

The TDL Group
Gender Pay Report for 2019 for HSL and TDL
INTRODUCTION

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

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 1800 staff at April 2019. This data includes many different roles and a variety of rates of pay.

Imagine a picture where all our female employees stood next to each other in one line in order of lowest hourly rate of pay to highest and imagine the same picture where all our male employees did 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 the position of an employee 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 2019 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 doesn't 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 2019.

An Overview of our Company

The TDL Group 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 on. 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:

TDL Group Gender Pay Gap

Mean Pay Gap	3.30%	Median Pay Gap	1.62%
Gender Bonus Pay Gap	-52.05%		

Proportion of Men and Women Paid a Bonus

Proportion of males receiving a bonus	18.58%
Proportion of females receiving a bonus	13.68%

Population by Pay Quartiles for the TDL Group

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	185.00	41.57%	260.00	58.43%
Proportion of males to females in the upper middle quartile	174.00	39.10%	271.00	60.90%
Proportion of males to females in the lower middle quartile	170.00	38.20%	275.00	61.80%
Proportion of males to females in the lower quartile	169.00	37.98%	276.00	62.02%

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: 2.12% Median Pay Gap: -3.33%	Mean Pay Gap 4.97% Median Pay Gap: 7.45%
Gender pay bonus	Mean Bonus Pay Gap: 44.70% Median Bonus Pay Gap: 0%	Mean Bonus Pay Gap: -74.24% Median Bonus Gap: 0%
Proportion of Men and Women paid a bonus	Proportion of males receiving a bonus : 5.88% Proportion of females receiving a bonus : 5.35%	Proportion of males receiving a bonus: 29.63% Proportion of females receiving a bonus : 19.28%

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	110.00	42.47%	149.00	57.53%
Proportion of males to females in the upper middle quartile	91.00	35.00%	169.00	65.00%
Proportion of males to females in the lower middle quartile	99.00	38.08%	161.00	61.92%
Proportion of males to females in the lower quartile	107.00	41.31%	152.00	58.69%

TDL Population by Pay Quartiles

	Number of Males	% of Males	Number of Females	% of Females
Proportion of males to females in the upper quartile	79.00	42.70%	106.00	57.30%
Proportion of males to females in the upper middle quartile	80.00	43.01%	106.00	56.99%
Proportion of males to females in the lower middle quartile	66.00	35.48%	120.00	64.52%
Proportion of males to females in the lower quartile	66.00	35.68%	119.00	64.32%

Our Plans to Improve our Gender Balance

We are pleased to report an improvement at April 2019 and we are encouraged that our efforts to improve the position are taking us in the right direction. Our analysis shows that the overall difference between men and women's earnings at based on hourly rates of pay at 5 April 2019 is 3.30% (mean) or 1.62% (median). This compares to 4.58% (mean) or 0.76% (median), at 5 April 2018. There are some changes to note. The TDL Group continued to grow its business in 2018/19, which changed the baseline staffing numbers for both the overall Group and HSL. The mean pay gap in particular has improved across the group, whilst the median has been increased.

At all levels of our company, we have more female employees than men. However, like many other companies in our industry, our gap is primarily caused by having fewer women in the more highly paid management roles. This continues to be demonstrated by the wider pay gap in TDL, than in HSL, as the former continues to be the main employer of the senior management team across the TDL group. Our aim is to achieve year on year improvement in our gender pay gap, and we are pleased to note some further small improvements. Overall, women make up the majority of employees across all grades in both companies and our challenge is to encourage greater representation of women at the most senior levels across the group. We are confident that we will continue to make good progress towards achieving greater gender balance in our senior roles and our gender pay gap will reduce even further next year. We will continue to work hard to achieve this by:

- Improving opportunities for flexible working through our wellbeing policies, and introducing a working from Home Policy.
- We are investing heavily in leadership development and talent management to support promotion from within. 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.

- We continue to review recruitment and retention strategies to support an inclusive approach to hiring but also to ensure that we provide the most attractive workplace with strong focus on personal and professional wellbeing and organisational health.
- We are delighted that to have appointed a female Medical Director from April 2019 who is also a full member of both company boards and provides a high profile female role model for our scientific staff. We will continue to promote our female role models both internally and externally.

As a group that has grown quickly over recent years as a result of acquisition, our reward practices vary across our business as a result of transfers to us from different employers. The bonus pay gap demonstrates this difference. The overall gender bonus pay gap is now -52.05%, which means that it is heavily in favour of women. However the position within the two main employment groups is more complicated. This is mainly as a result of the transfer of individual arrangements to us as we have acquired other businesses, a trend which is reflected in the snapshot date of April 2019. 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 & conditions for employee's reference. So the HSL mean bonus pay gap is 44.70% in favour of men, while TDL shows a mean bonus gap of 74.24% in favour of female employees. This means that women in TDL receive more favourable mean average bonus payments than men while the position is reversed in HSL. Once these figures are calculated across the group, the overall gender bonus pay gap is in favour of women.

In 2019/20 we plan on focussing on the review of the performance management system (AJR) and digitising our information systems to provide a sound basis for better understanding of how our people work and how we can best address existing pay mechanisms. It is hoped our investment in the systems our people use, will help improve and grow staff engagement.

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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