

Gender Pay Gap Report

2022/2023



About Costello Medical

Costello Medical provide scientific support in the analysis, interpretation and communication of clinical and health economic data.

We have grown organically since our foundation in 2008 to become one of the most established independent agencies delivering medical communications and health economic services.

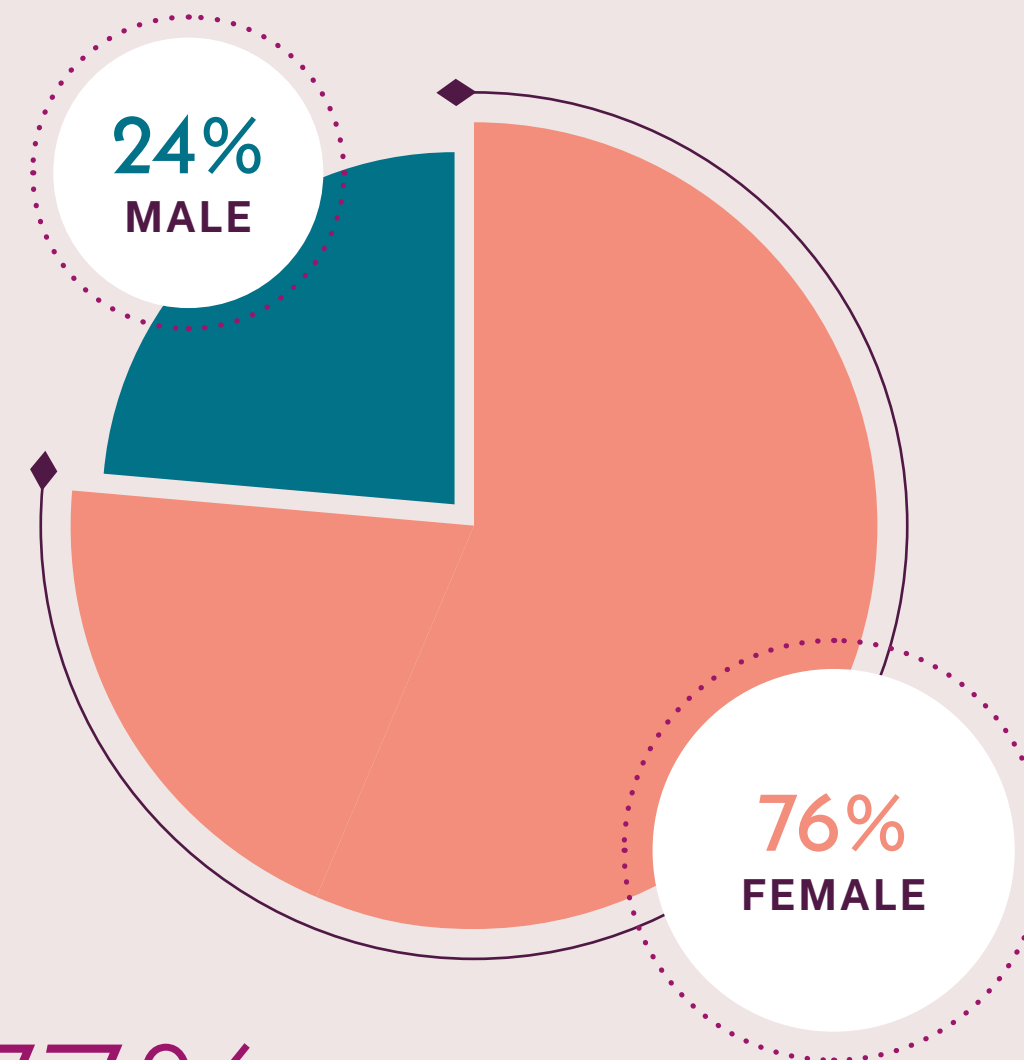
Our teams are led by talented individuals who started and have built their careers at Costello Medical and we aim to offer career opportunities that are second to none.

We are proud to be the first agency of our kind to gain B Corp certification and we are delighted to join like-minded organisations that commit publicly to making a positive impact.



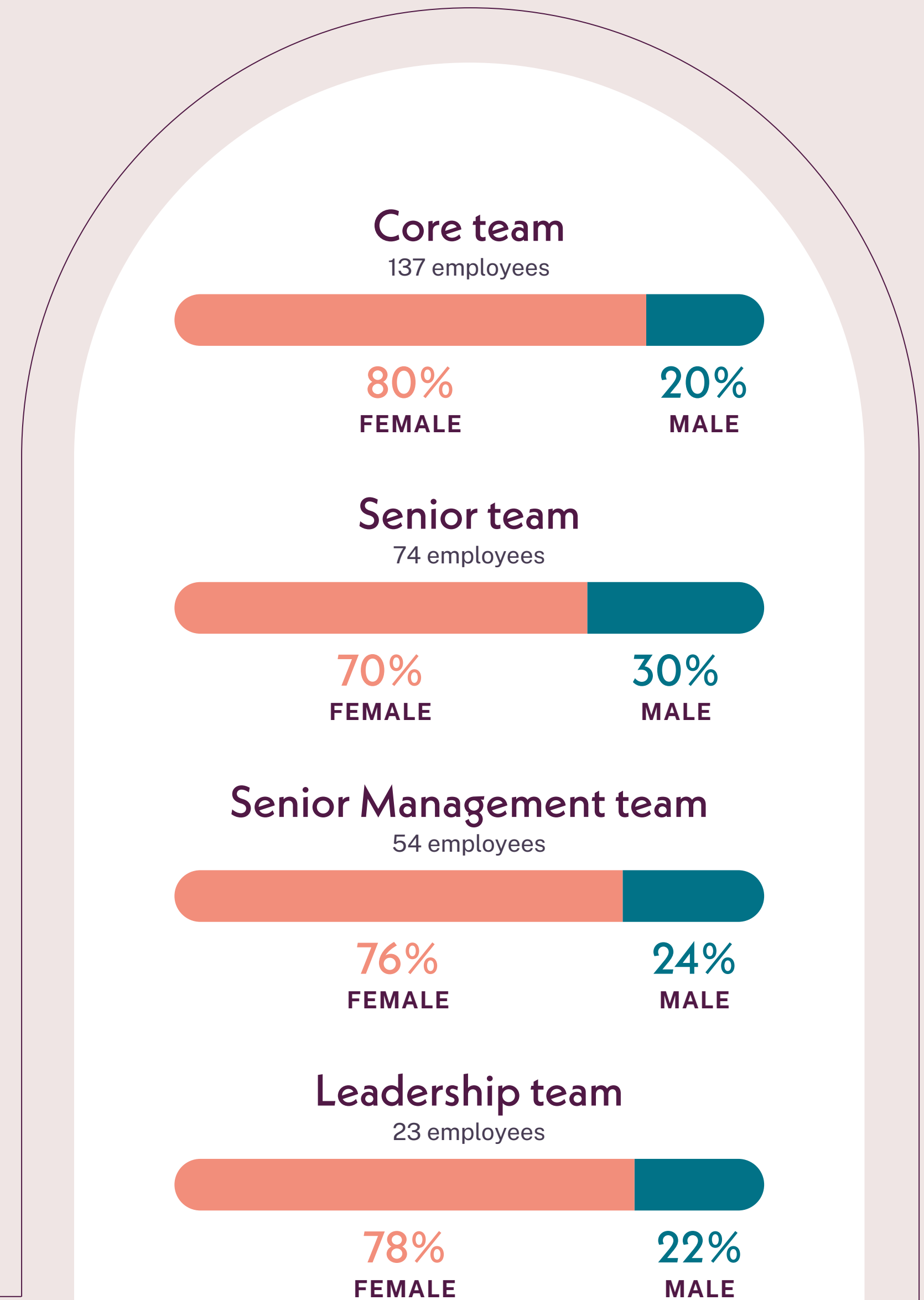
UK legislation requires all businesses employing over 250 people to report annually on their gender pay gap. 2023 is the first year that we reached this threshold in the UK, which was measured on 5th April 2023.

At this snapshot date we employed 288 employees in the UK. Of these employees, 76% (220) were female. We are especially proud that 77% of employees in our Senior Management and Leadership teams specifically were female.



77% of employees in our Senior Management and Leadership teams were female

Throughout our Gender Pay Gap Report we refer to gender as male and female in line with the UK Gender Pay Gap legislation.



Our Mission

To be a community of the very best people building trusted partnerships across the healthcare sector by delivering an exceptional service.



Equality & Inclusion

At Costello Medical we are committed to fostering a diverse and inclusive workforce.

We have a dedicated Equality and Inclusion Taskforce, consisting of volunteers across the company, which aims to ensure our community is accessible to all.

Gender Pay Gap Results

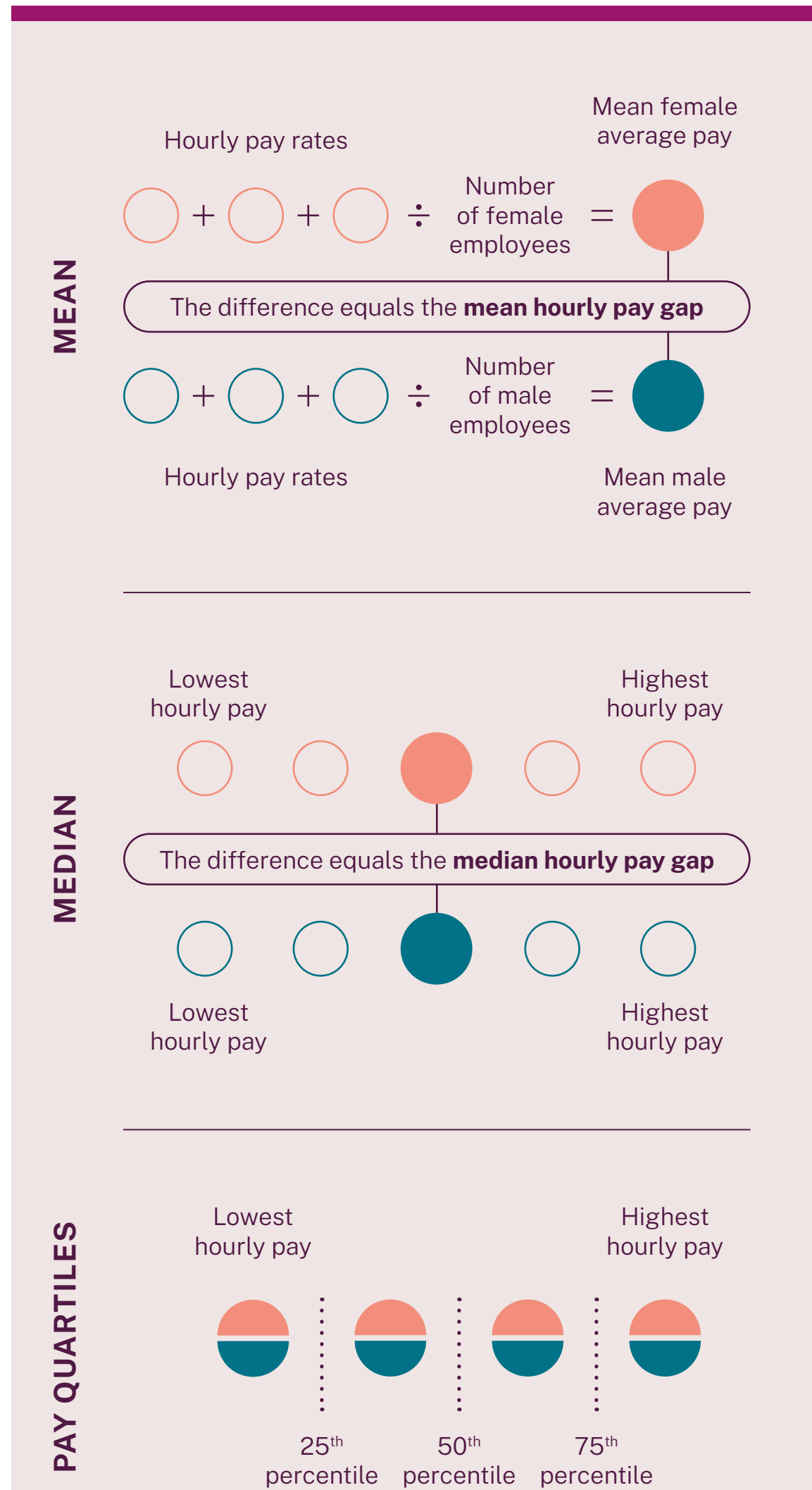
As part of the UK legislation, we are required to publish our mean (average) and median (mid-point distribution) pay and bonus gaps, as well as the ratio of men to women in each pay quartile.

How are the mean and median calculated?

- ◆ The mean is calculated by adding together all the hourly rates of pay or bonuses for each gender and dividing the total by the number of people of that gender. The mean percentage shows the difference between the two numbers.
- ◆ The median is calculated by lining up everyone of each gender in order of how much they are paid. The median is the amount paid to the person in the middle of each line. The median gap is the difference between these two numbers, expressed as a percentage.

How are the pay quartiles calculated?

- ◆ All employees are divided into four equal sized groups based on their pay.
- ◆ A single list of all male and female full-pay relevant employees is produced from the lowest hourly rate through to the highest. The median is identified (50th percentile) in the ranked distribution of all employees which represents the second quartile. The first quartile (25th percentile) is identified by calculating the midpoint between the smallest value (i.e. the lowest paid employee) and the median (i.e. the second quartile). Finally, the third quartile (75th percentile) is identified by calculating the midpoint between the median (i.e. the second quartile) and the largest value (i.e. the highest paid employee). 75% of all employees are under this value and 25% are over it in the fourth ('upper') quartile.
- ◆ If there are multiple employees on the same hourly pay rate, some employees on the boundary would be split into the quartile below and some into the quartile above, ensuring that the four quartiles have an equal proportion of people. If there are several employees on the same rate of pay but distributed across two quartiles (this is most likely to happen in the lower-middle and upper-middle quartiles), the males and females will be split as evenly as possible across the quartiles.



Our Results

◆ Hourly Pay Gap

MEAN

4.9%

This means that males were paid on average 4.9% more than females.

MEDIAN

12.5%

This means that males were paid on average 12.5% more than females.

◆ Bonus Pay Gap

MEAN

12.1%

This means that males were paid on average 12.1% more than females.

MEDIAN

5.6%

This means that males were paid on average 5.6% more than females.

In the period leading up to the snap shot date:

55.9% of males received a bonus



46.8% of females received a bonus

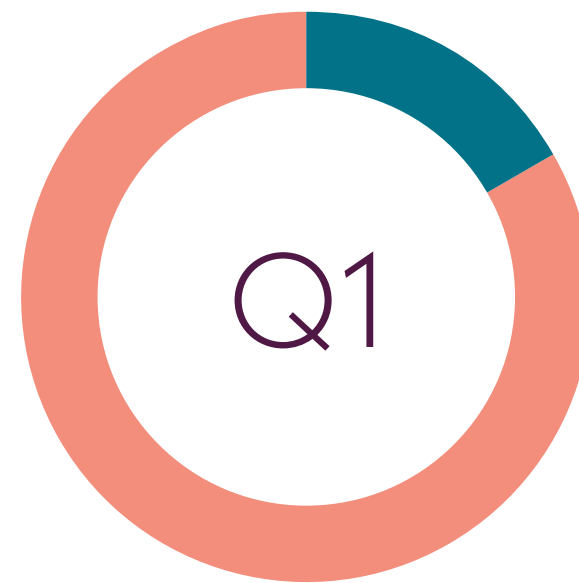


9.1%

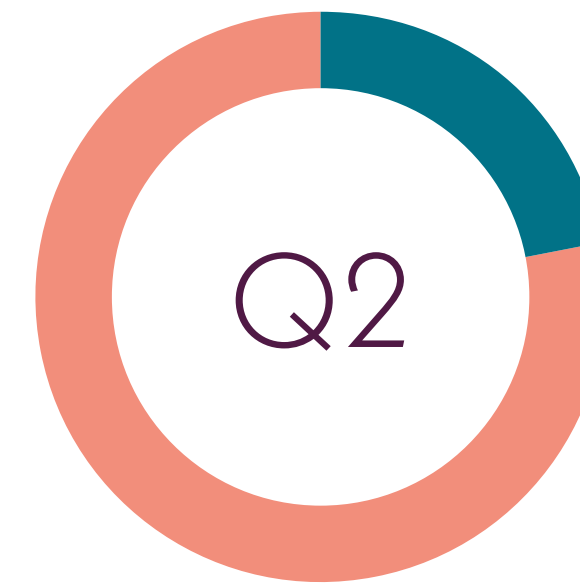
This means that on average 9.1% more males received a bonus than females.

◆ Company Pay Quartiles

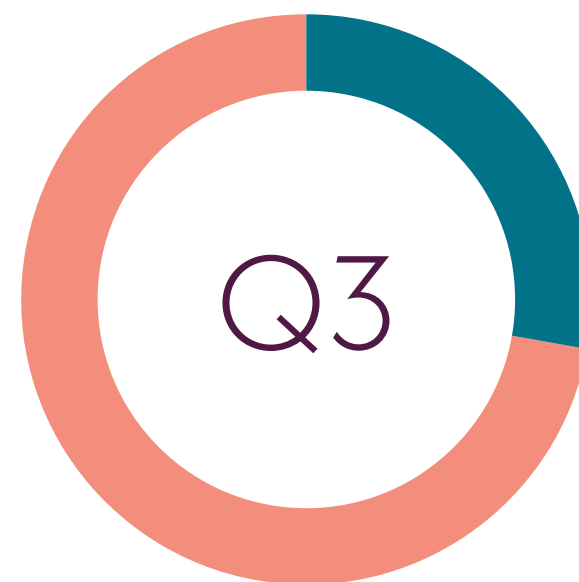
Proportion of males and females in each quartile band:



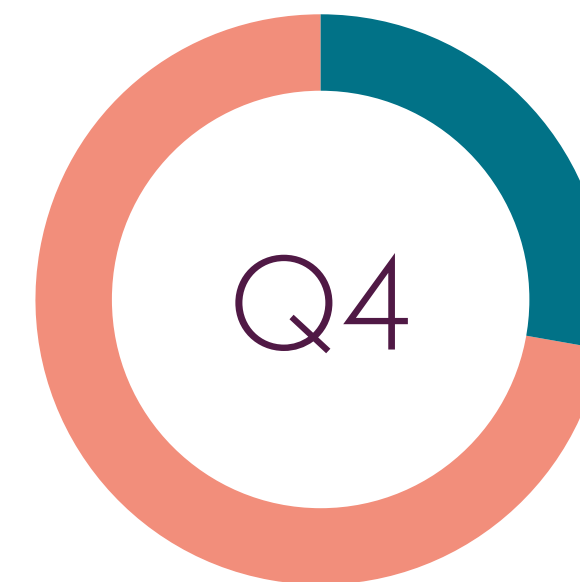
MALES 16.7%
FEMALES 83.3%



MALES 22.2%
FEMALES 77.8%



MALES 27.8%
FEMALES 72.2%



MALES 27.8%
FEMALES 72.2%

Q1: Lower quartile; Q2: Lower middle quartile; Q3: Upper middle quartile; Q4: Upper quartile.





Drivers Behind our Pay Gap

The following factors have an impact on our pay and bonus gaps:

Recruitment

We hired 104 new starters in 2022, 98% of whom were in entry-level roles (i.e. in our lower pay bands). Of these new joiners, 75% were women (and of these, 99% were in the lower two quartile pay bands).

Part-time Working

We are highly supportive of part-time working arrangements; 8% of colleagues worked part-time at our snapshot date, all of whom were women. Part-time workers receive pro-rated bonuses according to hours worked, thus affecting our gender bonus pay gap. Whilst all part-time workers at our snapshot date were female, part-time working is available to all staff and at different points some male colleagues have also worked part-time.

Female Representation in Operational Roles

Pay bands for our operational teams are lower than for our scientific, creative and technical positions, with over half of all operational roles falling into the lower quartile. Women are highly represented in our operations teams, thus impacting on the mean and median salaries for women.

Bonus Scheme Design

Prior to October 2023 bonuses were generally not paid to our Core team (i.e. most junior) colleagues. 80% of our Core team was female and this impacted on the bonuses received by female colleagues. We have since changed our scheme to a profit share; all employees who have passed their probationary period are considered in our profit share scheme and we expect this gender bonus gap to lessen as a result.

Family Leave

Colleagues on family leave are excluded from the calculations. This has reduced the number of higher-paid female colleagues and therefore influenced our pay gap. Furthermore, as bonuses were pro-rated for those who took leave over the period the bonus relates to, the bonus gap is also influenced by family leave.

Actions

We recognise that our gender pay gap is small and attributable to the aforementioned factors. We will therefore:

- ◆ Continue to ensure that colleagues going on and returning from family leave are fully supported and empowered to achieve their career goals alongside family responsibilities; we are very proud that for the past five years, 100% of female colleagues have returned to work from family leave and remained at the company for at least 12 months. Later in 2024 we will be conducting a holistic review of our family leave processes and we will be gathering feedback from colleagues to inform future actions.
- ◆ Provide clear pathways for progression for colleagues across all roles; in 2024 we are particularly focusing on formalising the opportunities available to experienced members of our Senior Management team, and we will also be reviewing opportunities for progression in operations roles. We also adjusted the process for internal promotions in 2023 by moving to a rolling, continuous process from our previous bi-annual approach.
- ◆ Continue to improve the wider opportunities we can provide to support career progression, including our recently formalised mentorship programme.
- ◆ Increasingly use data to inform our decision making. Since October 2023 we have invited colleagues to submit a diversity questionnaire. This data will be used to monitor company diversity and inform actions to tackle identified issues related to equality and inclusion.
- ◆ Consider policies to support colleagues around menopause and menstruation to further ensure that women of all ages feel supported in the workplace.
- ◆ Our Equality and Inclusion Taskforce is currently coordinating an analysis of anonymised recruitment data to verify if biases in recruitment exist for Costello Medical, so that these could be counteracted if identified. Gender (including self-reported gender) is one of the characteristics on which the analyses will be run.

100%

of female colleagues have returned to work from family leave and remained at the company for at least 12 months for the past 5 years

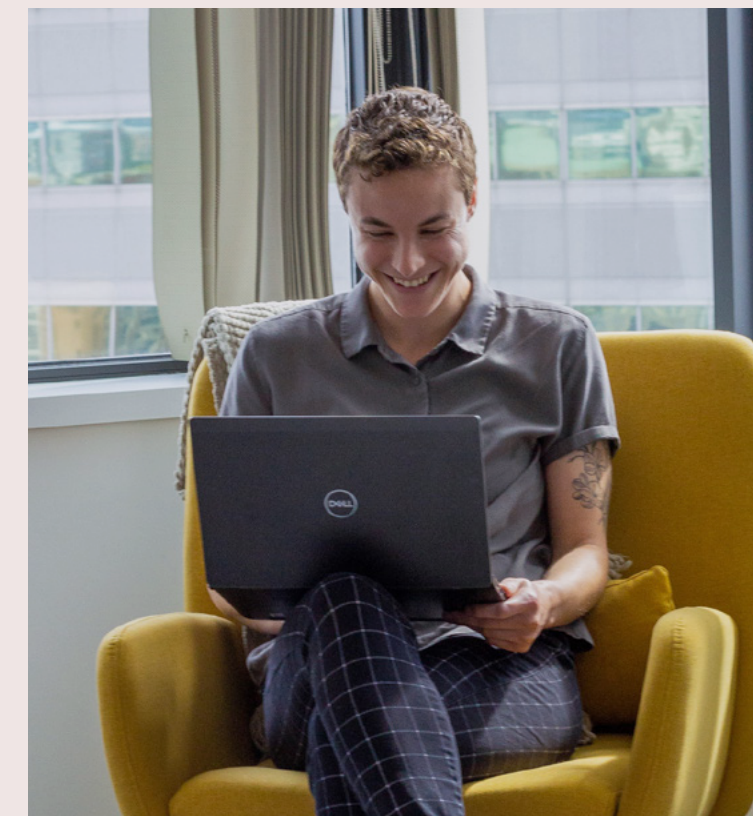


A Short Note from Sophie Costello, CEO and Director



I am very proud to see these results. We are pleased to support and empower women across all levels of the company; from the opportunities for flexibility that we can offer, including flexible and part-time working, to the way in which we support colleagues returning from family leave and in achieving their career aspirations. We also hope to continue to improve our gender pay gap through the actions we have outlined.

If you have any suggestions for how we could further support and empower women at Costello Medical, I would encourage you to get in contact with Emma King (emma.king@costellomedical.com).



The figures show the median and mean pay gap based on data as of 5 April 2023 and for bonuses paid in the year ended 5 April 2023. We have complied with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 in calculating our gender pay results. In line with the Regulations, we have excluded those people where they were not paid their usual full basic pay rate.