



Gender Pay Gap 2018

Vascutek Gender Pay Gap Report

Vascutek Ltd trades as Terumo Aortic. The details within this report are based solely upon Vascutek Ltd based in the UK.

Vascutek is committed to fostering a culture of diversity with a commitment to promoting equality of opportunity and eliminating any form of discrimination in the work place. The Gender Pay Gap reporting requirements support that commitment.

What are the Gender Pay Gap Regulations?

The Equality Act 2010 (Gender Pay Gap Information) Regulations require UK Companies with more than 250 employees to publish a report on their gender pay gap each year on 5 April. This is the second year that reports are being published under the regulations.

The gender pay gap simply shows the difference in average pay between all men and women in a workforce irrespective of the work they do.

It is not the same as equal pay. Equal Pay legislation focuses on whether men and women are paid the same for carrying out the same or similar jobs.

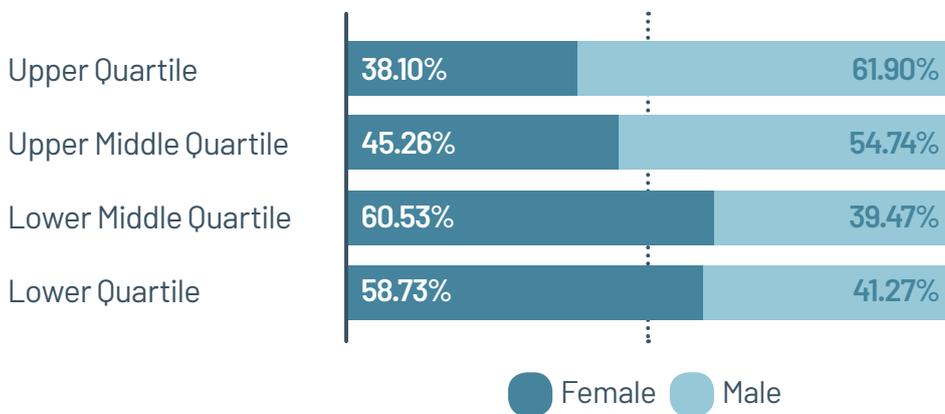
A gender pay gap can arise for a number of different reasons for example low representation of women at a senior level or in certain roles.

Carrying out the analysis for our business again for this year's reporting has given us confidence that there is no issue with the separate matter of equality of pay between men and women doing the same or similar jobs. Carrying out an analysis each year allows us to continually monitor whether and to what extent there is any pay gap and to explore any reasons for that or any changes from the previous year.

Our Gender Pay Gap Results

We are required to collect and report on pay data collected at a snapshot date of 5 April 2018.

At that date we employed 798 associates. Of the 798 associates 758 were used for the calculation of hourly rate, this was split between 385 female and 373 male. Of the 40 excluded this was split between 13 Male and 27 Female.



The reason for excluding associates is due to a reduction in basic pay which could be caused by maternity leave, unpaid leave, unpaid sick, dependency leave etc.

There are more men occupying the most senior roles and engineering roles which sit in the upper quartile compared to other roles in our business where women hold a greater number of roles.

With our approach to equality of opportunity we expect woman to progress through our organisation to the upper quartile thereby reducing the gap in future years.

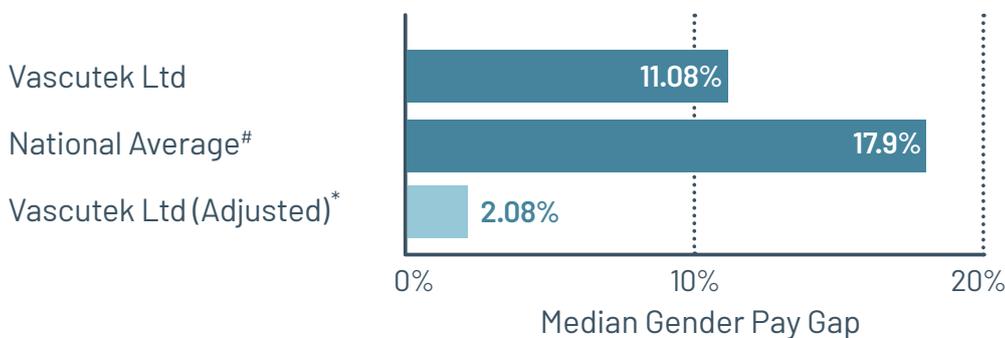
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Gender Pay Gap – Hourly Rates

- Median Gender Pay Gap in Hourly Pay: 11.08%
- Mean Gender Pay Gap in Hourly Pay: 16.32%

The median Gender pay gap of 11.08% is well below the UK national average of 17.90%.#

This reflects the fact that we endeavour to ensure that all employees are remunerated fairly and also equally for the work they do irrespective of gender.



The median gender pay gap is calculated by listing the hourly rates of pay in ascending order for all male and female employees and then finding the number in the centre of the list.

The mean Gender Pay Gap is calculated by taking the average of all male and female hourly rates of pay.

However, if we were to analyse the data with associates' actual hourly rate of pay without deducting any salary sacrifice schemes, adding on shift allowances or 1/12 of April's 2018 bonus, the median gender pay gap would be 2.08%.

* Data with associates' actual hourly rate of pay without deducting salary sacrifice schemes, adding on shift allowances or 1/12 of April's 2018 bonus

As reported by the Office of National Statistics (ONS), 2018

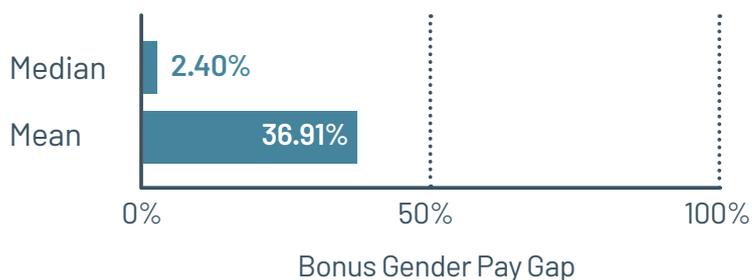
The mean gender pay gap could be accounted for by the following factors:

- Similar to last year's report there is a higher take-up of some salary sacrifice benefits such as purchase of additional holidays by women. Salary sacrifice reduces an employee's entitlement to cash remuneration in return for some form of non-cash benefit such as holiday that is not reflected in their salary or wages. Such benefits must be excluded when calculating the gender pay gap in hourly rates and this can result in the salaries of those opting into these benefits appearing lower.
- The nature of the work done at Vascutek means that we operate a shift system. Certain shifts attract shift premiums. A higher proportion of men opt to work the shifts that attract the higher nightshift premium increasing their average hourly rate for the purposes of gender pay gap calculations. This may be because women prefer to opt for more standard hours to meet caring responsibilities which in turn has the effect of lowering the female average hourly rate of pay. When adjustments are made to the published figure for this, the gap narrows substantially.
- Last year a specific cleanroom were on rotating day and back shift. The hourly rate for calculation would have included the shift allowance paid in April 2017. This cleanroom is no longer on shifts resulting in the hourly rate being reduced this year as there is no shift allowance to be added. This increases the gender pay gap as this particular cleanroom has predominately female staff.
- At the snapshot date for calculating the gender pay gap in hourly rates, there were maternity leavers in our business. The exclusion of them from the calculations, in line with Government guidance, may have had the effect of depressing the average hourly rate of pay for female members of staff.
- In 2017 there were 298 associates receiving shift allowance. However, in 2018 there were only 186 associates receiving shift allowance this again resulting in an overall change in the split.

Gender Pay Gap – Bonus Payments

- Median Bonus Gender Pay Gap: 2.4%
- Mean Bonus Gender Pay Gap: 36.91%

Our Median Bonus Gender Pay Gap is very small. This gives us confidence that there is no inequality in the bonus payments paid to men and women doing the same or similar roles.



The Median Bonus Gender Pay Gap is calculated by listing the total bonus payment for each male and female employee who was paid bonus in ascending order and then finding the number in the centre of that list.

The Mean Bonus Gender Pay Gap shows the difference between the average bonus pay paid to male and female employees. The gap can be accounted for as follows:

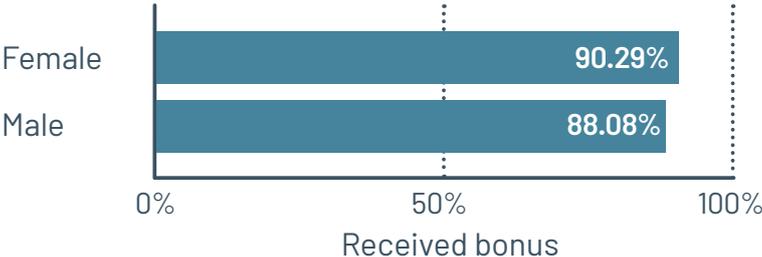
- The more senior roles in the organisation have different demands placed on them and reward is driven by performance in role. This can result in more senior roles attracting higher levels of bonus. As the most senior roles/senior leadership roles in the organisation are predominantly occupied by men, this results in a larger Mean Bonus Gender Pay Gap.
- Associates on maternity leave only accrue bonus for the first four weeks of maternity leave.

As an organisation we do strive to ensure that there are no barriers operating (real or perceived) to prevent or discourage women from applying for or being promoted into more senior roles and we will continue to do that.

Bonus Received

- Females receiving bonus: 90.29%
- Men receiving bonus: 88.08%

The bonus payments used for the purposes of the calculation were those paid between 6 April 2017 and 5 April 2018.

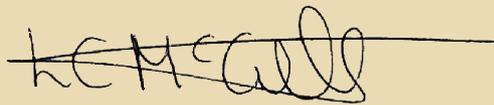


Those who did not receive a bonus were new associates who had joined the company after 1 January 2017 and were therefore ineligible during that year.

Statement

This statement has been prepared and published in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

I confirm that the data and gender pay calculations are accurate.

A handwritten signature in black ink, appearing to read 'Lorna McGill', with a horizontal line drawn through it.

Lorna McGill
Pension and Reward Manager
Vascutek Ltd

For further information please contact Lorna McGill, Pension and Reward Manager.
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