2019 Agilent UK Gender Pay Gap Report

As we publish our third annual Agilent UK Gender Pay Gap Report, we are pleased to report a reduction in both our Median Gender Pay Gap and Mean Gender Pay Gap, as at the Snapshot Date of 5 April 2019. However, as a global employer with a long-standing commitment to diversity, equality and inclusion, we know there is more to do. We are striving towards our longer-term vision of closing the gap completely and will continue to focus on making improvements each year.

Gender Pay is not the same as Equal Pay – a reminder

It remains important to note that “Equal Pay” and “Gender Pay” are different things:

**Equal Pay** means men and women must receive equal pay for equal work (same job and job level) in accordance with the Equality Act 2010. In contrast, **Gender Pay** reflects the difference between average earnings between all men and all women across an organisation - regardless position in the company, job level or pay grade. Any difference (“gap”) is expressed as a percentage of men’s earnings.

Whilst we report a Gender Pay Gap, we are again proud to confirm no meaningful difference in Equal Pay and employees carrying out similar roles are paid equally regardless of gender.¹

¹When we examined the salary position in the pay range for all Agilent UK employees as of the Snapshot date, we found a mean pay equal gap of only 2.21%
Agilent UK 2019 Gender Pay Gap Report

2019 Gender Pay Gap

<table>
<thead>
<tr>
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<th>5 April 2017</th>
<th>5 April 2018</th>
<th>5 April 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Gender Pay Gap (%)</td>
<td>26.9</td>
<td>27.0</td>
<td>21.3</td>
</tr>
<tr>
<td>Mean Gender Pay Gap (%)</td>
<td>21.6</td>
<td>24.4</td>
<td>19.2</td>
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2019 Bonus Gap

<table>
<thead>
<tr>
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<th>5 April 2017</th>
<th>5 April 2018</th>
<th>5 April 2019</th>
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</thead>
<tbody>
<tr>
<td>Median Bonus Gap (%)</td>
<td>34.4</td>
<td>33.7</td>
<td>39.7</td>
</tr>
<tr>
<td>Mean Bonus Gap (%)</td>
<td>7.9</td>
<td>32.1</td>
<td>35.8</td>
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</tbody>
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Pay Quartile Distribution

- **Lower Quartile**: 60% Female, 40% Male
- **Lower Middle Quartile**: 69% Female, 31% Male
- **Upper Middle Quartile**: 76% Female, 24% Male
- **Upper Quartile**: 83% Female, 17% Male

% Employees receiving Bonus

- Female: 96.8%
- Male: 94.4%

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2 The gender pay gap shows the difference between the mean (average) and median (mid-point) pay and specific bonus earnings of male and female employees. The gap is expressed as a percentage of male employee earnings.

3 The Government-prescribed calculation method has a negative impact on the reported bonus payments as it is not permissible to adjust to a full-time equivalent bonus figure for part-time employees, the majority of whom are female.

4 Organising the employee population from lowest hourly rate of pay to the highest, in order, then dividing into four equal sized groups gives four “quartiles”. These are then split by the proportion of male and female employees in each.

5 Eligibility for bonuses vary based on criteria other than gender. E.g. all Agilent employees are eligible to receive a company bonus provided they are employed by Agilent on the last day of the bonus performance period. Employees may receive different percentages due to eligibility criteria such as timing of hire.
Our results – the detail

Our UK workforce remains predominantly male - more so than the roughly 60% male population across our global workforce. Nevertheless, we believe we are making some progress in this area. Our UK workforce increased by 19 roles since 2018 and 8 of these are women (42%). Our annual turnover of staff at Agilent is significantly below the national average. Whilst we believe this demonstrates that Agilent is a great place to work for our team, it also means it can be challenging to make swift progress on our gender imbalance as the number of roles vacated each year is small.

With more than 70% of all UK roles filled by men, we are focused on improving our gender diversity across the country. In addition, we believe our gender pay gap is driven by an uneven distribution of male and female employees in the most senior roles. In the UK, 10.8% of our company leaders/managers are women, in contrast to approximately 30% of all managers globally. Furthermore, with a total of 449 UK employees as at 5 April 2019, changes affecting even a small number of senior UK roles (including individual promotions, employee exercise of stock options and bonus distribution) can influence the results significantly.

Our median and mean gender pay gap results improved in 2019. This is a positive step which we believe is partially due to internal promotions. During the year ended 5 April 2019, 11% of all 108 female UK employees who were employees during the full 12-month period were promoted to a more senior role, compared with 7% of the 291 male employees also employed for the full 12-month period. Whilst this positively impacted our Gender Pay Gap when compared with our 2018 results, most importantly, it underlines the equal opportunities that are available to all employees at Agilent and highlights that our female employees are being strongly encouraged and supported to develop into more senior roles.
Our median and mean bonus gap increased in 2019. As noted above, our bonus results can be heavily swayed by a very small number of changes in senior level roles and are affected by, amongst other things, executive exercise of stock options. At the same time, our bonus gap results reflect sales commission paid to UK employees and 76% of all commission-eligible roles are filled by male employees (76 out of 99 roles).

How are we tackling the Gender Pay Gap?

We are working with employees at all levels of the organisation to promote the benefits of a more diverse workforce and highlight the opportunities Agilent provides for employees to advance their careers and work flexibly. For example:

- We continue to offer a valuable range of family-friendly programs that support our employees to balance their lives at work and at home. All UK employees are eligible to request flexible working – not just those covered by UK legislation. With enhanced maternity, paternity and adoption pay to extended parental leave, we go further to support our teams.

- We extended key training on recognizing and managing unconscious bias to all Agilent managers as part of our comprehensive efforts to grow diverse and inclusive teams that can provide enriched results for our employees, partners and customers. We plan to expand this offering to individual contributors in the coming year.

Statement

We confirm Agilent’s Gender Pay Gap calculations are accurate and were compiled in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Neil Rees  
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