

UK gender pay reporting for the period ending 5 April 2022

Smith+Nephew reported our gender pay gap covering all UK employees for the twelve-month period ending 5 April 2022 within our annual report published on 6 March 2023. We have also submitted our data to the UK government portal.

Our purpose of Life Unlimited reflects our commitment to take the limits off living. This extends to our own employees, for whom we strive to create an inclusive, diverse and equitable workplace. Pay equity is an important piece of this commitment and we continue to make strides toward improving pay equity within the UK and, more broadly, across our global workforce.

In the 2022 reporting period, we saw improvements in both mean and median pay gap. Our mean pay gap decreased from **20% in 2021 to 16% in 2022**, and the median gap has decreased from **17% in 2021 to 16% in 2022**.

We have also seen improvements in our mean pay gap, which has decreased from **20% in 2021 to 16% in 2022**, and the median gap has decreased from **17% in 2021 to 16% in 2022**.

We continue to drive female representation in senior roles during our talent management processes and strengthen pay equity through comprehensive compensation reviews.

As a result, our bonus average has fallen **to 22% from 43%**, the bonus median has however **increased from 8% to 18%**, in line with the figure that we reported in 2020.

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 continues to improve the gender pay ratio in line with our overall commitment to attracting, retaining, and developing diverse talent. Some ways in which we are doing this include:

- **Routinely analysing compensation** data on a country level. Identifying any potential gaps and verifying the data for any justifications based on performance differentiation and levels of experience.
- **Aligning our bonus structures** to the market to increase our overall bonus average and median.
- **Proactively monitoring and promoting our female talent** through succession plans and a robust talent review process. This has resulted in 9% of the female population being promoted during

the year, versus 6% of the male population.

- **Ensuring** diverse candidate slates and diverse recruitment panels in our hiring processes.
- **Creating mentoring relationships** between executives and female top talents to build our female talent pipeline.
- **Driving greater inclusion** by educating, supporting, enabling and celebrating the gender diversity of our employees via our employee inclusion groups: Society of Women in Engineering (SWE), HerIzon Women's Inspired Network, Gender Alliance for Inclusion (G.A.I.N), and Women Inclusion Network (WIN).
- **Developing our female leaders through programmes** such as "Elevate".
- **Surveying senior females to understand** and prioritise areas of focus to help them develop and advance at Smith + Nephew.