

UK gender pay reporting for the period ending 5 April 2021

Smith+Nephew reported our gender pay gap covering all UK employees for the twelve-month period ending 5 April 2021 within our annual report published on 7 March 2022. We have also submitted our data to the UK government portal.

We have seen improvements in our mean pay gap, which has decreased from 22% in 2020 to 20% in 2021, whilst the median gap has increased from 16% in 2020 to 17% in 2021. Today, our overall gender pay gap is greater than we would like. Overall, we saw an increase of female representation in senior roles and a higher average pay of females as a result of hiring and promoting females across all bands. Our main area of focus continues to be women in senior and technical roles.

While we have seen some further improvements in our bonus average (fallen to 43% from 45% and bonus median (fallen from 18% to 8%) pay gaps from 2020 we are committed to continue to strive to close the gap.

It is important to note that the gender pay gap measures average pay rates of men and women across our UK employees, not the difference in pay between male and females doing the same job or work of equal value. Our internal pay ranges, pay practices and bonus structures are gender neutral and our performance management reviews are undertaken based on objective criteria. Additionally, we include People Leader education on mitigating biases across our talent and performance management processes.

Smith+Nephew has a number of initiatives underway to improve the gender pay ratio in line with our overall commitment to retain, develop and attract diverse talent. These include:

- **Proactively monitoring and promoting our female talent** through succession plans and a robust talent review process.
- **In Talent Acquisition**, we continued to focus on having diverse candidate slates as well as striving to have diverse recruitment panels, wherever possible. In 2021, we also initiated a global training programme, aimed at all hiring managers to reduce bias in the interview process. There will be 20 training events in total, hosted in multiple languages.
- **Educating the HR community** on the use of our existing global career framework and compensation structure to ensure that we are providing a reward system built upon objective criteria.
- **Celebrated International Women's Day (IWD)** globally to raise the profile of our female talent through several events and activities including live multi-site streamed panel discussions, lunch and learn webinars, guest speakers and focus groups.
- **Continued focus on our Sponsorship programme** whereby our Executive committee are sponsoring two female top talent in their organisations providing a unique development opportunity to build our female talent pipeline.

- **Formally launched Employee Inclusion Groups** around the globe, along with the right governance, framework, and dedicated sponsorship. We will drive greater inclusion by educating, supporting, enabling and celebrating the gender diversity of our employees via our four Women's Network EIGs, e.g., Society of Women in Engineering (SWE), HerIzon Women's Inspired Network, Gender Alliance for Inclusion (G.A.I.N), and Women Inclusion Network (WIN). Sessions hosted by our EIG's cover various topics, for example career pathways, personal branding etc, delivered by sharing insights and personal stories.
- **Developing our female leaders through programmes** such as "Elevate", with the most recent intake seeing 100 female professionals putting themselves forward for the programme which will run for 12 months. Elevate continues to be highly successful.