

**Sonic Healthcare UK
Gender Pay Report 2021 for TDL & HSL**

INTRODUCTION

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year, showing how wide the pay gap is between their male and female employees. This report sets out the results for Sonic Healthcare UK.

WHAT IS THE GENDER PAY GAP?

A gender pay gap is a measure of the difference in the average pay of men and women – regardless of the nature of their work – across an entire organisation, business sector, industry, or the economy as a whole. It is the result of the different number of men and women across all roles.

It is different from an equal pay comparison, which is a direct comparison of two people or groups of people carrying out the same, similar or equivalent work.

UNDERSTANDING THE GENDER PAY GAP

HOW ARE THE MEDIAN AND MEAN GAPS CALCULATED?

Using the calculations set out in the gender pay gap reporting regulations, we have taken pay data from our entire business of nearly 2,250 staff at April 2021. This data includes many different roles and a variety of rates of pay.

Imagine all of our female employees stood next to each other in a line, in order of lowest hourly rate of pay to highest and visualise all of our male employees doing the same. The median gender pay gap is the difference in pay between the female employee in the middle of her line and the male employee in the middle of his line.

The other measure is the mean gender pay gap, which shows the difference in average hourly rate of pay between men and women. This is also affected by the different numbers of men and women in different roles.

These median and mean calculations are also carried out when comparing bonus pay over a twelve-month period. The proportion of men and women awarded any bonus pay over that period is also reported.

HOW ARE THE PAY QUANTILES CALCULATED?

In this report, we also show the percentage of men and women in each pay quartile. Quartiles are calculated by listing the rates of pay for each employee across the business from lowest to highest, before splitting that list into four equal-sized groups and calculating the percentage of males and females in each. This should not be confused with an employee's position within the pay ranges set for each role.

WHAT'S INCLUDED IN OUR CALCULATIONS?

Calculations of mean and median pay and of quartile pay bands are based on data from April 2021 only, including ordinary pay and bonus pay.

Ordinary pay is not limited to basic pay, but also includes other types of pay, such as pay for working unsocial hours and shift premium pay. It does not include pay for overtime, pay relating to redundancy/termination of employment or the value of benefits which are not in the form of money.

Bonus pay includes any additional pay relating to commission, productivity, or performance. Calculations of mean and median bonus pay use bonus pay from the twelve months ending on 5 April 2021.

An Overview of Our Company

Sonic Healthcare UK is made up of a number of entities providing clinical pathology services. There are two main employers, The Doctors Laboratory (TDL) and the Health Services Laboratories (HSL), which we review in more detail later. While these are separate employers, the senior management and leadership, and many of the common corporate functions, are provided to both entities by TDL employees. For that reason, we show the gender pay gap calculations both jointly and separately, as the first provides an accurate reflection of how our company works in practice, while the second meets the statutory reporting requirements. Looking at our total UK workforce, our results show the following:

Sonic Healthcare UK Gender Pay Gap

Mean Pay Gap	3.48%	Median Pay Gap	1.37%
Gender Bonus Pay Gap	-30.87%		

Proportion of Men and Women Paid a Bonus

Proportion of males receiving a bonus	74.30%
Proportion of females receiving a bonus	75.89%

Population by Pay Quartiles for Sonic Healthcare UK

The proportion of males and females in each quartile is as follows:

	Number of Males	% of Males	Number of Females	% of Females
Proportion of males to females in the upper quartile	221.00	39.61%	337.00	60.39%
Proportion of males to females in the upper middle quartile	224.00	40.14%	334.00	59.86%
Proportion of males to females in the lower middle quartile	237.00	42.47%	321.00	57.53%
Proportion of males to females in the lower quartile	198.00	35.48%	360.00	64.52%

We have two main employing entities that we are required to report separately. The individual results are set out below.

	HSL	TDL
Company description	<i>Joint venture providing pathology services to NHS partners and customers</i>	<i>Independent provider of clinical laboratory diagnostic services in the UK</i>
Gender pay gap	Mean Pay Gap: 4.26% Median Pay Gap: -6.65%	Mean Pay Gap: 2.69% Median Pay Gap: 11.41%
Gender pay bonus	Mean Bonus Pay Gap: 0.61% Median Bonus Pay Gap: 0%	Mean Bonus Pay Gap: -56.04% Median Bonus Gap: 0%
Proportion of men and women paid a bonus	Proportion of males receiving a bonus: 74.19% Proportion of females receiving a bonus: 76.10%	Proportion of males receiving a bonus: 74.45% Proportion of females receiving a bonus: 75.58%

HSL Population by Pay Quartiles

	<i>Number of Males</i>	<i>% of Males</i>	<i>Number of Females</i>	<i>% of Females</i>
Proportion of males to females in the upper quartile	129.00	39.94%	194.00	60.06%
Proportion of males to females in the upper middle quartile	95.00	29.32%	229.00	70.68%
Proportion of males to females in the lower middle quartile	146.00	45.06%	178.00	54.94%
Proportion of males to females in the lower quartile	119.00	36.84%	204.00	63.16%

TDL Population by Pay Quartiles

	<i>Number of Males</i>	<i>% of Males</i>	<i>Number of Females</i>	<i>% of Females</i>
Proportion of males to females in the upper quartile	101.00	42.98%	134.00	57.02%
Proportion of males to females in the upper middle quartile	121.00	51.71%	113.00	48.29%
Proportion of males to females in the lower middle quartile	89.00	38.03%	145.00	61.97%
Proportion of males to females in the lower quartile	80.00	34.04%	155.00	65.96%

Our Plans to Improve our Gender Balance

We are pleased to report our Gender Pay Gap at April 2021, and plan to continue to improve the work we do to ensure our workforce is equally treated and equally paid.

In our last Gender Pay Gap report, we reported a positive variance in favour of paying our women employees higher than our male employees. Unfortunately, we have not managed to equalise pay as well as the last report, as our analysis shows that the overall difference between men and women's earnings based on hourly rates of pay as at 5 April 2021 is 3.48% (mean) or 1.37% (median).

We will always ensure fair access to all regarding our staff recruitment, in line with best practice and getting the right person for a role. We are committed to ensuring that regular benchmarking of salary scales, recruitment and monitoring of our diverse workforce takes place in line with our Core Values.

We are committed to fair and equal pay irrespective of gender and aim to continue to improve our gender pay gap. As an organisation, we plan to promote policies and initiatives to support equal opportunities for our entire workforce. Sonic Healthcare UK continued to grow its business in 2020/21, obtaining a successful bid to provide the Department of Health and Social Care (DHSC) with large scale PCR testing as part of the government's efforts to battle against Covid-19. The baseline staffing numbers increased across both group entities as a result. The mean pay gap in particular has increased since the last report, and we will work on improving this for the next submission.

At all levels of pay quartiles across Sonic Healthcare, we have more female employees than men, although with the acquisition of senior male members of staff on the TDL group board, this has impacted our median pay from last year's report. Our aim is to achieve year-on-year improvement in our gender pay gap, and we hope our annual pay reviews may attain progress against the increase gender pay gap in this report. Overall, women make up the majority of the workforce across all grades in both companies and our challenge is to continue to encourage greater representation

of women at the most senior levels across the group. We are confident that our gender pay gap will not widen next year.

Some of the initiatives we undertake to support the organisation in reducing the gender pay gap include:

- Promoting an inclusive working culture by enhancing our training, guidance, and resources in relation to flexible working, family-friendly policies (including hybrid working for corporate staff) and bullying and harassment.
- Investing heavily in leadership development and talent management to support promotion from within. We launched another round of our Preparing to Lead – leadership development programme, and in addition to our formal programmes, we are now using our internal coaching and mentoring programme to support the development of our female staff on a more individual basis.
- Conduct mid-year salary spot checks to ensure our staff are paid the correct rates for the role they carry out and to ensure equality across all areas of our workforce.
- Continuing to promote our female role models both internally and externally.
- Ensuring, where possible, those responsible for recruiting have undertaken Recruitment and Selection training, which includes clear guidance on equality and positive action.
- Communicating the success of our previous Gender Pay Gap Reports.
- Working with line managers to ensure they are aware of their role in promoting equality, and are pro-actively supporting the career progression of women within their departments.
- Encouraging better conversations at the Annual Joint Review to ensure it removes any barriers that may exist, that are preventing career progression.

As a group that has grown quickly over recent years as a result of acquisition, our reward practices vary across our business due to transfers to us from different employers. The bonus pay gap demonstrates this difference. The overall gender bonus pay gap is -30.87%, which means that it is heavily in favour of women. Overall, we maintain a 0% median pay gap because there is no gender difference in the median bonus payments. HSL tends to reflect NHS terms and conditions where bonuses are not payable, with a few directly employed examples with different arrangements, while TDL reflects a more commercial model, and comparable to NHS terms and conditions for employees to reference. Therefore, the HSL mean bonus pay gap is 0.61% in favour of men, while TDL shows a mean bonus gap of -56.04% in favour of female employees. This means that women employees in TDL receive more favourable mean average bonus payments than male employees, while the position is relatively equal in HSL. Once these figures are calculated across the group, the overall gender bonus pay gap is in favour of women.

In 2022/23, we plan to continue enhancing our wellbeing and equality focus, whilst we also look at opportunities for our Preparing to Lead cohort to move into new roles as part of enhanced and ongoing formal learning opportunities. A review of our terms and conditions including our benefits, may help us better attract and retain women in the organisation. We believe that the promotion of these principles will assist in continuing to reduce our gender pay gap in future years.

The data in this document is accurate and in line with government reporting regulations.



David Byrne
TDL Group CEO
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