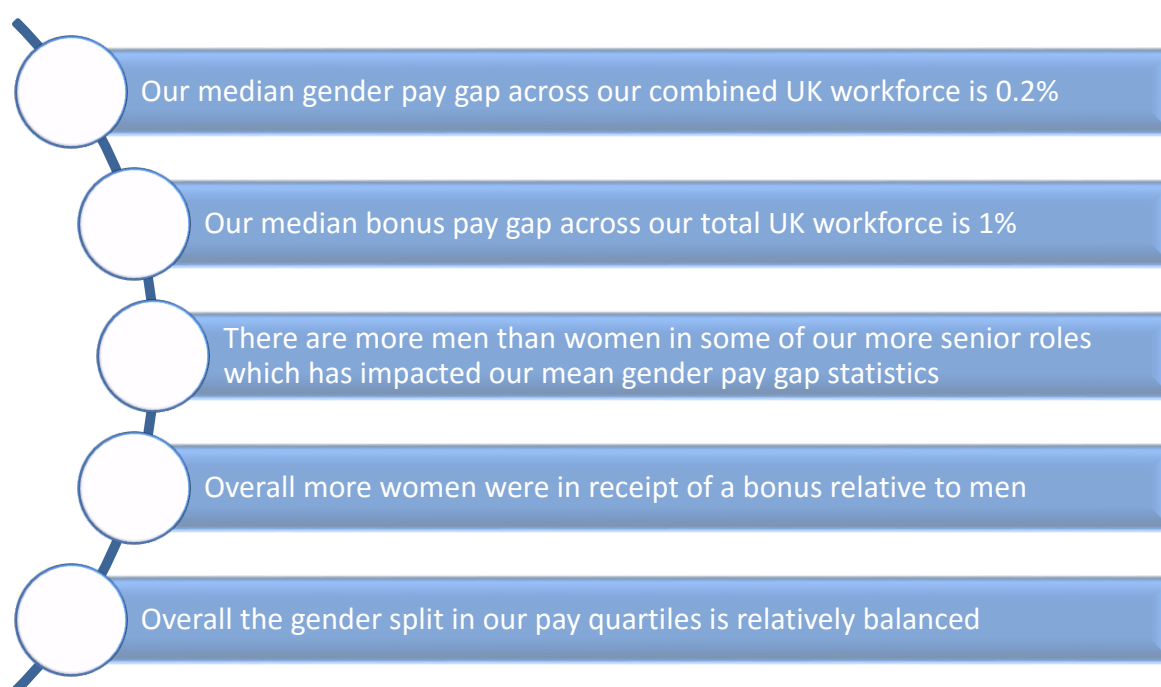


UK GENDER PAY GAP REPORT 2017

GW Pharmaceuticals welcomes the new UK Government Gender Pay Gap Reporting Regulations. 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. A diverse and inclusive workforce is critical to achieving our company goals and underpins our core values of being *patient driven, passionate, innovative, collaborative, accountable*, working with *integrity* and reaching for *excellence*.

Key highlights from our Gender Pay Gap analysis



Gender Pay Gap Reporting: UK-Wide Requirements

All UK companies with at least 250 employees are now required to report annually on their overall gender pay gap, that is, the difference between average male pay and average female pay as outlined in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The data in this report reflects our combined figures for both our employing entities in the UK: GW Pharma Ltd and GW Research Ltd (comprising 437 colleagues) and is compiled in accordance with the methodology established by the legislation. The data is also broken out by each entity. These statistics are as at the required snapshot date for all companies of **April 5, 2017**. The overall gender split in the UK at the snapshot date is below.

	Male		Female		Total
In Scope Employees	233	53%	204	47%	437

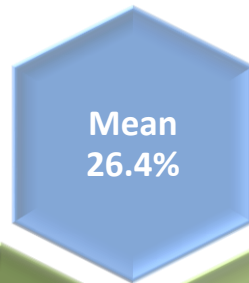
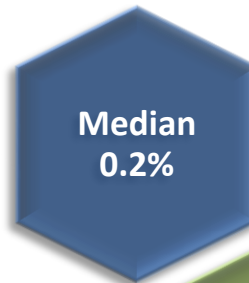
UK figures

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 small numbers of outliers, particularly within senior roles.

GW's analysis shows a **minimal median** gender pay gap. Our still relatively small headcount has meant the mean statistics have been disproportionately affected by outliers.

ONS Median (UK) 18.1%

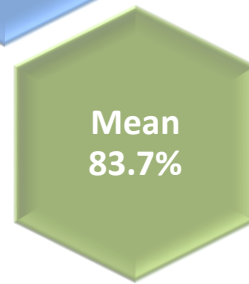
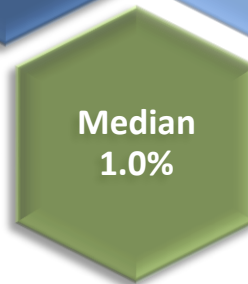


GW Gender Pay Gap

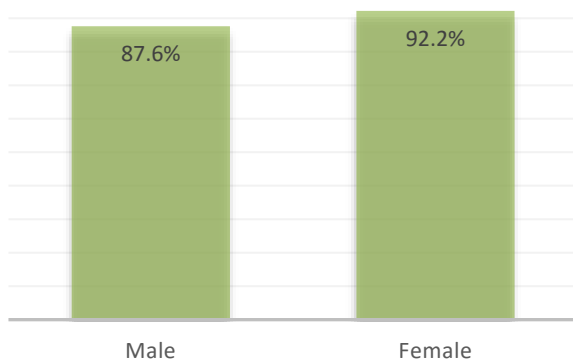
The difference between male and female hourly pay

GW Bonus Pay Gap

The difference between male and female bonus pay



Bonus Receivers The proportion of Men & Women receiving a bonus



How is the median & mean 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.

The **mean** is the average of the numbers in the data set, calculated by adding up all the numbers then dividing by how many numbers there are.

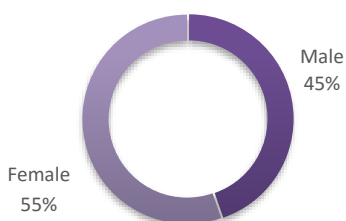
What can affect the bonus figures?

Bonus gap statistics are calculated based on payments that relate to the following criteria as defined in the regulations: profit sharing, productivity, performance incentives, share option gains and commission. For our company the data includes some substantial share option gains which have significantly distorted the bonus gap statistics.

Pay Quartiles

The proportion of men and women in each quartile pay band

Lower



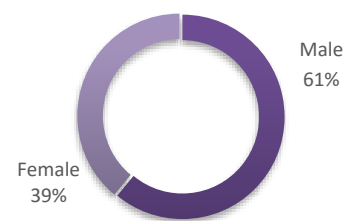
Lower Middle



Upper Middle



Upper



Our Pay Quartiles

Upper Middle quartile: we have a cohort of talented senior women and our aspiration is that they will advance their careers and that the composition of the Upper quartile will change over time. **Upper quartile:** there are currently more men in the upper pay band, which is significantly distorting our mean pay and bonus gap overall.

Gender pay is different to equal pay

Equal pay is the difference or otherwise in pay received by men and women for equal or similar work. Unequal pay has been unlawful in the UK for many years.

Gender pay gap calculations show the median and mean difference in pay between men and women across entire businesses. It is expressed as a percentage of male pay.

As already mentioned, 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. We are not required to publish data for GW Pharma however in the interests of providing full transparency a summary for each UK entity is provided below. The data in the 'Key Highlights' and 'UK Figures' sections above represent the combined figures.

These statistics are as at the required snapshot date of **April 5, 2017**.

	GW Research Employing 320 in scope employees		GW Pharma Employing 117 in scope employees	
Pay				
Mean Gender Pay Gap	32.5%		35.6%	
Median Gender Pay Gap	13.2%		11.0%	
Proportion of Men and Women in each pay quartile				
	Men	Women	Men	Women
Lower Quartile	35.5%	64.5%	66.7%	33.3%
Lower Middle Quartile	40.8%	59.2%	85.2%	14.8%
Upper Middle Quartile	44.7%	55.3%	88.9%	11.1%
Upper Quartile	57.3%	42.7%	85.7%	14.3%
Bonus				
Mean Bonus Pay Gap	85.3%		86.3%	
Median Bonus Pay Gap	8.9%		0.8%	
Proportion of Men and Women receiving a bonus payment				
	Men	Women	Men	Women
Bonus Receivers	90.1%	92.7%	83.7%	88.0%

To note: the combined UK hourly pay gap statistics reflect the variance between the hourly pay rates seen in the two separate entities. Higher hourly pay rates are seen to a greater degree in GW Research and are approximately one third higher when compared to GW Pharma at mean and median. The combined statistics resulting from this demonstrate an almost equal male and female median hourly pay rate overall.

Additional Information

- **Growing workforce:** Since April 2017, our workforce has grown to a total of close to 490 employees in the UK. As an Equal Opportunity Employer we take pride in maintaining a diverse environment. We do not discriminate in recruitment, hiring, training, promotion or any other employment practices.
- **Board Diversity:** We moved towards greater diversity and welcomed two new, female independent Non Executive board members in December, 2017.
- **Flexible working:** We support flexible working arrangements and 51 employees in the UK are currently working part-time. Around 85% of these part-time workers are female – whilst this enhances our workforce diversity, it does have a negative impact on bonus gap statistics which do not take part time hours into account. We have received over 20 requests over the past 12 months for employees to alter their working arrangements and have been pleased to be able to facilitate the great majority of these.
- **Compensation planning:** We conduct regular and comprehensive reviews of remuneration, including base pay and short term and long term incentives. We are confident that our compensation planning process has a strong calibration and governance framework. This is exemplified in our most recent compensation review in the UK during which men and women overall will receive the same overall average bonus (as a % of base pay) as well as the same overall base pay increase.

Future Plans

At GW Pharmaceuticals we are aware globally that there is a challenge faced in attracting a wider diversity of people into industries such as ours which involve the science, technology, engineering, and mathematics (STEM) subjects. As a company we highly value diversity and inclusion in all of our localities and appreciate the importance of this to the company for the achievement of our goals and as an integral part of upholding our company values.

A globally-focussed action plan is being evolved and includes:

- A commitment from the company Executive Leadership Team to create an ever more diverse and inclusive working environment.
- The deployment of a variety of listening activities (including an employee engagement survey, focus groups and individual discussions) to tap into employee experiences and leverage findings to inform actions.
- The development of metrics which will enable us to track progress over time.

Approved by:

This statement was approved by GW Pharmaceuticals' Director, Human Resources and Managing Director for the UK.

A handwritten signature in black ink, appearing to read 'P Crompton'.

Philippa Crompton
Director, Human Resources

A handwritten signature in black ink, appearing to read 'A D George'.

Adam George
Managing Director, UK