

Gender Pay Gap Analysis for Leica Biosystems Newcastle Ltd 2020

Leica Biosystems Newcastle Ltd (the “Company”) is part of Leica Biosystems which is a global business that is a global leader in workflow solutions and automation, integrating each step in the workflow from biopsy to diagnosis. We are committed to creating an inclusive and diverse workforce everywhere we do business and to paying our associates fairly.

Under legislation that came into force in April 2017, UK employers with more than 250 associates are required to publish their gender pay gaps.

Our UK Gender Pay Report is based on information as of the snapshot date of 5 April 2020.

Gender pay gap vs equal pay

A gender pay gap is a measure of the difference between the average earnings of men and women (irrespective of roles or seniority). Equal pay is our legal obligation as an employer to give men and women equal pay for equal work.

Our gender pay gap is not a result of equal pay issues, as we have a gender-neutral approach to pay across all levels of the organisation. We regularly monitor this to make sure we meet this legal and moral obligation.

Understanding the mean and median calculation

The mean is calculated by adding up the wages of all relevant associates and dividing the figure by the number of associates. The mean gender pay gap is calculated based on the difference between mean male pay and mean female pay.

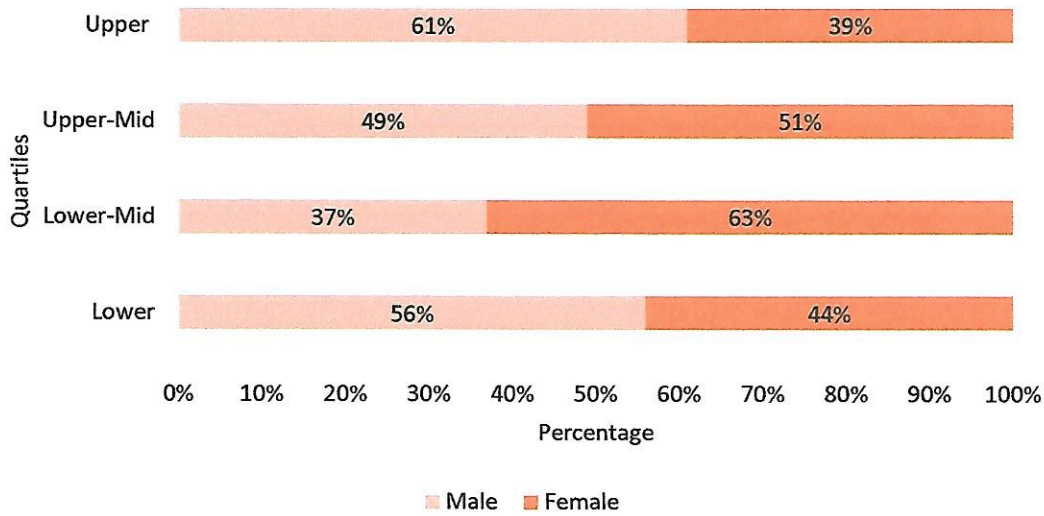
The median is the figure that falls in the middle of a range when the wages of all relevant associates are lined up from smallest to largest. The median gap is calculated based on the difference between the associate in the middle of the range of male wages and the middle associate in the range of female wages.

Pay Quartiles

The proportion of male and female associates are split into quartile bands based on their pay. The banding illustrates that there is a significant gender pay gap in the upper quartile, a result of the large number of males in senior positions within Leica Biosystems Newcastle Ltd. However, the gender pay gap starts to reduce within the upper middle and lower middle quartiles.



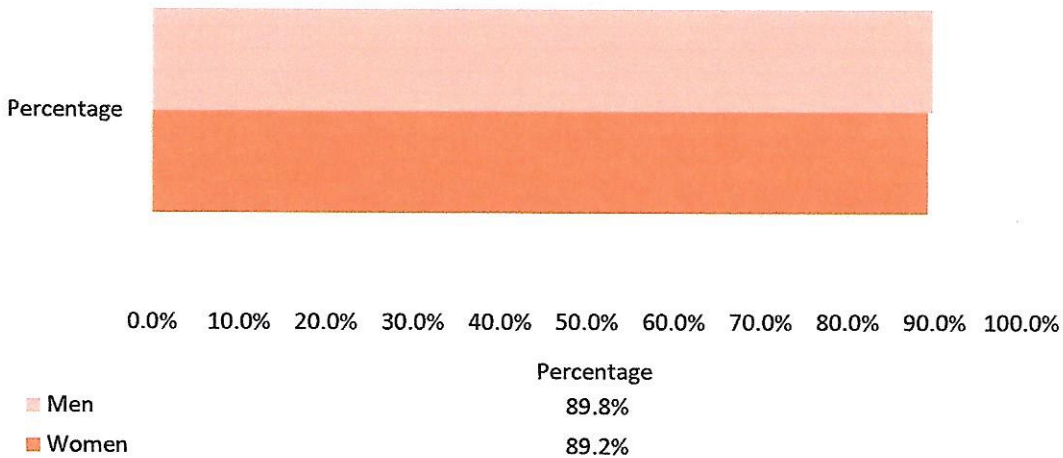
Headcount by Quartile



Bonus Payments

Bonus payments include bonus, commission, and profit share schemes. The proportion of men and women receiving payments are almost identical, with 89.2% of women and 89.8% of men receiving bonuses in the year. All associates receive a bonus payment which is subject to being employed on a qualifying start and end date.

Proportion of men and women who receive a bonus




	Mean	Median
Pay Gap	8.5%	7.2%
Bonus Gap	16.1%	-9.4%

Understanding the gap

The analysis of our gender pay gap figures as of April 2020 is impacted by women holding fewer of the most senior positions within Leica Biosystems Newcastle Ltd than men. It is notable that with the exception of the small number of the most senior roles, we have a higher proportion of women holding senior management and professional positions with 53% being women.

From the data the range of bonuses does vary, due to the slightly higher proportion of males in the most senior positions which attract a higher bonus payment. The mean bonus gap being in favour of males (16.1%) is reflective of this factor. There is a higher proportion of females in the upper-middle and lower-middle quartiles which explains the median percentage of -9.4%. This shows that our bonus incentives are inclusive and do not favour one gender or the other.

Our 2020 data:

Our gender pay gap is better than the UK national average, which was 17.3% as per the 2019 Office for National Statistics – Annual Survey of Hours and Earnings report. For the 2020 year our report shows that we have a slightly higher ratio of female associates (50.6%) to male associates (49.4%) and this has continued to increase over the past 12 months.

The Company’s compensation programs and practices are designed to attract associates, motivate, and reward performance, drive growth and support retention, and cultivate an inclusive culture with equal employment opportunities for associates. A commitment to diversity and inclusion is a key leadership objective at the Company, and we take steps to review and ensure that our associates receive equal pay for equal work.

Closing the overall gender pay gap is different than ensuring equal pay for equal work. It involves the challenge of making sure that men and women are represented at all levels throughout the organisation, particularly in leadership roles which tend to carry higher market rates of pay. We are taking steps to ensure that we are attracting, hiring and promoting diverse talent throughout our system, so we can make progress towards closing a representation gap reflected in the pay report. This is a broader challenge facing many companies in in our sector, and for skilled trades occupations in general.

We recognise the need to strive to close the gaps our data has highlighted, through recruitment, reviewing our compensation, training, addressing historical differences, and retaining those associates for future investment.

The Company looks forward to sharing future progress and our commitment to ensuring that everyone has an equal opportunity to progress to senior or highly paid positions. I remain confident as we report in future years, we will continue to see this gap close.



Declaration

I confirm that the data reported by Leica Biosystems Newcastle Limited is accurate.



Matthew West

**Senior Director, Product Development and Operations for Staining Reagents
Leica Biosystems Newcastle Ltd**