



# Gender Pay Gap Narrative Report 2022

# Introduction

At Vectura we believe in and are committed to creating a great place to work which fully embraces inclusivity and diversity, including gender balance. Our Equal Opportunities policy ensures the provision of equal opportunities in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits.

Since 2017, the UK Government has required all companies that employ 250 employees or more to report their gender pay and bonus pay gaps. Although the total population of Vectura Limited didn't exceed this threshold between 2017 – 2020, we decided to voluntarily publish our data on our website because we believed it was the right thing to do. This is the third year that our annual results

have also been published on the government portal.

We are proud of the inclusive and engaged culture we have built up at Vectura and believe it is important to progressively close the gender pay gap and encourage diversity in every sense to enable us to attract, retain and develop the best talent, and in alignment with our core values.

This report has been approved by our Chief Executive Officer.



Mike Austwick  
Chief Executive Officer



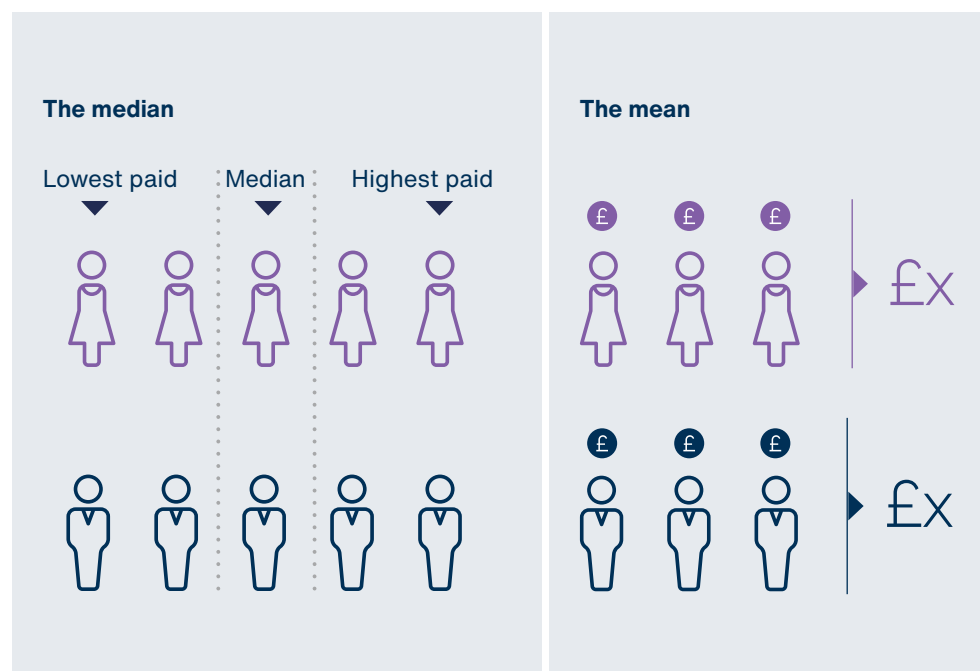
# Understanding the regulations

It is important to understand the distinction between the gender pay gap and equal pay. While the gender pay gap is the difference in the average pay of men and women across the organisation, equal pay refers to a legal requirement that men and women within the same organisation must receive equal pay for doing like-for-like or similar work. Equal Pay has been protected by legislation in the UK for over 40 years but Gender Pay Gap reporting was introduced in 2017 and is the information that organisations are now required to disclose annually.

If we were to line up all of our employees in order of increasing pay with women in one line and men in another, the median gender pay gap would compare the pay of the female in the middle of their line with the pay of the male in the middle of their line. The mean is the comparison of the average pay for a female and the average pay for a male. As all jobs pay differently,

and the number of men and women performing these jobs will inevitably vary, a gender pay gap therefore exists.

At Vectura, we fully support this government initiative and remain committed to gender neutral reward, recruitment and progression approaches in order to attract and retain diverse talent.



For me, Gender Pay has always represented the broader inclusivity and diversity agenda; in 2021, we launched a DEI forum and began a programme of employee volunteering which will continue in 2023, and enable us to continuously review, refine and enhance our approach to inclusivity and diversity. Change doesn't happen overnight, but with real focus, energy and passion, we can all choose to challenge stereotypes and create a fully inclusive environment

Jennifer Shanks  
VP – Human Resources

# Our results for Vectura Limited

Our median gender pay gap for Vectura Limited has decreased from 22.9% to 17.6% as at 5 April 2022

## Pay gap\*

Gap	Percentages					
	2022	2021	2020	2019	2018	2017
Mean pay gap	<b>25.9%</b>	35.1%	25.1%	30.2%	34.6%	32.8%
Median pay gap	<b>17.6%</b>	22.9%	6.0%	9.0%	12.8%	15.1%

**Population (292)** Male: 139 Female: 153

Pay Quartiles	Percentage of men					
	2022	2021	2020	2019	2018	2017
Upper	<b>58.3%</b>	58.8%	53.2%	53.7%	51.9%	54.7%
Upper middle	<b>54.9%</b>	50.0%	50.8%	52.8%	51.0%	58.5%
Lower middle	<b>43.8%</b>	44.1%	45.9%	44.4%	43.1%	32.1%
Lower	<b>34.2%</b>	29.4%	45.2%	42.6%	38.5%	43.4%

**Male: 139**

Pay Quartiles	Percentage of women					
	2022	2021	2020	2019	2018	2017
Upper	<b>41.7%</b>	41.2%	46.8%	46.3%	48.1%	45.3%
Upper middle	<b>45.1%</b>	50.0%	49.2%	47.2%	49.0%	41.5%
Lower middle	<b>56.2%</b>	55.9%	54.1%	55.6%	56.9%	67.9%
Lower	<b>65.8%</b>	70.6%	54.8%	57.4%	61.5%	56.6%

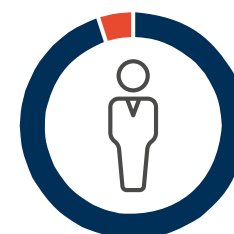
**Female: 153**

## Bonus gap\*

Gap	Percentages					
	2022	2021	2020	2019	2018	2017
Mean bonus gap	<b>41.3%</b>	38.3%	46.8%	67.4%	67.4%	85.3%
Median bonus gap	<b>26.6%</b>	22.6%	18.0%	22.9%	18.9%	25.1%

**Population (301)** Male: 139 Female: 162

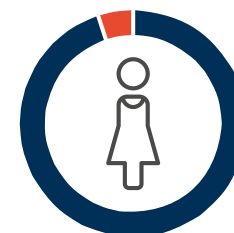
### Proportion of men who received a bonus



**Bonus received:**  
93.5%

**Bonus not received:**  
6.5%

### Proportion of women who received a bonus



**Bonus received:**  
94.4%

**Bonus not received:**  
5.6%

# Clarifying our results

Vectura Limited's relatively small headcount (301) means that our data is subject to volatility, particularly for the mean figures which are sensitive to outliers.

Despite an enormous amount of change during 2021/2022, which resulted in Vectura being acquired by Philip Morris International, which subsequently formed Vectura Fertin Pharma, we are pleased to see that our gender pay gap has reduced since the spike in 2021, which we believe was a consequence of our success in recruiting more females into Vectura.

We have focused our efforts in creating a fully inclusive working environment by offering agile and flexible working options to all employees and encouraging those at the start of their careers to join our company. Since our last GPG report, we have improved the percentage of women in our lowest quartile. 62% of promotions awarded in 2021 / 2022 were to female employees.

A slight increase in our bonus pay gap has been driven largely by the acquisition, and the termination/pay out of shares associated with this.

Additionally, we have seen a slight decrease in the number of females in the upper middle quartile, 22% of those females in the upper middle quartile last year have moved into the upper quartile, however 13% have left the organisation, which has also affected our figures.

We remain focussed on ensuring we have appropriate initiatives in place to address the gap, as summarised below.



## Addressing imbalance

Our commitment to equal opportunities, diversity and inclusion is enshrined in our working practices and policies. We offer a range of agile and flexible working opportunities which promote work-life balance and enable us to retain talented employees.

Around 27% of our workforce are making use of some form of contractual flexible working arrangement, including part-time, condensed hours or homeworking.

In 2021 we announced our intention to retain the positive agile working practices necessitated by the pandemic. This enables employees to work when and where they choose, with many adopting hybrid working, where they work part of the week at home and some on site. Our family-friendly policies provide enhanced maternity, paternity, adoption and shared parental paid leave which enable both parents to take an active role in the upbringing of their children.

During 2022, we continued to make a concerted effort to maximise diversity and inclusion across the breadth of the employee life-cycle: including the continuation of our ESG (Environment, Social and Governance) Strategy which includes our Diversity and Inclusion committee. We also launched our new employee volunteering programme which saw 25 employees volunteer to support their local charity at the during 2022.



At Vectura, equality, diversity and inclusiveness are at the heart of everything we do. We will continue to focus our efforts to close the gender pay gap.

Mike Austwick,  
Chief Executive Officer



# Clarifying our results (continued)



## Recruitment

In order to recruit from the widest possible talent pool, we use gender neutral language in job adverts, develop diverse candidate lists for jobs where possible and use diverse panels when interviewing people to avoid unconscious bias. We also encourage colleagues to actively and positively promote our business and inclusive culture on the main social media channels.

We leverage our internal and external networks and online forums, engaging with women who are returners from a career break or raising a family, to promote our career opportunities.

We continue to support our existing apprenticeship scheme and encouraged students to select maths and sciences at an early age through our STEMNET group participation. We welcomed a number of intern students to join us to work with our laboratory teams, providing them with valuable insights into a career in science.



## Retention

Once we have attracted talented people, we want them to stay and to gain every opportunity for professional growth and development. Our range of flexible working options are designed to enhance work-life balance and having confirmed our intention to retain agile working practices on an ongoing basis, we provide our managers with toolkits and support to help them manage virtual teams.

Supporting the wellbeing of our people is paramount, both in terms of physical wellbeing and mental health. We have a dedicated wellbeing hub on our intranet which includes resources, tips and colleagues' stories. We also have a team of Mental Health First Aiders who complete specialist training to support colleagues through non judgemental listening and guidance.

We develop the essential skills needed to lead employees with our in-house Leadership Development Programme and Management Development Programme.



## Development

Our talent management framework is used by all functions in the support and development of our talented employees. Our career framework articulates the skills and experience required to progress both laterally and vertically to align with our inclusivity agenda and enable career progression. We encourage our people to maximise their potential and pursue their career goals through personal development planning.

In addition to ongoing training and development, employees can apply for scholarship funding for a range of professional qualifications.\*

Our focus on talent management, succession planning and promotions has continued to ensure we have a strong proportionate pipeline of female leaders.

We believe that individual success depends on ability, behaviour, performance and potential, and remain committed to offering career opportunities without discrimination. Our promotion process ensures employees are assessed objectively against the requirements for the job, their individual contribution and capability.

We review and monitor the distribution of performance ratings and promotions annually to ensure our approach to performance management is gender neutral and free from any form of bias.

\*Professional qualifications supported during 2022 included, CIPD level 3 & 5, Certificate in AAT level 2/3, Lean Six Sigma training, Project Strategy enhancement, MSc in Quality Management and APM Chartership.



# What's next for Vectura?

Our results for 2022 are encouraging, but we know we can continue to do more from a diversity and inclusivity perspective.

In order to reduce gender imbalance, there needs to be a continued and determined focus on gender equality. At Vectura we have always recruited and promoted the right people for the right jobs based on personal merit and regardless of gender (or any other personal characteristic) and we will continue to do so.

We will continue to focus on recruiting from the widest possible talent pool; taking measures to attract diverse candidates and encouraging young people to opt for a career in science.

We will leverage all internal opportunities to drive a greater gender balance in our senior positions. We will build on our existing talent management, succession planning and promotion processes to ensure we have a broad, diverse mix of people with a range of skills, capabilities and behaviours, and enable them to progress

To support these efforts, we will continue to create long-term growth by embedding sustainability in all our business practices and enhancing our focus on diversity and inclusion. Our ESG roadmap will drive our ongoing improvement efforts and bring together all the initiatives already underway by establishing shared priorities and clear objectives.

We hope that all companies in our industry will continue to pull together to drive positive change.

## Thoughts from our team...

As a member of the business leadership team, I really appreciate being able to work part time; this enables me to balance my family commitments whilst continuing to develop my career and also means I can be an advocate of the agile working policy for the business.

**Sharon Eyre, VP – Finance Operations & Transformation**

Having been an employee of Vectura for over 10 years, I have had the opportunity to develop my career internally, initially starting as a Manager, through several promotions to Senior Vice President of one of the largest departments in the company. Traditionally science is a male-dominated industry and it has been great to be part of an organisation who recognise individuals for their contribution, regardless of their gender.

**Nikki Willis, SVP – Inhaled Product Solutions – DPI & pMDI**

I applied to use a volunteering day under our Charitable Support Policy, to attend an away day for governors of Granta special school (a charity registered school in which my younger son attends). Having a dedicated day enabled the governors to plan and prepare for the coming school year in more depth and detail than is possible in the normal governing body meetings. Vectura have also accommodated requests for dependant's leave, at short notice, on occasions when my son's class has had to close for a day due to staff shortages.

**Chris Clarke, Senior Patent Attorney**

In 2022 my application to obtain my CIPD qualification was granted, which I was delighted with. Vectura also awarded me study leave days to further support me juggle being a full time working parent whilst studying.

**Kelly Pretty, HR Administrator**

As a full time working Mum with two young children, Vectura's family friendly policies have enabled me to continue progressing in my career whilst also having the balance of taking care of my family. I have never felt as though I have needed to choose between my work life or my family life and this was one of the main factors that attracted me to Vectura. I find this to be so empowering for all the young women out there who want to be both successful in their careers and as Mothers.

**Amber Pearson, Talent Acquisition Specialist**





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Registered in England and Wales  
Number: 03418970