

Hollister ULC Gender Pay Gap Report 2023



Introduction

Hollister Incorporated is an independent, employee-owned company that develops, manufactures, and markets healthcare products worldwide. The company develops and manufactures products for ostomy care, continence care and critical care, and also develops educational support materials for patients and healthcare professionals. Hollister has been serving healthcare professionals and patients for more than 100 years – making a difference in the journey of life for people throughout the global community.

Hollister opened its Ballina, Ireland manufacturing facility in 1976 on a 40-acre campus in County Mayo, as a private unlimited company, trading as Hollister ULC. The Ballina facility manufactures products for global distribution that support our Ostomy Care and Continence Care product lines. Over the years, we have expanded our operations beyond manufacturing to include Research & Development, Global Engineering, Supply Chain Management and Finance Shared Services. We also have a Sales Team based in Dublin supporting the Irish market. Today, we employ over 1,000 dedicated associates in Ireland with the majority based at our Ballina facility.

Hollister ULC is now delighted to present our Gender Pay Gap Report 2023, which is our second report being published in accordance with the Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) Regulations 2022.

At Hollister, we believe it is imperative that policies are adopted to sustain and empower the inclusion of all, regardless of age, sex, gender identity, ability, race, ethnicity, origin, religion, or economic or other status. We have taken a proactive approach to ensure Inclusion & Diversity (I&D) throughout the organization and have set up a Global I&D Committee to drive I&D initiatives within the business. Since January 2021, Hollister has made significant progress to improve representation with regard to gender, age, and training/employment opportunities across the organization.

In our 2022 Global Associate Engagement Survey, 71% of Ballina associates agree that Hollister values diversity and 75% agree that the work environment is accepting of diverse backgrounds and ways of thinking. Globally, Hollister is proud to be an Equal Employment Opportunity Commission (EEOC) employer, a distinction that we take very seriously. The most significant changes, however, relate to the gender balance across the company's director level and above. In 2020, the percentage of female directors within the business stood at 35% and in 2023, this figure had increased to 39% globally. Locally in Ballina, we continue to strive towards a similar balance.

Overview of Gender Pay Gap Analysis

The Gender Pay Gap shows the difference in the average hourly rate of pay between women and men in an organisation, expressed as a percentage of the average of the male earnings. The Gender Pay Gap can be driven by a number of factors, including a lack of women in senior leadership roles and an over-representation of women in lower paid and part-time positions.

It is important to note that a Gender Pay Gap is different to the issue of equal pay, which is the legal requirement under the Employment Equality Acts to pay men and women the same for equal work.

As at the snapshot date of June 30, 2023, Hollister employed 1,153 associates in Ireland with 463 females and 690 males. We have analysed the workforce using two categories as follows:

- Staff
- Hourly

Staff comprises of professional and senior professional associates, including senior people leaders, who work in functions including Operations, Engineering, Research and Development (R&D), Quality, Sales, Finance, Information Technology (IT) and Human Resources (HR).

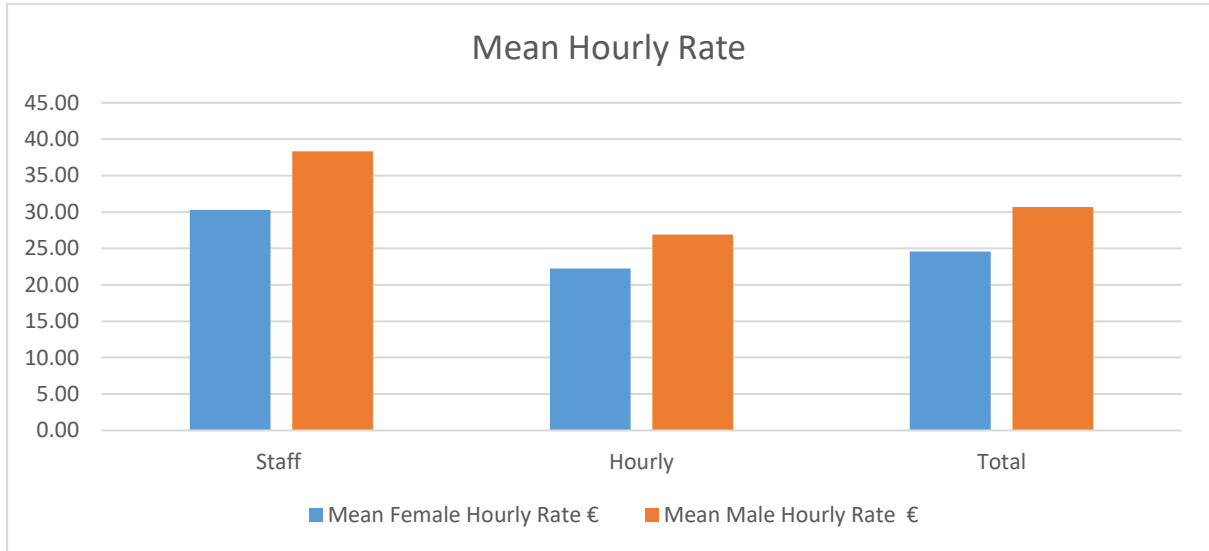
Hourly comprises of all associates directly linked with the manufacturing of our ostomy care and continence care products for global distribution including Operations, Maintenance (primarily fitters and electricians), Material Handlers and Quality Assurance Inspectors.

In accordance with the Gender Pay Gap Regulations, we have analysed our data using three different methods:

1. **Mean** - Used to determine the average hourly pay rate.
2. **Median** - Used to determine the value that is exactly in the middle of a dataset when it is ordered from low to high.
3. **Quartiles** - Sorting the data by increasing hourly pay rates and dividing the data into 4 groups of equal size (quartiles) and distinguishing them by names (Lower Quartile, Lower Middle Quartile, Upper Middle Quartile and Upper Quartile).

Gender Pay Gap Analysis 2023

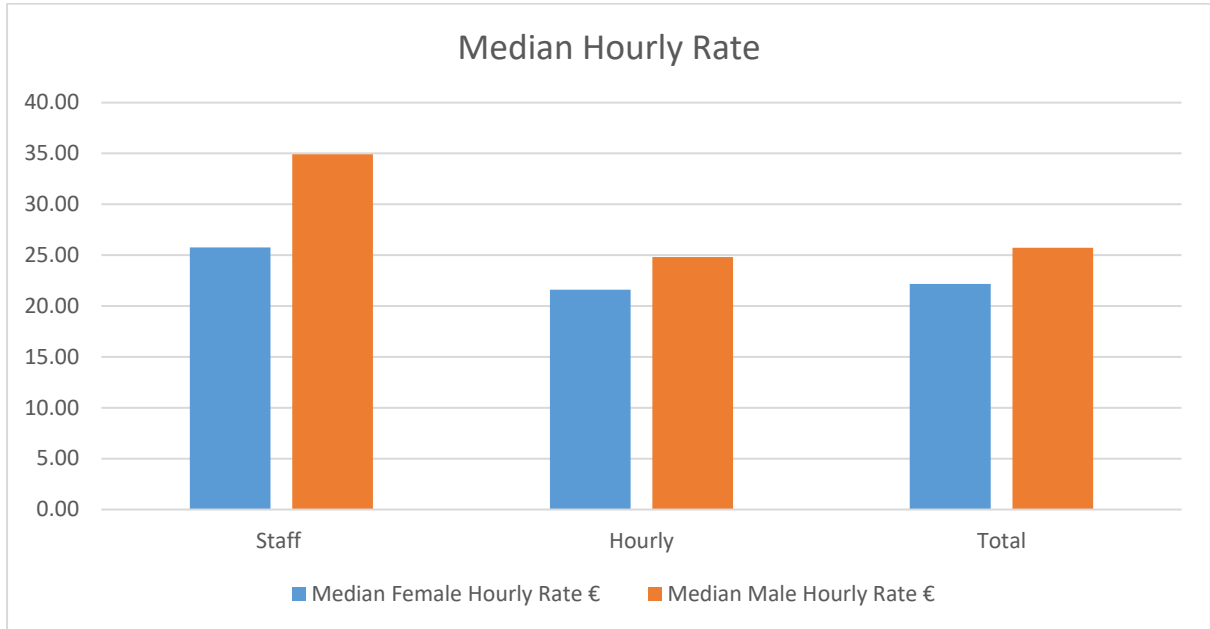
1. Mean Hourly Rate – all associates



Categories:	Mean Female Hourly Rate €	Mean Male Hourly Rate €	Mean Pay Gap %	Population Female No.	Population Male No.
Staff	30.30	38.33	21.0%	135	228
Hourly	22.24	26.9	17.3%	328	462
Total	24.59	30.68	19.9%	463	690

This table shows that the overall mean pay gap is 19.9%, which is an improvement from 22.7% in 2022.

2. Median Hourly Rate – all associates



Categories:	Median Female Hourly Rate €	Median Male Hourly Rate €	Median Pay Gap %	Population Female No.	Population Male No.
Staff	25.75	34.93	26.3%	135	228
Hourly	21.62	24.81	12.9%	328	462
Total	22.17	25.74	13.9%	463	690

This table shows that the overall median pay gap is 13.9%. This is a better representation of the median difference than reported last year based on improved collation of data. Pay for all Hourly Associates is negotiated under two collective pay agreements and there is no difference in pay rates between Females and Males.

3. Quartiles – all associates

	Total No.	Female No.	Male No.	Female %	Male %
Lower Quartile	289	165	124	57%	43%
Lower Middle	288	147	141	51%	49%
Upper Middle	288	91	197	32%	68%
Upper	288	60	228	21%	79%
Totals	1153	463	690	40%	60%

This table which shows the quartiles analysis, shows that the proportion of females is higher in the Lower and Lower Middle Quartile, while it is lower in the Upper Middle and Upper Quartiles. This trend is similar to 2022. There has been a slight dis-improvement in the percentage of females in the Upper Middle quartile from 34% to 32%, while there has been an improvement in the Upper quartile from 19% to 21%. Looking at the lower two quartiles together, the percentages are 54% female, 46% male, while for the upper two quartiles together, the percentages are 26% female, 74% male.

4. Mean and Median Hourly Rate – Part-time and Temporary associates

Within our total population of 1,153 associates, as at the snapshot date of June 30, 2023, we have 67 (60 female, 7 male) part-time associates and 207 (83 female, 124 male) temporary associates. The calculation of mean and median for part-time and temporary associates is as follows:

Categories:	Mean Female Hourly Rate €	Mean Male Hourly Rate €	Mean Pay Gap %	Population Female No.	Population Male No.
Part-time	22.92	27.96	18.0%	60	7
Temporary	17.14	21.43	20.0%	83	124

Categories:	Median Female Hourly Rate €	Median Male Hourly Rate €	Median Pay Gap %	Population Female No.	Population Male No.
Part-time	20.05	26.38	24.0%	60	7
Temporary	17.14	21.43	20.0%	83	124

5. Bonus and Benefits in Kind – all associates

Benefits:		Percentage of Female Associates	Percentage of Male Associates
Bonus		86%	86%
Benefits in kind		86%	86%

	All Associates	Staff	Hourly
Bonus Gap - Mean	34.6%	41.9%	-1.6%
Bonus Gap - Median	5.6%	29.9%	0.0%

These tables show that 86% of all female and male associates are eligible to receive and have received a bonus and benefits in kind. All (100%) permanent associates (including permanent part-time associates) receive a bonus and benefits in kind.

The mean bonus gap is 34.6% (2022: 48.2%), while the median bonus gap is 5.6% (2022: 20.6%).

6. Other Information

The data analysis above has been calculated based on the entire population of associates employed by Hollister in Ireland as at the snapshot date of June 30, 2023.

All permanent Associates in Hollister receive base pay, bonus, shift premiums (if working on evenings, night or weekends) and other benefits including pension, health insurance, life assurance etc. These additional benefits are provided to associates depending on their category in the organisation, and the same benefits are provided regardless of gender.

Understanding the Gender Pay Gap Analysis

The overall mean pay gap for all associates is 19.9%, which is an improvement from 22.7% in 2022. This gap is driven by an overall greater number of Male associates, primarily due to the historical nature of the work in the Maintenance areas (where it is currently 100% Male) along with a larger Male population in our Hourly Production positions and Staff positions.

The overall median pay gap is 13.9%. All Hourly associates are aligned to agreed negotiated pay rates. However, individual earnings are calculated to include shift premiums and overtime. This category makes up the largest proportion of our total population, being 68%.

The historical nature of the work in the Maintenance areas (where it is currently 100% Male) along with a larger Male population in our Hourly Productions positions and Staff positions, also influences the quartiles analysis, which shows a larger proportion of males in the Upper Middle and Upper Quartiles. We have an improvement in the Upper Quartile with the female representation up from 19% in 2022 to 21% in 2023.

We offer the facility of part-time work where it can be accommodated. The majority (90%) of our part-time workers are female and they have chosen part-time work from a work life balance perspective. We currently have 124 temporary male employees and 83 temporary female employees.

All permanent associates are eligible to receive and have received a bonus and benefits in kind. The mean bonus gap is 34.6% (2022: 48.2%), while the median bonus gap is 5.6% (2022: 20.6%). This is driven by an overall greater number of Male associates in Staff positions (Female: 37%, Male: 63%), particularly at the more senior levels.

Actions to progress Gender Equality in Hollister

Hollister continues to progress gender balance across the organisation. We have made good progress in 2023, but there is still significant room for improvement. Some of the initiatives currently underway include:

- Hollister globally is committed to cultivate a workplace where diverse experiences and perspectives are welcome and encouraged. The I&D Committee was established at Hollister globally in 2021. As part of this Committee, we now have access to an I&D recruitment toolkit. It enables associates to globally adhere to best practice around I&D. This includes, but is not limited to, using inclusive language in job descriptions, sourcing candidates through our outreach programs, and screening individuals using a standardized process, diverse interview panels and recognising any bias.
- Hollister launched its first Employee Resource Group (ERG), the Women's Initiative Network (WIN) in the US. Following that, an Irish Chapter of the Women's Initiative Network – was formed in 2022. The mission is to create a community of support, allyship and guidance where women can grow personally and professionally, have fun, and celebrate achievements together. Although WIN has "women" in its name, everyone – male, female, and non-binary - is encouraged to join.
- HolliEd is a tuition assistance programme for all our Hourly associates to gain further education and give equal opportunities for promotion into Staff and Manager positions.
- Flexible Working - Options include hybrid working, job-sharing, summer breaks and shift transfers.
- Maternity/Paternity - Company payment top-up is up to 75% of Associates basic salary.
- Wellness Events – we develop an annual calendar of wellbeing and wellness events, with at least one event and sometimes multiple events each month. They focus on a wide range of topics including diversity and inclusion and are open to all Associates.
- Student Placement Programme – where we hire a diverse group of students each year to work on key projects as part of their university programme.
- Schools Programme – we work with numerous local secondary schools, inviting the students onto our site and also participating in Career Days. Through this we interact with a large number of diverse students encouraging them to consider careers in

manufacturing and emphasising the importance of the STEM (Science, Technology, Engineering and Maths) subjects.

- Training – Unconscious Bias Training for all People Leaders.