

UK Gender Pay Gap Report 2022

Enabling our people to thrive

9 March 2023

For employers with over 250 employees in the UK, it is a requirement to report on the company's gender pay gap on an annual basis. At Convatec, we see this as an opportunity to reflect on our broader approach to diversity, equity, inclusion and wellbeing and the impact it has on our people, culture and business practices.

Our approach

We are committed to creating a positive and diverse working environment where everyone is treated fairly. Specifically, in relation to pay and recruitment, performance review and reward processes, we continue our efforts to ensure that regardless of gender, our employees are paid consistently for similar roles.

The gender pay gap metric represents one proof point to which we can hold ourselves accountable on our broader journey in Diversity, Equity & Inclusion (DE&I) and Wellbeing. In 2021, we created a group-wide DE&I and Wellbeing framework, which is a component of Convatec's broader Environmental, Social and Governance (ESG) strategy. It sits within our ESG strategic pillar of 'Enabling our people to thrive', supported by associated targets that hold us accountable for the targets we set.

We have analysed our pay data in detail, and the tables below summarise the key information at 5 April 2022.

Scope

Convatec has employees in 3 legal entities across the UK: Convatec Ltd, Amcare Ltd¹ and Convatec Group Plc. Convatec Ltd is the only entity meeting the threshold for reporting as required by law, and has been the only entity included in our previous disclosures. This year, in an effort to further enhance our disclosure, our reporting covers the total population across all three UK-based entities. Moving forward we will continue with this approach.

Figure 1: Convatec UK based entities, employee population totals and business description

Entity	Number of employees at 5 April 2022*	Description
Convatec Ltd	969 [2021: 906]	Primary business entity for Convatec employees in the UK
Total (all UK entities)	1,114 [2021: 1,059]	In addition to Convatec Ltd, includes Amcare Ltd (a wholly owned subsidiary of Convatec Group acquired in 2020) and Convatec Group Plc (employing entity for Executive Directors: Chief Executive, Chief Financial Officer and Chief Financial Officer (Designate)) ²

* Number of full-pay relevant employees at 5 April 2022 and at the same point in 2021 shown in [brackets]

What is the gender pay gap?

The gender pay gap is the difference in the average hourly rate of pay between all relevant fully paid men and women in a company. This is a measure largely influenced by the gender composition of a company's workforce. This is different from equal pay, which is the difference in pay between a man and a woman who carry out the same or similar role or work of equal value in a company.

¹Founded in 2000, Amcare™, is a dispensing appliance contractor (DAC) for the NHS. Services include advice and support, product customisation, a prescription home delivery service, the [me+™ programme](#) - a support service for people living with a stoma, and a stoma counselling service. The business has 8 UK-based care centres and a distribution centre based in Sunderland, plus a field based clinical team of specialist stoma nurses

² For further details [see announcement](#)

Our gender pay gap calculation

The table below shows our overall mean and median gender pay gap, as well as our bonus gender pay gap, for the performance of 2021, based on hourly rates of pay as at the 'snapshot date', 5 April 2022. The data provided relates to our UK employees only across all 3 legal entities. As noted above, we have chosen to disclose further than the requirements to demonstrate our commitment to closing the gender pay gap.

Figure 2: Overall mean and median gender pay gap

	Percentage difference mean	Percentage difference median
Hourly rate of pay	16.36%	12.20%
Bonus Gender Pay Gap	46.69%	5.49%

Figure 3: Overall mean and median gender pay gap for Convatec Ltd

Gender pay gap calculation as it relates to Convatec Ltd as a direct comparison to our 2021 disclosure methodology (which are the numbers we are required to disclose):

	Percentage difference mean	Percentage difference median
Hourly rate of pay	8.16%	8.03%
Bonus Gender Pay Gap	24.38%	-0.01%

Set out below is the distribution of each legal entity in the quartiles per gender:

Upper quartile	Female	Male	Total
Convatec Ltd	114	152	266
Total (all UK entities)	117	161	278

Upper middle quartile	Female	Male	Total
Convatec Ltd	120	133	253
Total (all UK entities)	137	141	278

Lower middle quartile	Female	Male	Total
Convatec Ltd	111	111	222
Total (all UK entities)	151	128	279

Lower quartile	Female	Male	Total
Convatec Ltd	115	113	228
Total (all UK entities)	145	134	279

In 2022, the median hourly pay difference between our male and female employees increased to 12.2% (2021: 10.34%. Note: 6.87% was reported in our 2021, but represented only Convatec UK Ltd; In 2022, Convatec UK Ltd on its own had a GPG of 8.03%). Both figures remain below the UK median pay gap of 14.9% (Source: Office for National Statistics at 25 October 2022).

A detailed breakdown of pay by gender and pay by quartile is shown in the table below. In the lower and upper middle quartiles, we have more females than males. In the lower middle and upper quartiles, we have more males than females. The greatest difference in numbers of male versus female employees is in the upper quartile band.

Figure 4: Proportion of females and males in each quartile band

Hourly pay	£7.10 ³ < £14.58	£14.58< £19.51	£19.52< £29.68	£29.74< £591.66
Total in band	279	279	278	278
Male total: 564	134	128	141	161
Female total: 550	145	151	137	117
% male	48%	46%	51%	58%
% female	52%	54%	49%	42%

Our gender pay gap reflects the demographic make-up of our business. The April 2022 data shows an improvement on the previous year, as a result of our continuing efforts to recruit and retain more women in senior management roles.

As Convatec continues to focus on our DE&I and Wellbeing strategy, certain initiatives – such as hiring practices that involve DE&I-focused recruitment companies and requiring diverse shortlists for all roles – have led to an improvement in not just the gender pay gap, but also in the gender mix of our employees and the awareness of DE&I and Wellbeing objectives among hiring managers. We also track a number of metrics to measure progress and ensure that we recruit and retain a skilled and diverse workforce.

Figure 5: Bonus payments were awarded in March 2022. Those eligible to receive a bonus during the relevant period are shown in the table below:

	Females	Males
Proportion of females and males receiving a bonus payment	91%	89%
Eligible population for a bonus during the relevant bonus pay period	523	522

Other 2022 highlights and targets (global)

We recognise that increasing the number of women in senior management will help us close the gender pay gap. In 2021, we committed to achieving 40% women in senior management by 2025, as well as reducing voluntary turnover to less than 10% by the end of 2023. But this topic is more important than numbers. More equal representation is not only the right thing to do; it will also help Convatec realise its vision of pioneering trusted medical solutions to improve the lives we touch. DE&I and Wellbeing are essential for Convatec to pivot to sustainable and profitable growth. At 31 December 2022, gender breakdown of Convatec's leadership was:

- Board members 40% women
- Convatec Executive Leadership Team (CELT) 36% women
- Senior management* 38% women

*Includes CELT members and their direct reports, excluding assistants

Convatec is full of talented women who are applying their scientific skills to clinical and R&D work. Yet, women remain under-represented in science-related industries. To play our role in raising awareness, we celebrate each year International Women's Day and International Day of Women and Girls in Science. In 2022, we launched our DE&I and Wellbeing Council which brings a range of leaders together to drive our progress, under oversight from our ESG Steering Committee. In addition, we share regularly stories of women in engineering, where we ask our colleagues to showcase their contributions and highlight the career opportunities available within an exciting industry. Our HR talent acquisition team also strives to reach the greatest number of women candidates for positions at Convatec.

It is not enough to simply celebrate and hire women. We are also focused on fostering a culture within Convatec that allows everyone to be themselves and feel supported to grow, supported by our Women's Network Employee Resource Group (ERG). ERGs play an important role in supporting the wellbeing of colleagues, helping them feel comfortable bringing their whole selves to work.

³ In 2022, at the point of the data snapshot, we had five 16-17 year old apprentices who were paid £7.50 per hour during the first year of their apprenticeship (before moving to £9.62 per hour). These apprentices were hired and paid significantly more than the National Minimum Wage for apprentices for the reporting period.

I confirm that the calculations provided are accurate and meet the requirements of legislation.



Natalia Kozmina
Chief Human Resources Officer & ESG Stewardship
9 March 2023

2022 UK Gender Pay Gap Reporting

This disclosure has been published in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Data and calculations are accurate at 5 April 2022. For further information on Convatec visit www.convatecgroup.com