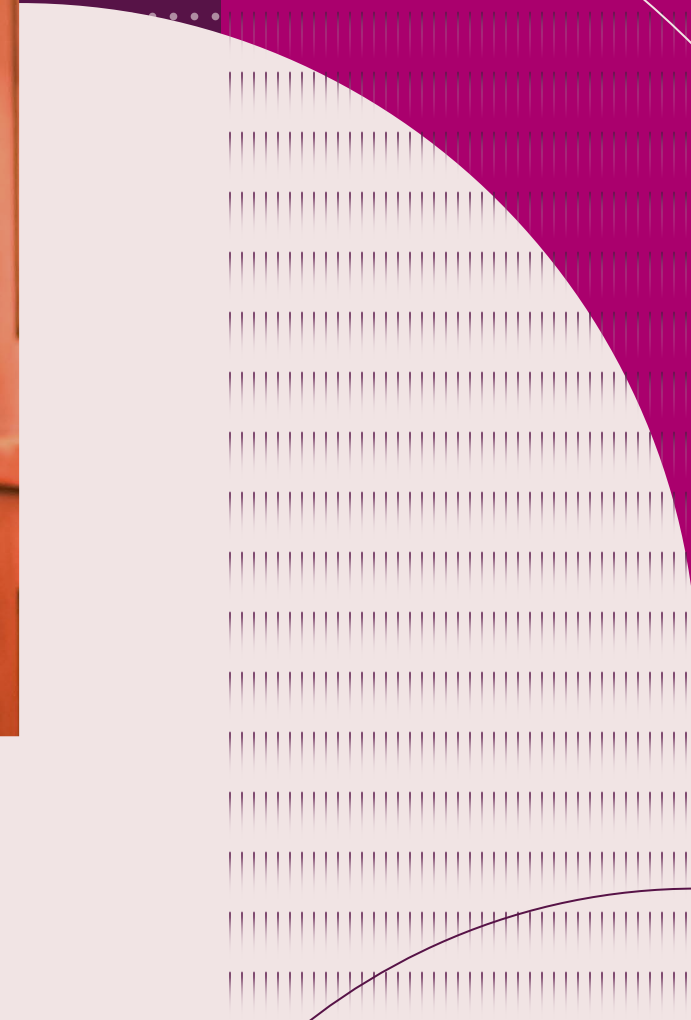


# Gender Pay Gap Report

2024



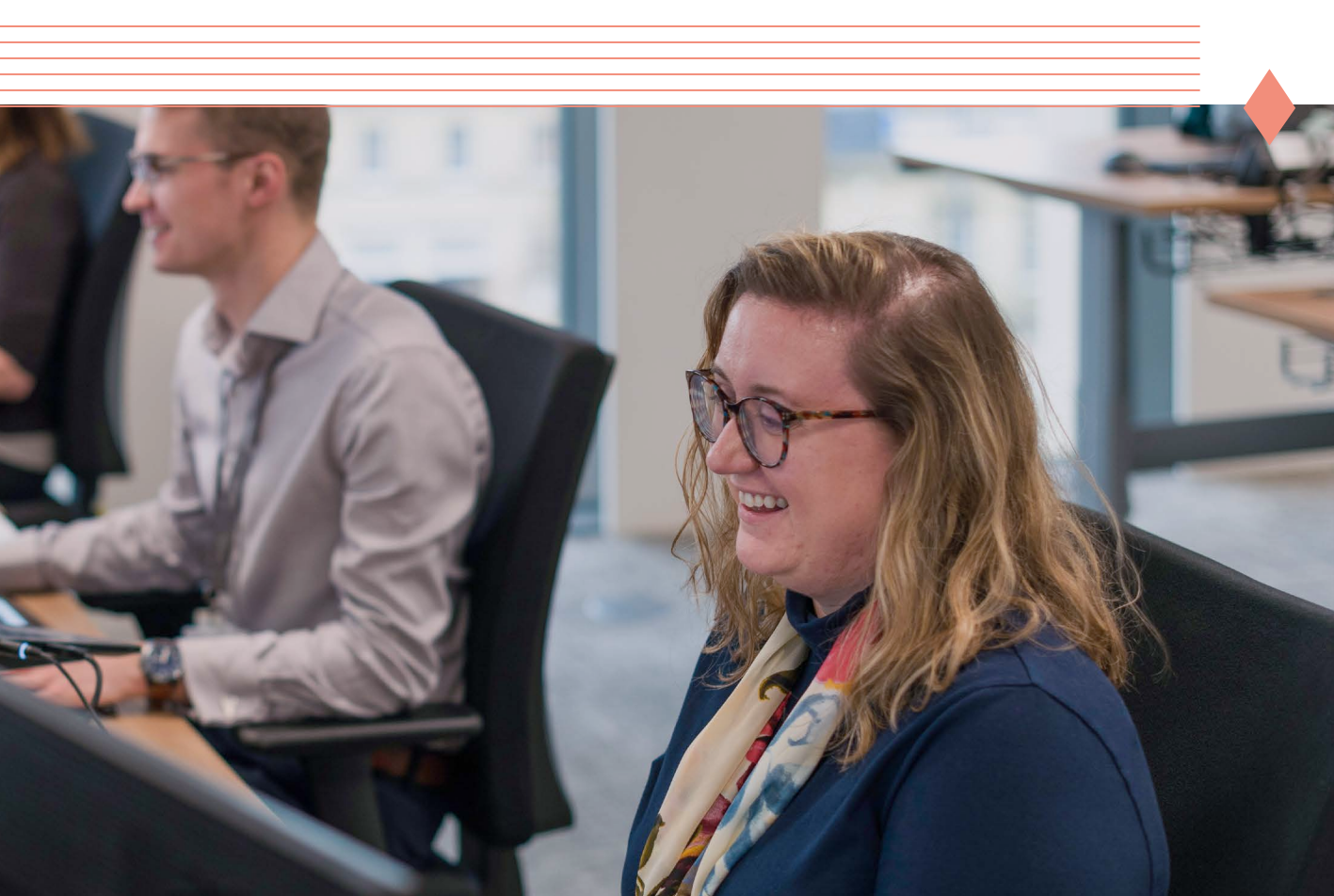
# About Costello Medical

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.

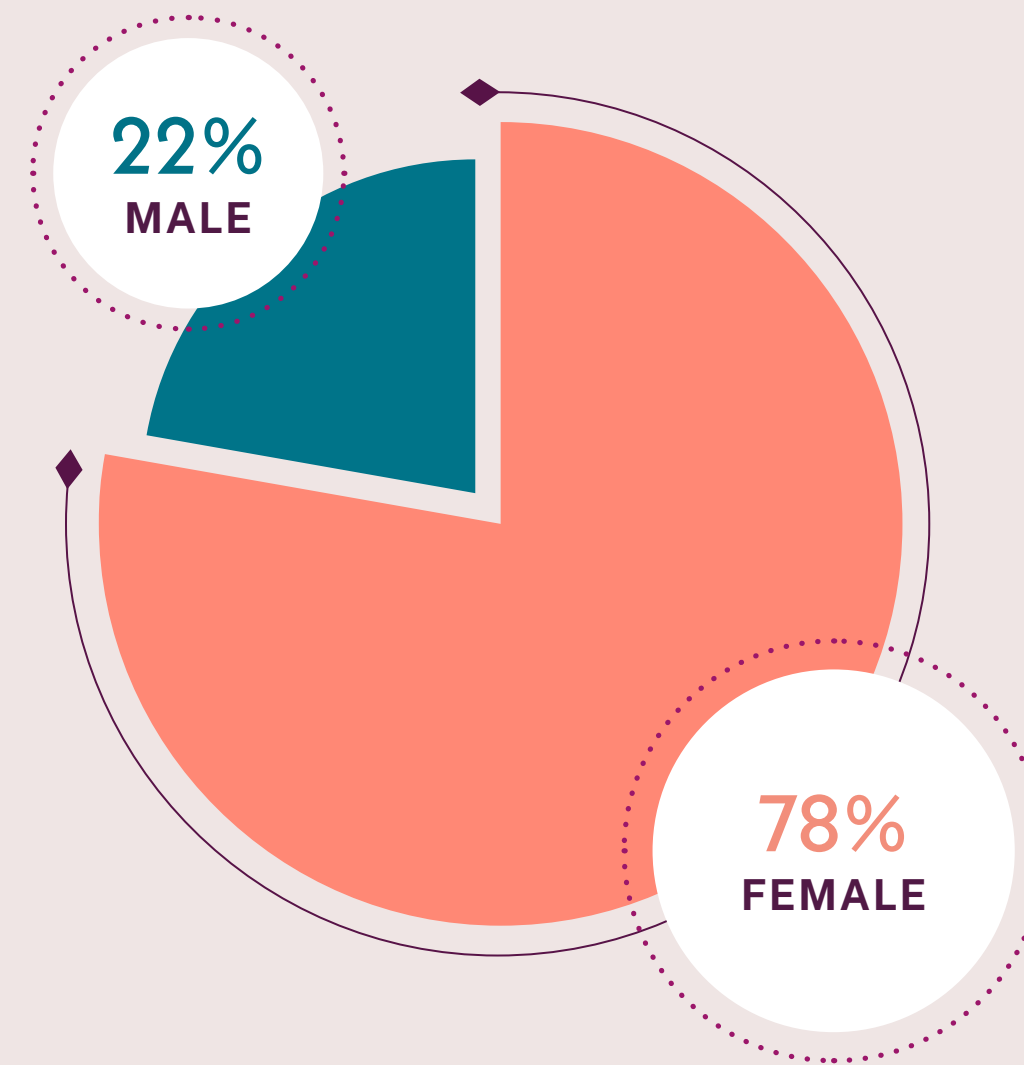
Our teams are led by talented individuals, many of whom began and built their careers at Costello Medical. We aim to offer unparalleled opportunities for career development.

As a certified B Corp we are part of a business movement, demonstrating how organisations can operate for profit while also positively impacting all stakeholders; our people, communities, customers and the planet.



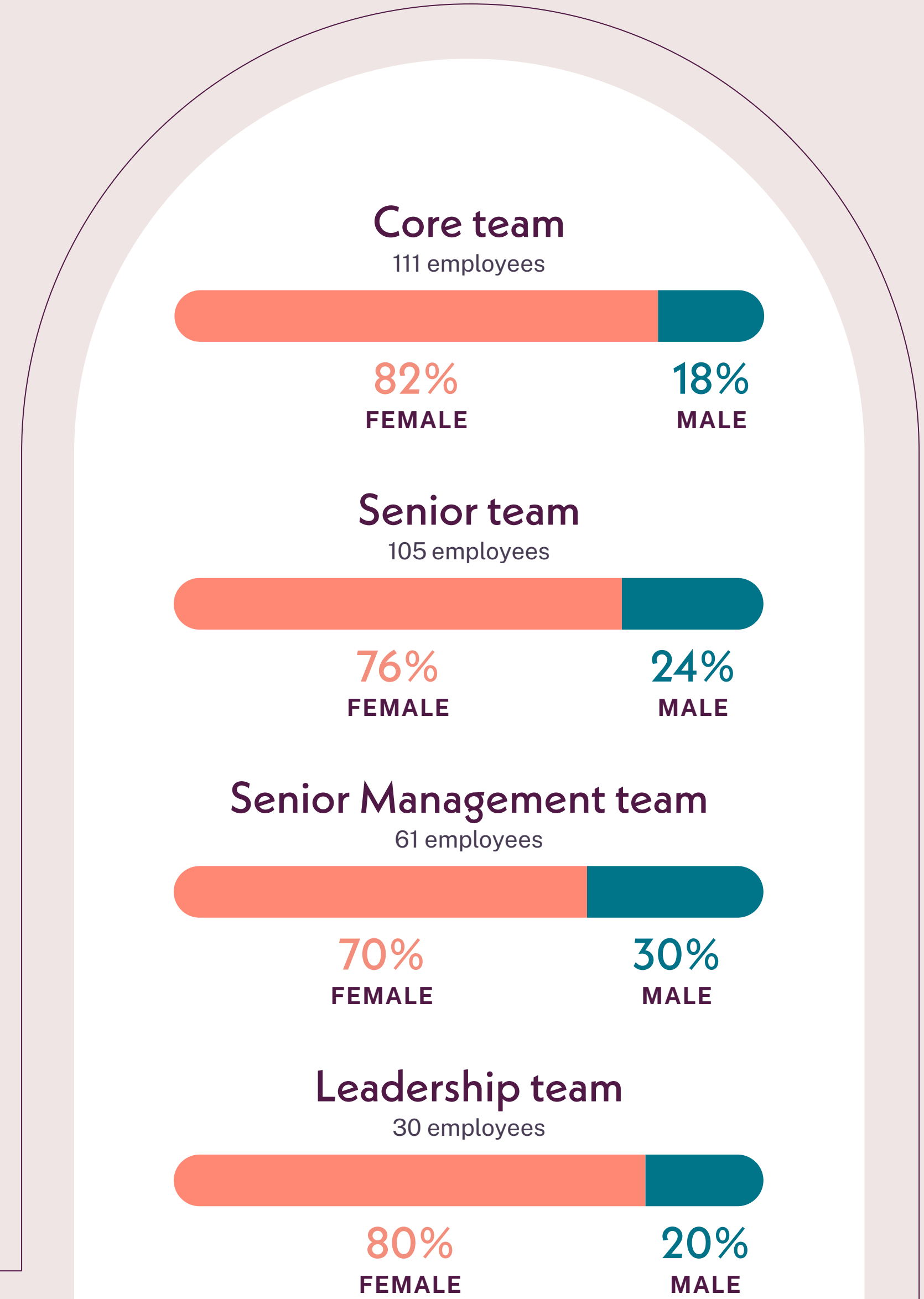
## UK legislation requires all businesses employing over 250 people to report annually on their gender pay gap.

At the snapshot date of 5<sup>th</sup> April 2024 we employed 307 employees in the UK. Of these employees, 78% (238) were female. We are especially proud that 74% of employees in our Senior Management and Leadership teams specifically were female.



**74%**  
of employees in our Senior Management and Leadership teams were female

Throughout this Gender Pay Gap Report we refer to gender as male and female in line with the UK Gender Pay Gap legislation. Colleagues who identify as non-binary have been excluded from the calculations.



# Our Mission

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



# Equity & Inclusion

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

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

# Gender Pay Gap Results

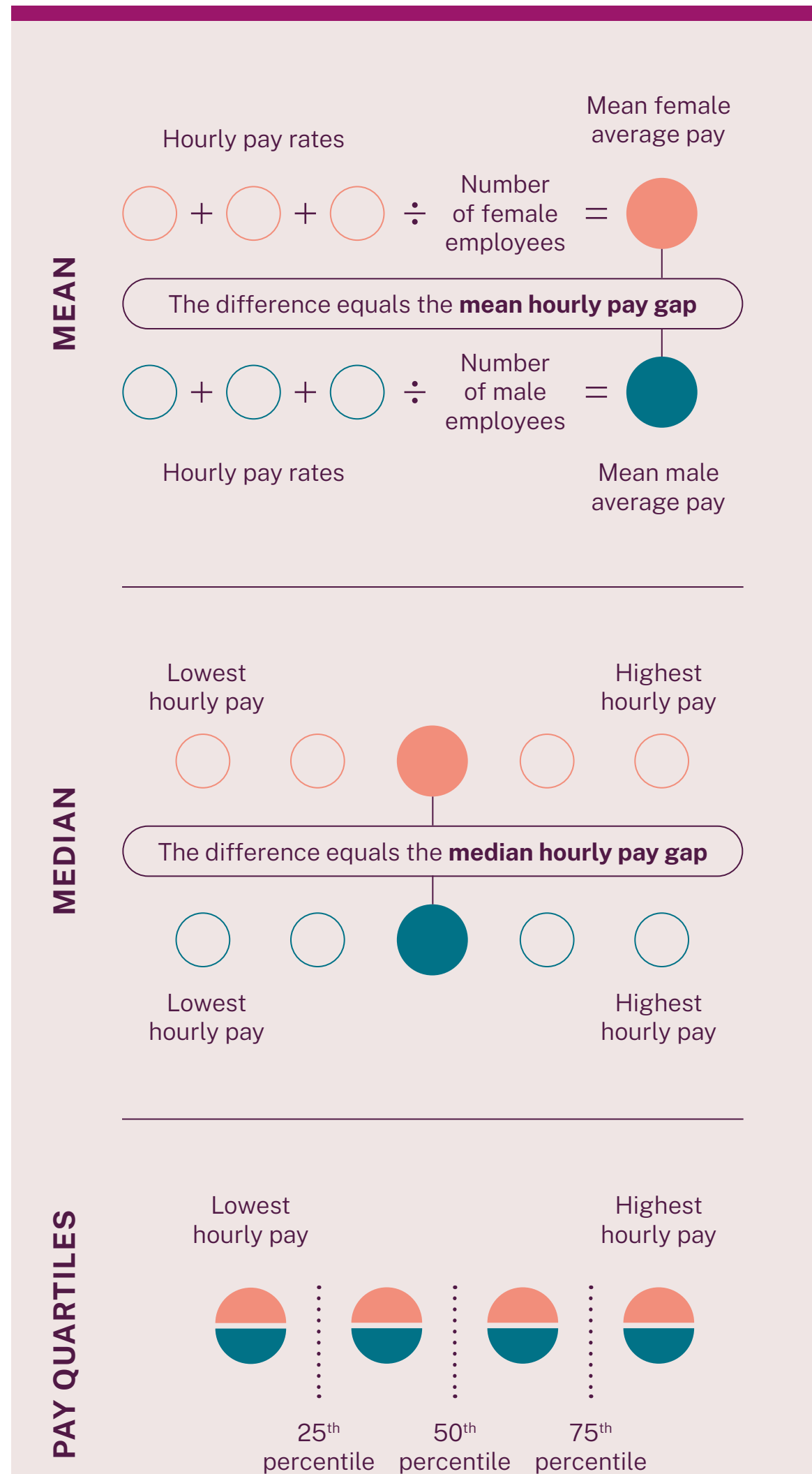
As part of the UK legislation, we are required to publish our mean (average) and median (mid-point distribution) pay and bonus gaps, as well as the ratio of men to women in each pay quartile.

## 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 (50<sup>th</sup> percentile) in the ranked distribution of all employees which represents the second quartile. The first quartile (25<sup>th</sup> 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 (75<sup>th</sup> 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

7.6%

This means that males were paid on average 7.6% more than females.

MEDIAN

15.2%

This means that males were paid on average 15.2% more than females.

## ◆ Bonus Pay Gap

MEAN

12.3%

This means that males were paid on average 12.3% more than females.

MEDIAN

47.2%

This means that males were paid on average 47.2% more than females.

In the period leading up to the snap shot date:

84.1% of males received a bonus



80.7% of females received a bonus

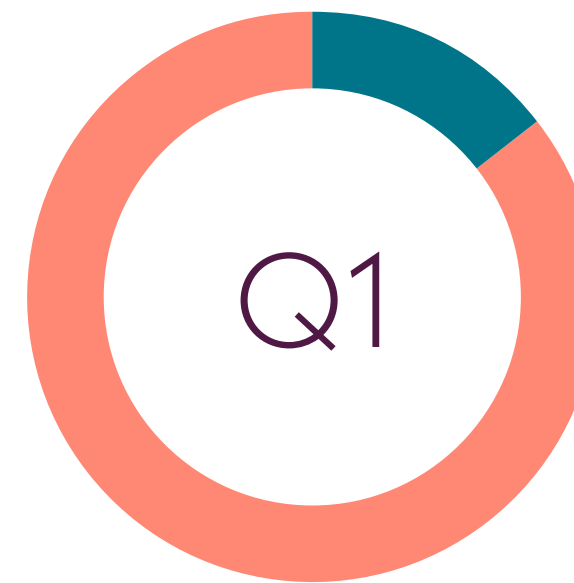


3.4%

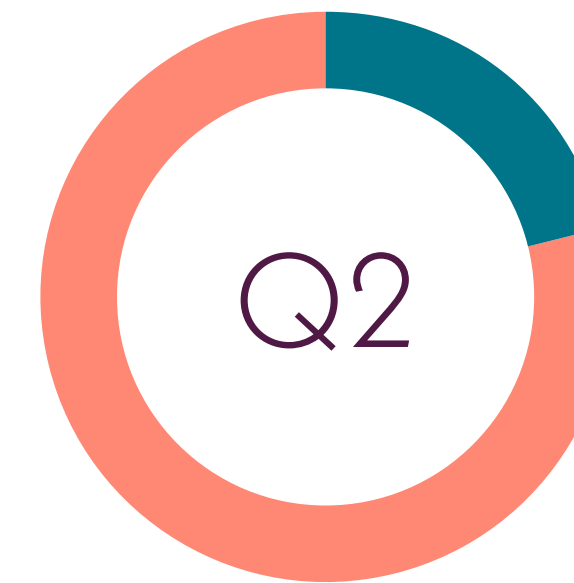
This means that 3.4% more males received a bonus than females.

## ◆ Company Pay Quartiles

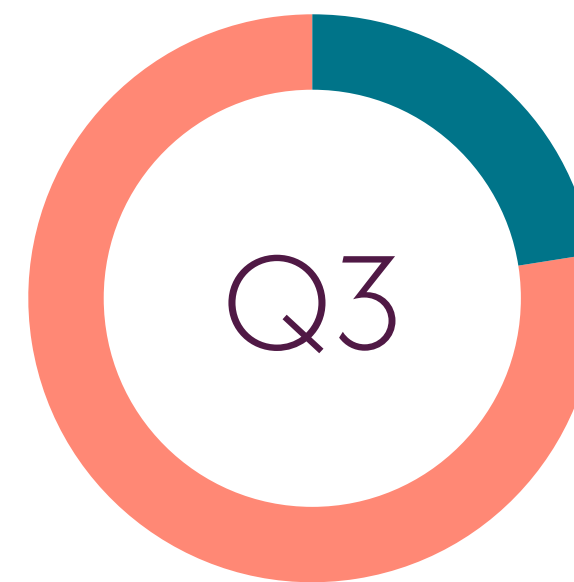
Proportion of males and females in each quartile band:



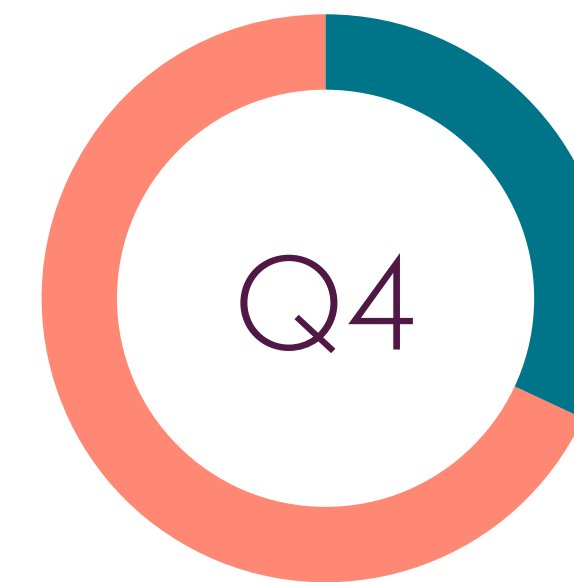
MALES 14.5%  
FEMALES 85.5%



MALES 21.3%  
FEMALES 78.7%



MALES 22.7%  
FEMALES 77.3%



MALES 32.0%  
FEMALES 68.0%

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



# Drivers Behind our Pay Gap

The following factors create our pay and bonus gaps:

## Profit Share Bonus Scheme

In October 2023 we introduced our profit share bonus scheme enabling all colleagues who have passed their probationary period to share in our success; prior to this, bonuses were generally not paid to our Core team (i.e. most junior) colleagues. This resulted in an increase in the percentage of females receiving bonuses in this Gender Pay Gap report (78.3% compared with 46.8% in our April 2023 report [here](#)).

However, the introduction of the Core team to the profit share bonus scheme has significantly impacted our median bonus pay gap when compared with our April 2023 report [here](#). This is because bonuses increase in size as you progress and become increasingly senior, and our Core team (in receipt of the smallest bonuses) is 82% female. The large number of females in Core team roles has therefore resulted in a lower median bonus for females when compared with males.

Further, since a large proportion of new starters were female (75% in 2023) and colleagues only qualify for the profit share bonus scheme once they have passed their probationary period, this further reduces the amount of females who received a profit share bonus payment.

## Family Leave

Colleagues on family leave are excluded from the calculations. This reduces the number of higher-paid female colleagues, thus influencing our pay gap. At the 2024 snapshot date we saw an increase in the number of high-earning females taking family leave (5 in the upper quartile in 2024 compared with 3 in 2023).

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.

## Recruitment

We hired 79 new starters in 2023, 94% of whom were in entry-level roles (i.e. our lower band pays). Of these joiners 75% were female (and of these, 95% were in the lower two quartile pay bands). This therefore increases the pay gap between both genders.

## Part-Time Working

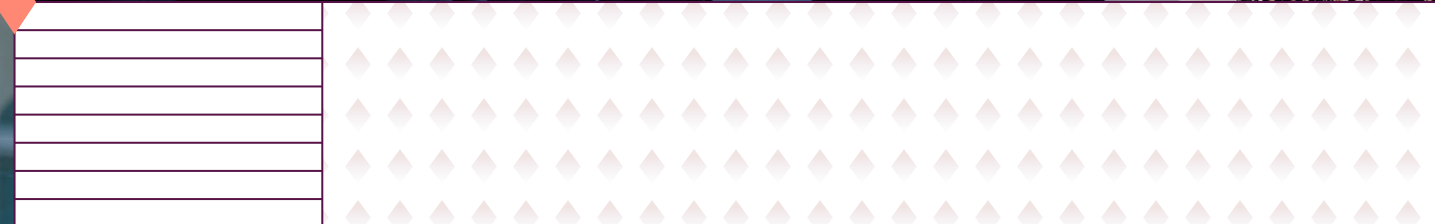
We are supportive of part-time working arrangements; 10% of colleagues worked part time at our snapshot date. Of those colleagues who worked part time, 90% were female, with the majority of these in the upper quartile. Part-time workers receive pro-rated bonuses according to hours worked, thus affecting our gender bonus pay gap.

# Actions

We recognise that our gender pay gap has increased compared with the year prior and we believe that it is attributable to the aforementioned factors. We will:

- ◆ Continue to offer opportunities to share in the company's success through the profit share scheme; whilst it has adversely impacted our median bonus pay gap, we stand by the principle that all colleagues should share in the profit that the company generates.
- ◆ Review our family leave policies and periods of company-enhanced paid leave, with a focus on paternity leave. We recognise the impact that improving paid paternity leave has societally, as well as in driving improvements in gender pay gaps.
- ◆ Continue to collect and analyse Equality and Inclusion (E&I) data. Since implementing the diversity questionnaire in October 2023, we have successfully gathered valuable data to monitor diversity across our employees and candidates, and we are now using this to inform actions to further increase the accessibility of Costello Medical to all. This has included analysing whether there are any potential biases in our recruitment process which may influence the recruitment of male employees.  
  
We will continue this process to ensure an ongoing commitment to fostering a diverse and inclusive workplace.
- ◆ Support career progression via our coaching approach to line management, open and transparent promotion process and investments in staff training.





The figures show the median and mean pay gap based on data as of 5 April 2024 and for bonuses paid in the year ended 5 April 2024. 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.