

PPD's UK Gender Pay Gap Report 2019



WHO WE ARE

PPD is a leading global contract research organisation that provides clinical development services to pharmaceutical, biotechnology, medical device, academic and government organisations worldwide. Our purpose and mission are to improve health by helping our customers deliver life-changing therapies to patients. In pursuit of our purpose and mission, we are dedicated to fostering industry-leading talent and culture by empowering all employees to maximise their achievements in an environment of mutual respect, free of discrimination. With this intention, we seek to attract, motivate, retain and develop our talent at all levels regardless of gender, age, race, religion, disability, etc., as set forth in PPD's Equal Opportunities Policy Statement.

OUR GENDER PAY GAP REPORT

PPD is publicising this report pursuant to the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. These regulations require all U.K.-based employers with 250 or more workers to publish annually specific metrics on their gender pay gap on their company website and the U.K. government website.

The report shows the difference in average pay between women and men, looking at all levels across the company in the U.K. It also examines the distribution of males and females throughout the organisation in terms of pay levels.

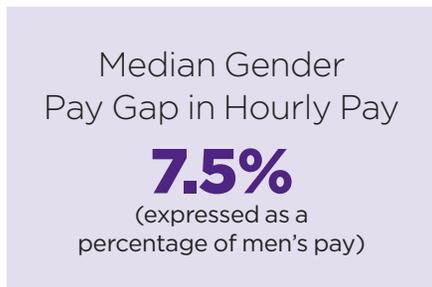
As with the 2018 report, it's important to note that a gender pay gap is not the same as equal pay. Equal Pay is the concept of paying men and women equally for equivalent work. A gender pay gap report is not a pay audit and does not report on equal pay as it does not compare pay between men and women for specific roles.

This report will also indicate how PPD's results have changed from the report published in 2018, and provide additional commentary to aid understanding.

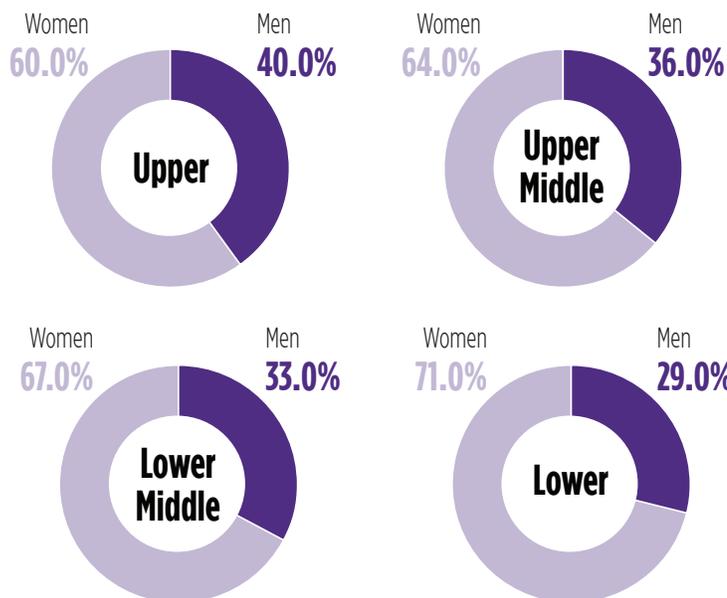
PPD METRICS

Reporting period: 6 April 2017 - 5 April 2018

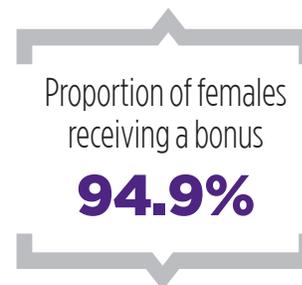
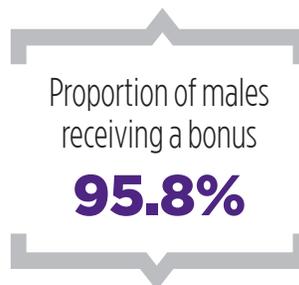
Gender Pay Gap



Proportion of each pay quartile



Gender Bonus Gap



KEY TAKEAWAYS

- PPD's U.K. workforce remains majority female and females continue to be distributed relatively evenly across the four pay quartiles.
- PPD's mean and median hourly gender pay gap of 12.1% and 7.5% continue to be lower than the national mean and median hourly gender pay gap of 17.1% and 17.9%, and substantially lower than the professional, scientific and technical activities sector (which includes PPD) at 22.2% and 22.7%, respectively (according to Office of National Statistics - 2018).
- Our gender pay gap is attributable to the relatively disproportionate representation of males in roles with the highest hourly pay rates.
- The most notable change since last year's report is an increase in the mean gender bonus pay gap, from 58% to 66%. This is due to the relatively disproportionate representation of males in positions with:
 - The highest equity compensation under the company's equity incentive plan (i.e., stock options). For the current reporting period, participants in this plan benefitted from a one-time acceleration and cash settlement of stock options in connection with the re-capitalization of the company in May 2017;
 - The highest bonus targets; and
 - To a lesser extent, commission payments within the business development function.
- Excluding the extraordinary one-time stock option acceleration and cash pay-out, our mean gender bonus pay gap would have declined by 19%, from 66% to 47% for the current reporting period, and by 11% compared to last year's gender bonus gap of 58%.
- Our median gender bonus pay gap improved over last year from 27.9% to 22.5%.

OUR CONTINUED FOCUS

PPD's overarching aim is to address the gender pay gap by removing any barriers or biases that may contribute to it.

This goal aligns with the company's wider global strategy to remain competitive in attracting, motivating, retaining and developing industry-leading talent for all roles regardless of gender, age, race, religion, disability or any other form of discrimination.

Examples of our ongoing focus areas include:



Recruitment:

- Enhancing processes to establish gender representation expectations for candidate slates for leadership positions



Talent Management:

- Proactive identification of high-potential females in our global organisation
- Ensuring equitable female inclusion in our global leadership development programme, both as contributors to the curriculum and as delegates
- Adding female representation to our global executive promotion panel
- Formally initiating Employee Resource Groups in 2019, including a Women's Leadership Group in the Cambridge, U.K., office



Analysis:

- Facilitating focus groups to understand employee perceptions of culture and career opportunities, and to assist in identifying other opportunities to address the gender pay gap



Total Rewards:

- Reviewing U.K. benefits provisions with the aim of enhancing policies (e.g., maternity, parental and emergency leave) to support women and eliminate barriers to internal mobility

PPD is committed to recruiting and retaining the best talent for all roles to drive our performance, deliver for our clients and achieve our purpose and mission.

We confirm that our data has been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

Julia James

Deputy General Counsel
Director, PPD Global Ltd.