

Covance UK Gender Pay Gap Report 2018

OUR COMMITMENT

Covance UK is a leading provider of drug and medical device development services. As part of LabCorp, a global organisation recognised by Fortune® as a World's Most Admired Company, we are united by our shared mission to *improve health and improve lives*.

Covance UK, including Chiltern UK, is currently located at a number of sites across the UK: Edinburgh, Harrogate, Leeds, London, Maidenhead, and York.

We take pride in our exceptional, highly talented and skilled people. Our work is accomplished each day by diverse, global teams who inspire change, motivated by the lifesaving work we undertake.

We are committed to an inclusive and inspiring employee experience in which benefits-related rewards, including pay, are based on an individual's performance, skills and qualifications. We are committed to ensuring that women have the same access to training, compensation and leadership opportunities as their male colleagues and that all staff have access to the learning and mentoring necessary to help them advance. In summary, we are focused on creating a workplace that enables every employee to develop professionally and achieve their extraordinary potential.



COVANCE
SOLUTIONS MADE REAL™

Measures of Success



HEALTHY BALANCE

Overall, we have a good gender balance across our organisation. More than half (60.0%) of our 2,473 UK employees are female. Advancement opportunities for female employees also are balanced, with 62.3% of 2018 promotions earned by women.



GLOBAL RECOGNITION

Covance has been recognised externally for its commitment to inclusion globally, highlighting our distinctive inclusion and diversity programmes and our dedication to a positive working environment for all employees.



62.3% OF PROMOTIONS have gone to females in 2018



68.3% OF FEMALES celebrated 5 or more years of service anniversaries*
**during snapshot year*



FLEXJOBS TOP 100 REMOTE JOBS
4th consecutive year



Understanding the Pay Gap

We are committed to equal pay for equal work, which has been mandated since 1970 in the UK. We routinely review our compensation and employment practices to ensure equal pay.

The gender pay gap is a different measurement. It shows the variance in average pay between all men and women within a workforce. Our gender pay report reflects several key contributing factors that impact our results.

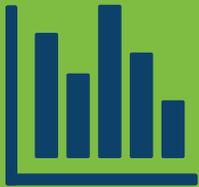
While our gender mix across each pay quartile is balanced, like many companies in our industry and the broader healthcare sector, a disproportionate number of executive positions are held by male employees. This imbalance also exists in our UK-based positions in sales. Both play a significant role in our gender pay gap and bonus pay gap. Additionally, more than 90% of our part-time positions are held by females. Our employees have told us that this flexibility is important to them and we remain committed to offering a variety of working arrangements. Still, part-time status impacts the bonus gap in particular, because it is calculated on actual bonus payments made rather than full-time equivalents.



In 2018, Covance's parent company, LabCorp, chose to share a portion of its U.S. tax rebate with employees who were not eligible to receive a performance bonus*. This "one-time bonus award" (OTB) was made in appreciation of all employees' contribution to LabCorp's growth.

**OTB payment required a minimum of six months' full-time or part-time employment at LabCorp or its subsidiaries.*

Gender Pay Gap Summary



DEFINITIONS

The mean is calculated by adding the ordinary pay or bonus of all women, dividing by the number of women, then doing the same for men, and making a comparison.

The median gap is calculated by taking the midpoint of the lowest and highest pay or bonus for women and the lowest and highest pay or bonus for men, and making a comparison.

Data snapshot:

31 March 2017 – 5 April 2018

“Ordinary pay” includes basic pay, and allowances but does not include overtime, redundancy, termination of employment or non-monetary pay

Bonus includes pay related to performance, incentive, commission, securities (at time of income tax charges) and length-of-service awards

COVANCE 2018

GENDER PAY GAP



MEAN

MEDIAN

GENDER BONUS GAP (includes OTB)



MEAN

MEDIAN

Proportion Receiving a Bonus (includes OTB)



FEMALE

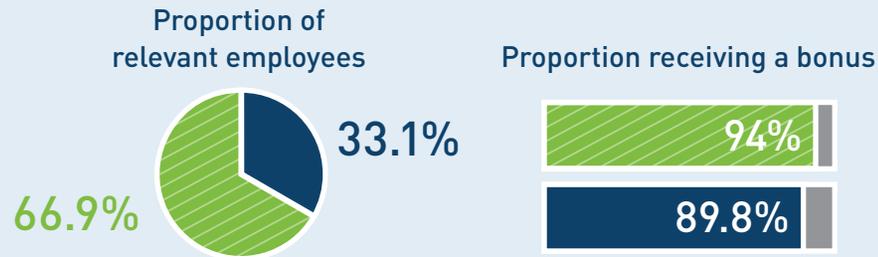


MALE

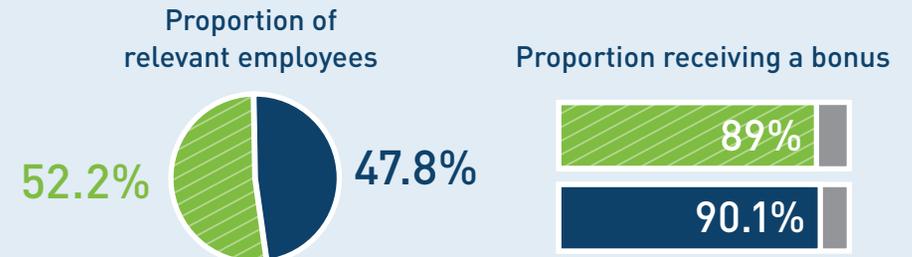


Reviewing Our Numbers

COVANCE CLINICAL & PERIAPPROVAL SERVICES LTD



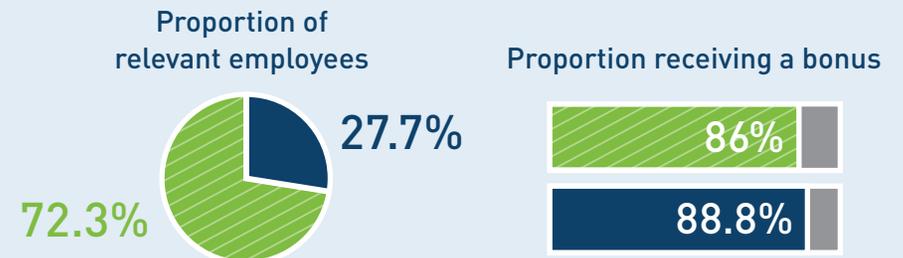
COVANCE LABORATORIES LTD



COVANCE CLINICAL RESEARCH UNIT LTD



CHILTERN INTERNATIONAL LTD



FEMALE



MALE

Proportion of Males and Females by Quartile Pay Band

Legal Entities		Lower Quartile	Lower Middle Quartile	Upper Middle Quartile	Upper Quartile	Mean Pay Gap	Median Pay Gap	Mean Bonus Gap	Median Bonus Gap
COVANCE UK	Female	58.1%	63.1%	61.8%	56.2%	11.0%	1.8%	43.1%	3.2%
	Male	41.9%	36.9%	38.2%	43.8%				
COVANCE CLINICAL & PERIAPPROVAL SERVICES LTD	Female	70.6%	71.2%	72.0%	54.0%	17.6%	6.6%	66.9%	59.8%
	Male	29.4%	28.8%	28.0%	46.0%				
COVANCE LABORATORIES LTD	Female	52.2%	54.3%	57.3%	45.2%	7.5%	1.5%	48.3%	18.5%
	Male	47.8%	45.7%	42.7%	54.8%				
COVANCE CLINICAL RESEARCH UNIT LTD	Female	72.6%	53.4%	60.3%	47.3%	16.3%	6.9%	64.1%	0%
	Male	27.4%	46.6%	39.7%	52.7%				
CHILTERN INTERNATIONAL LTD	Female	75.6%	80.7%	69.7%	63.0%	10.0%	16.2%	-6.9%	-10.0%
	Male	24.4%	19.3%	30.3%	37.0%				

Taking Action



Covance is committed to closing the gender pay gap in the UK with a focus on increasing the number of women in senior, executive and sales roles. We have been taking purposeful action to create the change we want to see. Through our global Women in Leadership initiative and our UK-specific development programmes, we are creating more pathways for women to grow professionally and achieve their career aspirations. We believe that it is essential to create an inclusive environment that respects and values the diverse skills, insights and experiences of all our employees. We are strongest as a company when all our employees can contribute to their fullest potential.

WOMEN IN LEADERSHIP (WIL)

In 2018, we introduced our Women in Leadership (WIL) initiative across LabCorp and Covance. We set an ambitious goal to increase the number of female executives within our organisation. Women at Covance's UK sites participated in WIL's inaugural activities and its reach is growing across our UK sites. WIL comprises comprehensive actions:

- **Build awareness:** We introduced two modules of required training for all employees in 2018, mandating a respectful and diverse workplace free of harassment. In addition, there is a regular series of intranet WIL features profiling women from across the globe, including the UK, and highlighting success stories and development opportunities.

- **Find diverse talent:** We prioritised talent attraction for women in 2018 with targeted advertising and deeper reach into our own organisation. We purposefully increased gender diversity in our succession planning and talent review processes.
- **Develop Women Leaders:** We launched the “WIN LEADERSHIP® Experience” to develop senior executive leaders and introduced “Ignite Your Impact Leadership Programme” for mid-level and senior leaders with UK participants in each programme.
- **Expose and Engage:** With a series of executive listening sessions as well as networking receptions, we have focused on the engagement of our women leaders. This global programme has included events in Harrogate.
- **Measure Progress:** We regularly track progress against our long-term and short-term goals with outcome-based metrics.



Taking Action (continued)

WOMEN'S EMPOWERMENT NETWORK (WEN)

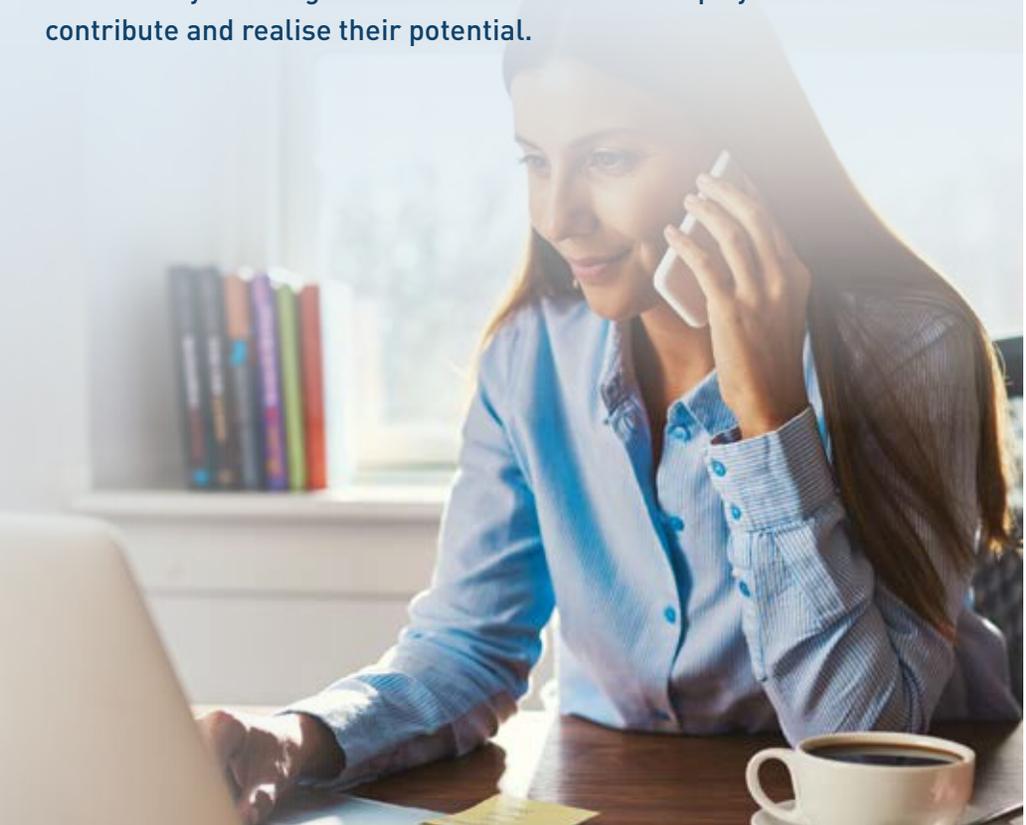
Covance Harrogate's Women in Science Network, launched in 2017, is designed to inspire, support and provide tools that enable women to build their careers at Covance.

Over the course of 2018, the network has expanded significantly, engaging colleagues from our Leeds and York locations. Events in 2018 covered topics such as self-confidence, returning to work from maternity leave and the power of networking. In addition, the Women in Science Network offered its first workshop for managers: planning and supporting employees' successful return to work following maternity leave or shared paternal leave.

Women in Science is now part of the company-wide Women's Empowerment Network (WEN), which is in turn closely aligned to our WIL initiative. Building on the success at Harrogate, we have established a WEN chapter at our Maidenhead location. WEN is built on a framework of five pillars: Career, Coaching, Connecting, Community, and Company, with senior-executive sponsorship at the highest levels of our company.

FLEXIBLE WORK PRACTICES

We support all of our employees by cultivating a flexible, modern work environment. Our employment approach includes remote working and part-time opportunities. We have helped our global teams achieve a better work-life balance with unique site benefits and Worksite Wellness programmes. Our ultimate goal is to create a "boundaryless" organisation that enables all employees to contribute and realise their potential.



Taking Action (continued)



UK APPRENTICESHIP PROGRAMME

Our Apprenticeship Programme supports our efforts to close the gender pay gap by developing our female technical and managerial leaders of tomorrow, providing women with the same career and pay opportunities as their male counterparts, enabling them to achieve their potential without bias.

We have designed career paths that have clear progression routes, from first-time supervisors to senior leader and executive positions, for management as well as technical and specialist tracks. All of our Apprenticeship Programmes are mapped to our job grades and competencies, providing a structured and transparent path for participants to progress through their studies and advance their careers. Covance programmes are matched to national standards, so participants' achievements can be externally recognised.

Each Apprenticeship blends internal training and competence development with externally recognised skills. Covance commits 20% of the Apprentices' time for training. The programmes are designed to be flexible, allowing for employee-defined training times and to meet individual needs, including career breaks.

Female employees are taking advantage of Covance Apprenticeships to advance their careers. In 2018 women comprised 70% of our Level 3 Team Leader Supervisor Apprentices, 75% of our Level 6 Chartered Manager Apprentices, and 50% of our MBA Apprentices.



Continuing the Commitment

Covance is a people-based organisation, where our success is based on our ability to attract and retain top scientific, therapeutic, analytical and technical talent from across the UK and across the world.

It is essential that we create an inclusive and diverse workplace where all employees are equally valued for their unique skills, insights and experiences; and empowered to achieve their extraordinary potential. As individuals we bring strength to the organisation in different ways. Together those unique talents make us exceptional.

We know there is more to do and remain committed to addressing our gender pay gap and measuring our progress.



A handwritten signature in blue ink that reads "D Chohan". The signature is stylized and written in a cursive-like font.

Davinder Chohan

Executive Director, Global Total Rewards

The Covance logo features the word "COVANCE" in a bold, blue, sans-serif font. A red swoosh underline is positioned under the letters "VANCE". Below the company name, the tagline "SOLUTIONS MADE REAL" is written in a smaller, blue, sans-serif font. The entire logo is set against a white background within a blue-bordered box.