

2021-22

Gender Pay Gap Report









Introduction

As a society, we are constantly evolving and adapting to changes in the world around us. The COVID-19 pandemic, in particular, has forced many businesses to re-evaluate their working practices and policies. This has highlighted the inequalities that exist in our workplaces, particularly for working women and parents.



At Hallo Healthcare Group, we recognise the importance of creating a diverse and inclusive workplace where everyone has the opportunity to advance and succeed. We believe that this is not only the right thing to do, but it also makes good business sense. By embracing diversity and promoting inclusivity, we can tap into a wider range of skills, perspectives and experiences, which can help us to better serve our customers and patients.

To this end, we have implemented a range of policies and initiatives designed to promote equality and diversity in the workplace. This includes family-friendly policies, flexible working arrangements and training and development programs to support career progression. We believe that these initiatives are essential to creating a workplace where everyone can thrive, regardless of their background or circumstances.

Whilst we have made progress in promoting equality and diversity in the workplace, our 2022 gender pay gap report shows that there is still work to be done. We acknowledge that our pay gap has increased and that this is due to several factors. To help combat this we are promoting more females from junior roles into senior leadership positions. The COVID-19 pandemic has also had a disproportionate impact on female employees due to the gendered division of family responsibilities.

As an organisation, we are committed to addressing these issues and reducing our gender pay gap. We will continue to monitor and report on our progress in this area, and we welcome feedback from our employees, customers and stakeholders on how we can improve.

Thank you

Jacqui Dodson
HR Director - AAH & Central Functions

Breaking down our reporting

The 2022 Hallo Healthcare Group Gender Pay Gap Report

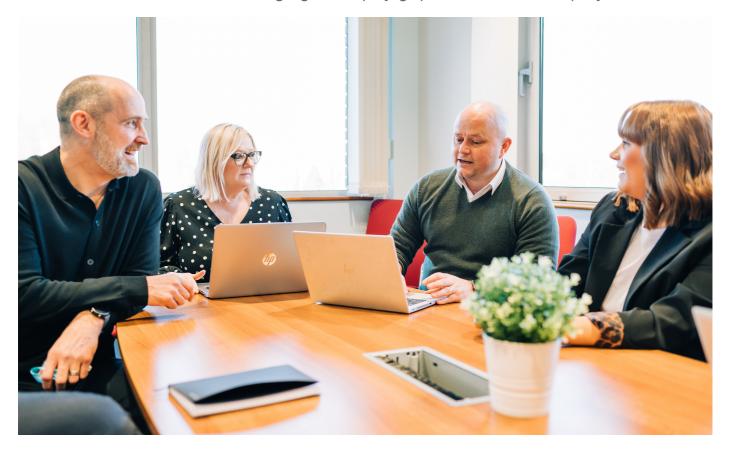
This report provides figures from each of our registered companies that employ over 250 people at the reporting date:

- LloydsPharmacy Limited
- · AAH Pharmaceuticals Limited
- LloydsPharmacy Clinical Homecare Limited
- LloydsDirect

In each section, we have presented the gender pay gap and gender bonus gap for each company, along with the proportion of females in each quartile.

It is important to note that government guidelines on reporting require us to segment the population by men and women, we recognise that this is reductive, and that gender identity is each person's internal and individual experience of gender and that some colleagues may identify differently.

The 2022 median national average gender pay gap is 14.9% for all employees~



Understanding the calculations

Equal pay vs. gender pay gap

It is important to note that 'gender pay' does not mean 'equal pay'.

Equal pay is defined as men and women being paid the same base salary for doing equal work. Equal pay legislation in the UK relates to an employee's role, making it unlawful for an employer to pay individuals differently for performing the same or similar work, or work of equal value.

What is the gender pay gap?

The gender pay gap is the difference between the average hourly pay for men and women across an organisation. This figure is shown as a percentage of men's earnings. In effect, it's a high-level snapshot of the gender pay balance in the organisation. The report is based on the Government's methodology for calculating difference in pay between female and male employees, considering full pay relevant employees.

What is the difference between the mean and median?

The <u>mean</u> pay gap is the difference between the average hourly earnings of men and women at an organisation. To find the mean all the salaries are added up and divided by the number of salaries in the range.

The <u>median</u> pay gap is the difference between the midpoints in the ranges of hourly earnings between men and women at an organisation. To find the Median, the salaries are placed in ascending value order and the middle is found.

What are pay quartiles and how are they calculated?

The quartile pay gap is the proportion of females and males in each quartile pay band, based on the gross hourly rate of pay for each relevant full-paid male or female employee.

They are calculated by dividing all hourly rates paid across the business, from lowest to highest, into four equal sized group of colleagues and calculating the percentage of males and females in each.

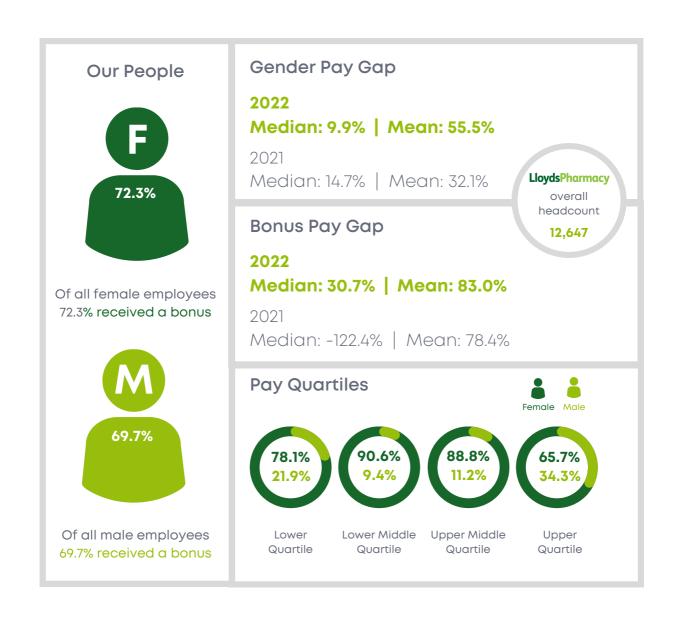
How is the bonus gap calculated?

The mean and median bonus gaps are calculated in the same way as the gender pay gaps. However, the bonus pay gap calculation is based on actual bonus paid paid to colleagues rather than full-time equivalent.

Our results for LloydsPharmacy Ltd



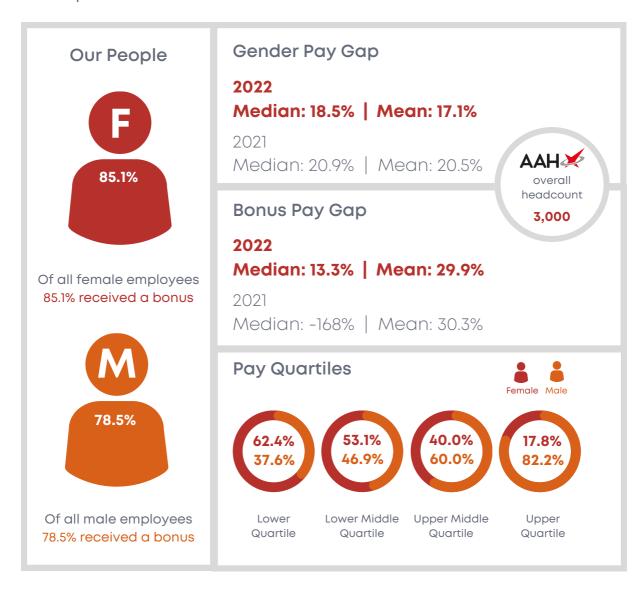
- Less males and females received a bonus in the current period than the previous year.
- There are encouraging signs in the upper 2 quartiles as female representation has increased in both quartiles.
- The number of females in the lower middle quartile has reduced but the number in the lower quartile has increased.



Our results for AAH Pharmaceuticals Ltd



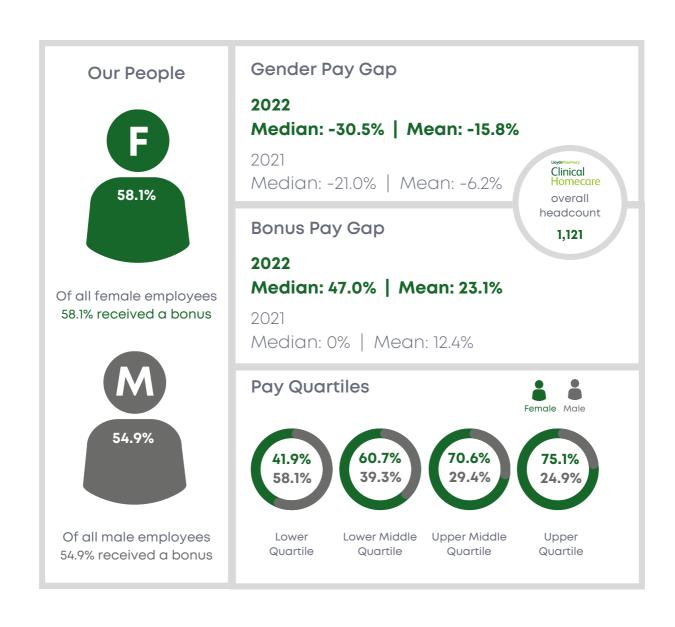
- Although the number of females in the upper quartile has reduced by 4.2%, representation in the upper middle has increased by over 11%.
- The number of women in the lower and lower middle quartiles has also reduced resulting in more male representation.
- More females received a bonus compared to the males in this area of the business, both the mean and median for the bonus was less than male counterparts.



Our results for LloydsPharmacy Clinical Homecare



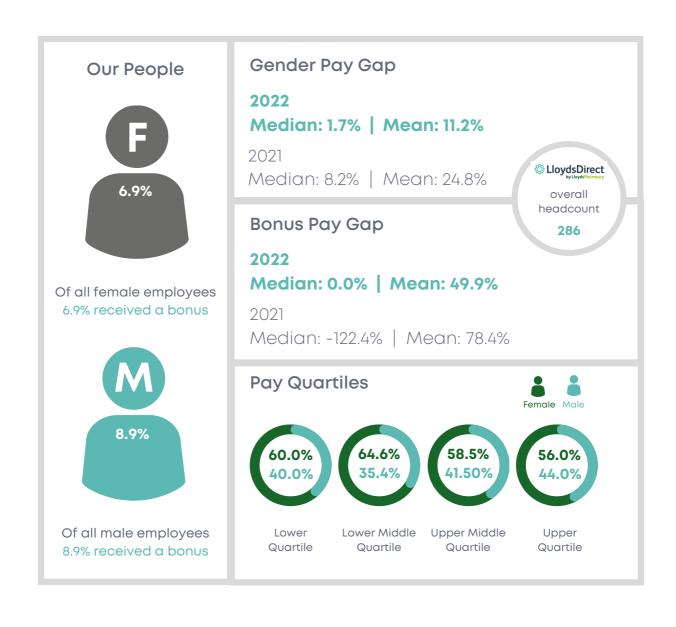
- Recipients of the bonus were very similar in number and the median and mean for the bonus were heavily in favour of females.
- Female representation in all three of the top 3 quartiles has increased.



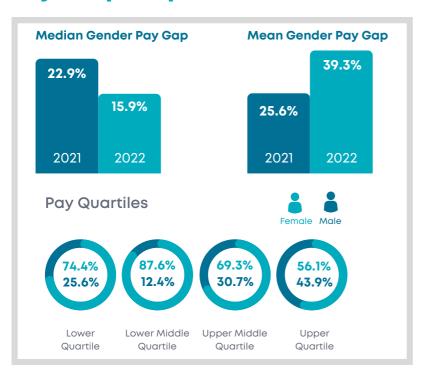
Our results for LloydsDirect



- There was almost an even distribution of recipients of bonus, the median and mean for the bonus was heavily in favour of males.
- · Greater female representation in all of the quartiles.



Pay Gap Report 2022 Summary





Closing the gender pay gap: Next steps

There is no shying away from the fact that the holistic business is 73% female, and whilst we continue to make improvements to our policies, career support and development it is clear we must continue working hard to close the gap.

We have a duty to ensure that people from all backgrounds are treated fairly and have equal opportunities to advance and succeed at work.

With that in mind we have recognised there are three areas where we can add the greatest impact:



Recruitment

- We will continue to challenge where and how we find the best people for our roles
- Making recruitment and promotion processes as objective and transparent as possible will help to reduce unconscious bias



Development

 Identifying and giving opportunities for both personal and career advancement helps us develop both current and future leaders enabling us to support all talent through their careers



Culture

 Creating a truly inclusive culture is critical to the business and the success we want for the future