

PPD's UK Gender Pay Gap Report 2018



WHO WE ARE

PPD is a leading global contract research organisation that provides clinical development and laboratory services to pharmaceutical, biotechnology, medical device, academic and government organizations 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 or any other protected characteristic, as set forth in PPD's Equal Opportunities Policy Statement.

OUR GENDER PAY GAP REPORT

PPD is publishing 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 specific metrics on their gender pay gap on their company website and the U.K. government website by 4 April each year. 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

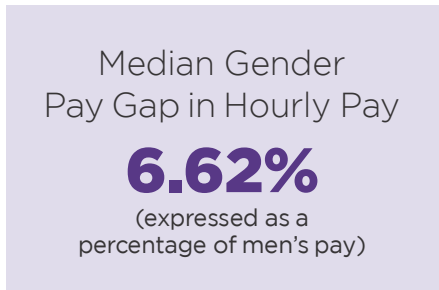
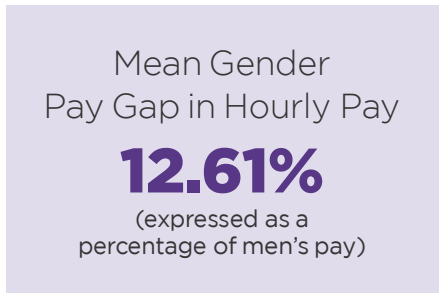
males and females throughout the organisation in terms of pay levels. It is important to note that the gender pay gap is not the same as equal pay.

Equal Pay

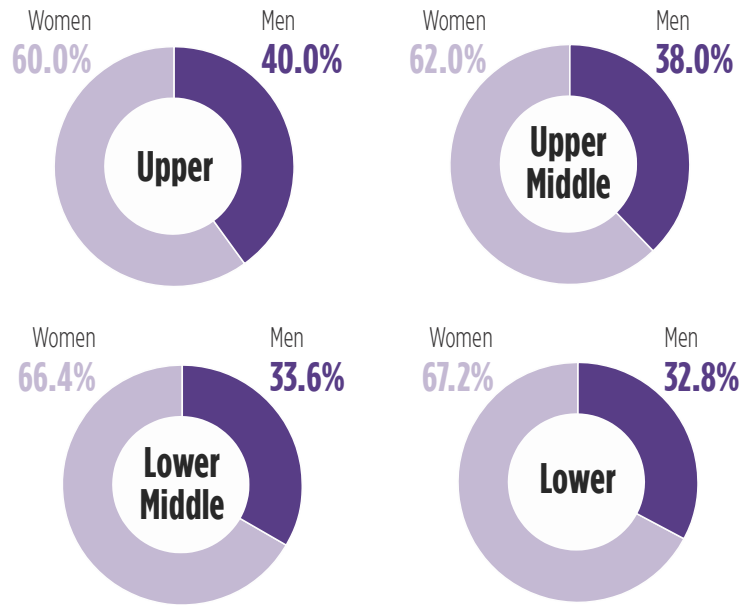
Equal pay is the concept of paying men and women equally for equivalent work. A gender pay gap report is not a pay audit and does not report on equal pay as it does not compare pay between men and women for specific roles.

PPD METRICS

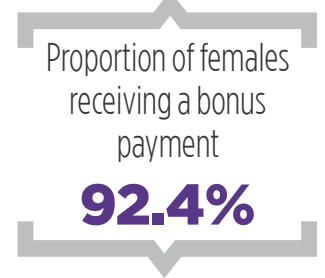
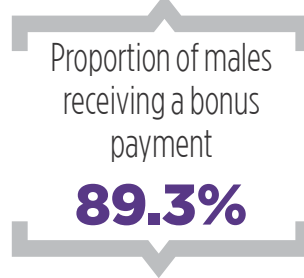
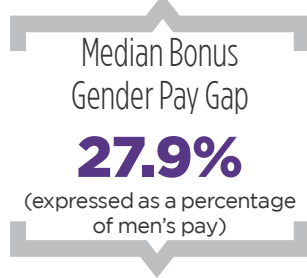
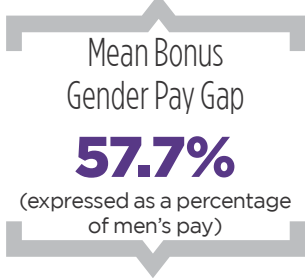
Gender Pay Gap



Proportion of each pay quartile



Gender Bonus Gap



KEY TAKEAWAYS

- PPD's U.K. workforce is majority female, and women are distributed fairly evenly across the four pay quartiles.
- PPD's median hourly pay gap is relatively low at 6.6 percent, which compares favourably to some other life sciences organisations and is significantly lower than U.K. national average gender pay gap (18.4 percent according to the Office of National Statistics 2017 Annual Survey of Hours and Earnings figures).
- PPD has a higher proportion of male colleagues in senior leadership positions, which have higher compensation levels and bonus opportunities. This is the primary driver of our gender pay gap.
- The proportion of employees receiving a bonus is very high, with women slightly more likely than men to receive a bonus. Despite this, we have a bonus gap and it is wider than our hourly pay gap. The government's definition of bonus pay includes traditional annual cash bonuses, but also covers sales incentive compensation and long-term incentives (LTI) which apply to employees in eligible roles. Bonus and LTI values increase with job level. Since a higher percentage of our senior leaders are male, this contributes to our bonus gap being wider than our hourly pay gap.

OUR FUTURE FOCUS

PPD will continue to review our pay policies and procedures periodically to ensure we remain competitive in the market to attract, motivate, retain and develop industry-leading talent for all roles, regardless of gender or any other protected characteristics.

Examples of our ongoing focus areas include:



- Analysing our gender pay gap to understand the drivers of it and opportunities to address it.



- Continually refining our recruitment, selection and talent management processes to ensure that we are attracting, retaining and promoting the top performing individuals.



- Ensuring diversity in leadership development programs and other opportunities that provide development, exposure and visibility with top leaders.



- Improving our flexible working arrangements to help attract and retain top talent.
- Continuing to promote diversity and inclusion into our business practices and culture.

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

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Director, PPD Global Ltd.