

Slough, 4 April 2018

UK Gender Pay Gap Report 2017-2018 for Lonza Biologics plc

Lonza's pay philosophy and practice reward the individual's role, skillset, and performance, regardless of gender, ethnicity, or other such factors.

We are proud that Lonza Biologics plc remunerates women and men equally for doing equivalent jobs across the business and truly believe that diversity enhances and accelerates the performance of Lonza's teams and businesses.

Regulations introduced in 2017 under the Equality Act 2010, require companies with 250 or more employees in the UK to publish their gender pay gap each year. We welcome this drive for transparency and gender parity and are pleased to share our data for Lonza Biologics plc that comprises more than 850 employees across our sites in Slough, Cambridge, and Manchester. All of our mandatory gender pay gap statistics have been officially audited by Aon Hewitt Limited.

The mandatory Gender Pay Gap figures display the average and median gap between pay of women and men regardless of their job level and are therefore distinct from an equal pay for equal work analysis. Lonza Biologics plc has a higher proportion of men in senior management positions. This development gap leads to a pay gap in the statutory statistics.

Hourly Pay & Bonus Gap

We need to restate the figures published on 5 April 2018 because there was an error in the data, which meant that the pay gap was slightly higher than we originally reported.

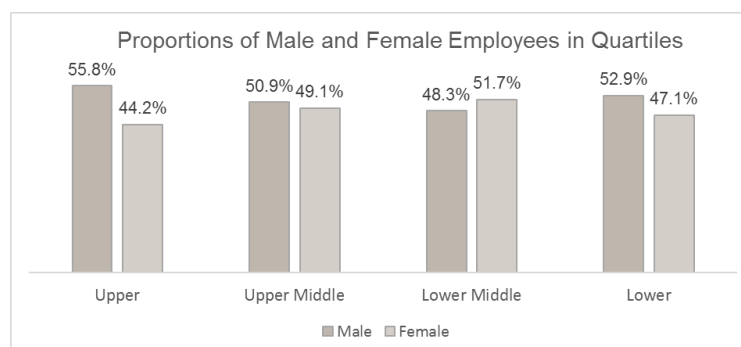
Lonza's median hourly pay gap is 4.9% for 2017, which is far below UK's national median gender pay gap of 18.1% in 2016¹ and far below industry average of 23.7% in 2016².

Lonza's mean hourly pay gap is 8.9%. Lonza's median bonus pay gap is 15.2%, and Lonza's mean bonus pay gap is 31.9%. These differences are due to the fact that there is a higher proportion of men in more senior roles.

Bonus Eligibility Gap

Lonza Biologics plc pays bonuses at most levels, with only a 2.4 percentage points difference in the number of male and female employees who received bonus pay in 2017 (male: 88.7%, female: 86.3%).

Pay Quartiles



¹ Office for National Statistics, <https://visual.ons.gov.uk/the-gender-pay-gap-what-is-it-and-what-affects-it/>, last accessed on 19 March 2018.

² Aon Hewitt Limited, Project Team, 2017.

What does our pay gap tell us and what are we doing about it?

Lonza's pay gap results from the higher proportion of men in senior management positions. The upper pay band contains a lower proportion of women compared with the other pay bands. In accordance with industry standard, the higher-level roles have higher bonus targets and higher salaries, which leads to a higher bonus gap than an hourly rate gap. **If gender pay is compared on each internal grade level (Equal Pay for Equal Work), there is no gap between female and male employees' remuneration.**

At Lonza we perceive the gender imbalance at senior management positions as an opportunity to advance women in the business. We are committed to taking action. We are actively supporting progression of key talent into leadership positions regardless of gender. As our CHRO Fridtjof Helemann, Board Member of Advance Women in Swiss Business, points out, "Lonza holds to the belief [...] that gender equality and inclusion are a competitive advantage in business"³.

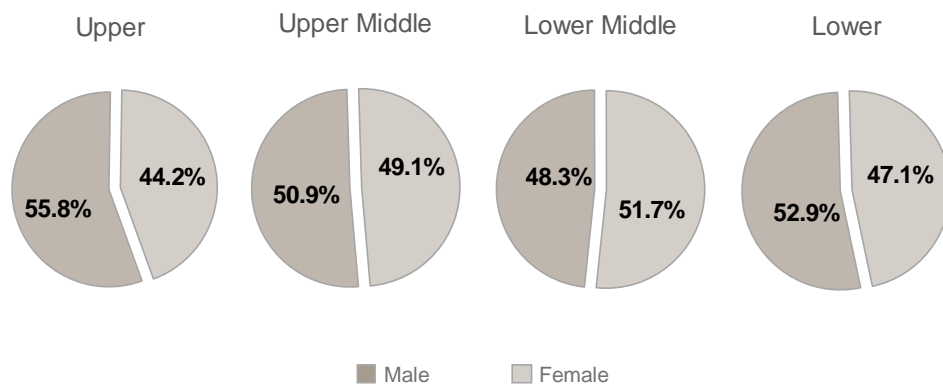
Summary

The following numbers are summarized as they are submitted to the UK Government on www.gov.uk.

Women's hourly rate is	8.6% lower (mean)	1.3% lower (median)
Women's bonus pay is	31.9% lower (mean)	15.2% lower (median)
Who received bonus pay	88.7% of men	86.3% of women

Pay quartiles

How many men and women are in each quarter of the employer's payroll, in %



Concluding Statement

We hereby confirm accuracy of our numbers and compliance in calculation with the mandatory statistics required by The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Mike Brown
VP, Head of Ops, CD



Jane Hounscome
Head of HR, Slough

³ Lonza News Release, <https://www.lonza.com/about-lonza/media-center/news/Tensid/2017-06-27-13-00-English.aspx>, last accessed on 19 March 2018.