



UK Gender Pay Gap Report 2019



Introduction

We are pleased to share with you the GW Pharmaceuticals Gender Pay Gap Report for 2019. We continue to pride ourselves on being an equal opportunities employer and employ individuals who each contribute to our shared goal of positively impacting the lives of patients with previously few treatment options.

We strongly believe that having a diverse and inclusive workforce is critical to achieving our company goals and is a key component of our company values of being *patient driven, passionate, innovative, collaborative, accountable*, working with *integrity* and striving for *excellence*.

In this report, we highlight the key findings of our gender pay gap analysis. Data was analysed for the year beginning **April 6, 2018 up to the snapshot date of April 5, 2019**. We offer insight into the changes experienced since the last annual report, as well as providing information relating to our continuing work to promote a diverse and inclusive working environment.

When reading the results, it's important to note that the gender pay gap is different to equal pay. Irrespective of job role, the gender pay gap calculations are designed to provide an insight into the difference in the mean and median average of hourly pay across all male and female employees in the organization. Equal pay refers to any variances in pay between male and female employees in the same or similar roles. This report is focussed solely on the gender pay gap calculations.

Summary

➤ The overall mean hourly gender pay gap has decreased from 20.1% to 19.4%

As in 2018, this reflects the fact that there are more male employees than female employees in senior roles within the upper pay quartile.

➤ The overall median hourly gender pay gap has decreased from 9.9% to 8.1%

Our median gender gap of 8.1% remains significantly below the Office of National Statistics (ONS) current national average median pay gap of 17.3%.

➤ The overall mean bonus pay gap has continued to decrease; this year it has decreased by 3.5% to 76.8%

The mean bonus pay gap is driven, as in prior years, by the gender and level profile of those receiving bonus awards and exercising share options in the period. Share option and bonus awards typically increase with seniority and more males than females occupy senior positions at GW which influences the overall mean statistic.

➤ The overall median bonus pay gap has increased to 35.3% from 0.4%

The median bonus pay gap is driven by the distribution of the combined bonus and exercised stock option awards across male and female employees. With more male employees occupying senior level roles and significantly more vested share options exercised during this period, the median bonus pay gap statistic has been impacted. Specifically driving the volume of share options exercised was a transition to an annual vesting schedule, the share price at time of exercise, and the growth in headcount.

➤ The overall proportion of male and female employees in receipt of a bonus remains broadly equivalent

As in the prior two years, the number of female and male employees in receipt of bonus payments in the period remains almost equal.

➤ There have been positive changes in the overall composition of our upper two pay quartiles

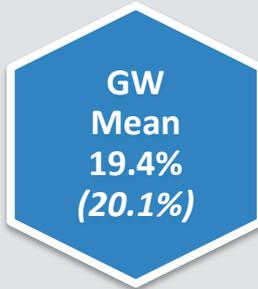
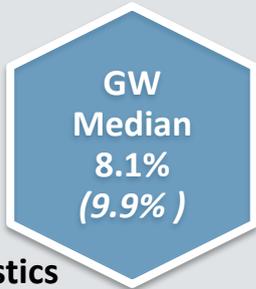
The upper and upper middle quartiles for GW Research Ltd, GW Pharma, and All UK have increased for females showing improvement in the distribution of pay by gender. These are broken down on the following page.

UK-Wide Reporting

The data presented below reflects the combined figures for both our employing entities: GW Pharma and GW Research (comprising of 553 in scope colleagues) and is in accordance with the methodology established by the legislation.

Hourly Pay Gap

The difference between male and female employees hourly pay



The Office of National Statistics (ONS) uses the **Median** number to measure national gender pay gap statistics. This is the preferred measure as it is less impacted by outliers, an issue for smaller organizations.

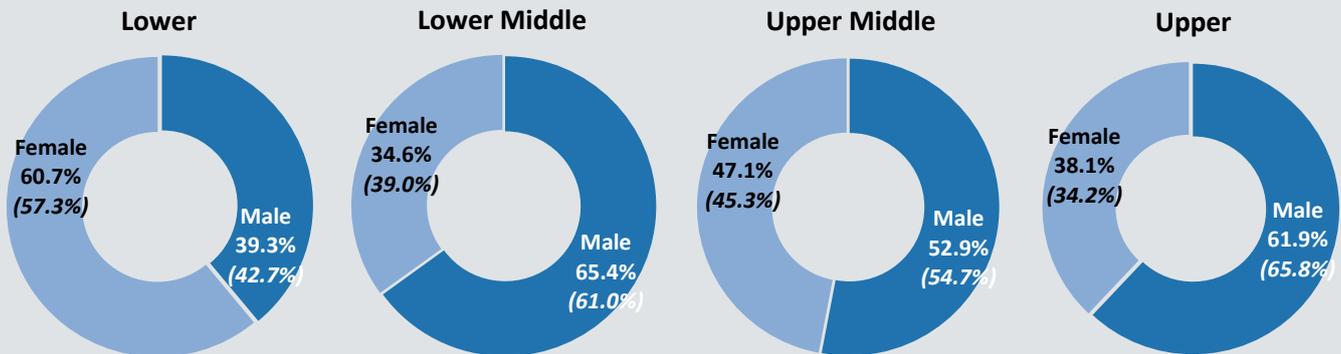
How is the median calculated?

The median is the value separating the higher half of a population from the lower half. It can be considered as the “middle” value of a data set.

Office of National Statistics (ONS) Median
17.3%
(17.9%)

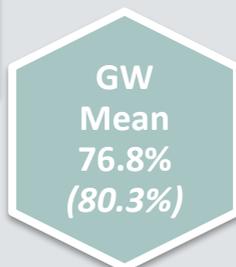
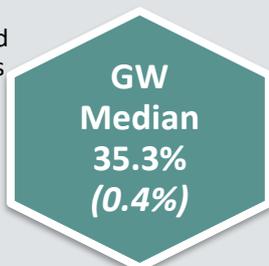
Pay Quartiles - 2019

The proportion of male and female employees in each quartile pay band



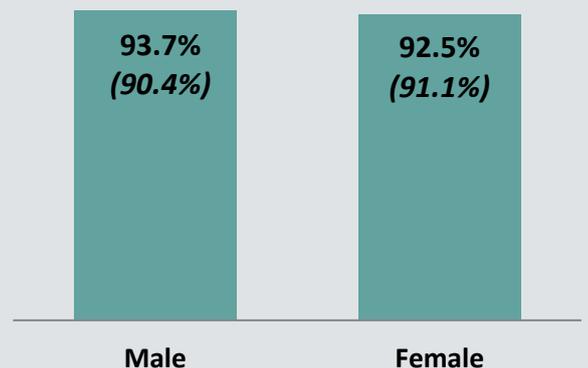
Bonus Pay Gap

The difference between male and female employees bonus pay



Bonus Receivers

The proportion of male and female employees receiving a bonus



Individual Entity Reporting

GW Pharmaceuticals has two employing entities in the UK, GW Research and GW Pharma. GW Research employs more than 250 employees and falls within scope of the regulations. In the interest of providing full transparency we provide a summary for each entity below, as well as the overall combined statistics outlined in the previous section.

GW Research is made up of a range of functions but can be characterized as containing the Clinical-related teams, such as Clinical Operations, Clinical Sciences, Discovery and Pre-clinical, Medical Writing, Pharmacovigilance, Clinical Quality, Regulatory Affairs, along with our Technical Research and Development function and corporate functions (Finance, HR, IT, Legal).

Similarly, **GW Pharma** also comprises a mix of functions primarily Manufacturing and Production, Operations, Supply Chain, Engineering, Manufacturing Quality, along with our International and commercial teams.

	GW Research 321 in scope employees		GW Pharma 232 in scope employees	
Pay				
Mean Gender Pay Gap	27.0% (24.5%)		8.3% (35.5%)	
Median Gender Pay Gap	14.7% (17.1%)		18.4% (23.8%)	
Proportion of Male and Female employees in each pay quartile				
	Male	Female	Male	Female
Lower Quartile	30.8% (36.4%)	69.2% (63.6%)	50.0% (48.8%)	50.0% (51.2%)
Lower Middle Quartile	39.3% (38.2%)	60.7% (61.8%)	86.7% (80.0%)	13.3% (20.0%)
Upper Middle Quartile	38.9% (48.1%)	61.1% (51.9%)	83.7% (87.8%)	16.3% (12.2%)
Upper Quartile	55.2% (58.4%)	44.8% (41.6%)	73.1% (90.0%)	26.9% (10.0%)
Bonus				
Mean Bonus Pay Gap	82.4% (82.2%)		66.2% (82.6%)	
Median Bonus Pay Gap	42.8% (38.1%)		1.4% (9.7%)	
Proportion of Male and Female employees receiving a bonus payment				
	Male	Female	Male	Female
Bonus Receivers	92.4% (90.9%)	91.5% (93.0%)	94.7% (89.8%)	95.3% (82.1%)

Our Actions

We are committed to actively building a culture which fosters diversity and inclusivity. We believe over time this will help all employees including female employees and those from diverse backgrounds develop in their careers with GW, as well as provide an ever more engaging work environment for all. This has continued to drive some exciting initiatives summarized below.

➤ Global Diversity and Inclusion Lead

We have appointed a global diversity and inclusion lead with accountability for the development of a global diversity and inclusion plan for 2020.

➤ Inclusive Leadership Workshops

Following on from workshops being run for our Executive Leadership Team and Senior Leadership team, all people managers in the company attended a workshop during 2019 around how to develop a more inclusive leadership style. This involved over 120 managers across the UK organization and was extremely impactful and well-received.

➤ LEAD Program

Building on the success of the Inclusive Leadership Workshops, the company is globally launching its LEAD (Leadership Excellence And Development) Program in the early part of 2020 with the aim of providing clarity and consistency around leadership at the company. Again, this will involve all people managers, and will involve a specific module around diversity and inclusion.

➤ Employee Engagement Survey

We ran a further Employee Engagement Survey in November 2019 which – like the Survey run in 2018 - included questions specifically around diversity and inclusion. One of the largest improvements since the last survey was the response to a question asking whether diversity is valued at the company, which gained a +10.4% favourability rating. All items in the diversity and inclusion index had a strong overall favourability rating of 70% or more.

➤ Flexible Working

We remain keen to facilitate flexible working requests and ways of working. Some 55 employees currently work on part-time schedules in the UK. It's worth noting that around 85% of these part-time employees are female; whilst this encourages workforce diversity, it does impact the bonus pay gap statistics which do not take part-time hours into account. We also employ close to 60 field-based employees, adding to the flexibility of the workforce and helping employees who need to be home-based. We plan to continue to actively find ways to encourage flexibility.

➤ Global Job Architecture

During 2019 the company introduced a global framework of streamlining and categorizing jobs, providing greater transparency, consistency and clearer promotion and career development criteria. We will continue to leverage the framework to help ensure that women and other diverse groups have clarity on how to progress their careers with the company and are rewarded fairly and equitably for the work they do.

➤ Healthcare Businesswoman's Association (HBA)

We continue to be corporate partners with the HBA with close to 60 members across the company. The HBA runs learning events and provides networking and development opportunities for those working in the life sciences sector who have an interest in championing greater diversity in the workplace. During 2019 the company ran 'Meet the HBA' sessions, attended the Woman of the Year Awards and had delegates attend the Annual Conference in San Diego.

➤ **Transparency**

We conduct regular and comprehensive reviews of remuneration, including base, variable and total compensation levels. Additionally, as part of the global job architecture framework, we introduced more structure, clarity, and transparency around our compensation programs to promote transparent and fair decision making, and build upon our existing strong calibration and governance process.

➤ **Structured Interviews and Candidate Diversity**

We will implement structured, skills-based interviewing and require external recruiting agencies and internal recruiters to cast a wide net and provide a diverse slate of candidates for all open roles.

Future Commitment

At GW Pharmaceuticals, we are committed to ensuring that the company is an attractive employer to new and existing employees by providing an inclusive environment in which all can thrive and develop their careers. This remains critical to the achievement of our company goals and is central to our company values. We very much look forward to continuing our journey along this path.

Approval

This report was approved by GW Pharmaceuticals' VP, Human Resources in the UK and our EVP & Managing Director, UK.



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VP, Human Resources



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