

# celesio

At Celesio UK we believe in creating a healthier world where people can live more positive lives. Every day millions of people across the UK rely on the services we provide.

We are a leading provider of integrated healthcare services to the NHS and our family of businesses stretch right across the sector. We operate over 1,500 community pharmacies through our LloydsPharmacy brand and we also deliver medicine to every dispensing point in the UK through our wholesale distributor AAH Pharmaceuticals.

As well as LloydsPharmacy and AAH, Celesio UK comprises of LloydsPharmacy Clinical Homecare, Online Doctor, Betterlife, John Bell and Croyden and MASTA.

Our business is made up of 24,130 employees, with 17,990 females and 6,140 males. We pride ourselves on being a workforce that reflects the people and communities we serve.



Our commitment to ensuring equal opportunities stretches right throughout our organisation. At the time of our data sampling (April 2017), the Celesio UK country board consisted of a 50/50 split of three females and three males. The previous year the country board was 100% male, demonstrating that we've made progress even at our most senior level.

We believe that having a strong diverse workforce at every level, means we are better prepared to meet our customers' and patients' needs.

We are guided by our ICARE values, which mean that we always strive to do the right thing, in the right way. Transparency and equality are part of our DNA and therefore reporting on gender pay gap is an important step forward.

The differences identified in this report show that there is still some work to be done to make our pay as fair as possible and we are committed to bridging the gaps over the next few years.

This report is broken down into four of our business units which employ over 250 people – LloydsPharmacy, AAH Pharmaceuticals, Barclay Pharmaceuticals (part of the AAH family) and LloydsPharmacy Clinical Homecare.

## LloydsPharmacy

When looking at overall figures for LloydsPharmacy, which includes colleagues in a range of different roles, we found that there is a variance between pay of male and female employees. There is an average pay gap of 23.6% and an average bonus payment gap of 77.5%, although female employees are 18% more likely to receive a bonus. We identified that the reason for the bonus gap is due to the inclusion of part-time roles.

Ensuring fair pay and reward is important to us, so we wanted to learn more about these figures and why there is a gender difference.

- At LloydsPharmacy, we employ over 20,000 people.
- The majority of LloydsPharmacy employees (79%) are female.
- Over 15,000 (75%) of LloydsPharmacy roles are part-time
- The majority of part-time positions are filled by female employees (79%).
- Part time roles are generally lower paid and also receive smaller bonuses.

We employ colleagues in a wide range of roles that vary in level of responsibility and complexity. Our pay and bonus rates within LloydsPharmacy are gender neutral and are determined purely by the value of the role. We therefore do not believe that there is a significant gender pay gap issue across the business as whole, although we are committed to addressing the variance.

The LloydsPharmacy colleague population can be broken down into *retail based* roles and *professional and management* roles. Professional and management roles include pharmacist and store managers.

### LloydsPharmacy Retail

- Across our retail network we have 15,717 employees
- 13,156 female and 2,561 male
- 12,807 part-time workers

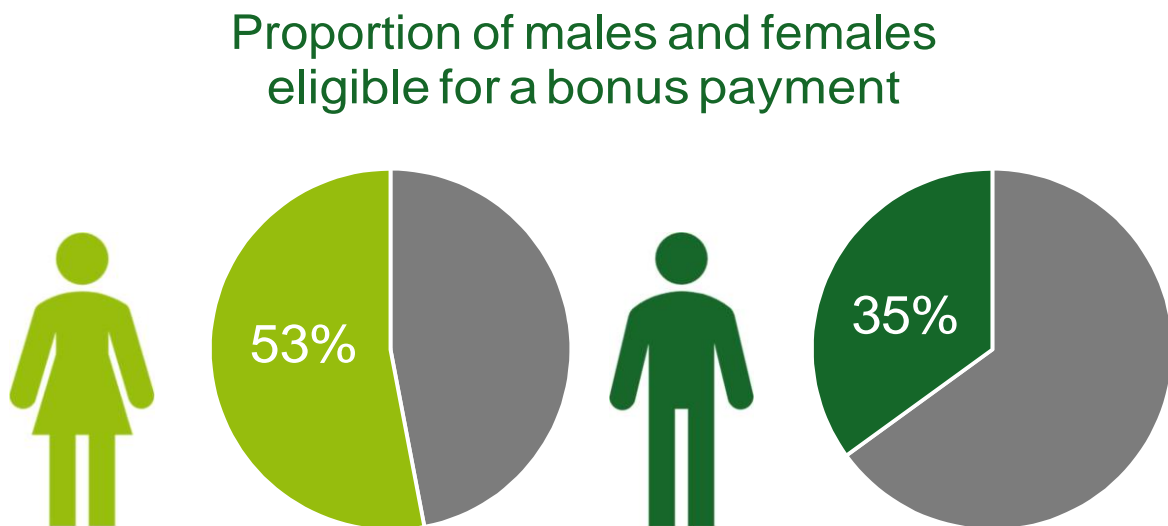
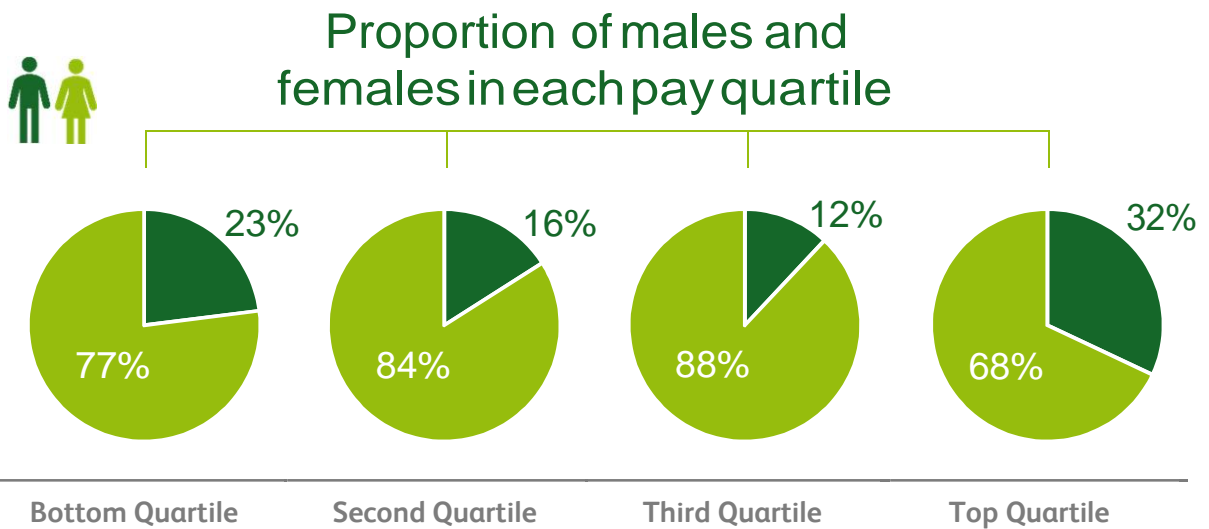
There is no significant difference between hourly pay rate of male and female employees within our retail network. We found 92% of female employees were eligible for a bonus payment, compared to 4% of male employees. On average, male bonus payments were 12.1% higher than females. We have identified that the reason for this variance is due to our delivery driver population, which is predominantly male, not being eligible for bonus payment.

### LloydsPharmacy Professional and Management

- There are 4,306 people employed in professional and management roles at LloydsPharmacy
- This is made up of 2,745 females and 1,561 males
- 1,260 part-time workers

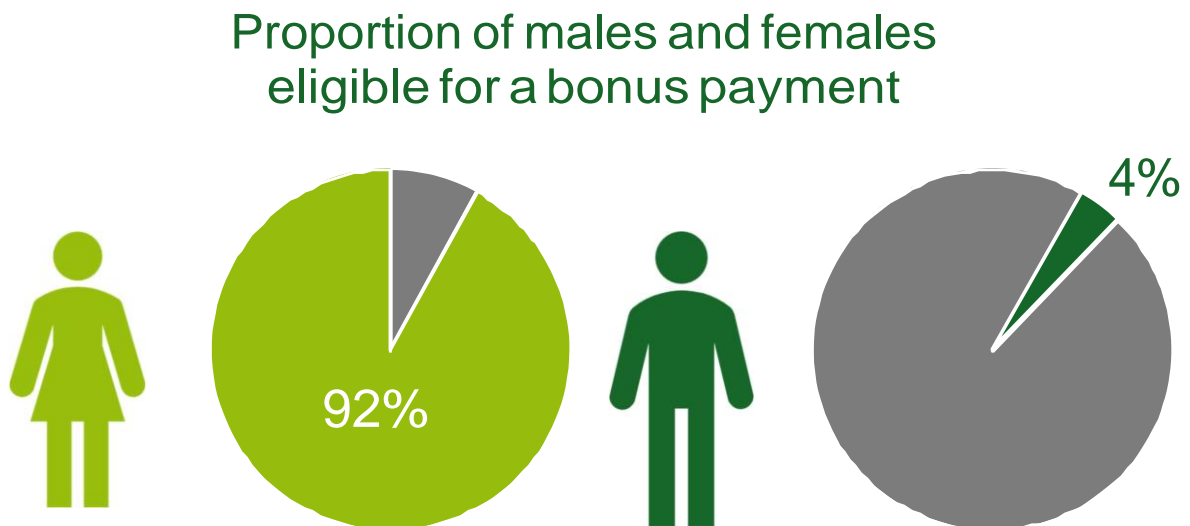
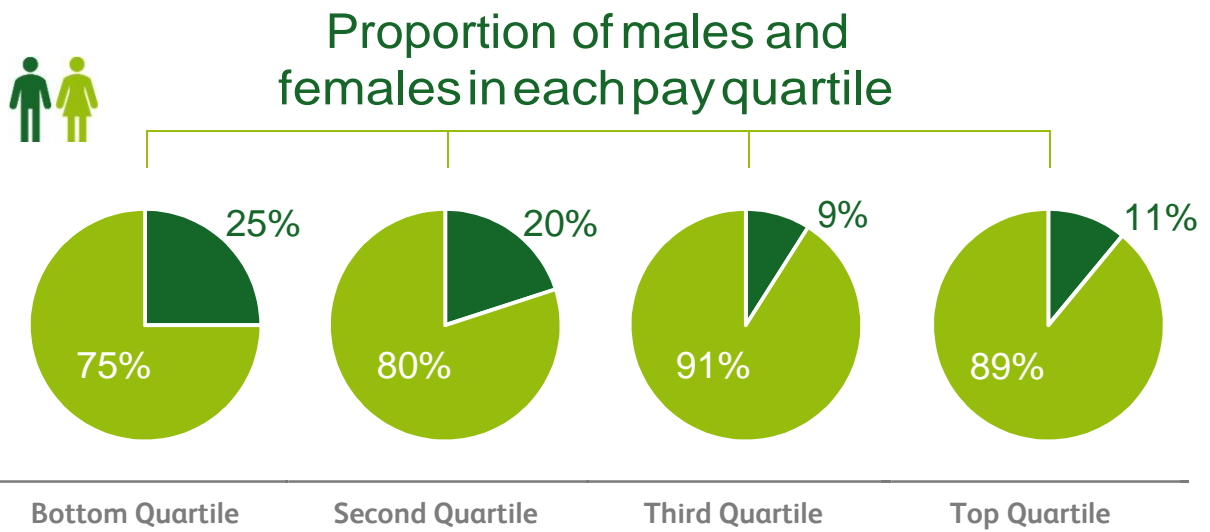
## Gender Pay Gap LloydsPharmacy Limited

Difference between men and women		
	Mean	Median
Pay Gap	23.6%	2.5%
Bonus Gap	77.5%	62.9%



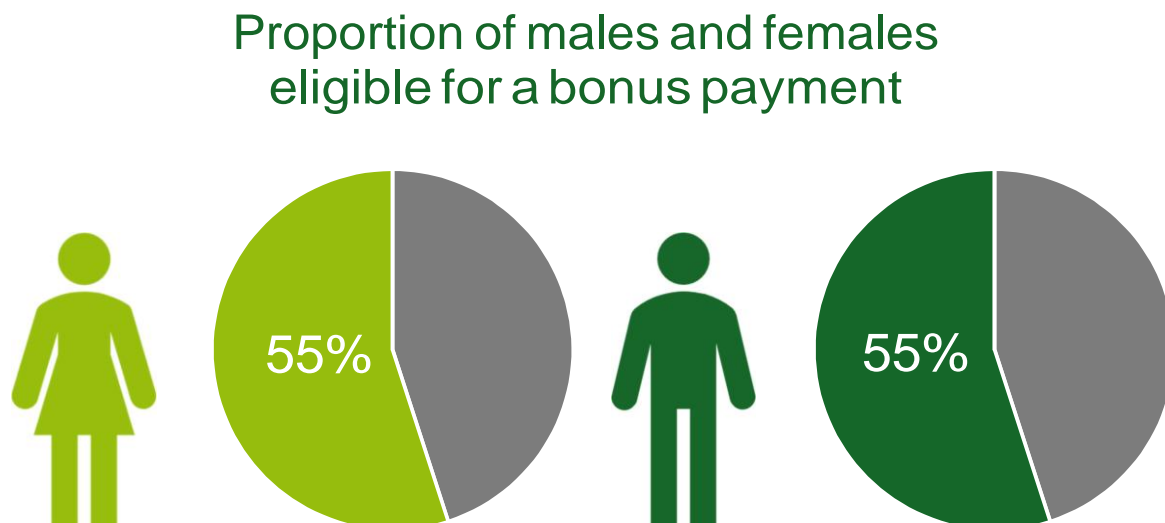
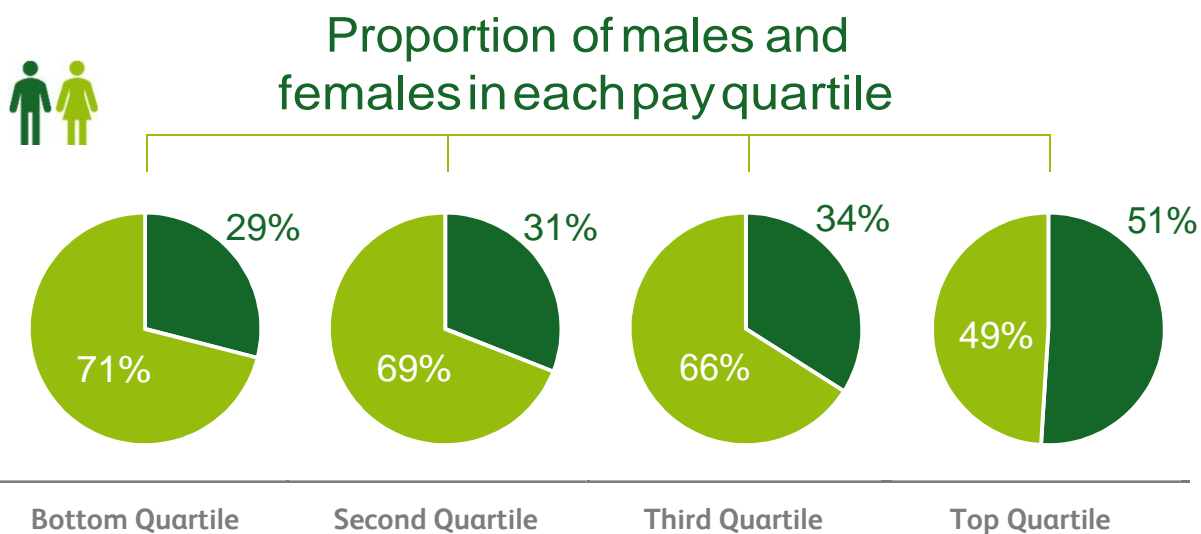
## Gender Pay Gap LloydsPharmacy Limited – Retail

Difference between men and women		
	Mean	Median
Pay Gap	-3.5%	-1.8%
Bonus Gap	12.1%	-21.3%



## Gender Pay Gap LloydsPharmacy Limited – Professional and Management

Difference between men and women		
	Mean	Median
Pay Gap	11.5%	5.5%
Bonus Gap	43.3%	38.0%



## Celesio UK Gender Pay Gap

March 2018

LloydsPharmacy | AAH Pharmaceuticals | LloydsPharmacy Clinical Homecare

On average, hourly rates for pay of male employees is 11.5% higher than females. There is no significant difference between the amount of males and females eligible for a bonus, but male bonus payments were on average 43.3% higher than those for females.

We believe this variance is due to the fact that we have a diverse professional and management workforce with a range of expertise in specialised areas that attract varying levels of pay. It is also important to note that 39% of female employees (1,073) are on part-time contracts.

### How we are tackling the gender pay gap at LloydsPharmacy

We regularly review our pay and reward strategy to ensure that we remain competitive in the market. Although we recognise that there is a difference between male and female pay, we do not believe there is a significant gender pay gap issue at LloydsPharmacy.

We are introducing a performance related pay structure which we believe will be a more fair distribution model and should further narrow the gaps between gender pay.

## Celesio UK Gender Pay Gap

March 2018

LloydsPharmacy | AAH Pharmaceuticals | LloydsPharmacy Clinical Homecare



When looking at overall figures for AAH Pharmaceuticals, which includes colleagues in a range of different roles, we found that there is a variance between pay of male and female employees. There is an average pay gap of 13.8% and an average bonus payment gap of 51.3% both in favour of males, although female employees were 1.02% more likely to receive a bonus. We identified that the variance within these figures is due to the inclusion of higher paid management roles.

It was important for us to take a more in-depth look at what could be causing these pay gaps.

- At AAH we employ 3,104 people
- Of these employees, 1,450 are female and 1,654 are male
- 1,564 are part-time employees
- The majority of employees work within warehouses or as delivery drivers
- We also have employees in a range of administrative, professional and management roles which are generally higher paid

The AAH colleague population can be broken down further into *warehouse based* roles, *driver* roles, and *administrative, professional and management* roles.

### Warehouse

- We have a total of 1,470 warehouse based colleagues at AAH
- Of these colleagues 897 are female and 573 are male

There is no significant difference between hourly rate of pay of male and female employees in warehouse roles. Out of our female employees, 6.13% were eligible for a bonus, compared with 10.47% of males. On average, bonus payments for male employees were 48.6% higher than for females.

Bonus payment for warehouse colleagues is based on performance factors which relate to productivity and meeting targets. This means that all employees have the same opportunity to earn bonus payments.

### Drivers

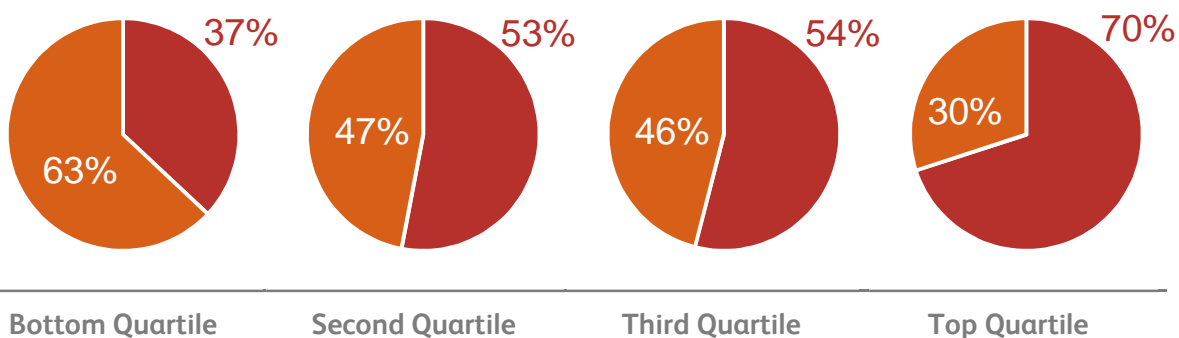
- At AAH we have 724 drivers
- The majority of our drivers are male (97%)

## Gender Pay Gap AAH Pharmaceuticals Limited

Difference between men and women		
	Mean	Median
Pay Gap	13.8%	14.7%
Bonus Gap	51.3%	64.4%



### Proportion of males and females in each pay quartile



### Proportion of males and females eligible for a bonus payment



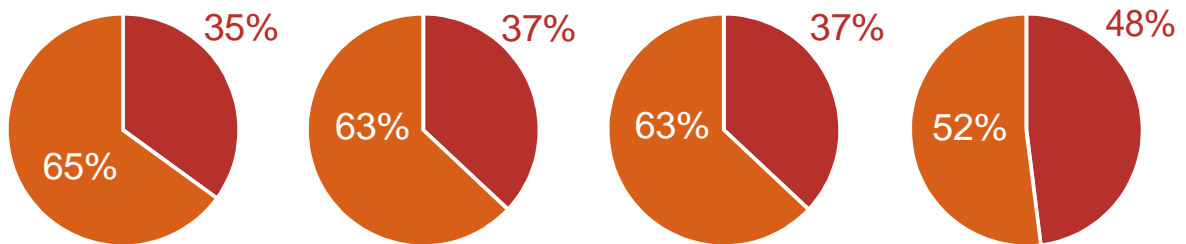


## Gender Pay Gap AAH Pharmaceuticals Limited – Warehouse Colleagues

Difference between men and women		
	Mean	Median
Pay Gap	0.5%	0%
Bonus Gap	48.6%	39.6%



### Proportion of males and females in each pay quartile



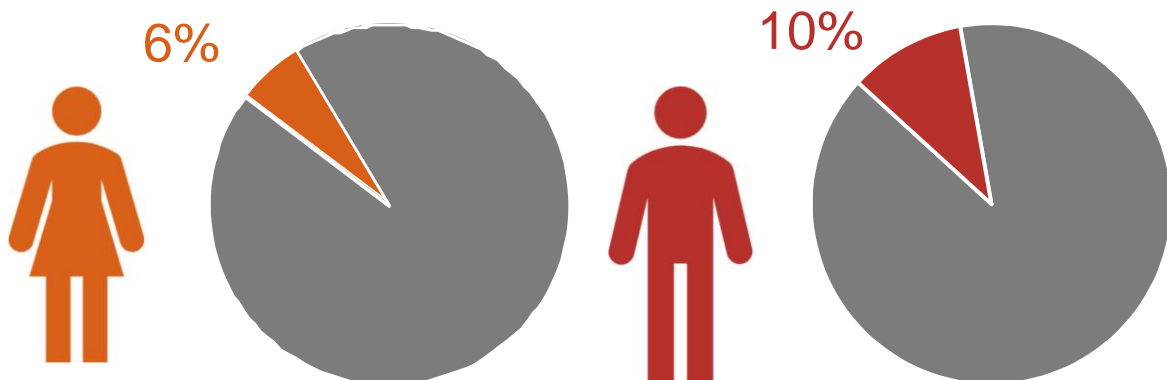
Bottom Quartile

Second Quartile

Third Quartile

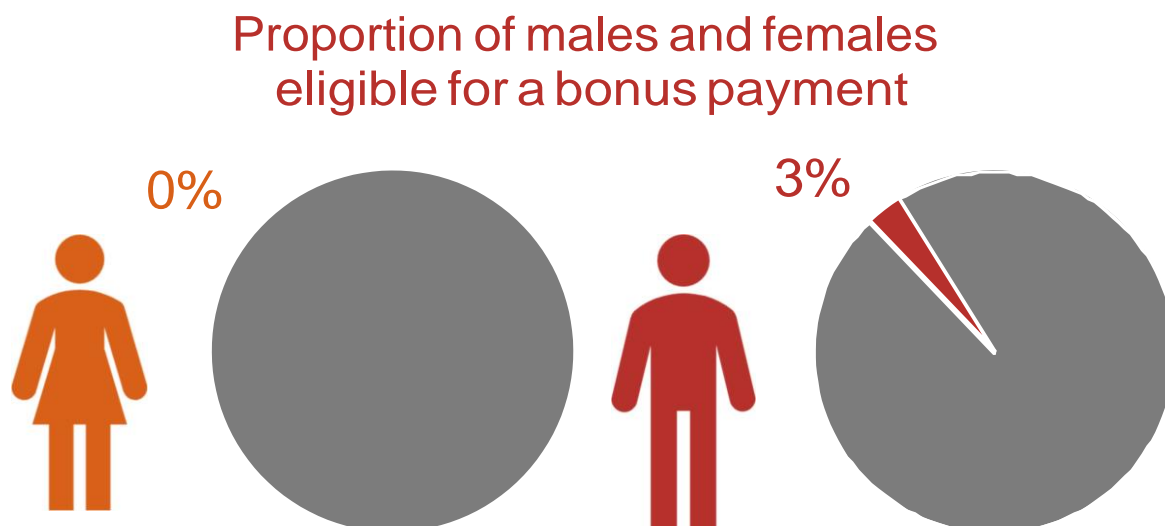
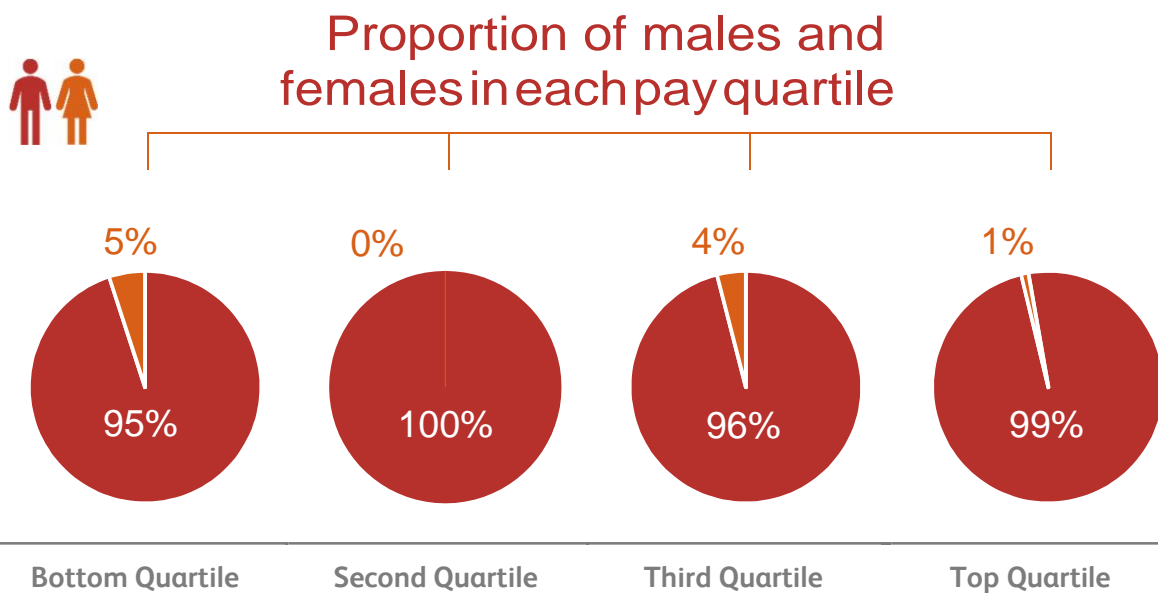
Top Quartile

### Proportion of males and females eligible for a bonus payment



## Gender Pay Gap AAH Pharmaceuticals Limited – Drivers

Difference between men and women		
	Mean	Median
Pay Gap	4.3%	11.2%
Bonus Gap	100%	100%



## Celesio UK Gender Pay Gap

March 2018

LloydsPharmacy | AAH Pharmaceuticals | LloydsPharmacy Clinical Homecare

There is no significant difference between the hourly pay of male and female driver colleagues. There is minimal bonus eligibility for these roles and therefore there is no variance between males and females.

### Administrative, Professional and Management

- At AAH we have 910 employees in administrative, professional and management roles
- Of these 910, 374 are male and 536 are female

We have a diverse professional and management workforce with a range of expertise in specialised areas that attracts varying levels of pay. When looking at comparable roles we found there to be minimal gender pay gap.

### How we are tackling the gender pay gap at AAH

We regularly review our pay and reward strategy to ensure that we remain competitive in the market. Although we recognise that there is a difference between male and female pay, we do not believe there is a significant gender pay gap issue at AAH.

We are introducing a performance related pay structure which we believe will be a more fair distribution model and should further narrow the gaps between gender pay.

## Barclay Pharmaceuticals Limited

When looking at overall figures for Barclay Pharmaceuticals (part of the AAH family) we found there to be a variance between males and female employees. There is an average pay gap of 5.0% in favour of males. There is also an average bonus payment gap of 23.1% in favour of males, although female employees are 32% more likely to be eligible for a bonus.

Ensuring fair pay and reward is important to us, so we wanted to learn more about these figures and why there is a gender difference.

- At Barclay Pharmaceuticals we employ 305 people
- Around 36% of employees are female and 64% are male
- Barclay Pharmaceuticals is part of the AAH family and so has similarly varied roles with wide ranges of pay

Within Barclay Pharmaceuticals, we have a diverse workforce with a range of expertise in specialised areas that attracts varying levels of pay. When looking at comparable roles we found there to be minimal gender pay gap.

Barclay Pharmaceuticals are in the process of integrating employees into AAH Pharmaceuticals.

### How we are tackling the gender pay gap at Barclay Pharmaceuticals

We regularly review our pay and reward strategy to ensure that we remain competitive in the market. Although we recognise that there is a difference between male and female pay, we do not believe there is a significant gender pay gap issue at Barclay Pharmaceuticals.

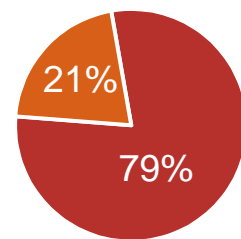
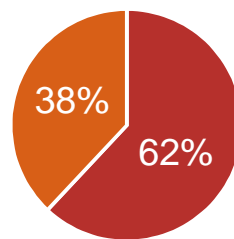
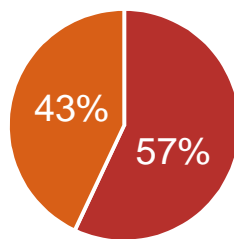
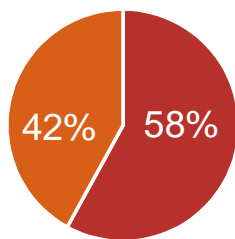
We are introducing a performance related pay structure which we believe will be a more fair distribution model and should further narrow the gaps between gender pay. This will apply to Barclay Pharmaceuticals' employees as well as AAH employees.

## Gender Pay Gap Barclay Pharmaceuticals Limited

Difference between men and women		
	Mean	Median
Pay Gap	5.0%	12.0%
Bonus Gap	23.1%	14.3%



### Proportion of males and females in each pay quartile



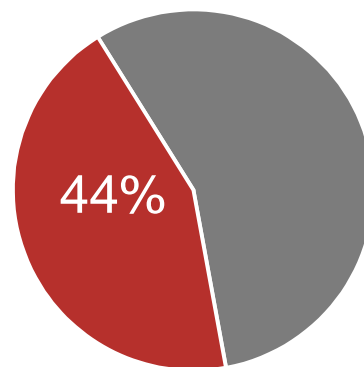
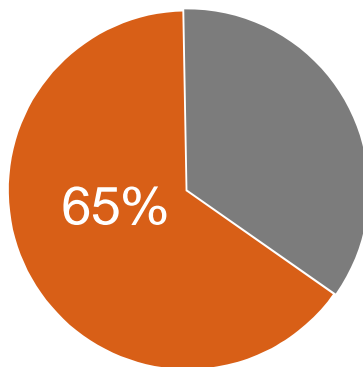
Bottom Quartile

Second Quartile

Third Quartile

Top Quartile

### Proportion of males and females eligible for a bonus payment





When looking at overall figures for LloydsPharmacy Clinical Homecare (LPCH) we found there to be a variance between pay of male and female employees. There is an average pay gap of 6.1% in favour of females. There is an average bonus payment gap of 34.5% in favour of males.

Ensuring fair pay and reward is important to us, so we wanted to learn more about these figures and why there is a gender difference.

- At LPCH we employ over 1,000 people
- Around 64% of employees are female and 36% are male
- 27% of colleagues work in Clinical Nursing or Nursing support roles
- The majority of nursing roles are occupied by female employees
- Out of our delivery driver and warehouse roles, 91% are males

We have identified that the variance in bonus payments between males and females is due to the inclusion of senior management roles, which are generally higher paid positions with higher bonuses. Nursing roles are eligible for a profit sharing 'thank you' payment which is determined by company performance.

## How we are tackling the gender pay gap at LloydsPharmacy Clinical Homecare

We regularly review our pay and reward strategy to ensure that we remain competitive in the market. Although we recognise that there is a difference between male and female pay, we do not believe there is a significant gender pay gap issue at LloydsPharmacy Clinical Homecare

We are introducing a performance related pay structure which we believe will be a more fair distribution model and should further narrow the gaps between gender pay.

## Gender Pay Gap LloydsPharmacy Clinical Homecare Limited

Difference between men and women		
	Mean	Median
Pay Gap	-6%	-56%
Bonus Gap	35%	0%

