

Sonic Healthcare UK
Gender Pay Report 2023 for TDL & HSL

INTRODUCTION

Gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year, showing the pay gap between their male and female employees. This report presents the results for Sonic Healthcare UK (TDL and HSL).

WHAT IS THE GENDER PAY GAP?

A gender pay gap is a measure of the difference in the average pay of men and women – regardless of the nature of their work – across an entire organisation, business sector, industry, or the economy as a whole. It is the result of the different number of men and women across all roles.

It is different from an equal pay comparison, which is a direct comparison of two people or groups of people carrying out the same, similar, or equivalent work.

UNDERSTANDING THE GENDER PAY GAP

HOW ARE THE MEDIAN AND MEAN GAPS CALCULATED?

Using the calculations set out in the gender pay gap reporting regulations, we have taken pay data from our entire business of approximately 2,500 staff at April 2023. This data includes many different roles and a variety of pay rates.

Imagine all our female employees stood next to each other in a line, in order of lowest hourly pay rate to highest and visualise all of our male employees doing the same. The median gender pay gap is the difference in pay between the female employee in the middle of her line and the male employee in the middle of his line.

The other measure is the mean gender pay gap, which shows the difference between men and women's average hourly rate of pay. This is also affected by the different numbers of men and women in different roles.

These median and mean data are also calculated when comparing bonus pay over a twelve-month period. The proportion of men and women awarded any bonus pay over that period is also reported.

HOW ARE THE PAY QUANTILES CALCULATED?

In this report, we also show the percentage of men and women in each pay quartile. Quartiles are determined by listing the pay rates for each employee across the business from lowest to highest, before splitting that list into four equal-sized groups and calculating the percentage of males and females in each. This should not be confused with an employee's position within the pay ranges set for each role.

WHAT IS INCLUDED IN OUR CALCULATIONS?

Calculations of mean and median pay and of quartile pay bands are based on data from April 2023 only, including ordinary pay and bonus pay.

Ordinary pay is not limited to basic pay, but includes other types of pay, such as pay for working unsocial hours and shift premium pay. It does not include pay for overtime, pay relating to redundancy/termination of employment or the value of benefits which are not in the form of money.

Bonus pay includes any additional pay relating to commission, productivity, or performance. Calculations of mean and median bonus pay use bonus pay from the twelve months ending on 5 April 2023.

An Overview of Our Company

Sonic Healthcare UK is made up of several entities providing clinical pathology services. The two main employers – The Doctors Laboratory (TDL) and the Health Services Laboratories (HSL) – will be reviewed in more detail later in this report. While these are separate employers, the senior management and leadership, and many of the common corporate functions, are provided to both entities by TDL employees. For that reason, we show the gender pay gap calculations both jointly and separately, as the first provides an accurate reflection of how our company works in practice, while the second meets the statutory reporting requirements. Our results for our total UK workforce show the following:

Sonic Healthcare UK Gender Pay Gap

Mean Pay Gap	4.13%	Median Pay Gap	1.93%
Gender Bonus Pay Gap	-27.24%		

Proportion of Men and Women Paid a Bonus

Proportion of males receiving a bonus	67.34%
Proportion of females receiving a bonus	59.27%

Population by Pay Quartiles for Sonic Healthcare UK

The proportion of males and females in each quartile is as follows:

	Number of Males	% of Males	Number of Females	% of Females
Proportion of males to females in the upper quartile	216	39.93%	325.00	60.07%
Proportion of males to females in the upper middle quartile	242	44.73%	299.00	55.27%
Proportion of males to females in the lower middle quartile	224	41.40%	317.00	58.60%
Proportion of males to females in the lower quartile	214	39.56%	327.00	60.44%

We have two main employing entities that we are required to report separately. The individual results are presented below.

	HSL	TDL
Company description	<i>Joint venture providing pathology services to NHS partners and customers</i>	<i>Independent provider of clinical laboratory diagnostic services in the UK</i>
Gender pay gap	Mean Pay Gap: 5.21% Median Pay Gap: -10.27%	Mean Pay Gap: 3.20% Median Pay Gap: 8.72%
Gender pay bonus	Mean Bonus Pay Gap: 3.37% Median Bonus Pay Gap: 0%	Mean Bonus Pay Gap: -56.94% Median Bonus Gap: 0%
Proportion of men and women paid a bonus	Proportion of males receiving a bonus: 60.48% Proportion of females receiving a bonus: 55.49%	Proportion of males receiving a bonus: 74.48% Proportion of females receiving a bonus: 64.68%

HSL Population by Pay Quartiles

	<i>Number of Males</i>	<i>% of Males</i>	<i>Number of Females</i>	<i>% of Females</i>
Proportion of males to females in the upper quartile	117	39.13%	182	60.87%
Proportion of males to females in the upper middle quartile	104	34.67%	196	65.33%
Proportion of males to females in the lower middle quartile	112	37.33%	188	62.67%
Proportion of males to females in the lower quartile	129	43.00%	171	57.00%

TDL Population by Pay Quartiles

	<i>Number of Males</i>	<i>% of Males</i>	<i>Number of Females</i>	<i>% of Females</i>
Proportion of males to females in the upper quartile	108	44.63%	134	55.37%
Proportion of males to females in the upper middle quartile	137	56.85%	104	43.15%
Proportion of males to females in the lower middle quartile	99	41.08%	142	58.92%
Proportion of males to females in the lower quartile	90	37.34%	151	62.66%

Our Plans to Improve Our Gender Balance

We are pleased to report our gender pay gap at April 2023, and plan to continuously improve the work we do to ensure our workforce is both treated and paid equally.

In our last gender pay gap report, we published that male employees earned on average (mean) 2.25% less per hour than our female employees. The median calculation recorded male employees earning 4.27% more than female colleagues.

At April 2023, our analysis shows that the overall difference between men and women's earnings based on hourly rates of pay is 4.13% (mean) or 1.93% (median).

Equality remains at the heart of Sonic Healthcare UK's workforce plan. We are committed to ensuring that regular benchmarking of salary scales, recruitment, and monitoring of our diverse workforce occurs in line with our Core Values, ensuring that fair access for all exists in relation to our recruitment opportunities. Moreover, we are committed to fair and equal pay irrespective of gender and aim to continue to improve our gender pay gap. As an organisation, we plan to promote policies and initiatives to support equal opportunities for our entire workforce.

Sonic Healthcare UK continued to grow its business in 2022/2023. The baseline staffing numbers increased across both group entities as a result of the additional volumes of tests carried out across all of our services. The mean pay gap in particular has increased since the previous report, and we will work on improving this for the next submission.

We have more female employees than men at all levels of pay quartiles across Sonic Healthcare UK. Our aim is to achieve year-on-year improvement in our gender pay gap, and we hope to continue to encourage greater representation of women at the most senior levels across the group. Encouragingly, over 60% of those in the upper pay quartile are female, and we are proud of this.

We have several ongoing initiatives that aid the organisation in reducing its gender pay gap. These include:

- Promoting an inclusive working culture by enhancing our training, guidance, and resources in relation to flexible working, family-friendly policies (including hybrid working for corporate staff) and bullying and harassment.
- Continuing to invest heavily in leadership development and talent management to support promotion from within. Our leadership development initiative, Preparing to Lead, and other formal supervisor and management training programmes aim to develop and promote our female staff on a more individual basis.
- Introducing mid-year salary spot checks to ensure our staff are paid the correct rates for the role they carry out and to ensure equality across all areas of our workforce.
- Continuing to promote our female role models both internally and externally.
- Ensuring, where possible, that those responsible for recruiting have undertaken Recruitment and Selection training, which includes clear guidance on equality and positive action.
- Working with line managers to ensure they are aware of their role in promoting equality and are proactively supporting the career progression of women within their departments.
- Encouraging better conversations at the Annual Joint Review to ensure it removes any potential barriers that are preventing career progression.

As a group that has grown quickly over recent years because of acquisition, our reward practices vary across our business due to staff transfers from different employers. The bonus pay gap demonstrates this difference. The overall gender bonus pay gap is -27.24%, which means that it is in favour of women. Overall, we maintain a 0% median bonus pay gap as there is no gender difference in the median bonus payments. In 2022/23, TDL and HSL staff received a 'cost of living payment' and this is reflected in the large percentages observed.

In 2023/24, we plan to continue enhancing equality and our wellbeing offering, whilst assessing opportunities for our Preparing to Lead cohort to progress into new roles as part of enhanced and ongoing formal learning opportunities. This will be achieved as we continue to grow services and add contracts across our group.

As we are open to the ongoing improvement of our gender pay gap, we will conduct a thorough review of our terms and conditions, including our benefits, working hours, and practices across our workforce. We believe that promoting these principles will assist in reducing our gender pay gap in future years.



David Byrne
TDL Group CEO
March 2024