

Corporate

UK Gender Pay Gap

Report published 5 April 2019

26 February 2019



Lonza and the UK Gender Pay Gap Information Regulations

Our commitment and practice provide a solid foundation as we strive for gender pay parity



Our goal: gender pay parity



Three UK sites are included in this report: Cambridge, Manchester and Slough



In the last 12 months we have grown to nearly 1000 employees



Nearly half of our employees are women



We are committed to support the Gender Pay Gap Information Regulations introduced in 2017, under the Equality Act 2010, which require companies with 250 or more employees in the UK to publish their gender pay gap each year.

All of our mandatory gender pay gap figures have been analysed by the internal Lonza Total Rewards team.

Lonza strives for transparency and gender pay parity.

Lonza's pay philosophy and practice reward the individual's role, skillset, and performance, regardless of gender, ethnicity, or other such factors.

Lonza Biologics plc's population has grown in the past 12 months and today comprises nearly 1000 employees across our sites in Cambridge, Manchester and Slough. 49.6% of our employees are women.



Reporting the numbers

We are committed to support the Gender Pay Gap Information Regulations introduced in 2017.



As per the UK Government requirements:

- The figures in this document are a “snap shot” taken on one single day - 5 April 2018
- The mandatory gender pay gap figures display the average (mean*) and median** gap between pay of women and men regardless of their job level and are therefore distinct from an equal pay for equal work analysis
- The figures have to be reported by pay quartiles (low / lower middle / upper middle / upper)



*The mean is the average of the numbers.

**The median is the "middle" of a sorted list of numbers. To find the median, place the numbers in value order and find the middle number.

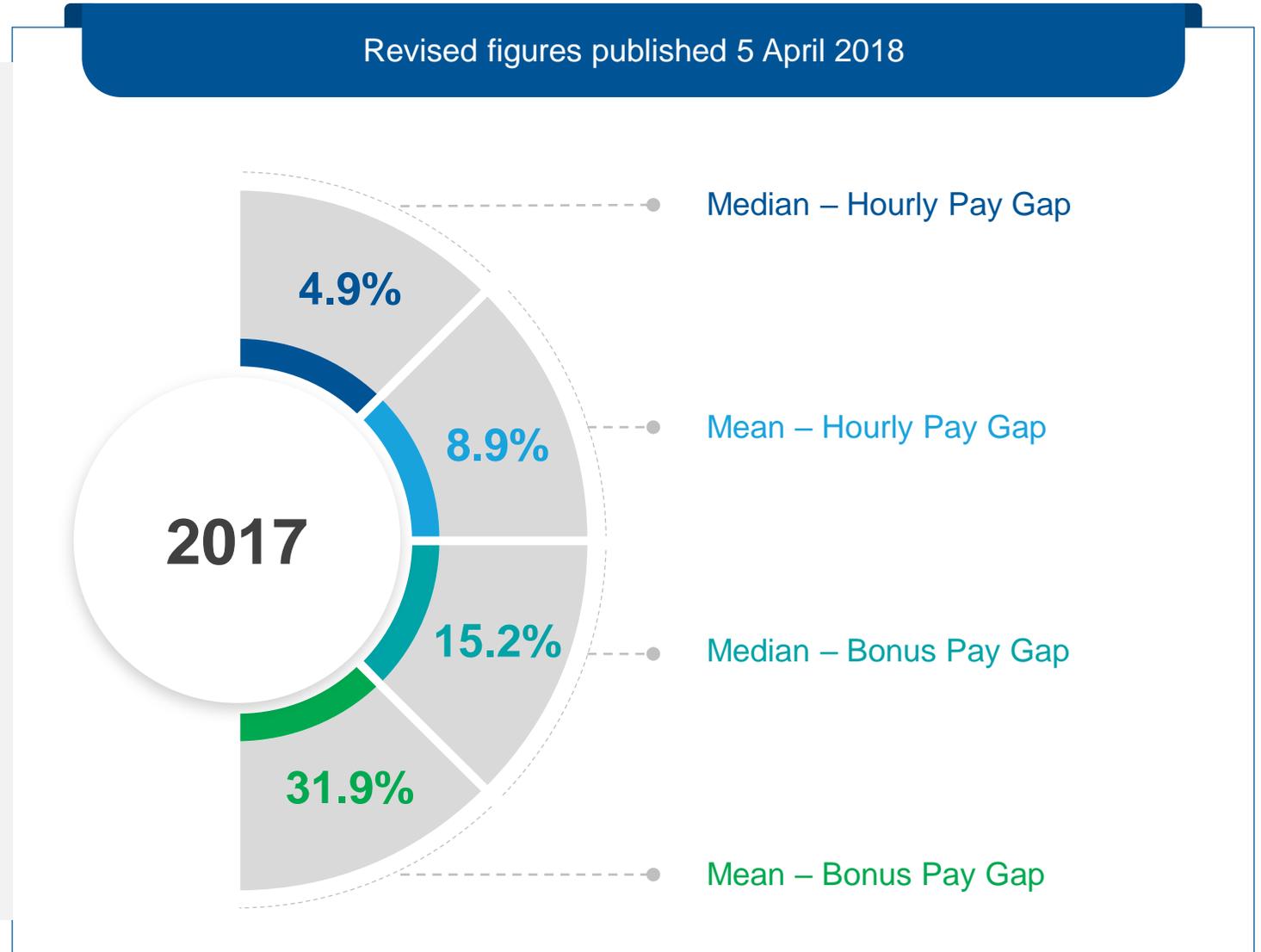
UK Gender Pay Gap – Restated Numbers for 2017

Report published 5 April 2018



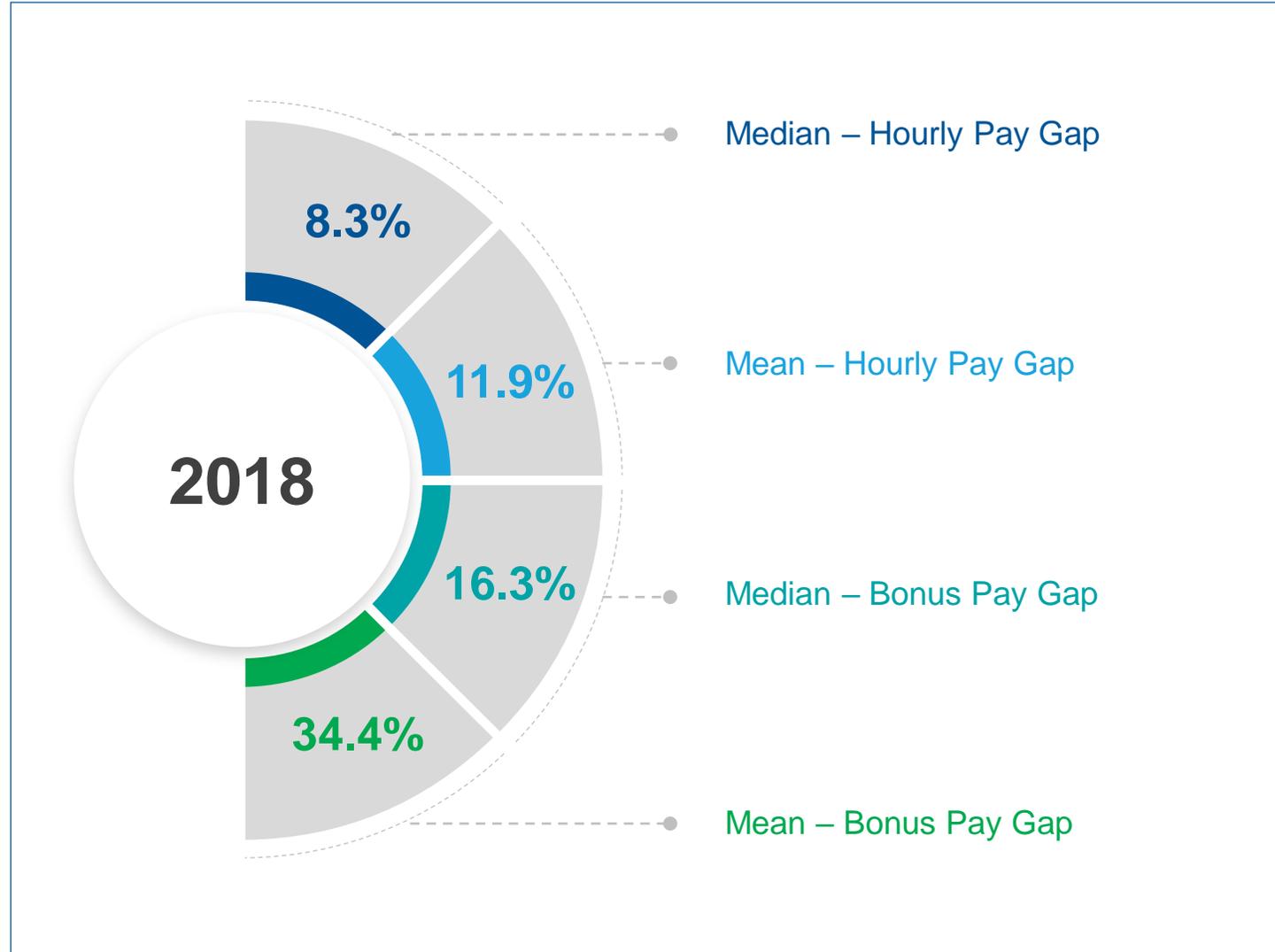
We need to restate the figures published on 5 April 2018 because there was an error in the data which meant that the pay gap was slightly higher than we originally reported.

We have corrected this data in the 2017 report.



UK Gender Pay Gap – Hourly Rate and Bonus

Report published 5 April 2019



Figures published 5 April 2019



897

Total number of employees



445
Women



86.5%
received bonus pay in 2018



452
Men



85.4%
received bonus pay in 2018

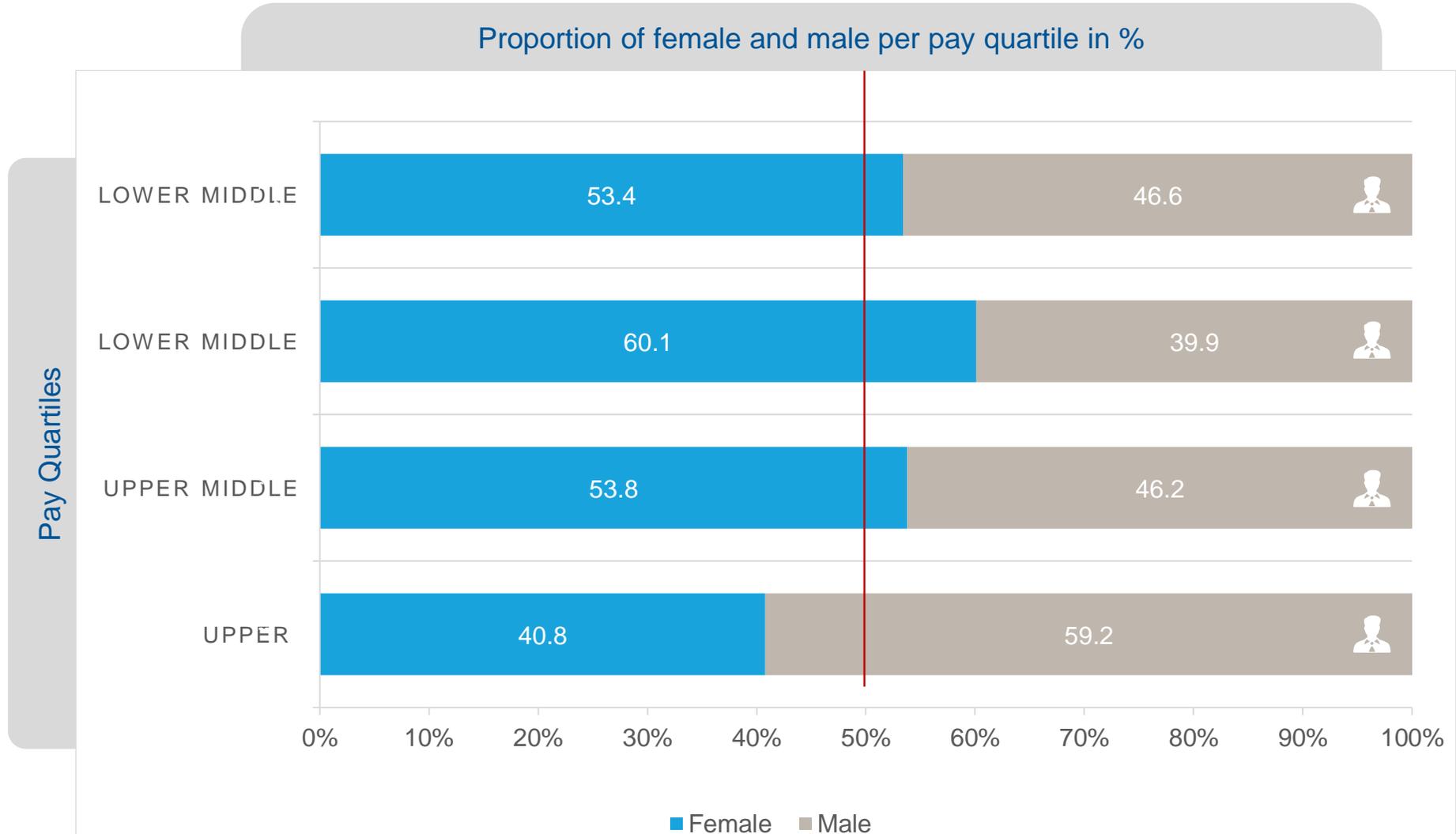
UK Gender Pay Gap – Pay Quartiles

Report published 5 April 2019



49.6%

of our employees across the three sites included in this report are women



UK Gender Pay Gap

What do the numbers tell us?



The proportion of senior management compared to our total colleague community is higher than what would be expected.



Lonza Biologics in Slough hosts global senior management positions.



In line with industry standards, senior management positions carry higher salaries and have higher bonus targets.

01

While we are an equal opportunity employer there is a greater proportion of men in senior management roles. This leads to the higher bonus gap and also impacts our gender pay gap data.

02

When looking at the data by Lonza’s internal pay bands, we are pleased to see that initiatives around diversity and flexible working arrangements had a positive effect on the balance of men and women in each of the pay bands.

03

If “Equal Pay for Equal Work” is compared on each of these pay bands; there is no difference between female and male employees’ remuneration.

Lonza embraces diversity

As part of our recruitment process we ensure women know they are welcome



Jane Hounsome
HR Site Head, Slough

“We are proud that Lonza Biologics plc remunerates women and men equally for doing equivalent jobs across the business and truly believe that diversity enhances and accelerates the performance of Lonza’s teams and businesses.”



Diversity across the organization and at all levels ensures our work benefits from multiple approaches and perspectives.

Some of our initiatives:



During the year the following was added to all job adverts:
“We welcome applications from candidates seeking flexible working (including Part Time and Job Share). Please state your requirements on your application.”



We have also run mandatory recruitment interview training and selection templates to further reinforce with bias-free decision making.

UK Gender Pay Gap

Our commitment for 2019



We are committed to create a workplace that attracts and develops men and women alike

In 2019 we are planning to:



Enhance our maternity provisions to support women on leave and those returning. This is in addition to our paternity provisions.



Participate in International Women's day #IWD2019



UK Gender Pay Gap - Summary

As reported on the governance website from 5 April 2019



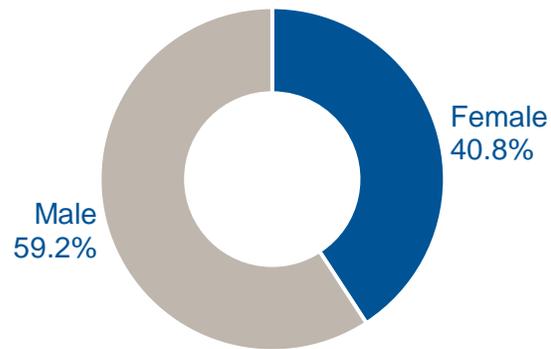
Summary

The following numbers are summarised as they are submitted to the UK Government on:

https://gender-pay-gap.service.gov.uk/? sm_a_u =iVVP4Z6frqN8Sn1Q

Women's hourly rate is	8.3% lower than male's hourly rate (median)	11.9% lower than male's hourly rate (mean)
Women's bonus pay is	16.3% lower than male's hourly rate (median)	34.4% lower than male's hourly rate (mean)
Who received bonus pay	85.4% of men	86.5% of women

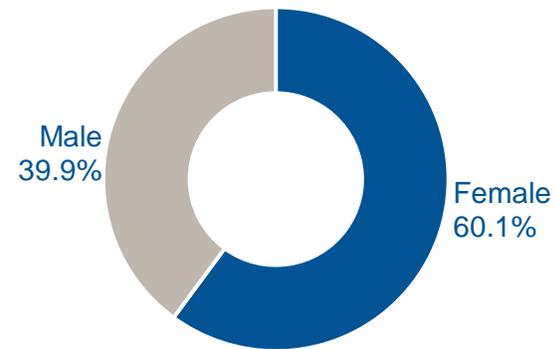
Pay Quartiles



Upper



Upper Middle



Lower middle



Lower

Concluding Statement

We hereby confirm accuracy of our numbers and compliance in calculation with the mandatory figures required by The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Mike Brown
VP, Head of Ops, CD



Jane Hounsomer
Head of HR, Slough

Corporate

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