



Gender Pay Gap Narrative Report 2023

Introduction

At Vectura, we believe in and are committed to creating a great place to work that 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 number of employees at Vectura did not exceed this threshold between 2017-20, we have voluntarily published our data on our website because we believe it is the right thing to do.

This is the fourth year that our annual results have been published on the UK government's portal.

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

We fully support the UK government's gender pay gap initiative and remain committed to gender-neutral reward, recruitment, and progression, which also helps us to attract and retain diverse talent.

Anthony Fitzpatrick
Managing Director



Our results for Vectura

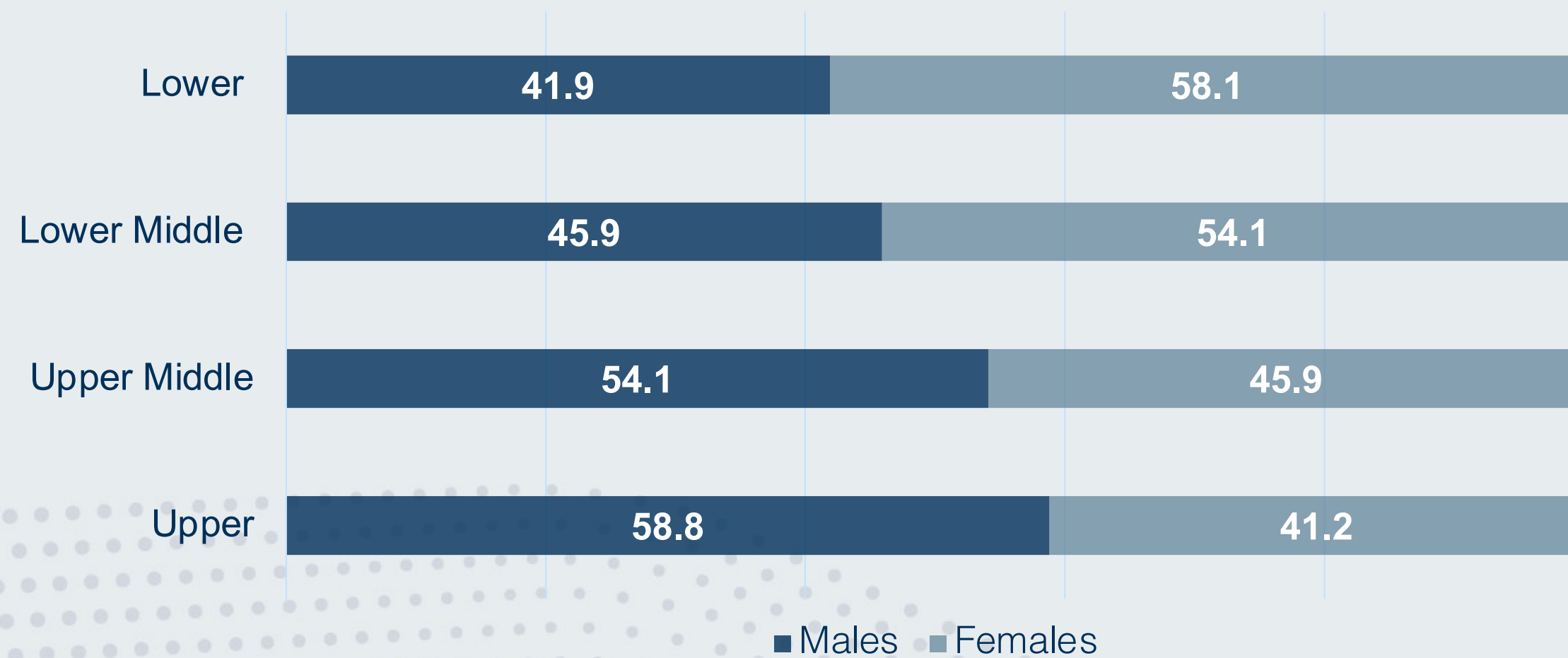
Gender hourly pay gap

Year	Mean hourly pay gap	Median hourly pay gap	No. Male	No. Female
2023	24.1%	11.3%	171	170
2022	25.9%	17.6%	139	153
2021	35.1%	22.9%	124	148
2020	25.1%	6.0%	120	126
2019	30.2%	9.0%	104	111
2018	34.6%	12.8%	95	111
2017	32.8%	15.1%	100	112

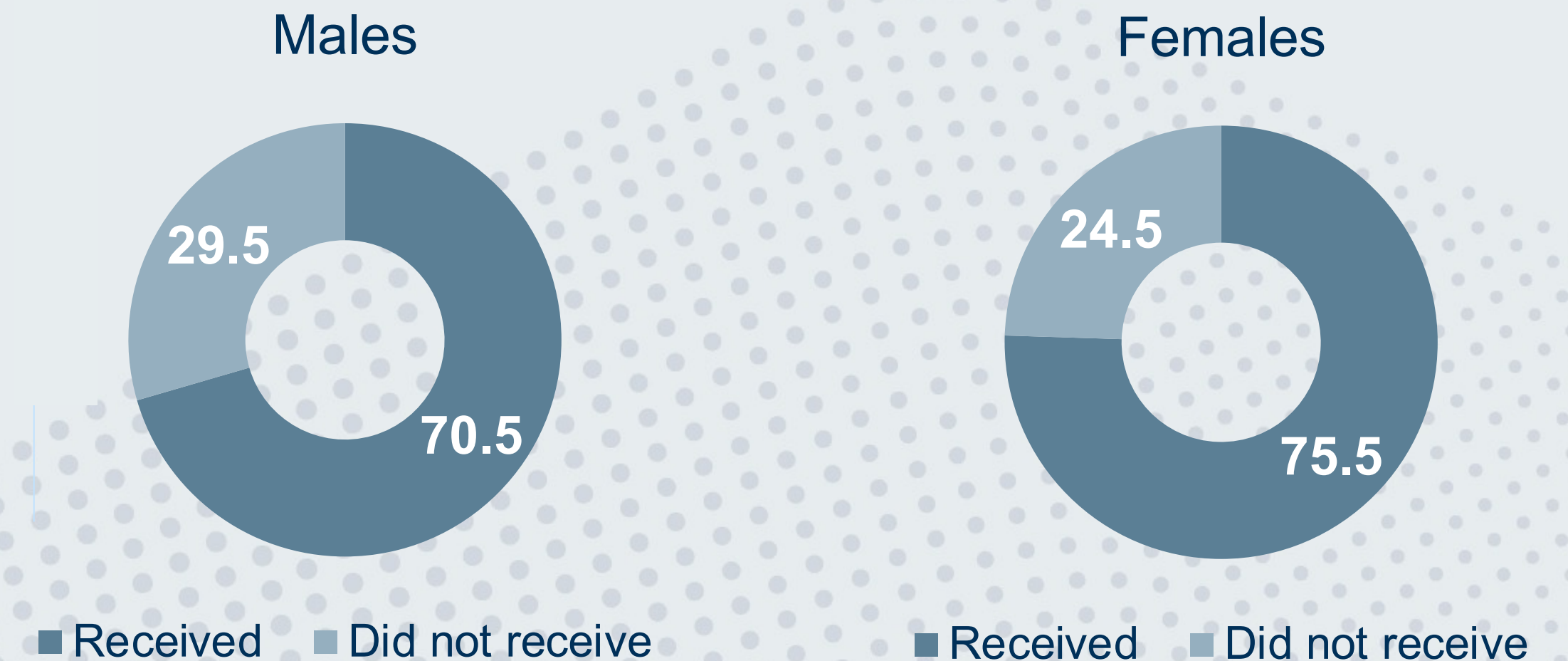
Gender bonus pay gap

Mean bonus pay gap	Median bonus pay gap	No. Male	No. Female
50.2%	23.7%	173	184
41.3%	26.6%	139	162
38.3%	22.6%	128	163
46.7%	18.0%	122	136
67.4%	22.9%	104	118
67.4%	18.9%	98	120
85.3%	25.1%	83	101

Pay Quartiles



Proportion of males and females receiving a bonus



Note: in the table above, in accordance with the regulations, hourly pay gap figures are based on all full-pay relevant employees, whereas bonus pay gap figures are based on all relevant employees

Clarifying our results

Vectura's relatively small headcount (341) means that our data is subject to volatility, particularly for the mean figures which are sensitive to outliers.

We are pleased to see that our gender pay gap has continued to reduce since 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.

In 2023, the proportions of males and females in the 'upper middle' and 'upper' pay quartiles have remained consistent (within 0.5%) when compared to 2022 and 2021. The proportion of females in the 'lower middle' and 'lower' pay quartiles has decreased. This will have contributed to the reduced mean and median hourly pay gap for 2023.

The mean bonus gap has increased slightly since 2022, driven by a bonus for a single employee. If this bonus received by a male employee was excluded, the mean bonus gap would decrease from 50.2% to 39.9%, which is more consistent with previous years (in 2022, the mean bonus gap was 41.3%).

We remain focused on ensuring we have appropriate initiatives in place to address the gap.

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 home-working. We believe a number of factors have helped to contribute to the reduction in our gender pay gap over the past two reporting years.

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 some 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 lifecycle. This included the continuation of our ESG (Environment, Social and Governance) strategy, which embraces the activities of our diversity and inclusion committee.

We also launched an employee volunteering programme, which saw 25 employees volunteer to support a local charity during 2022.

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. Some colleagues actively choose to promote our business's inclusive culture on social media.

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.

*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.

Retention

Once we have attracted talented people, we want them to stay with us and take advantage of opportunities for professional growth and development.

Our range of flexible-working options are designed to enhance work-life balance, 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 colleague stories. We also have a team of Mental Health First Aiders who have completed 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 capabilities.

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.



What's next for Vectura?

Our results for 2023 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 under way by establishing shared priorities and clear objectives.

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

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