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Gender Pay Gap Report 2022/2023

Sally Salon Services Itd (UK Business Entity of Sally Europe)



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Contents

REPORT 2022/23



05 **Our Findings**



What is the **Gender Pay Gap?**

06

Supporting our People



Introduction

Everyone is welcome here

At Sally Europe, cultivating a diverse and inclusive environment is a core part of our values. We remain committed to gender equity and providing all our people with a great place to work, where you can be yourself and there are opportunities to develop both personally and professionally.

This report covers the gender binary, men and women, and their pay gap in detail. Whilst this report will be expressed in binary gender terms, we wish to be clear that everyone is welcome here. One of our commitments is to build a truly diverse and inclusive company, where working here should be a level playing field, for everyone, regardless of sex, gender, age, race, class, nationality, religion, disability, sexuality or any perceived difference. Our aim is always to celebrate diversity, to be gender neutral and for everyone to experience a genuine sense of belonging. Our Gender Pay Report undertakes to measure and reflect our UK company-wide pay in terms of male and female. Whilst we have decreased our gap over the year, there is still a pay gap between men and women in Sally Salon Services Ltd, which we will explore in this report and infographics. Only by understanding what creates the female pay gap will there ever be a chance to close it.

REPORT 2022/23

At Sally Salon Services Ltd, and across our Sally Europe family, we are made up of a vibrant and diverse group of people across the gender spectrum. We add colour to the world through our people.

What's the Gender Pay Gap

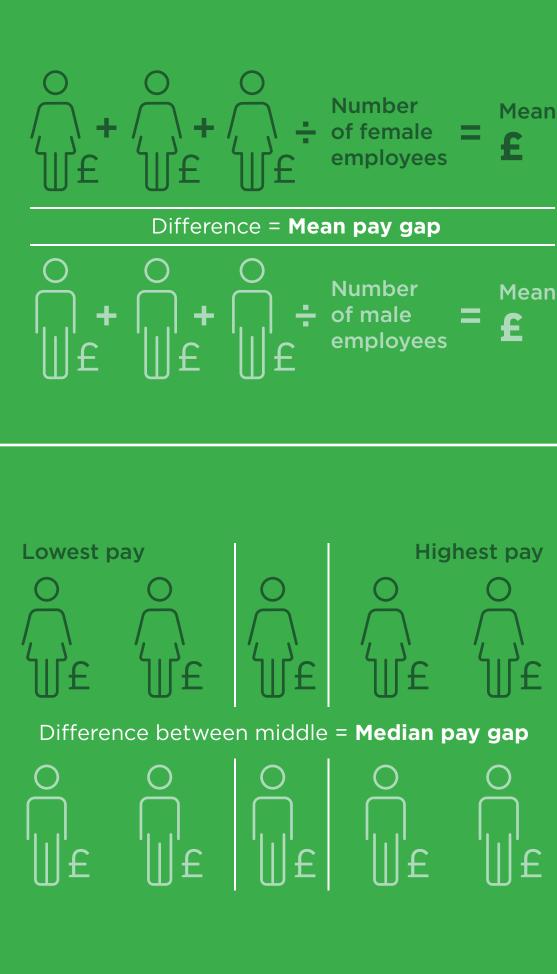
As part of the Government's commitment to tackle gender inequality, the gender pay gap report was introduced in 2017 for businesses with over 250 employees. It's a different concept from equal pay and the two should not be confused. Equal pay requires that women and men carrying out the same or similar work in the same employment must receive the same pay. Sally Salon Services Ltd is an equal-pay employer.

The Gender Pay Gap measures **the difference** between the average earnings of women and men across the business, regardless of the work they do. This is expressed through reporting the differences in mean and median earnings calculated on the basis of equivalent hourly rates.

The gender bonus gap is the difference in all incentive pay received by men and women in the previous 12 months. This includes all bonuses, long-term incentives and sales commission payments.

Our UK entity – Sally Salon Services Ltd – is required to measure and report annually our gender pay gap for male and female employees across England, Northern Ireland, Scotland and Wales. The results are based on the pay data on the 5th of April each year to allow us to make annual comparisons. This report captures the data on April 5th 2023.

REPORT 2022/23



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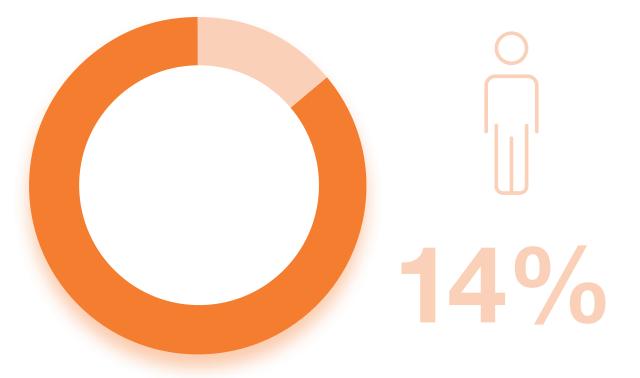
Our Findings

Similar to previous years, our analysis shows that our Gender Pay Gap is largely driven by our workforce profile. Working within the Beauty and retail sector and given the profile of our customers, our employee base is predominantly female (86% of the UK workforce). Moreover, females account for 95% of our workforce in our Retail stores, where pay rates, while market competitive, tend to be lower than for office-based roles. As a result, we see our gender pay gap figures appear unfairly skewed towards males and our lowest-paid quartile largely consists of females. Fundamentally, the drivers of our gender pay gap reflect challenges common across the beauty industry

Gender Pay Gap

Percentage split men v women





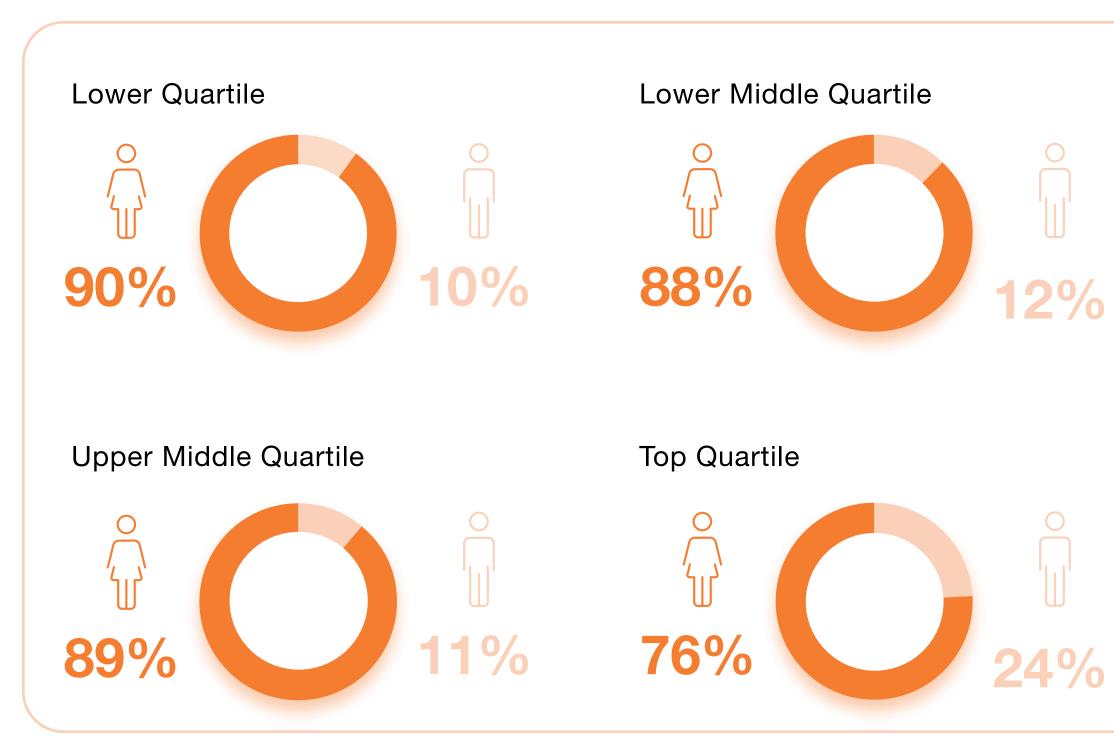
The mean average of pay men to women was

20.4%

The median average was

5.9%

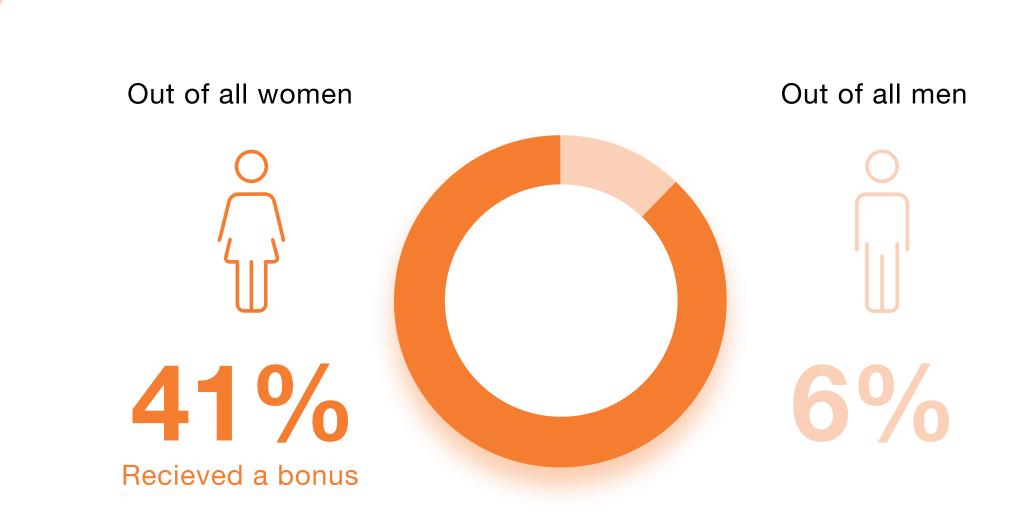
We are nonetheless very proud of the high representation of females throughout our organisation, including at Senior Management and above. More women now occupy our highest paying quartile than before. However, as a business with high female representation we have also seen an increase in women across all our quartiles, which affects our median gender pay gap. We are pleased to report a continued reduction in mean pay gap year on year.



Pay Quartiles

Gender Bonus Pay Gap

Looking at the bonus pay within the business, we have found:



63% of our Retail roles are occupied by employees working part-time. Parttime positions disproportionately attract females, who are more likely to seek flexibility and/or work-life balance. Although our mean bonus gap has decreased due to more women being hired or promoted into higher earning positions with higher bonuses, the gap is still high. The volume of part-time female employees inevitably has an impact on our bonus gap results due to prorated levels of sales bonuses and commission.

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Supporting Our People

At Sally Europe, we will continue to work towards our purpose; to inspire a more colourful, confident and welcoming world. We recognise that while we have areas to celebrate we are committed to taking care of our people and working on closing the gender gap.

Our employees are the heart of our business. Here are just a few of the ways that we are improving our workplace culture:



Wellbeing programme

We continue with our partnership with Retail Trust and have enhanced our Employee Assistant Programme to includes several tools to support our employees' financial, physical and mental wellbeing. We have also invested in introducing new guidance around mental health and menopause to drive inclusivity.

Development of talent

We have made a significant investment in a new digital learning platform for both Retail and Corporate employees and we continue our partnership with Opensesame. We have launched several digital learning programmes providing opportunities for our employees to develop their skills and capabilities across Leadership, Inclusion and functional expertise.

Diversity, Inclusion & Belonging Strategy

We are continuously working to implement our Global Strategy, which includes driving communication and education to help our colleagues enhance their knowledge and understanding of one another. We have also provided Inclusive Leadership Training to our people managers giving them the tools to celebrate the diversity of thought and perspective within our teams.



Employee Led Networks

In order to adequately address disparities in the workplace, we recognise that we must actively seek out the voices and perspectives of people who have typically been underrepresented in the wider world of work. In 2023, we introduced our Sally Europe LGBTQIA+ network to harness ideas and leverage our differences.

At Sally, we will always make every effort to improve our gender pay gap and we have taken positive actions that we feel will reflect in our employees' futures, drive equality and increase wellbeing. We are seeing the Gender Pay Gap decreasing year on year and we are constantly looking for ways to attract and nurture the widest possible talent pool. We will take every opportunity to drive equality and we aim to narrow our gender pay gap further wherever we can.

We confirm that our data is accurate and has been calculated in accordance with the statutory requirements as required under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2021.

Olivier Badezet - Managing Director - Sally Europe



