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About Avalere Health

Avalere Health's (reported under Fishawack Communications) gender pay gap has been calculated in line with government regulations. The report is based on a snapshot of data as of April 5, 2023.

Avalere Health is a purposefully built commercialization partner for the biopharmaceutical, medical technology, and wellness industries. Our community of experts combines their knowledge and expertise across our core disciplines—Consulting; Medical; Policy; Value, Evidence, and Access; Marketing; and Digital Experience Technology—to create the connections that make better health happen. Together, we help our clients connect patients with life-changing therapies, realizing the potential of strategies and solutions to accelerate innovation that improves lives.

Established in 2001 and headquartered in the UK, Avalere Health's 1,500+ healthcare experts unite from advisory to execution, across the product lifecycle—from pre-clinical to post-launch. Our award-winning teams collaborate across hubs in North America, Europe, and Asia.

Foreword

At Avalere Health, we are acutely aware of the complexities and diversities in our global landscape. Achieving success hinges on our commitment to nurturing an inclusive culture. We aim to create a vibrant workplace by fostering a space where employees of all backgrounds work together, unleashing their fullest potential. Our approach involves embracing our true selves and the rich tapestry of our differences to enhance creativity, drive innovation, and ensure that everyone performs at their peak.

Committing to a fair and inclusive work environment demands dedication and concrete steps underpinned by empirical data. A key measure of our commitment to inclusion is tracking and reporting our gender pay gap (reported under Fishawack Communications Limited) for our UK businesses, in line with UK legislation.

We are steadfast in our mission to forge a workforce that is as diverse and inclusive as possible, where every employee feels valued and free from bias, enabling them to fully express who they are.

Achieving a completely equitable workplace is an ongoing journey for us and society at large. We are committed to this long-term goal, striving to pave the way for a brighter future for both our clients and employees.

Declaration

I confirm that our data have been calculated according to the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Sheena Amin-LiebmanGlobal Head of Diversity,

Maradic

Equity & Inclusion

Jon Koch

Chief Executive Officer



The gender pay gap is the difference between the average hourly pay for men and women across an organization. This figure is expressed as a percentage of men's earnings. In effect, it functions as a high-level overview of an organization's gender pay balance.

The gender pay gap is different from equal pay. Despite their connection, they are independent and employ different measures, including:

Equal pay

A statutory right for men and women to be paid the same for work of equal value. Avalere Health has policies in place to reflect this and is an equal pay employer.

Gender pay gap

A measure of the average earnings between all men and all women within an organization, expressed as a percentage of men's earnings.

How the figures are calculated

Median vs mean

The **median** pay gap is calculated by finding the exact middle point between the lowest- and highest-paid man in the business and the lowest- and highest-paid woman (by hourly pay); we then compare the two figures. The **mean** pay gap is calculated by adding up the hourly pay of all the women in the business and dividing it by the number of women. We then do the same sum for men and compare the two figures. The mean and median are both important metrics and need to be looked at together. However, the median is a more representative figure as the mean can be skewed by outliers.

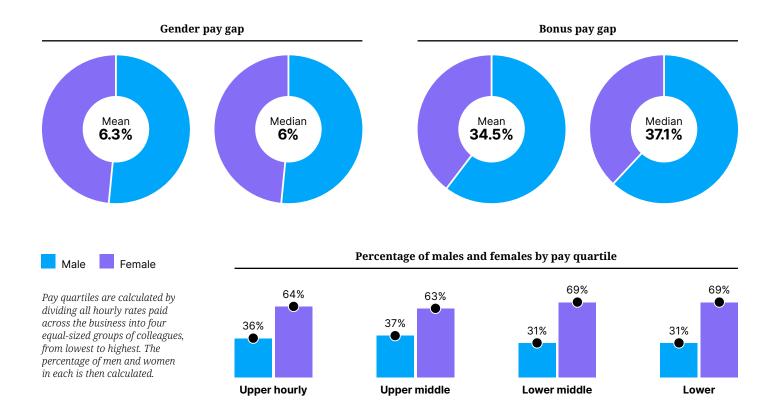
Our gender pay gap figures

On the next page you can find the gender pay gap figures for Avalere Health (reported under Fishawack Communications). This is the third and final year that we will publish our gender pay gap data under Fishawack Communications. Next year, our submission will be from Avalere Health.

In previous years only data on Fishawack Communications were reported, with 277 employees eligible for this calculation. This year, for consistency, we are reporting the same entity on the UK government website. However, this report will discuss the results for all our UK employees. Our submission figures can be found under the section "An overview of our 2023 results by business."

These data now include all the UK companies that have been acquired by Avalere Health. Although these companies are technically separate employers who are not required to publish their results due to their size, since their pay structures are integrated into the Group, and since we are integrated under one brand and culture, we choose to report on our total UK workforce.

These data are a snapshot from April 5, 2023. The Avalere Health UK (reported under Fishawack Communications) workforce is composed of 611 employees eligible for this calculation. Of this number, 404 (66%) are women and 207 (34%) are men.

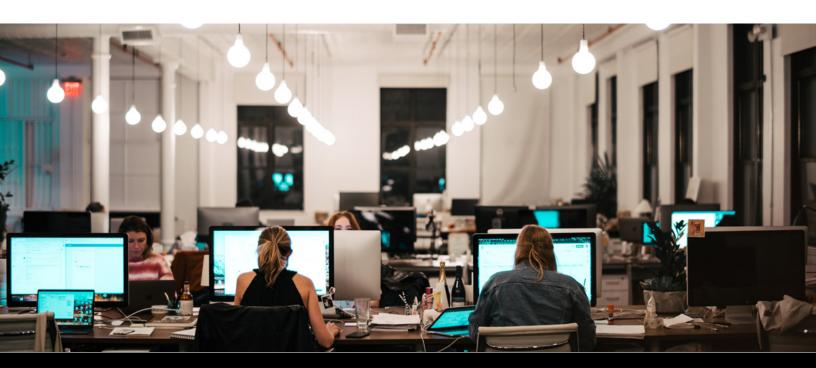


"The Avalere Health UK workforce is composed of 611 employees eligible for this calculation. Of this number, 404 (66%) are women and 207 (34%) are men."

Bonus payments

Our data show that 15% of men and 20% of women received a bonus payment in 2023. The mean bonus gap is 34.5%, and the median bonus gap is 37.1%.

Bonus decisions are made for individual roles based on specific quality and commercial factors; they are not influenced by protected characteristics such as gender.



Our analysis of the gender pay gap

"This year, we achieved an equal 50:50 gender split across our Executive Committee, meaning 50% of roles in our leadership population are filled by women."

Key points

Key takeaways

Analysis

Our 2023 results appear very different from previous years in that our gender pay gap figure is higher than last year's figure of 0.83%. This year, we have included data on more of our UK businesses. When comparing the datasets like for like, our gender pay gap has only increased by 0.87%. However, any increase must be taken seriously.

Our ongoing journey towards integration of all our separate entities means that our data for this year are not comparable to previous years. Therefore, we have taken the opportunity to review our approach and go beyond compliance and report on all UK entities. This approach provides the most accurate picture of our pay and bonus gaps for 2023 and gives us a clear view of how we can improve.

This year's results will become the baseline for our future gender pay gap reports. When we look beyond the gender pay gap to other equalities across our workplace, the evidence is encouraging.

This year, we achieved an equal 50:50 gender split across our Executive Committee, meaning 50% of roles in our leadership teams are filled by women.

Although our gap increased to 6.3%, we remain under the UK's average mean gender pay gap for full-time employees, which is 10.7% in favor of men.

Our pay gap is not a result of equal pay issues.

We have a gender and ethnicity-neutral approach to pay across all levels of the organization. We regularly monitor this as equal pay is our legal and moral obligation.

Government regulations require the gender pay gap to be calculated after salary sacrifice deductions. At Avalere Health, we offer salary sacrifice deductions for employee pension contributions and a range of flexible benefits that we offer office-based employees. This affects our gender pay gap, as employees with identical salaries who select a different benefit offering or pension contribution may show differences in hourly rates of pay

Our gender bonus gap has increased; this is driven by differences in the bonus schemes of each capability (Consulting; Medical; Policy, Access, Value, and Evidence; Marketing). We have a higher proportion of men in our most senior roles, where variable pay opportunity (bonus) is higher. Additionally, the bonus gap does not account for pro-rated bonuses for part-time workers, the large majority of whom are women. Although part-time working exacerbates the bonus gap figures, we are determined to continue to support flexible working as part of our strategy to improve retention and progression.

As the leadership population in Avalere Health is relatively small, changes in team members in the upper quarter can significantly impact the results, as can the performance of different bonus schemes based on performance in the different businesses and capabilities.

Our actions

We are committed to reducing the gender pay gap. Our work is divided into three primary categories.

Recruitment: Attracting and recruiting diverse talent

- **Early careers:** Our <u>graduate program</u> is an important pool of future leaders and is designed to drive inclusivity. In 2023, 100% of our intake was female.
- Diverse hiring: We have created diverse shortlists (including gender and ethnicity criteria) for all senior internal and external hiring.
- Inclusive training: We are ensuring all hiring managers take part in inclusive recruitment training, reducing bias in our recruitment and interview processes.
- Succession planning: We are encouraging the next generation of female talent across our business through our employee network group, which focuses on gender parity.

Retention: Retaining our diverse talent

- Leadership training: We are helping our colleagues be aware of, understand, and develop inclusive behaviors. We continue to provide leader training and are working to create a culture where concerns can be raised to colleagues and leaders.
- Flexible working: All employees can benefit from <u>flexibility</u> in where and how they work to ensure everyone is empowered to work in a way that suits them and drives optimum performance.
- Hybrid and remote roles: By advertising roles with no mandate on returning to the office, we have helped enable career progression for less-mobile colleagues.
- Supporting authenticity: In our 2023 annual employee engagement survey, 84% of respondents answered favorably to the question "I can be my authentic self at work."

Progression: Increasing the number of female colleagues in senior leadership



Gender equity across our Executive team: Since 2021, we have been working towards a target of 50% female leaders in our Executive Committee, which we are proud to have now met.



Empowering female leaders: With the guidance of <u>Unthink</u>, we launched a Women's Leadership Program aimed at equipping female leaders with abilities and self-assurance while cultivating a feeling of camaraderie. The program helps the women at Avalere Health reach and surpass their professional goals through workshops facilitated by strong female speakers.



Mentoring, coaching, and sponsorship: Our sponsorship program aims to accelerate the pipeline of female talent into senior leadership roles. This is supported by our coaching and mentoring schemes, which are available to all employees.



Supporting women to re-enter the workforce: We are pleased to be a part of Creative Equals' Creative Comeback program, which assists creatives in returning to the profession following a break from their careers due to personal circumstances like childrearing, mental health issues, or taking care of elderly parents. The Equalities Office of the UK Government supports the program. With the help of this free effort, women, non-binary individuals, and gender non-conforming persons with creative experience can re-enter the workforce and acquire the skills, information, and self-assurance needed to land a part-time or full-time job.



An overview of our 2023 results by business*



Employing entity	Total pay gap (hourly)		Bonus pay gap	
	Mean	Median	Mean	Median
Fishawack Communications Ltd (including Blue Latitude Health)	7.4%	1.7%	52.4%	-20%
PRMA Consulting	16.7%	25%	38.9%	23.3%
Hive Health	-9.3%	-4.6%	17%	76%
UK Workforce	6.3%	6%	34.5%	37.1%

^{*}Negative results indicate a gender pay gap in favor of women.



Pay gap vs equal pay

A pay gap is a measure of the difference between the average earnings between two groups. For gender, this means between men and women employees, and for ethnicity between ethnically diverse and white employees (irrespective of roles or seniority). It is our legal obligation as an employer to give equal pay for equal work.

A reminder of the legislative requirements

Gender pay gap legislation requires employers in the UK with 250 employees or more to calculate and publish gender pay gap data on an annual basis. This must be based on figures taken on the April 5 each year. The specific information we are required to publish includes:

- Mean and median gender pay gap (based on an hourly rate of pay on April 5, 2023)
- Mean and median bonus gender pay gap (based on bonus pay received in the 12 months leading up to April 5, 2023)
- The proportions of men and women receiving a bonus payment
- The proportions of men and women in each quartile pay band (across four pay bands when we divide our workforce into four equal parts); the gender pay gap is expressed as a percentage of male earnings (eg, women earn X% less than men)

Gender pay gap global reporting

In the UK, certain regulations mandate that organizations of a specific size report on their gender pay gaps. This requirement is underpinned by a legislative framework designed to promote transparency and address gender inequality in the workplace. The UK government provides a centralized platform for reporting and accessing this information, facilitating a standardized approach across different sectors.

Conversely, in the USA, there is currently no federal mandate requiring all employers to publicly report detailed data on their gender pay gaps. While some initiatives and regulations at the state level or within certain industries aim to address gender pay disparities, there is no unified, nationwide requirement that matches the UK's approach.

The infrastructure for payroll and employment data in the USA presents additional challenges for calculating the gender pay gap. The US labor market is served by a multitude of payroll providers, each with its own systems and formats for managing and reporting employment data. This diversity, while beneficial in offering companies flexibility and options in payroll services, complicates the collection and aggregation of data across the labor market in the standardized form necessary for a comprehensive gender pay gap report.

The absence of a centralized reporting requirement, coupled with the diverse landscape of payroll systems, means that compiling a nationwide gender pay gap report in the USA would require significant coordination among various stakeholders, as well as the development of common standards and methodologies for data collection and reporting.

We understand the importance of addressing gender pay disparities and believe that sharing best practices and learnings from our respective contexts can help us all move closer to achieving gender equality in the workplace.

Looking ahead

Our commitment to increasing the number of women in the workplace requires us to continue to consider the appeal of our employer brand, how we enable our female talent to thrive, and what development opportunities we can provide to encourage career advancement. Along with this, we are committed to regularly monitoring our data to uncover areas of continuus improvement. We will continue to invest in our company's culture to ensure that all colleagues realize the opportunities and roles we each play in developing a more diverse organization.