

Vitalograph (Ireland) Limited

Gender Pay Gap Report 2023

Introduction

This gender pay gap report was developed by Vitalograph (Ireland) Limited in response to the Gender Pay Gap Information Act 2021, an initiative by the Irish government requiring companies that employ more than 250 people to publish annual gender pay gap data.

The reports show the difference between the average earnings of men and women working at Vitalograph Ireland, expressed relative to men's earnings.

Although the terms "gender pay gap" and "equal pay" are often used interchangeably, they refer to two separate concepts. In Ireland, an organisation is legally required to pay both males and females equally for the same work, which is governed by the Irish Human Rights and Equality Commission.

A gender pay gap does not mean that employees in the organisation do not receive equal pay for equal work. It illustrates a gender representation gap and is a comparison of the average hourly earnings of female and male employees across an organisation, at all grades or levels. A gender pay gap does not indicate or imply there is bias, or discrimination, and it is often impacted by the distribution of employees across an organisation. Many factors can contribute to the existence of gender pay gaps. These include differences between men and women in educational attainment and qualifications, occupations, career progression, prevalence of fulltime and part-time working, and responsibility for caring roles.

In Ireland, employers are required to report on the following based on a snapshot of pay data on a date chosen by the Company in June 2023:

- **Mean gender pay gap** – the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
- **Median gender pay gap** – the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
- **Median bonus gap** – the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.
- **Mean bonus gap** – the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.
- **Bonus proportions** – the proportions of male and female relevant employees who were paid bonus pay during the relevant period.
- **Quartile pay bands** – the proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle, and upper quartile pay bands.

This is Vitalograph (Ireland) Limited's first Gender Pay Gap Report and accounts for all employees working at our Ireland-based locations. It provides a summary of Vitalograph Ireland's metrics, as well as details to help you understand why there is a gender pay gap – and what actions we're taking as an organisation to reduce it. It's important to note that, for the purposes of this report, gender is defined by the Irish government as binary, however Vitalograph respects and champions people of all gender identities.

Founded in 1963, Vitalograph's mission is to improve the lives of people living with lung conditions through the development and manufacture of respiratory diagnostic solutions. As experts in pulmonary function, we also provide clinical drug trial services that enable the development of life-changing respiratory therapies. As innovators in respiratory healthcare, our success is a direct result of the passion of our people in everything that we do – from pushing the boundaries of what can be achieved by respiratory testing technology to developing sustainable business practices that create new standards in our industry. In line with our values, 'People, Innovation, Quality and Integrity', we are committed to equality of opportunity for all, regardless of differences, experience or education.

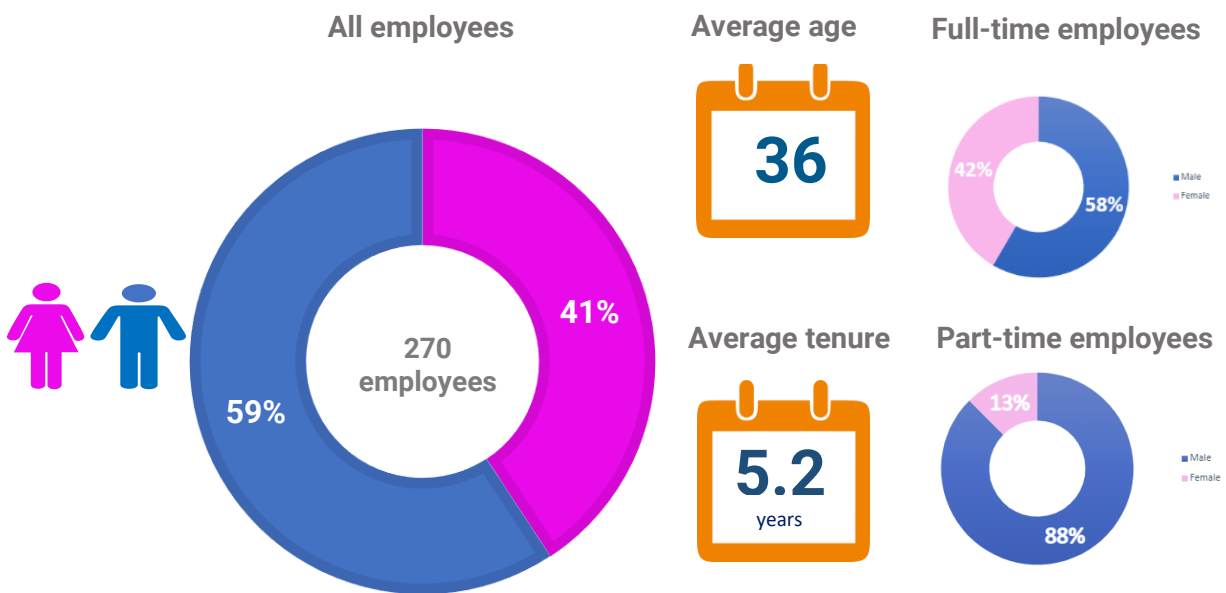
Vitalograph (Ireland) Limited is proud to employ a strong dynamic team of 270 employees as of 30th June 2023. This is a significant increase in our workforce of 150 on 1st January 2022 (i.e. a 78% increase in headcount in 19 months). For an organisation that is growing and scaling rapidly, several structural and organisational initiatives and strategies were introduced. In 2022, a four-year Vitalograph business strategy – **Vitalograph 26** – was launched, setting goals for growing market share, sustainability and placing people and culture at the core of what we do.



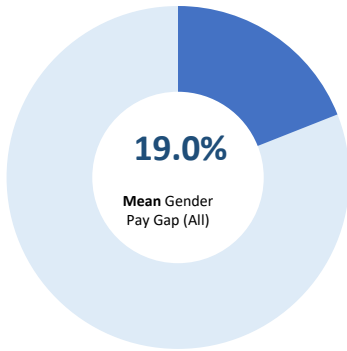
Our cultural vision is to evolve a high-performance team-based organisation where people are fully engaged, developed, and empowered to do their best work and realise their full potential. We strive to create an open, diverse and inclusive culture where employees can bring their full best selves to work. As Vitalograph continues to grow, we are committed to implementing and evolving initiatives and programmes that foster inclusivity, diversity and equity for all team members. Our journey of culture transformation is ongoing and will bring further positive changes in gender balance as we implement all aspects of our **Vitalograph 26** strategy.

What our data says about us

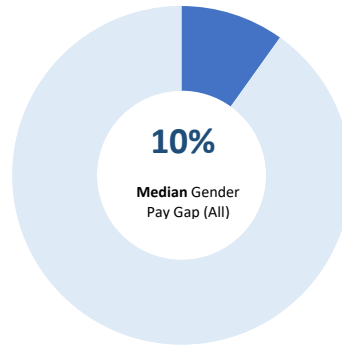
Our results are based on workforce data as of 30th June 2023:



Gender Pay Gap

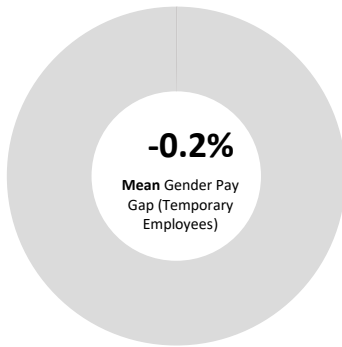


The overall mean pay gap is 19%, in favour of male employees. The mean gender pay gap compares the average hourly pay of females to that of males. It is calculated by adding all the hourly pay for each gender and dividing it by the number of employees grouped by that gender and expressing it as a percentage.

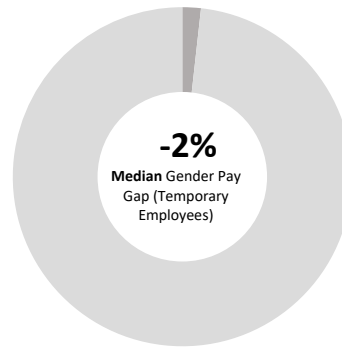


The median pay gap of 10% is the difference between the female median hourly wage (the middle-paid female) and male median hourly wage (the middle-paid male). The median hourly wage is calculated by ranking all employees, first by gender and then in ascending order by pay and taking the hourly wage of the male/female in the middle.

Temporary Employees Gender Pay Gap

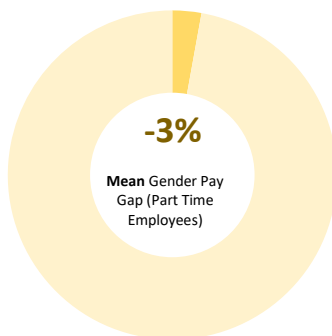


The mean gender pay gap for temporary employees is -0.2%. This indicates that the average hourly pay of temporary female employees is approximately equal to that of temporary male employees.

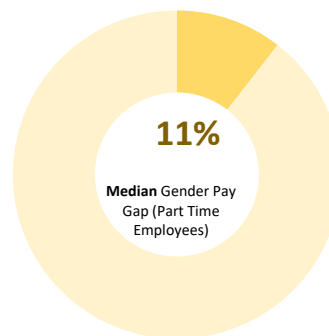


The median gender pay gap for temporary employees is -2%. This shows that the temporary female median hourly wage (the middle-paid female) is 2% greater than the temporary male median hourly wage (the middle-paid male).

Part Time Employees Gender Pay Gap

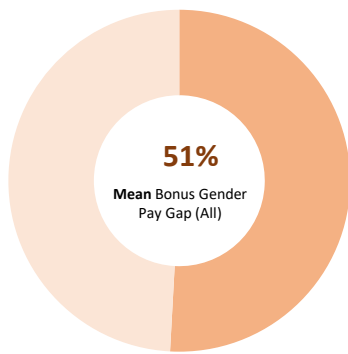


The mean gender pay gap for part time employees is -3%, showing that the average hourly pay of part-time female employees is 3% greater than part-time male employees.

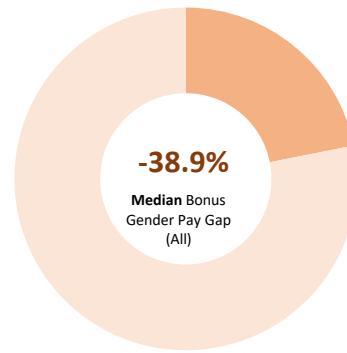


The median gender pay gap for part time employees is 11%. This shows that the part-time male median hourly wage (the middle-paid male) is 11% greater than the part-time female median hourly wage (the middle-paid female).

Bonus Gender Pay Gap



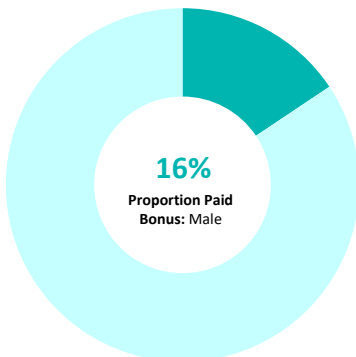
The mean gender bonus pay gap of 51% shows the difference in the average bonus received by both male and female employees. This means that the average male employee in Vitalograph earned approximately 51% more than the average female employee in bonuses. This is influenced largely by historic agreements as well as discretionary bonuses applicable to specific roles. For example, employees in our production department received a time and attendance bonus, while other employees received once-off discretionary bonuses.



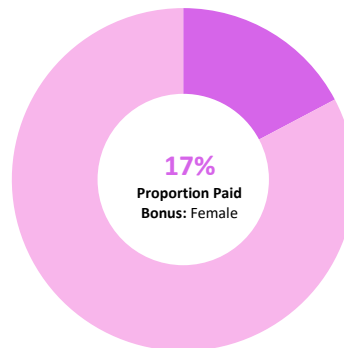
The median bonus gap of - 38.9% shows the difference in the “middle” male’s and “middle” female’s bonuses. Like the median pay gap, the “middle” male or female in this case, is identified by ranking all bonuses across the organisation in ascending order and taking the amount in the middle.

The median bonus pay gap shows that the bonus paid to the middle ranking female bonus recipient is 38.9% greater than the bonus paid to the middle ranking male bonus recipient.

Proportion Paid Bonuses

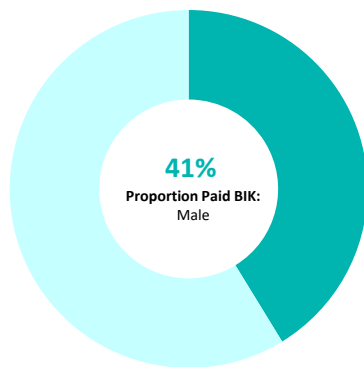


This sets out the proportion of male employees (16%) across the organisation who received any form of bonus. “Bonus” for this purpose includes once-off discretionary performance bonuses as well as historic time and attendance bonuses to employees in our production department.

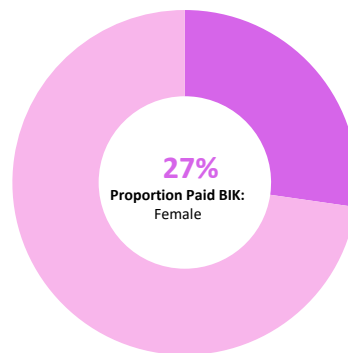


This sets out the proportion of female employees (17%) across the organisation who received any form of bonus. “Bonus” for this purpose includes once-off discretionary performance bonuses as well as historic time and attendance bonuses to employees in our production department.

Proportion paid Benefit In Kind

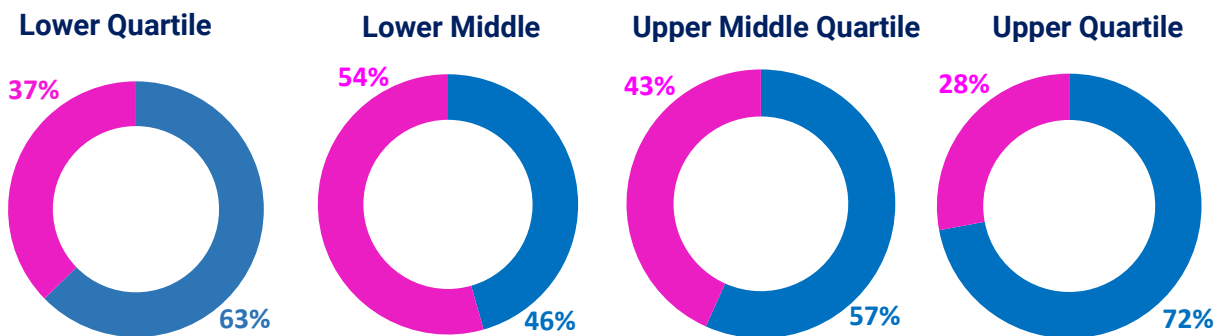


This sets out the proportion of male employees (41%) who are in receipt of non-cash, voluntary benefits of monetary value – for example, health insurance.



This sets out the proportion of female employees (27%) who are in receipt of non-cash, voluntary benefits of monetary value – for example, health insurance.

Quartiles



Each quartile represents a quarter of our workforce, ranked from the lowest-paid quartile to the highest-paid quartile on an hourly remuneration basis. Within each pay quartile, we set out the percentage of people who are men and the percentage who are women. Looking at the proportion of men and women in each quartile shows the gender representation at different levels of the organisation.

Our data show that almost 60% of the workforce in Vitalograph (Ireland) Limited is male. Additionally, more males occupy the higher paying roles in the organisation, contributing to the gender pay gap. Vitalograph (Ireland) Limited is committed to making significant progress in lowering this percentage and achieving gender balance.

Action plan

We acknowledge that closing the gender pay gap is not something that can be swiftly achieved. It will take ongoing efforts to gradually narrow the gap by progressing our Diversity, Equity and Inclusion (DEI) initiatives along with specific people and culture policies. To maintain momentum in addressing the gender pay gap, we are currently focusing and will continue to focus on the following initiatives:

Diversity, Equity and Inclusion (DEI)

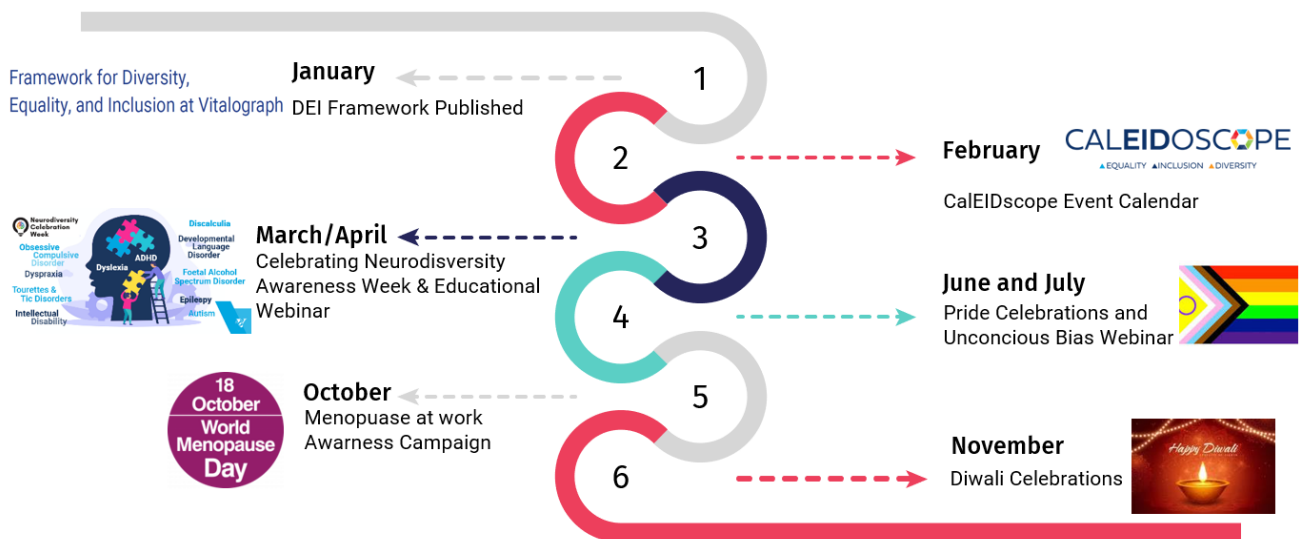
In 2023, Vitalograph (Ireland) Limited updated its employee handbook and published a new Diversity, Equity and Inclusion policy which highlights our commitment to providing equality of opportunity and ensuring that no employee receives less favourable treatment. In implementing this, we recruit, develop, and promote across all

diversity dimensions and career levels throughout Vitalograph. We aim to positively influence social, environmental, and economic conditions for our employees, and by extension the communities where we live and work. We stand up for what is right and treat everyone with integrity and respect in line with our core values.

A new Diversity, Equity and Inclusion employee resource group has been established, with a framework addressing the following aims:

- Fostering awareness about diversity, equity, and inclusion.
- Educating employees on attitudes and values and how they affect our colleagues.
- Helping to support an anti-bias approach to all our activities.
- Providing tools to assist critical thinking on stereotyping, prejudices, and discrimination.
- Building recognition that each generation is distinctive and brings a set of strengths to the workplace.

Our DEI calendar of events, **Caleidoscope**, was launched in 2023. This highlights all DEI initiatives that are being supported and championed by Vitalograph, including International Women’s Days, Pride, Diwali, amongst others.



Leadership development competency model – the VITAL Way

Vitalograph has introduced a new Leadership development competency model – the VITAL Way. This is a leadership framework with five core dimensions: Vision, Inspiration, Trust, Accountability and Learning. The framework emphasises the importance of building strong relationships, fostering a culture of trust and respect, and empowering team members to take ownership of their work. It’s designed to help leaders at all levels pf the organisation, whether they are an individual contributor, new to leadership or experienced managers. This is being implemented across all Vitalograph locations globally.



Career framework

The Vitalograph career framework is our new structure for categorising and classifying jobs. The new structure places jobs in career levels based on employee skills, competencies, and career attributes. We know that the majority of people who leave us do so for career progression reasons. The new career framework will provide support to all our people and facilitate career conversations on progression opportunities across Vitalograph.

Culture survey

Empowering our employee voice is critical to our continued business success and ensuring all our people feel a sense of belonging driven by our values and mission. Based on an organisational culture survey conducted in late 2022, Vitalograph identified key focus areas to address specific aspects of our culture. The survey data has been invaluable in assisting us plan for our future, specifically how we manage our business and build relationships—not only among ourselves, but also with our customers and suppliers. Questions on Diversity, Equity and Inclusion were included in the survey. The action plans arising from the survey will continue to be implemented into 2024 in tandem with the growth of the business.

New HR Team and HR Policies

To support the rapid growth and scaling of the organisation since 2022, a new HR team has been put in place with a focus on talent acquisition, HR business partnering, HR operations and learning and development. A new Ireland employee handbook was published in 2023 with clear policies that accommodate flexibility, hybrid working, dignity at work, maternity leave, paternity leave and parent's leave. We have an educational assistance programme in place for all employees. We offer coaching as part of our leadership development programmes. We also have an Employee Assistance Programme in place for all employees.

In 2023, unconscious bias training was delivered across the workforce. Our recruitment and promotion procedures are competency and merit based. We promote diversity and equality when recruiting both internally and externally. We strive to have a gender balanced interview panel for all interviews.

Graduate Leadership Development Programme

In 2023, we launched our new graduate programme with a focus on targeted training, mentorship, peer-to-peer learning, and job rotations. Graduates joining Vitalograph will enhance their abilities in areas such as communication, strategic thinking, decision making, adaptability, and team collaboration. The programme is designed to enable graduates make informed decisions, identify opportunities for innovation, and contribute to the advancement of patient care. Three out of the five graduates that joined us in 2023 are female.