

ALLIANCE HEALTHCARE MANAGEMENT SERVICES LIMITED

Gender Pay Gap Report

As at April 2018



A message from Julian

The Gender Pay Gap Report for Alliance Healthcare is an additional step forward in our Corporate Social Responsibility (CSR) drive to reduce inequalities in the workplace.

Many of our CSR activities are aligned to the UN Sustainable Development Goals, including Sustainable Development Goal 5 – achieve gender equality and empower all women and girls. Last year, we formed our Equality Committee that has since evolved to a Diversity to a Wellbeing and Equality Committee. Following our 2018 equality survey, we recognised that Equality and Wellbeing should be very closely linked, covering themes such as mental health awareness and flexible working, as well as equality across the spectrum.

The group has made some encouraging progress and a personal highlight for me in 2018 was our formal recognition of International Women's Day, and International Men's Day. We took the opportunity to provide colleagues with a platform to officially nominate colleagues for the fantastic and inspirational work and behaviours they demonstrate. I was very encouraged to see over 200 'Wonderful Women' and 'Marvellous Men' collectively nominated from across the business, covering all functions: drivers, warehouse operatives, management and office clerks – again demonstrating the value Alliance Healthcare has for its people and celebrating diversity.

We have also published our diversity and inclusion statement; appearing on our corporate website, intranet page and across job boards to further demonstrate our commitment to our people. Along with my Leadership Team, I personally pledge to support the commitments in the statement and indeed in this report.

We recognise that we must continue to build on the positive steps already taken to reduce any gender pay gaps. It is absolutely fundamental we continue to address any gender inequalities and concentrate our efforts in supporting the exciting plans being set out by our Equality and Wellbeing Committee.

The committee is helping to shape the future of our business, and the Gender Pay Gap Report provides us with an opportunity to once again take stock of our business and consider progress on the important topic of gender equality. We all have a role to play in achieving our potential, and as a business we are proud to continue to support initiatives that reduce our existing gender pay gap.

Best wishes,
Julian Mount
Managing Director, Alliance Healthcare UK



Julian Mount
Managing Director
Alliance Healthcare UK

Understanding gender pay gap reporting

Gender equality is really important to us and the legislation continues to help us to look at things differently and identify ways we can work to close our gender pay gap.

The legislation requires us to report our mean and median pay gap, bonus mean and median gap, the percentage of male and female employees who received a bonus payment and the percentage of males and females in each pay quartile.

What is the difference between equal pay and a gender pay gap?

A gender pay gap is different from equal pay.

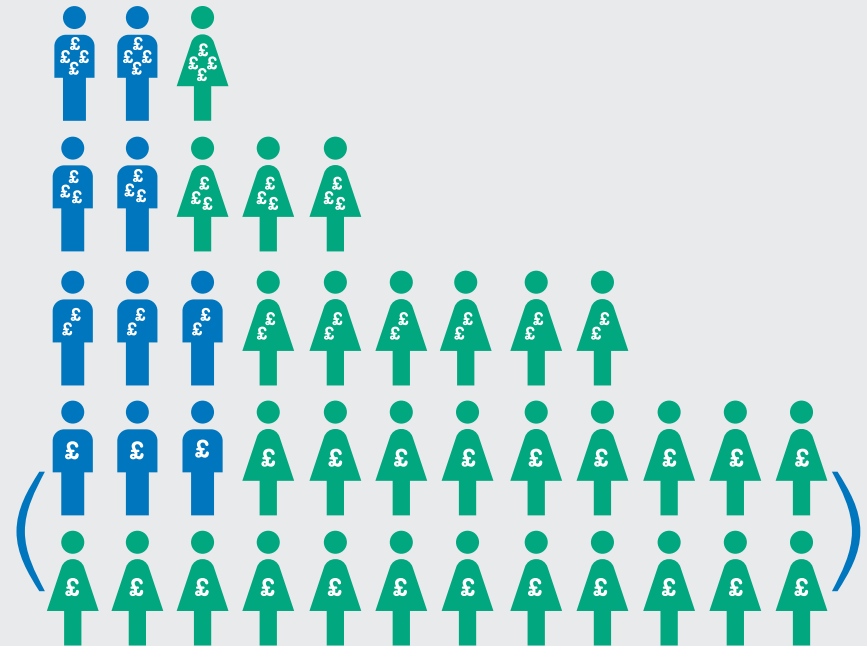
Equal pay

Equal pay is paying males and females equally for like work, work of equal value and work rated as equivalent. There has been legislation outlining equal pay obligations in the UK for nearly 50 years.



Gender pay gap

A gender pay gap looks at the differences in pay between genders across groups of employees irrespective of the work they perform.



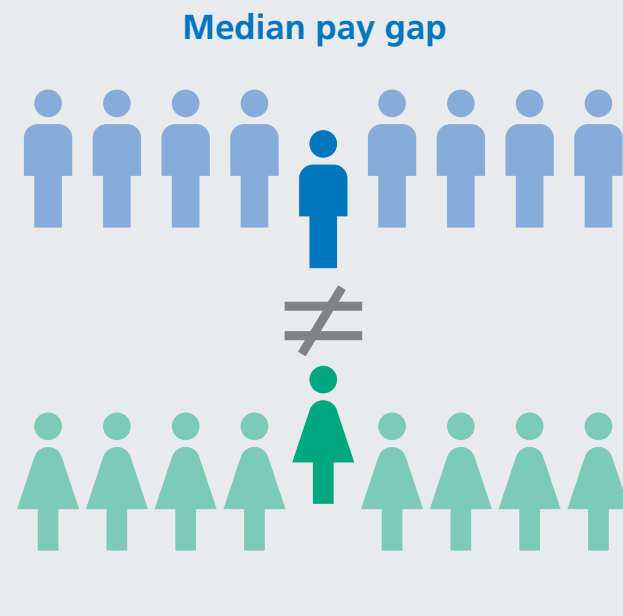
One of the main reasons for the gender pay gap in our society is that men are statistically more likely to be in senior roles.

Understanding gender pay gap reporting

How are the median and mean pay gaps calculated?

The median is the middle point of a range of numbers and the mean is the average of a range of numbers. How do we calculate this for gender pay gap reporting?

Median pay gap – If all our male colleagues stood in a line in order of lowest hourly rate earned to highest and all females did the same, the median pay gap (as a percentage) is the difference in pay between the middle colleague on the male line and the middle colleague on the female line.



Mean pay gap – If we add together all the hourly rates of male colleagues and calculate the average and do the same for female colleagues, the mean pay gap (as a percentage) is the difference in pay between the average male and female hourly rate.

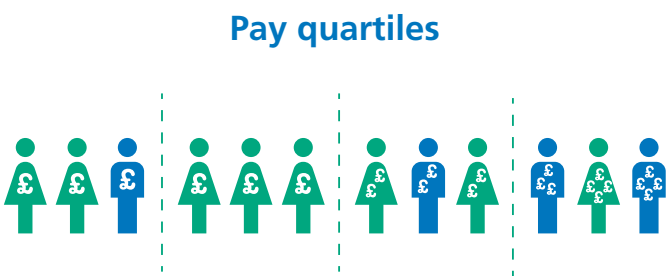


How is the bonus gap calculated?

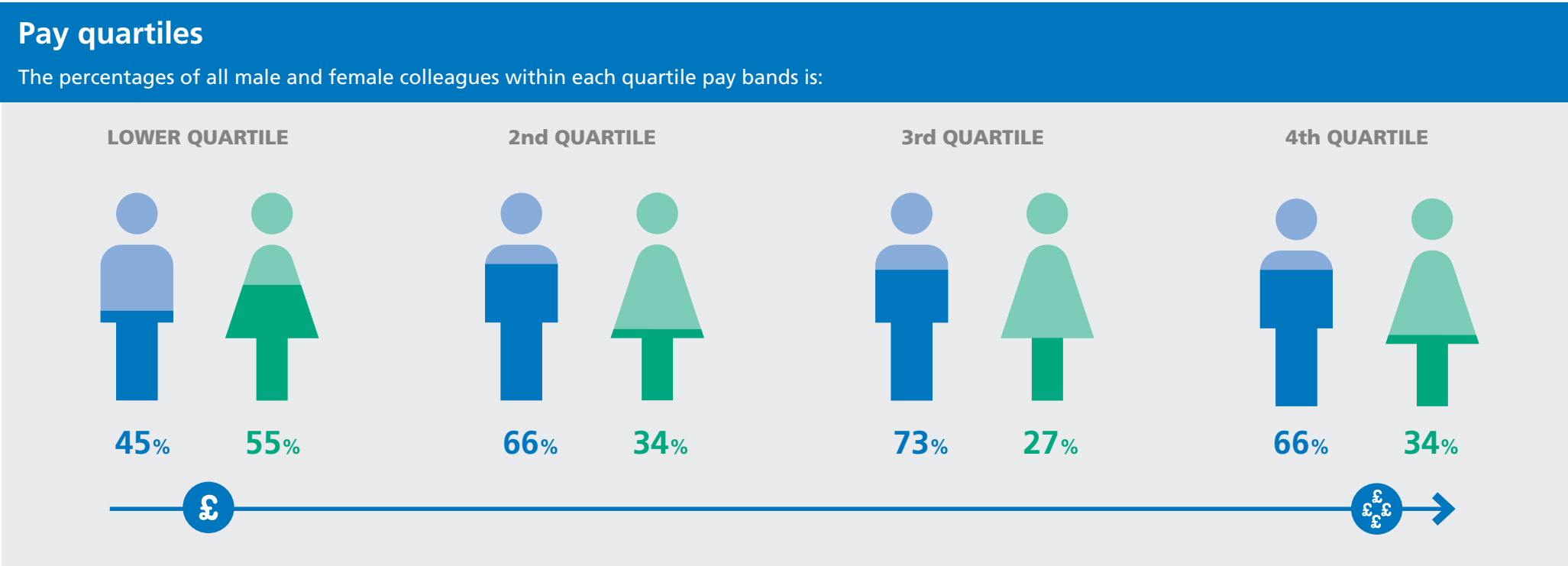
The mean and median bonus gaps are calculated in the same way as the gender pay gaps. However, this time we use the actual bonus paid to colleagues. We also report the number of male and female colleagues receiving a bonus (as a percentage of the total male and female population).

How are the pay quartiles calculated?

Pay quartiles are calculated by dividing all hourly rates paid across the business, from lowest to highest, into four equal sized groups of colleagues and calculating the percentage of males and females in each.

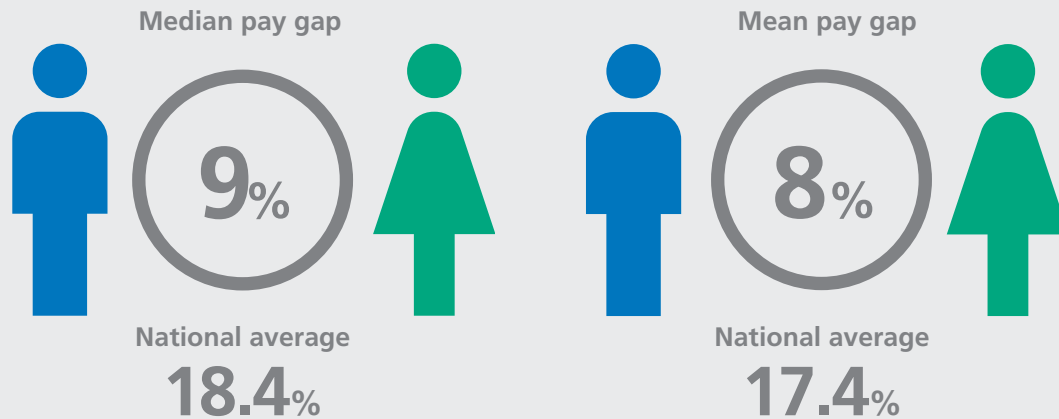


Our 2018 results



Our 2018 results

Gender pay gap

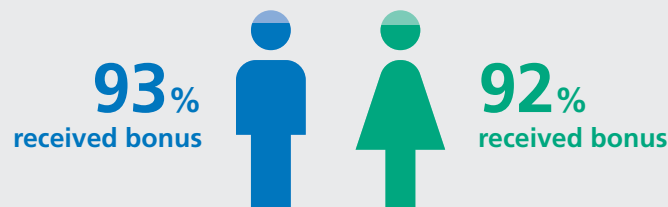


Source: Median national average pay gap 18.4%, mean national average pay gap 17.4% based on estimates from the Office of National Statistics' Annual Survey of Hours and Earnings 2017

Our gender pay gaps, both median pay gap and mean pay gap, are significantly less than the 2017 national average of 18.4% and 17.4% respectively, but we recognise there is still work to be done to reduce the gap further. The main reason for our gender pay gap is the structure of our workforce, with fewer females than males in our more senior roles across the organisation. There has also been a slight increase in the number of males in the organisation.

We've worked hard over the years in both our Service Centres and the Support Centres to ensure we have fair pay and reward structures in place across the business. In our Service Centres, where the majority of our people work, we have developed – with our trade union partners – fixed pay rates for all of the roles, thus ensuring equal pay for equal work.

Bonus gap



All bonuses paid in the year up to 5 April 2019 are used for the calculation. Across the organisation we have various bonus schemes. All of our bonus schemes are gender neutral by design. We are delighted to see an increase of 12-13% in bonus paid to our people, since 2017, in recognition for their hard work and support.

We achieved a fantastic 18 % decrease in our mean bonus gap of 21%, down from 39% in 2017. The reason for this is that a bonus has been paid to more people across the business, both male and female. The gap is again due to the structure of our workforce, with fewer females than males in our more senior roles across the organisation and is also reflected in the median pay gap of 9% and mean pay gap of 8%.

What are we doing to address our gender pay gap?

Alliance Healthcare in the UK is committed to encouraging and supporting all colleagues across the organisation and inspiring everyone to reach their full potential.

We recognise that reducing the gender pay gap will not happen overnight. It is a long process but one our team is encouraged to fulfil. To achieve this we have identified a number of ideas that we are looking to pursue:

- **Shaping the future of our business** – Our new Wellbeing and Equality Committee will bring together plans to help reduce all inequalities in the workplace, and improve the health and wellbeing for our people.
- **Visibility and awareness** – Our recently published diversity and inclusion statement; appearing on our corporate website, intranet page, and across job boards will help support our recruitment strategy. We must continue to recruit and retain the best people, with shared values and ambition to help people to live healthier and happier lives.
- **Celebrating success** – we have fantastic people across the business, and will continue to recognise their amazing contribution to our business. We will look to bring together the successful Wonderful Women and Marvellous Men events from 2018 with one large event to mark
- **Supporting our managers** – Our people will be made aware of the value and importance of diversity, putting it at the forefront of decision making, especially when recruiting. Our people managers will receive training, such as the equality and diversity ACAS course.



Our commitment

As a business, we will continue to build a more **diverse and inclusive culture**. We are proud that 12% of our female colleagues and 7% of our male colleagues work part-time giving them the opportunity they require to balance their home and work lives. The slight reduction in part time workers is due to a net decrease of 17 part time workers across the business.

We are committed to encouraging and supporting all colleagues across the organisation and inspiring everyone to reach their full potential.



We confirm that the information contained within this report is accurate.

Nigel Farmer
HR Director

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for NF**

Pablo Rivas
Finance Director

