclusion Forums, and employee network groups e.g. working parents, menopause and me and pride to listen and encourage an inclusive culture
- By adopting practices and education programmes that promote equity in employment and career prospects for our people
- Actively look for opportunities to improve diversity during recruitment and selection, through targeted advertisements and job boards that encourage diverse applicant pools and strengthen our people brand



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