UK gender pay report 2021
The success of our company is a direct result of the talent and commitment of our employees. It is vital to us that everyone at Oxford PharmaGenesis is rewarded in a fair and equitable way and that all individuals are given the career support they need to flourish.

Last year, we reported our pay by gender for the first time, in line with UK legislation. We completed an in-depth analysis to try to understand any differences between the pay of women and men. Our findings confirmed that women and men in equivalent roles were paid equally. However, despite this, we paid men more than women overall because we employed proportionally more men than women in our most senior roles.

Based on these data, we identified three key areas to focus on to ensure there are no differences in pay between women and men: providing tailored career development support for women, encouraging uptake of flexible working and shared parental leave, and improving the gender balance of our employees at all levels.

In this 2021 report, we would like to share an update on the actions that we are taking as part of our long-term commitment to abolish the gender pay gap at our company.

Catherine Hill, Group Communications Director

On 5 April 2021, we had 399 employees globally, including 300 people based in the UK.

Our UK workforce was...

74.2% women
25.8% men

Our UK-based employees had a range of tenures with the company:

8.3% for more than 10 years
46.7% for 2–10 years
45.1% for less than 2 years

Statutory reporting requirements

- Since 2017, UK legislation has required all companies with 250 employees or more to report their gender pay data every year.
- These data compare the average pay for women and men across all roles, and must include:
  - average differences in hourly rates of pay
  - the proportion of women and men in each quartile, based on hourly rates of pay
  - the proportion of women and men receiving bonus pay
  - average differences in bonus pay
- All data are accurate as of the snapshot date of 5 April 2021, in line with the UK Government’s Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.
What we learned last year

Last year, we analysed pay across our UK offices to try to understand any differences between the salaries of women and men. The full UK gender pay report 2020 can be accessed here.

Our analysis provided reassurance that women and men in the same roles were being paid equally. We were also encouraged by the fact that, relative to the overall gender balance at our company, the data indicated that women and men had equal opportunities for promotion during the reporting period and that there were no barriers to the recruitment of women into senior roles.

However, we did see a substantial gender pay gap that was driven by the fact that we employed proportionally more men in higher-paid roles and fewer men in lower-paid roles relative to the overall gender balance at our company.

For bonus pay, the difference between the pay of women and men was exacerbated by the fact that the vast majority of people who worked less than full time or took substantial periods of parental leave were women.
Pay for women and men

The findings of our 2021 analysis are broadly consistent with the data reported for 2020 (published in June 2021): we have a gender pay gap that is driven by the fact that we have proportionally more men than women in our most senior roles. The similarity of the findings is not surprising given that the 2021 data are based on a reporting period that occurred before we completed our analysis of the 2020 data and set out our targeted action plan.

Based on the snapshot of data on 5 April 2021, our overall mean gender pay gap was 22.6% and our overall median gender pay gap was 21.9%.

The differences in the average hourly rates of pay by gender in each pay quartile were much lower than the overall values, but there was still a substantial mean difference in the highest pay quartile (Table 1).

When we excluded the most senior positions in our company (those on the Holdings Board, the Limited Board or the Global Leadership Team), the mean gender pay gap across remaining roles was 13.4% and the median gender pay gap was 13.7%.

During the 12 months before 5 April 2021, 79.6% of women and 74.1% of men received a bonus. The mean bonus pay gap was 56.3% and the median bonus pay gap was 35.9%. These values are impacted by the fact that on 5 April 2021, 86.2% of people who worked less than full time were women and 95.0% of people who took parental leave during the 12 months before 5 April 2021 were women.

Table 1. Proportion of women and men, and average difference in pay by quartile (on 5 April 2021).

<table>
<thead>
<tr>
<th>Quartile based on hourly rate of pay</th>
<th>Proportion of employees, %</th>
<th>Mean difference, %</th>
<th>Median difference, %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Women</td>
<td>Men</td>
<td></td>
</tr>
<tr>
<td>Upper</td>
<td>61.0</td>
<td>39.0</td>
<td>8.1</td>
</tr>
<tr>
<td>Upper-middle</td>
<td>69.9</td>
<td>30.1</td>
<td>−1.6</td>
</tr>
<tr>
<td>Lower-middle</td>
<td>80.5</td>
<td>19.5</td>
<td>1.6</td>
</tr>
<tr>
<td>Lower</td>
<td>85.5</td>
<td>14.5</td>
<td>−1.9</td>
</tr>
</tbody>
</table>

*A positive difference indicates that the hourly rate of pay is higher for men than women, whereas a negative difference indicates that the rate is higher for women.
What we are doing to tackle our gender pay gap

Just as closing the gender pay gap is a huge challenge for society, abolishing the gender pay gap at our company will require long-term commitment to bring about change.

Based on the highlighted drivers of our gender pay gap and bonus pay gap, we have identified three key areas that will drive down the difference in pay between women and men.

Supporting women to progress to senior roles

Improving understanding around flexible working and shared parental leave among both women and men

Improving the gender balance of our employees at all levels

We have initiated a series of activities to drive change across these areas, with more planned (see the overview of activities shown on the next page). In particular, we are focusing on providing mentoring and leadership training to women to support progression to senior roles. All of these activities are aligned with the evidence-based actions to improve the gender pay gap identified by the Government Equalities Office.¹


Government guidance

The Government Equalities Office has published a document providing employers with information about a variety of approaches that are likely to improve the recruitment and progression of women and to reduce the gender pay gap.¹

The guidance is designed to help employers create action plans and recommends that employers use high-quality data to understand the drivers of their gender pay gap in order to target actions effectively.
What we are doing to tackle our gender pay gap (continued)

We have instigated a series of long-running activities designed to abolish our gender pay gap, with more activities in the pipeline. These initiatives are aligned with the recommendations of the Government Equalities Office.¹

<table>
<thead>
<tr>
<th>Category</th>
<th>Description of action</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective actions</td>
<td>Restructured the recruitment process to expand and enhance the use of skills-based assessments, tasks and structured interviews</td>
<td>Launched in 2020</td>
</tr>
<tr>
<td></td>
<td>Appointed a Global Equality, Diversity and Inclusion (EDI) lead and engaged EDI advocates</td>
<td></td>
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<td></td>
<td>Updated the promotion process to ensure that it is objective and evidence-based</td>
<td></td>
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<td></td>
<td>Improved salary transparency by establishing salary benchmarks that are shared with group directors, who input into salary decisions</td>
<td>Launched in 2021</td>
</tr>
<tr>
<td>Promising actions</td>
<td>Launched the Oxford PharmaGenesis mentoring programme</td>
<td>Launched in 2022</td>
</tr>
<tr>
<td></td>
<td>Provide updated resources to help both men and women understand the possibilities around flexible working and shared parental leave</td>
<td>Planned for 2022</td>
</tr>
<tr>
<td></td>
<td>Provide networking training</td>
<td></td>
</tr>
<tr>
<td>Actions with mixed results</td>
<td>Launched our Coaching Culture programme that covers leadership training</td>
<td>Launched in 2022</td>
</tr>
<tr>
<td>Other actions</td>
<td>Initiated our journey to becoming an accredited Menopause Friendly Employer</td>
<td>Launched in 2022</td>
</tr>
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</table>


**Effectiveness of actions**
Actions to reduce the gender pay gap are categorized into three groups by the Government Equalities Office.¹

**Effective actions**: those that have been tested in real-world settings and have been found to have a positive impact.

**Promising actions**: those that have potential, but require further research to improve the evidence on their effectiveness and to understand how best to implement them.

**Actions with mixed results**: those that have been shown to sometimes have a positive impact and sometimes have a negative impact. This lack of consistency might be due to how they are implemented or due to other factors that we don’t fully understand yet.

**Other actions**: those not included in the recommendations but that we believe are important for women at Oxford PharmaGenesis.
I am pleased to be able to share this update with you about the initiatives that we have launched to tackle our gender pay gap. These initiatives are the result of a huge amount of effort from many colleagues across our business. However, we do not underestimate the challenge ahead, and we recognize that long-term commitments are required to instigate long-term change. The gender pay gap is a complex societal issue and there is no ‘quick fix’. Nevertheless, we are dedicated to doing everything we can to abolish the gender pay gap at our company.

I am particularly excited about the recent launches of our mentoring and coaching programmes. We decided to provide these programmes to both men and women; however, I believe that both initiatives will rapidly provide targeted career support for women, offering tangible benefits to help women achieve their career aspirations here at Oxford PharmaGenesis. I am eagerly awaiting feedback from those who are participating in these new initiatives to ensure they deliver in that regard.

The majority of our employees are women and their professional success is fundamental to our success here at Oxford PharmaGenesis. By implementing our targeted action plan, we are facing our gender pay gap head on with the aim of achieving real benefits for the women in our business – it is not just about changing the numbers.

If you have any further suggestions or ideas to support our gender pay gap initiatives, then I would love to hear from you.

Sharon Frost, Global HR Director