

# Coloplast Gender Pay Report 2018

Ostomy Care / Contenance Care / Wound & Skin Care / Interventional Urology



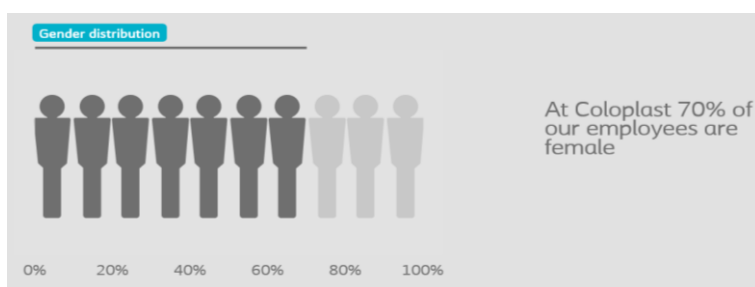
Coloplast. Stronger together

## Coloplast Gender Pay Report 2018

Since April 2017, under UK Government legislation, private sector organisations with 250 or more employees have to report on their Gender Pay Gap to comply with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. This will be the second year that Coloplast Limited have reported, and the information required is detailed within the following report.

The legislation requires organisations to report on the **Gender Pay Gap**, which relates to the **differences in average earnings** of all men and women in a workforce, regardless of their role in the organisation, or seniority. This is a different way of measuring earnings to **Equal Pay**, which addresses the difference in pay for males and females within the same job.

Within Coloplast we pride ourselves on being a Great Place to Work, and we believe this extends throughout all of our policies and processes. To ensure that our salaries remain fair and competitive in the market place, we regularly benchmark ourselves against the local market, as well as against an internationally recognised job evaluation scheme which is applied to all roles. We have also been recognised again by the **Sunday Times Top Companies** to work for, being placed **number 33** in the Top 100 of mid-sized Companies. This is up a massive 35 places from last year, and is something that both our Employees, and Senior Leadership Team are immensely proud of!



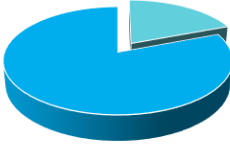
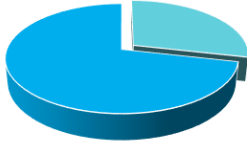

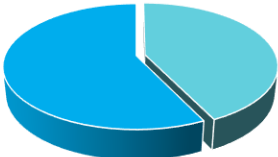


### What could cause a Gender Pay Gap?

A gender pay gap does not mean that there is an issue within an organisation, or that males and females are being paid in an unfair way. Where structures exist in which more males are employed at a higher or lower level than females, there is a high possibility of a larger gender pay gap being apparent. This however does not mean that males are earning more or less than females; it is more likely that the split of males and females is disproportionate at different levels of the organisation.

### Statutory Metrics

Gender Pay Gap		
<p><b>Mean and Median gender pay gap</b></p> <p>The <b>mean</b> gender pay gap illustrates the difference in the average rates of pay that males and females receive, based on the snapshot date of 5 April 2018. To calculate this figure, the hourly rates of pay for each group are divided by the total number of males and females.</p> <p>The <b>median</b> gender pay gap is shown by ranking the hourly rates of both males and females, and comparing the mid-point for each group.</p>	<p><b>Mean</b></p> <p><b>21.33%</b></p>	<p><b>Median</b></p> <p><b>25.27%</b></p>
Gender Bonus Pay Gap		
<p><b>Mean and Median gender bonus pay gap</b></p> <p>The gender bonus gap calculation is based on the bonuses paid to male and female employees in the 12 month period up to 5 April 2018.</p> <p>The mean gender bonus pay gap % is based on the difference in average bonus pay received by males and females.</p> <p>The median gender bonus pay gap % is based on the difference in the mid-point of bonus pay received by males and females</p>	<p><b>Mean</b></p> <p><b>6.61%</b></p>	<p><b>Median</b></p> <p><b>3.16%</b></p>

Proportion of males and females receiving bonus pay			
 <b>83.44%</b>		 <b>84.51%</b>	
Male and female employees by pay quartile			
<b>Lower Quartile</b>  ■ Males ■ Females		<b>Lower Middle Quartile</b>  ■ Males ■ Females	
Males	19.17%	Males	28.57%
Females	80.83%	Females	71.43%
<b>Upper Middle Quartile</b>  ■ Males ■ Females		<b>Upper Quartile</b>  ■ Males ■ Females	
Males	30.83%	Males	42.86%
Females	69.17%	Females	57.14%

### Our results, and what we will focus on

Like all organisations, we are very conscious of ensuring fairness throughout our business in terms of the pay and benefits provided to both males and females. Our gender split across the Company is 70% females and 30% males, which remains largely unchanged from when the report was produced for 2017. Within the four quartiles, as can be seen from the data above, the middle two quartiles reflect this split almost identically, whereas in the lower quartile there is an 80%/20% split females vs males, and in the upper quartile, we are close to approaching a 60%/40% split of females vs males.

When reviewing our line manager population, 14% of our overall workforce are managers, ranging from Team Leaders through to Senior Directors. Of this group, 53% of our managers are female, an increase of 2% on the figures from 2017, and 47% are male. Five of our 12 Directors are within the UK are female, and the split of senior management roles held by females is 43% vs 57% of males.

In order to understand Coloplast's apparent gaps in pay, as per the 2017 report, we have conducted further analysis of the data. If we were to break the relevant full pay employees down into quartiles, based on hourly pay rate, the results look very different. The mean gender pay gap, broken down into quartiles, shows results as below:

Lower Quartile	Lower Middle Quartile	Upper Middle Quartile	Upper Quartile
-0.33%	1.45%	-5.54%	10.93%

We continually strive to ensure that both managers and employees have the tools and development to make the Company a thriving, safe, and fair place to work. As part of our continuous Leadership Development strategy, all line managers took part in a two day training and development session, where we placed a strong focus on Inclusion and Diversity. During the sessions, we discussed the "why" for Diversity both from a Company perspective as well as locally within managers' own teams, and discussed how all individuals are either consciously or unconsciously biased, but it is being aware of this, and not letting it cloud their judgement that is key.

We explored how Diversity is the *difference*, and Inclusion is the *mix* to make the differences work well together. We also talked through how it is the inclusivity of the work environment that enables the differences to come into play to allow teams, and the Company as a whole, to benefit. We like to say **"Diversity is like being invited to the party, Inclusion is being asked to dance"**.

Diversity is therefore not the end goal, but Inclusion is. We want a culture of inclusion that leverages and improves diversity at all levels of the organisation. Following the session, the key takeaways for line managers were; to be a more inclusive leader; to create an inclusive environment; and to champion inclusive leadership. The sessions received some great feedback, and some of the comments include:

*"I have to admit I was sceptical about this session before, but found the way it was done very useful, and helped me look at it from a different view point".*

*"Loved this session. It made me feel slightly uncomfortable but I think that's the intention ..."*

It is clear from our placement of no. 33 in the Sunday Times Top100 listing that our employees truly believe that our workplace is an inclusive one, and that they are highly engaged, and we have reflected on why the mean and median calculations have changed compared to the 2017 report. During the period covered by this report, we had 104 new starters (70 female, 34 male) within the business, of which 45 were recruited into positions at the lower quartile of the payscales. Of this group the vast majority (35) were female, whilst only 10 were male, which we recognise has impacted the mean and median hourly rates calculations.

Our ambition remains to recruit two out of three positions internally to support the development of our existing employees, and we accept that that by doing this, we will generally backfill at the lower levels of the organisation externally. The roles offered at this level work well for those that seek some flexibility in their hours/working patterns, and this does tend to lead to a higher proportion of female applicants.

As a business, we understand why our figures look as they do. We appreciate that based on the roles we offer and the make up of our workforce, we may never achieve a zero gender pay gap figure, but we are confident that with the policies and procedures we have in place, and the commitment we have to act as a fair and equitable Company, we will remain a Great Place to Work.

### Statement

I can confirm that the information contained within this report accurately reflects the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, in relation to the pay period including 5 April 2018.

Signed:



Date: 2 April 2019

**Annemarie van Neck, General Manager, Coloplast Limited**