



BY APPOINTMENT TO HER MAJESTY THE QUEEN
SUPPLIER OF TOILETRIES MOLTON BROWN LONDON

MOLTON
BROWN
LONDON

GENDER PAY GAP

A MESSAGE FROM OUR PRESIDENT



Mark Johnson
President
Molton Brown, Global

“Molton Brown places significant importance and value around diversity, equality, and inclusion within our organization. We believe that our Gender Pay Gap analysis should play an integral role in driving meaningful and relevant conversation around these values.

“We are encouraged by the fact that within our head office functions, 55% of our management roles are held by women and even further encouraged by the fact that within our store teams 80% of management roles are held by women. However, we are not satisfied that the analysis indicates that we do have gaps that are larger than we consider acceptable in some areas of our business. It is our responsibility to gain understanding and insight into the reasons and drivers behind those gaps.

“It is important to remember that we need to ensure we don’t focus only on the statistics and numbers as they can be very misleading without the context of the data behind them. It is more important that we use the analysis to drive awareness within our business; that we need to be asking the right questions and challenging our thinking and ambitions. We need to be taking actions to ensure we are fostering conversations around any barriers that may exist that are keeping every individual from realizing their maximum potential regardless of gender.”

MOLTON BROWN GENDER PAY GAP 2017

At Molton Brown, we are proud to employ diverse teams and we aim at attracting 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 as well as a strong part of the ethos of our parent company, Kao Corporation, which has been honoured as one of the World's Most Ethical Companies for 12 consecutive years.

From store staff to manufacturing, international to head office departments, our statistics are drawn from our organisation as a whole. Whilst on first glance, our

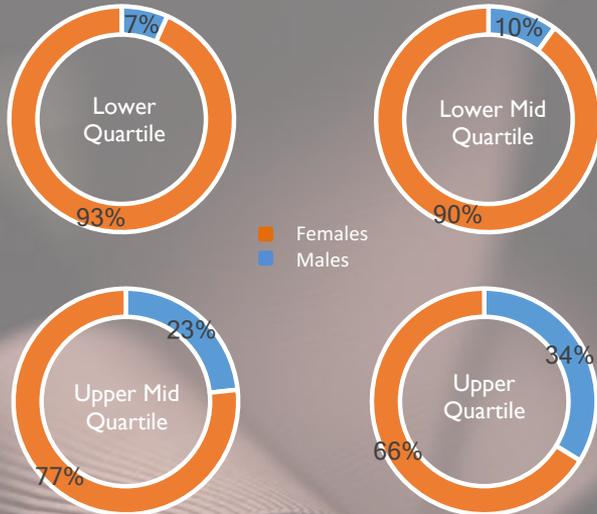
published figures suggest the average man has a higher hourly rate of pay than the average female, this does not mirror the true culture of our business. As a luxury beauty retailer, our store staff are overwhelmingly female – making up 90% of our workforce whilst our head office teams (whose pay is typically higher) are more evenly divided between men and women. This causes significant disparity across our results where the imbalance can not be taken into consideration when drawing gender gap statistics.

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

GENDER PAY GAP

WOMEN IN LEADERSHIP

55% 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 over 80% of management roles being filled by women.



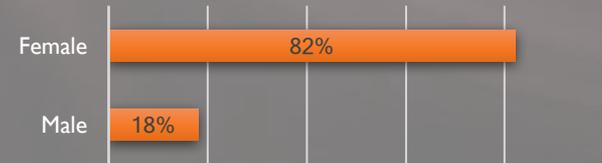
Hourly Rate Mean Gap

42%

Hourly Rate Median Gap

34%

Full Pay Relevant Employees



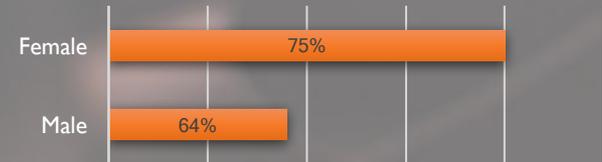
Bonus Median Gap

62%

Bonus Mean Gap

50%

Bonus Received



THE MEAN: The average of all of the values

THE MEDIAN: The mid point of a set of values listed in numerical order



Carrie Harris
Director, Human Capital
Development UK & Ireland

OUR COMMITMENT

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

- Carry on recruiting the very best candidate for the role, both internally and externally ensuring all vacancies are posted on our intranet in accordance with our internal talent acquisition policy
- Always review our talent and progression plans to ensure women are in an equally strong position as men to advance in their careers and reach their full potential
- Remain committed to our Equal Opportunities policy
- Maintain performance-based pay and increases based on individual merit and salary positioning to our internal compensation structures where Human Resources will continue to ensure we are upholding equitable pay
- Ensure that doors are open for a greater balance of women and men throughout all of our teams – we will work alongside leaders to review their areas of responsibility and build action plans with this in mind
- More actively support flexible working to encourage a healthy work-life balance