

Arjo UK Ltd Gender Pay Report (for 5th April 2021)

Arjo is a global supplier of medical devices, services and solutions that improve quality of life for people with reduced mobility including age-related health challenges. Arjo creates value by improving clinical outcomes for patients and enabling a better work environment for healthcare professionals. Arjo thereby contributes to a sustainable healthcare system – always with people in mind.

Arjo's main customers are private and public institutions within acute care and long-term care. The service offering includes products and solutions for patient handling, hygiene, disinfection, medical beds, therapeutic surfaces, venous thromboembolism (VTE) prevention and diagnostics. The Group also offers services such as training in connection with product sales.

The report is based on the date of 5th April 2021, which shows a snapshot of Arjo UK gender pay gap information based on the payroll data of full-pay relevant employees; the mean (average) hourly rate pay gap between male and female employees across all role types, the median (middle) pay gap of the middle range of pay rates, and the percentage of male and female in each hourly pay quarter. The report also includes relevant information relating to bonus gender pay gap calculated based on bonuses paid to each relevant employee within the 12 months period that ends on the snapshot date of 5th April 2021.

Arjo operates two Bonus Schemes such as Short Term Incentive Plan payable annually in March, and Commission Sales Bonus payable quarterly, in May, September and January each year. Therefore, because no bonus is paid in April, no bonus data is used to calculate the hourly pay of full-pay relevant employees.

In summary:

- ❖ The difference in the **mean pay** of full-pay male and female was **-4.1%** (this means that on average female earned 4.1% more than male; which means for every £1 female earned, male earned 96p),
- ❖ The difference in the **median pay** of full-pay male and female was **5.96%** (this means that when using a median hourly pay rate, male were paid 5.96% more than female; which mean for every £1 that male earned, female earned 94p),
- ❖ The proportion of full-pay relevant male and female in each of four quartile pay bands was as follows:
 - Upper Quartile = **63% male, 37% female,**
 - Upper Middle Quartile = **82% male, 18% female,**
 - Lower Middle Quartile = **82% male, 18% female,**
 - Lower Quartile = **54% male, 46% female,**
- ❖ The distribution of the bonus payment was as follows:
 - **48.5%** of all relevant employees who are male,
 - **31.3%** of all relevant employees who are female,
- ❖ The difference in the **mean bonus pay** was **-40.9%** (this means that on average female were paid 40.9% more in bonus pay than male).
- ❖ The difference in the **median bonus pay** was **-182.3%** (that means that when using the median bonus pay female received 182.3% more bonus pay than male).

There are a number of notable factors which have influence the data:

- The pay figures are calculated based upon all roles within the business on an annual 'snapshot' or reference date, regardless of role or work type. The same is true of the median (middle) pay figures. The calculations are based upon 'ordinary pay' which includes basic salary as well as some other specified pay elements.
- The Arjo UK workforce is made up of 70% male and 30% female employees and similar proportions are represented within managerial positions, as aligned to the overall workforce make up and talent pipeline. Technical and engineering roles within the industry have a tendency to attract more male applicants than female and this is also reflected within the Arjo UK workforce. The overall difference in gender representation within Arjo UK, has an influence upon the gender pay statistics.
- The female's highest and lowest hourly pay rate was proportionately higher than male highest and lowest hourly pay rate, therefore female earn on average 4.1% more than male.
- The difference in bonus payment between male and female:
 - Number of male and female receiving bonus (257 male comparing to 72 female),
 - Type of bonus – significant proportion of bonuses were paid to Rental and Service Engineers that are predominantly male,
 - Bonuses paid to Rental and Service Engineers are the lower spectrum of the bonus payments.

Types of Work

Roles of a similar work type within Arjo UK are rewarded fairly and in accordance with the value of the role and prevailing market rates, regardless of gender or any other characteristic. Arjo UK promotes diversity in its workforce and equality and fairness, including in its rewards to employees in compensation and benefits.

Arjo UK is committed to equality and diversity and recognises that increasing the proportion of female to male employees, as well as encouraging more females in to technical and managerial roles, plays an important part.

Arjo UK has introduced a Talent Management and Succession Planning scheme designed to support and promote its employees to enable them a natural progression within their role and business, regardless of their gender or any other characteristics.

Given the nature of the business and the existing make-up of the workforce, it is recognised that such changes may take time, whilst they will be supported by a range of initiatives, to include the following commitments:

- Balanced numbers of men and women participating in regional leadership development programmes.
- Incorporating gender diversity objectives within Apprenticeship schemes, to include increasing the number of females entering production, technical and engineering training.
- Encouraging uptake of shared parental leave.
- Establishing a workplace mentoring programme.
- Wherever possible, ensuring shortlists for recruitment and promotions include both men and women.

Arjo UK will focus on the above commitments and continue to monitor and report annually on its gender pay statistics and to promote equality and diversity.

Only GB08 employees have been included for the purpose of this gender pay gap report calculation. Other entities such as ArjoHuntleigh International Ltd (GB04), and Huntleigh Healthcare Ltd (GB06) have been excluded from the report. These are separate registered companies and have below 250 employees that in line with the gender pay gap guideline exclude them from the statutory obligation of reporting on gender pay gap.

A handwritten signature in grey ink, appearing to read 'Sarah Logan'.

Sarah Logan
HR Director UK and Ireland