

**2023/2024**

**Gender Pay Gap Report**

**dermalogica**



## About us

Dermalogica was founded in 1986 by Jane Wurwand and as a skin therapist, Jane created custom skin care solutions that work – not just today, but for life. We offer professional-grade skin care education, products, and services to skin therapists and customers alike.

Dermalogica has grown to be the leading professional skin care brand, used by more than 100,000 skin therapists in more than 100 countries around the world.

Our product line grew out of a desire to provide skin therapists with best-in-class skin care products and education. We provide skills-based training for a global community of skin therapists who have one common goal: to ensure healthy skin for all. Dermalogica is the number one choice of skin care professionals worldwide.

We create highly customised regimens and services for every individual, because we know that no two skin conditions are the same. Our products work best when they are recommended by a professional skin therapist for your unique skin. Whatever your lifestyle, background or environment, rest assured that Dermalogica will work for you.

We believe in the power of human touch, which radiates through our hands, our voice, and our intentions. It's how we connect with people and form a unique, lasting bond.



## What is the Gender Pay Gap?

The gender pay gap is the difference between the average earnings of men and women across a workforce.

Since 2017 employers with a headcount of 250 or more employees on the 'snapshot' date must comply with regulations on gender pay gap reporting.

In many places, sectors and roles, men have earned (and continue to earn) more than women, even when the work is comparable. As well as being unfair, this imbalance serves to perpetuate gender-based stereotypes and discrimination. Reducing the gender pay gap, as well as being the right thing to do, increases productivity within the workforce

In the UK, the gender pay gap has narrowed considerably in the last decade, since the introduction of the Equality Act 2010 and further, gender-specific regulations. Indeed, some segments of the population now have women earning more than men. The overall picture, however, is still one in which the average man earns more than the average woman.



## What are we required to report?

- The mean (average) gender pay gap, based on hourly pay.
- The median (middle) gender pay gap, based on hourly pay.
- The percentage of men and women in each earnings quartile.
- The percentage of male and female employees awarded a bonus.
- The mean (average) gender pay gap for bonus pay.
- The median (middle) gender pay gap for bonus pay.



## Mean vs Median

Gender pay gap reporting ask that companies report both Mean and Median gender pay gaps.

### Mean

This shows the difference average hourly pay between male and female employee. Taking the average male hourly pay and comparing this to the average female hourly pay. This comparison does not take into account employees role or experience.

### Median

Imagine if we asked all of our male colleagues to stand in a line in order of their pay from highest hourly pay to lowest hourly pay and then asked our female colleagues to do the same. The median gender pay gap is taken from identifying the middle colleague in both male and female lines and looking at the difference in their hourly pay.



## Dermalogica's Report

The following data sets out Dermalogica's gender pay gap position for the 2023/2024 reporting year, based on a snapshot date of 5 April 2023.

# TOTAL EMPLOYEES



On the snapshot date, 5<sup>th</sup> April 2023 Dermalogica's employee count was a total of 282, of which 237 were women and 45 were men (84% and 16%, respectively).

# PAY GAP



The mean pay gap was 35.26% which means the average female employee earned 35% less than the average male employee.

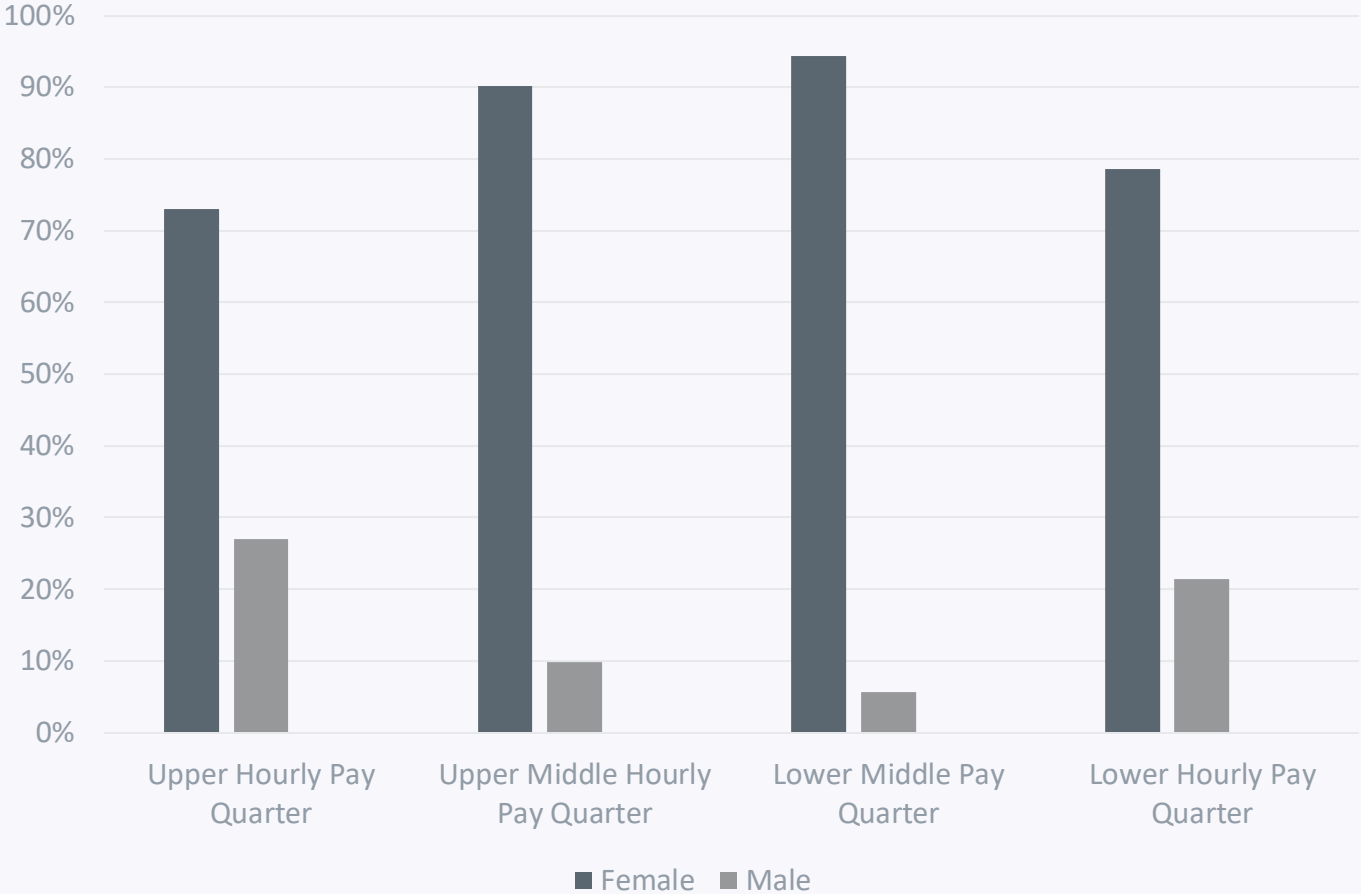
The median pay gap was 9.6% meaning the middle-earning female employee earns 9.6% less when compared to the middle-earning male employee. In summary female employees earn 10p less per hour than male employees.

	2017	2018	2019	2020	2021	2022
Median	-10.2%	-15.6%	-13.7%	4.5%	3.4%	7.9%
Mean	10.5%	2.2%	19%	41.8%	32.1%	30.2%

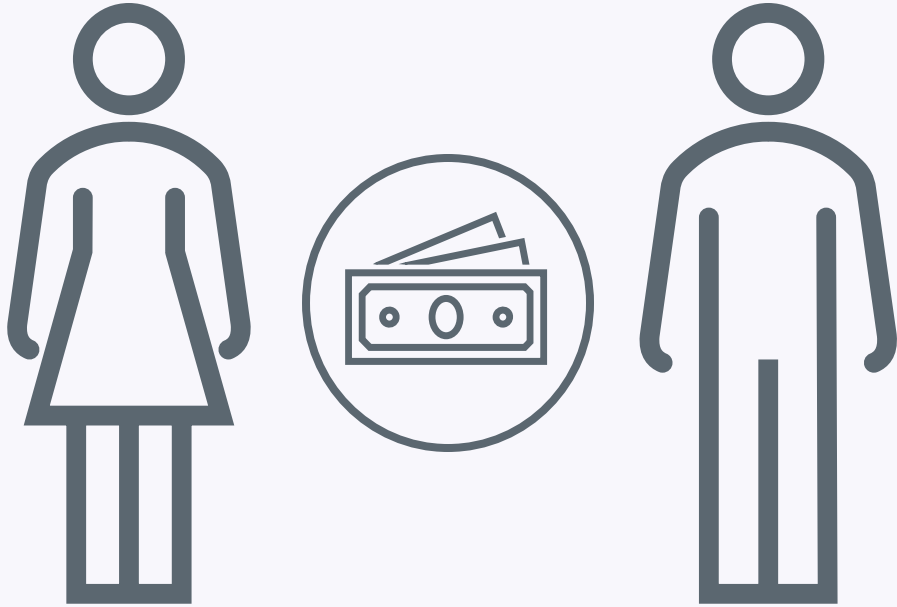


# PROPORTION OF MEN AND WOMEN BY PAY QUARTILES

When we divide employees into pay quartiles, the gender spilt is as follows:



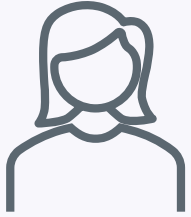
# PROPORTION OF MEN AND WOMEN WHO RECEIVED A BONUS



At the time of the snapshot 59% of employees received an annual bonus in the previous 12 months. Broken down by gender, 52% of female staff and 95% of male staff had received a bonus. It is important to note that any employee not on the annual bonus scheme is on a commission or incentive scheme.

The median bonus paid to a female employee was 16.54% lower than a male employee. The mean female bonus was 50.7% lower than a male employee's bonus.

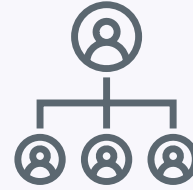
# 2023 STATISTICS



23 female employees promoted in 2023



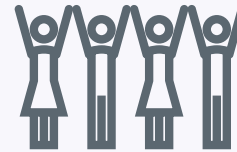
In 2023 92% of our new starters were female, 8% were male



At the end of 2023 69 female & 10 male employees were in a manager role



We introduced a new menopause policy, which includes 3 days paid off per annum



In Q4 our internal mobility rate for female employees was 5.4% & 2% for male employees

# CONTEXT & ANALYSIS

## PERFORMANCE OVER TIME

Compared to last year (reporting snapshot date 5<sup>th</sup> April 2022) our median pay has increased slightly by 1.7%.

Our mean pay gap has also increased from 30.2% last year, to 35.26% this year.

During the last few years, we have made a few changes on how we operate as a business. Our warehouse team are no longer part of the annual bonus scheme but we have enrolled them on a new incentive scheme which is spread across the 4 quarters of the year. We also experience high numbers of maternity leave each year due to being a female dominated business

These changes have resulted a decrease in our median bonus pay by 12.3% but we have a slight increase in our mean bonus pay by 6.44%.

Within the next 12 months we have set an ambitious target to reduce our mean pay gap by 3%. We have introduced an internal training program to enable our employees to step into leadership positions and we want to ensure that all women are taking advantage of this learning opportunity. We have set another ambitious target that at least 20% of women who complete our internal training program will have the ability to step into a leadership position when available.

## BENCHMARKS

To support trying to understand our gender pay position, it is helpful to compare our results to those within our sector and the nation as a whole where possible.

According to the Office for National Statistics (ONS) the gender pay gap has been declining slowly over time. In April 2023 it stood at 7.7%.

At Dermalogica, we have a female dominated leadership team except for three employees; our General Manager, Head of Warehousing & Logistics and our Head of IT which are currently occupied by men.

Across multiple departments we have both men and women in mid-level manager roles and in recent years we have attracted more male employees to the business. We are a female dominated workforce due to the nature of the sector we operate within but continuously work to improve our diversity through all our recruitment, training and development activities.

# SUMMARY & FOCUS

Our gender pay gap results are in line with the national benchmark and therefore we recognise the need to continually improve our gender pay gap results to outperform the national benchmark.

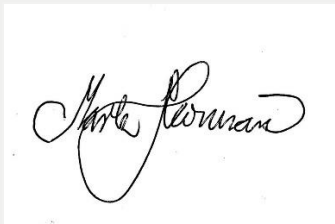
This can be a challenge when senior female employees leave the business and in addition a number of new male senior employees join the business which is what we have seen in recent years.

We continually review our pay and benefits to ensure we remain competitive and to ensure we become an employer of choice within our industry.

We will continue to open within new retail locations across the UK to provide more opportunities for great people to join the Tribe. We also have a huge passion for training and development and will continue invest in our employees to ensure we are supporting internal promotions.

## Declaration

We confirm that the information and data reported is accurate and in line with the UK governments Equality Act 2010 (Gender Pay Information) Regulations 2017

A handwritten signature in black ink, appearing to read 'Mark Hermann', is centered within a white rectangular box with a thin grey border.

Mark Hermann  
**General Manager**

**dermatologica**