



UK Gender Pay Gap Report 2018



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Introduction

We are pleased to share with you the GW Pharmaceuticals Gender Pay Gap Report for 2018. We 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, 2017** up to the pay period including the snapshot date of **April 5, 2018**. We offer insight into the main changes experienced since the last report, as well as providing information relating to our 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 remained relatively stable at 20.1%**
As in 2017, 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 increased from 2.2% to 9.9%**
Our median gender gap of 9.9% is significantly below the Office of National Statistics (ONS) current national average median pay gap of 17.9%. The increase of 7.7% since 2017 has been primarily brought about by the fact that more male employees joined the organization in the period relative to female employees and male new joiners received on average a higher hourly wage relative to female new joiners. As one of the smaller employers reporting out, our figures are more likely to be impacted by joiners and leavers.
- **The overall mean bonus pay gap has decreased by 3.6% to 80.3%**
The mean bonus pay gap is driven - as last year - by the gender profile of those exercising share options in the period, and by the fact that there are more male employees than female employees in more senior roles which typically have the larger bonuses.
- **The overall median bonus pay gap has decreased by 0.6% to 0.4%**
The median bonus pay gap has been all but eradicated.
- **The overall proportion of male and female employees in receipt of a bonus remains equal**
As in the 2017 report, the number of female and male employees in receipt of bonus payments in the period remains almost equal.
- **There have been small changes in the overall composition of the pay quartiles**
These are broken down on the following page.

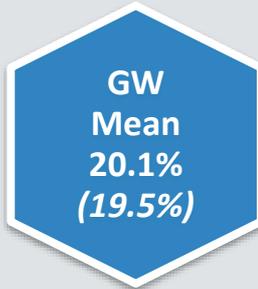
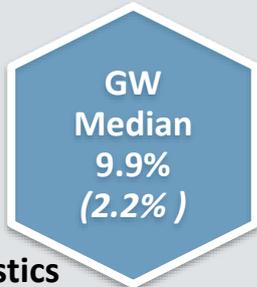
To note: In the 2017 report, the mean and median hourly gender pay gap figures were affected by a miscalculation. This had a negligible effect on the median pay gap but did result in us inadvertently reporting a higher gap for the mean hourly pay rate than was actually the case. In the pages to follow we have included our adjusted 2017 statistics (*in brackets throughout*) to allow for consistent year-over-year comparison. All statistics throughout this report are based upon data for the year beginning April 6, 2017 up to the pay period including the snapshot date of April 5, 2018.

UK-Wide Reporting

The data presented below reflects the combined figures for both our employing entities: GW Pharma and GW Research (comprising of 495 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?

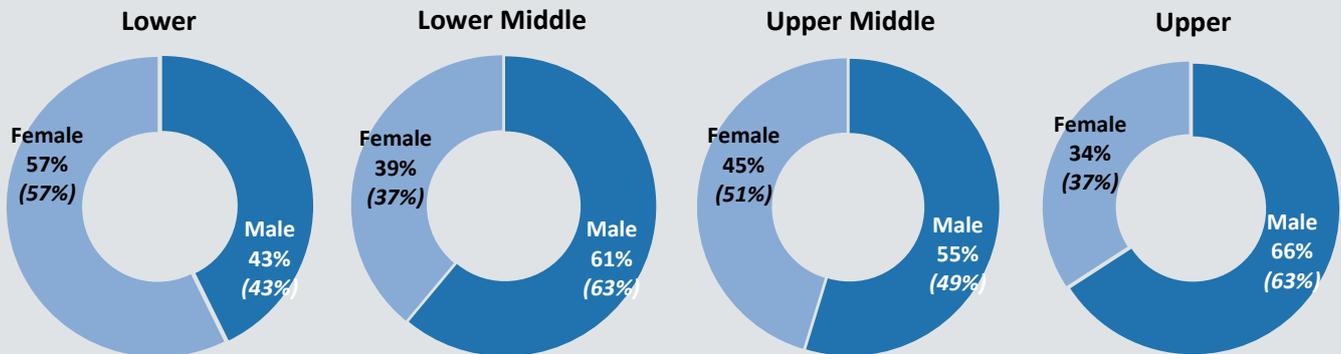
The median is the value separating the higher half of a population from the lower half. It can be considered as the “middle” value of a data set.

Office of National Statistics (ONS) Median

17.9%
(18.4%)

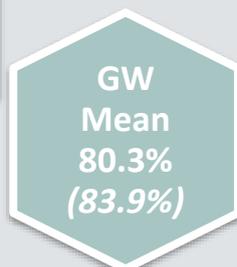
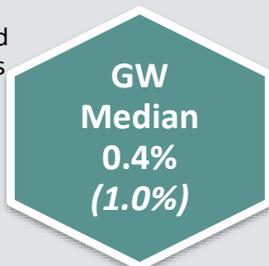
Pay Quartiles - 2018

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



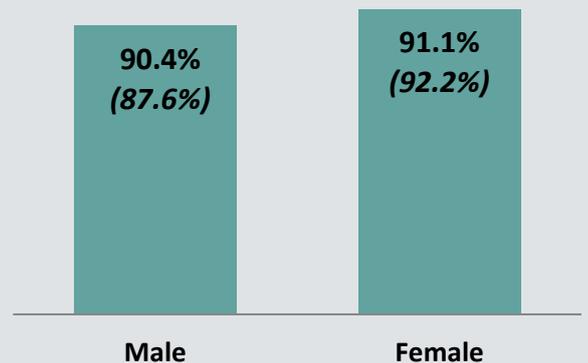
Bonus Pay Gap

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 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 team.

	GW Research 328 in scope employees		GW Pharma 167 in scope employees	
Pay				
Mean Gender Pay Gap	24.5% (26.2%)		35.5% (28.8%)	
Median Gender Pay Gap	17.1% (14.0%)		23.8% (12.1%)	
Proportion of Male and Female employees in each pay quartile				
	Male	Female	Male	Female
Lower Quartile	36.4% (34.2%)	63.6% (65.8%)	48.8% (66.7%)	51.2% (33.3%)
Lower Middle Quartile	38.2% (40.8%)	61.8% (59.2%)	80.0% (85.7%)	20.0% (14.3%)
Upper Middle Quartile	48.1% (46.7%)	51.9% (53.3%)	87.8% (85.2%)	12.2% (14.8%)
Upper Quartile	58.4% (56.6%)	41.6% (43.4%)	90.0% (88.9%)	10.0% (11.1%)
Bonus				
Mean Bonus Pay Gap	82.2% (85.4%)		82.6% (86.3%)	
Median Bonus Pay Gap	38.1% (8.9%)		9.7% (0.8%)	
Proportion of Male and Female employees receiving a bonus payment				
	Male	Female	Male	Female
Bonus Receivers	90.9% (90.1%)	93.0% (92.7%)	89.8% (83.7%)	82.1% (88.0%)

Our Actions

We made a strong commitment in 2018 onwards as a company to actively build a culture which fosters diversity and inclusivity which we believe over time will help all employees including female employees and those from diverse backgrounds develop their careers with GW, as well as providing an ever more engaging work environment for all. This has driven some exciting initiatives throughout the year which we hope as time goes on will have a positive impact. These are summarized on the following page.

➤ **Employee engagement survey, focus groups and one-on-one discussions**

In the first half of 2018 we ran an employee engagement survey which had a response rate of 89%. The survey contained questions to assess how inclusive and diverse our employees believe our culture is. We also ran over 50 individual discussions globally which explored views around inclusion, diversity and engagement. Finally, focus groups were run involving over 65 participants globally to explore similar themes. Many insights have been derived from these activities and have helped shape actions for the future.

➤ **Enhanced parental pay**

In October 2018 significant enhancements to parental pay were introduced. These enhanced benefits were based on feedback received through the listening exercises outlined above. Additionally, as a company focussed on helping patients and caregivers, we felt it important to provide support to employees who are also caregivers by assisting parents at pivotal times in their lives and helps them grow their careers with us.

➤ **Inclusive leadership training**

In January 2019 all members of the company Senior Leadership Team attended an interactive workshop to encourage an inclusive leadership mindset and to help leaders in this key, senior group recognize and manage bias. This training will be rolled out to other leaders and managers as we go forward.

➤ **Recruiting initiatives**

We require recruiters working with GW to be mindful of our desire to see a broad and diverse mix of candidates for our roles. We have provided greater transparency of internal opportunities through the production of a monthly 'Hot Jobs' newsletter. We have facilitated multiple internal secondments over the past 12 months, creating career development opportunities for a wide variety of employees, female and male.

➤ **Flexible working**

We are keen to facilitate flexible working requests. Over 50 employees currently work part-time. Around 85% of these part-time employees are female; whilst this encourages workforce diversity, it does impact the bonus gap statistics which do not take part-time hours into account. We also employ 47 field-based employees, adding to the flexibility of the workforce and helping employees who need to be home-based.

➤ **Healthcare Businesswoman's Association**

We have joined this organization globally and over 30 UK employees have expressed a desire to become company-funded members. The HBA organization 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.

➤ **UK General Counsel initiative**

This initiative kicked off on International Woman's Day 2019 and was attended by GW's UK General Counsel. This future initiative is designed to bring key individuals together in the legal space to work together to promote diversity and inclusion issues in the provision and procurement of legal services.

➤ **Transparency**

We conduct regular and comprehensive reviews of remuneration, including base, variable and total remuneration levels. We are confident that our compensation framework has a strong calibration and governance process. A global project is underway to provide a more structured approach to job levels, compensation and promotion pathways.

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' HR Director and Managing Director, UK.



Philippa Crompton
HR Director



Adam George
Managing Director, UK