

MOLTON BROWN

Gender Pay Gap
2024



Mark Johnson

President
Molton Brown, Global

A Message From Our President

“Diversity, equality and inclusion are at the centre of our organisation. We believe that our Gender Pay Gap analysis should play an integral role in driving meaningful conversations around these values.”

I am particularly encouraged that within Head Office, 67% of our management roles are held by women. A further positive is that we consistently maintain a higher percentage – 80% – of women in our store management positions. Even so, we know this analysis shows gaps larger than acceptable in some areas of our business. That’s why it’s our responsibility to proactively understand the reasons behind these gaps and find a strategy to lessen them wherever we can. Over the past seven years, we have made great progress in reducing our mean gender pay gap from 44% to below 24%, and are determined to continue this journey. While

statistics are key, it’s vital to remember that they can be misleading without context. What’s meaningful is how we use this analysis to drive real awareness within our business, and that we remind ourselves to ask the right questions and constantly challenge our thinking and ambitions. We do this together, by listening and acting on feedback from our employees and DE&I communities to create an inclusive culture that nurtures open conversations and strives to remove barriers. A culture that, above all, supports each and every team member at Molton Brown so they can reach their full potential and feel they truly belong in our workplace.

Molton Brown Gender Pay Gap 2024

We are proud to employ diverse teams and we aim to attract the most talented people regardless of gender, background and nationality – we strongly believe in upholding this equality through fair pay.

Integrity and fair-mindedness are at the heart of our brand and a strong part of our parent company, Kao Corporation, which has been honoured as one of the World's Most Ethical Companies for 19 consecutive years.

From in-store to Manufacturing, International and Head Office departments, our statistics are drawn from our organisation as a whole.

At first glance, our published figures suggest the average man has a higher hourly pay rate than the average female. This does not mirror the true culture of our business. As a luxury beauty retailer, our store staff continue to be

overwhelmingly female, comprising 80% of our workforce, while our Head Office teams (whose pay is typically higher) are more evenly divided between men and women. This causes significant disparity across our results, where the imbalance cannot be taken into consideration when drawing gender gap statistics.

We are committed to driving initiatives to address issues that disproportionately affect women in the workplace, and implement solutions that positively impact Gender Balance, even if not directly related to compensation.”

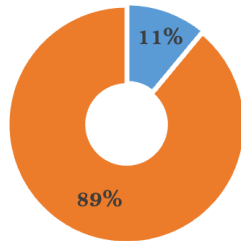
Nevertheless, it is important for us to maintain a culture that inspires innovation and diversity at every level within our organisation and amongst our leaders for the future.

Gender Pay Gap

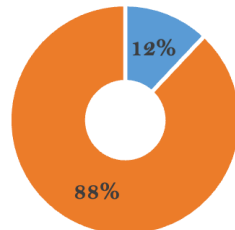
WOMEN IN LEADERSHIP

67% of our head office management roles including Vice Presidents, Directors, Associate Directors, Senior Managers and Managers are held by women. This is even higher in stores with 80% of management roles being filled by women.

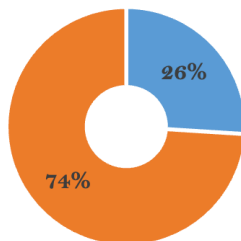
● WOMEN ● MEN



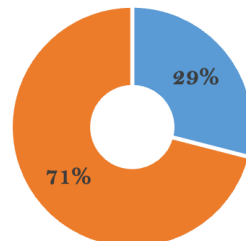
Lower Quartile



Lower Mid Quartile



Upper Mid Quartile



Upper Quartile

Hourly Rate Mean Gap

23.43%
(which is a decrease of 0.6% compared to prior year)

Hourly Rate Median Gap

22.08%
(this is a decrease of 1.39% compared to prior year)

Full Pay Relevant

Male

19%

Female

81%

Bonus Mean Gap

23.92%
(which is a decrease of 4.77% compared to prior year)

Bonus Median Gap

17.10%
(which is an increase of 15% compared to prior year but still well below 2022)

Bonus Received

Male

90%

Female

94%

THE MEAN: The average of all of the values
THE MEDIAN: The mid-point of a set of values listed in numerical order

Pay Equity

In partnership with Willis Towers Watson, we conducted a review of pay across all our Business Divisions for 2024. Our goal was to address key questions such as, do we have any employee groups or individuals within our organisation where a pattern of pay disparity exists between male and female employees? If so, are there objective reasons which explain this discrepancy?

We are pleased to report very positive results for 2024 – our pay gap from a pay equity perspective is currently at 2.5%. This places us below the 5% threshold, beyond which further review and analysis would be necessary. As a predominantly female organisation, we take pride in offering equal pay for equal roles.

Pay equity analysis focuses solely on pay gaps for equivalent jobs, which differs significantly from gender pay gap analysis. While both analyses use different definitions, criteria, and measures, they complement each other to provide comprehensive pay data insights. Unlike pay equity, gender pay gap analysis measures the difference between the lowest and highest pay at the median point without considering role equivalency.

We remain committed to ongoing pay analysis, monitoring both the gender pay gap and pay equity, to maintain our reputation as a forward-thinking business and responsible employer, while unlocking the potential of our people.

Our Commitment

As a brand, we promote a positive and authentic dedication to diversity and inclusion within all our teams. To strengthen our commitment even further, we promise the following:

- To continue recruiting the very best candidates for the role, irrespective of gender, background or any other criteria besides skills and experience. All roles are posted internally to ensure that we do not miss opportunities for our internal talent to grow. We always review our talent and progression plans to ensure that women are in an equally strong position as men to advance in their careers and reach their full potential. We strive to have quality conversations on a manager, employee and leadership level. We inspire with our Kao Academy and mentoring programme, where successful role models in our organisation nurture our leaders of tomorrow
- To increase self-awareness and educate our managers, ensuring we cultivate a diverse workforce throughout our business. We have established a recruitment guide for all hiring managers that raises awareness of unconscious bias in the recruitment cycle and we continue to

educate our line managers and leaders on unconscious bias and key DE&I topics

- To support our Diversity, Equity & Inclusion Communities which drive the company's commitment to diversity and inclusion into more concrete action plans supported by a steering board made up of senior leaders within our business
- To take deliberate steps to continue reducing our gender pay gap year on year and keeping equity within our business. We also commit to pay a minimum rate of pay that meets every day needs and we are very proud to continue to be an accredited Real Living Wage employer in 2024. In 2023 we also extended our bonus scheme so that all employees in the business now benefit from some form of variable bonus. We have again made significant strides in 2024 in further enhancing our Parental Policies introducing a gender neutral Fertility Policy and Pregnancy Loss Policy with paid leave. We have also introduced initiatives to support parents returning to work after a period of parental leave.
- We are committed to expanding support for female employees, working on issuing a Menopause Policy, starting Gender

Allyship Training for Leaders and designing an Equitable Opportunities Framework for employees' promotion and development.

- We will take the lead in creating an environment where employees can work flexibly if their job permits and business needs can be met
- Employees are our greatest asset and we aim to provide as much security with our benefits offering. All employees have a health allowance, life assurance and income protection. They also have access to an assistance programme that provides confidential support for challenges in all areas of their lives. We provide all our workforce with an opportunity for enhanced pension contributions above minimum auto enrolment regulations or an alternative employer-funded investment savings account
- As one of the world's most ethical employers for 19 consecutive years, we endeavour to 'walk the right path' and operate ethically, with integrity and respect for each other in our actions. We place employees and the Kao Way at the heart of our decision-making.