

Gender Pay Gap

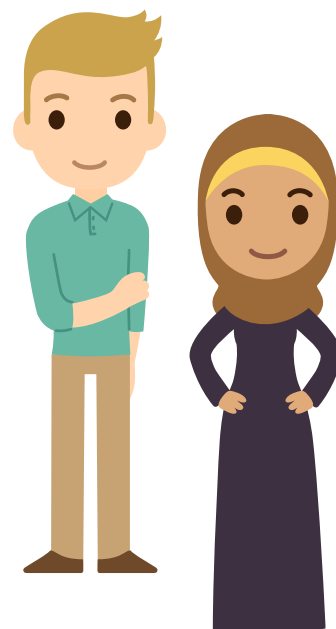
REPORT 2022



What is the gender pay gap?

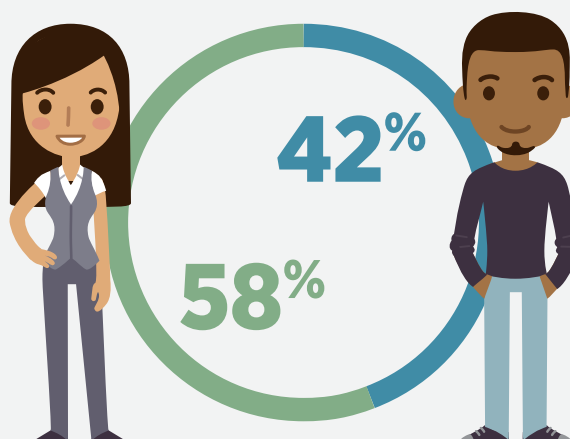
The gender pay gap is the difference between the average (of the mean and the median) earnings of men and women across a workforce. From 2017, it became a legal requirement for employers with a headcount of **250 or more to report their gender pay gap**. Gender pay gap calculations are based on employer payroll data drawn from a specific date 'snapshot' each year.

It is the description given to the difference in average pay between all men and all women across an organisation regardless of role or grade level. Where **men are paid higher the gap is reported as a positive figure**, and where **women are paid higher the gap is reported as a negative figure**.



Who is included in the calculation?

The 2022 results are based on all relevant employees on the payroll as of the snapshot date of 5 April 2022. As of April 2022, the Chiesi UK workforce was made up of **58% women** and **42% men**.



Ordinary pay, at Chiesi, includes pay and allowances:

- ✓ Basic pay
- ✓ Allowances (such as payments for extra responsibilities, disturbance allowances, car allowances, or retention incentives)

What is included in bonus payments?

- ✓ Annual bonus
- ✓ Sales incentives schemes
- ✓ Refer a friend incentive
- ✓ One-off incentive vouchers such as long service and employee recognition

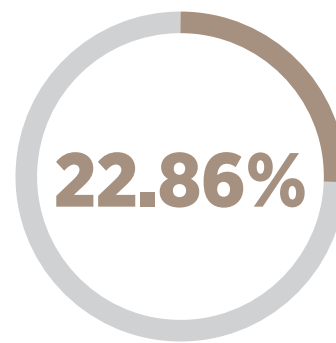
Our results 2022

In 2022, we changed our pay review process, **moving our merit salary increase date from April to May 2022.**

Accordingly, our 2022 submission does not take into account merit adjustments which were applied after the snapshot date of 5 April.



Mean hourly rate



Median hourly rate



Out of 30 appointments made in 2022, 19 were female.

In 2021 we commissioned an external report to look at our **“unexplained gender pay gap”**. As a result, a budget was secured to apply one-off, additional gender equality pay increases, aimed at closing any unexplained gaps.

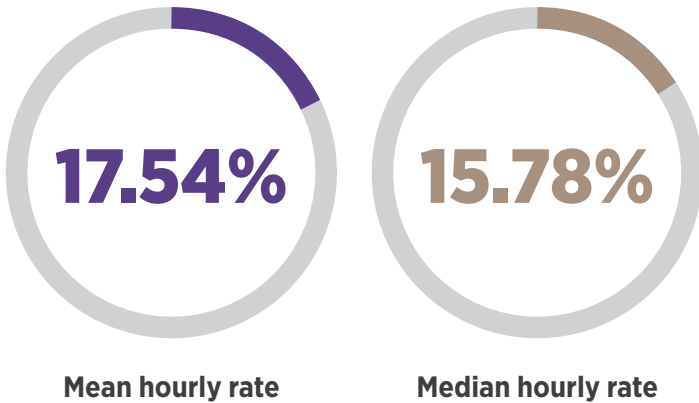
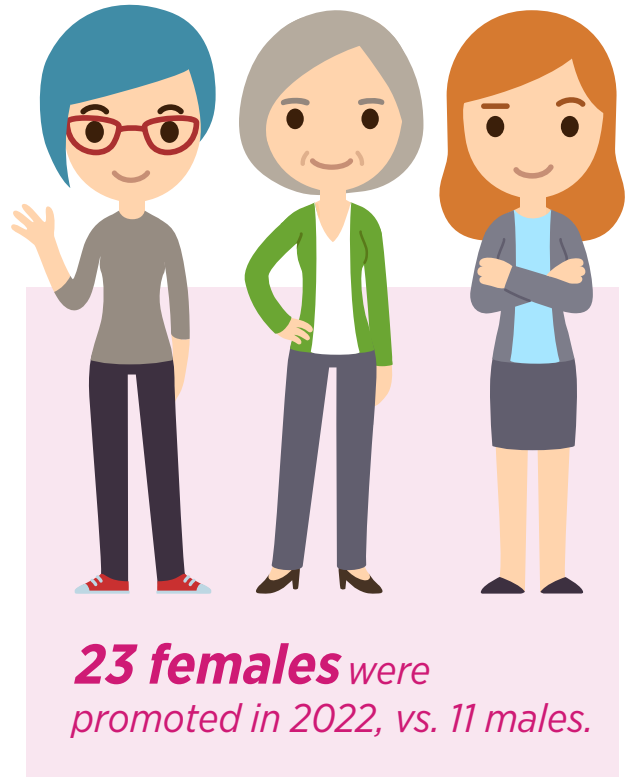
These awards were made in May 2022 and as such are not visible in our 2022 submission as they were applied after the 5 April snapshot date. We hope to see a positive impact from both the merit increase and gender pay equity payments applied in May 2022 when we report our figures for 2023.

There was a further change in 2022 which has impacted the results. As part of our sustainability commitment, we **changed our fleet policy in 2022**, allowing for the first time essential car users to opt-out of the traditional car scheme, instead taking a cash alternative to enable them to lease a ULEV car through our flexible benefits provider.

Of those opting to take a car allowance as opposed to a company-funded vehicle, **64% were male** and **36% were female**. This has impacted on the 2022 mean hourly rate gap when compared to 2021.



As an organisation, our aspiration is to increase the number of females in leadership positions. Our current ratio of male to female leaders (Director level) is **13% female** vs. **87% male**. If we exclude these from the gender pay analysis, the gap changes to the following:



Our results are broken down further into pay quartiles. Pay quartiles show the distribution of earnings when looking at pay by gender.

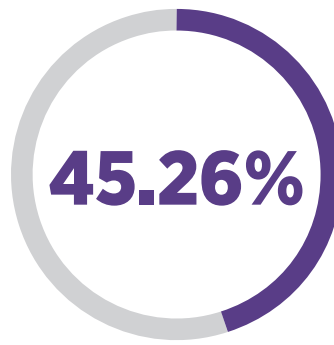
Pay quartiles by gender

Quartile 1 lower	Quartile 2 lower middle	Quartile 3 upper middle	Quartile 4 upper
<p>25% Male</p>	<p>37.5% Male</p>	<p>41.25% Male</p>	<p>64.56% Male</p>
<p>75% Female</p>	<p>62.5% Female</p>	<p>58.75% Female</p>	<p>35.44% Female</p>
<p>5.24% Mean gap</p>	<p>-1.80% Mean gap</p>	<p>2.85% Mean gap</p>	<p>12.23% Mean gap</p>
<p>0.38% Median gap</p>	<p>-3.58% Median gap</p>	<p>4.80% Median gap</p>	<p>3.63% Median gap</p>

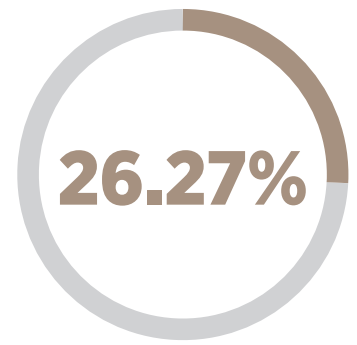
The pay quartiles highlight that a higher proportion of women are in the lower, lower middle and upper middle quartile, compared to the upper quartile.

Our **mean bonus gap is greater than our pay gap**, in part due to the increased number of male employees in the upper quartile.

In 2023, we will be reviewing our bonus schemes including but not limited to our sales incentive schemes, to **ensure there is no gender bias**.



Mean bonus



Median bonus

When excluding Senior Management Team bonuses, the gap is reduced by almost 12%.

What are we doing?

As an organisation, we are committed to ensuring gender equality. Here's a statement from Heather McColl, HR & Support Services Director:

“ Over the past few years, we have worked hard to increase the number of women in leadership positions, whilst trying hard to close the gender pay gap. When we exclude our senior leaders (Directors), our gender pay gap reduces. However, I remain committed to developing female talent, striving to achieve a gender balance across all leadership positions over the coming years.

In 2021, we commissioned an external organisation to look at our unexplained gender pay gap, developing a focused action plan and securing budget to reduce the gap over the following two years. 2022 was the first round of our gender pay adjustments which were applied as part of the May 2022 salary review process and will be continued again in 2023.

Diversity and inclusion are key areas of focus in our long-term strategic plan. Whether it is gender, race, disability, age, or any other protected characteristic, we strive to ensure that everyone has the opportunity to perform to their best in a truly inclusive environment, with the opportunity and support to develop and progress. Our commitment to this is evident, with 68% of promotions in 2022 going to female employees. ”

Heather McColl, HR & Support Services Director

A handwritten signature in black ink, appearing to read 'H McColl'.