

*Evotec UK's*  
**Gender Pay Gap  
Report 2022**

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## 1. INTRODUCTION

Evotec is a life science company with a unique business model focused on delivering highly effective new therapeutics to the patients. The Company leverages its multimodality platform, the “Data-driven R&D Autobahn to Cures”, for proprietary projects and within a network of partners including Pharma, Biotech, academics, and other healthcare stakeholders. With more than 4,500 highly qualified people at 17 sites, Evotec aims to create the world-leading co-owned pipeline for innovative therapeutics. For additional information please go to [www.evotec.com](http://www.evotec.com) and follow us on Twitter @Evotec and LinkedIn.

## 2. GENDER PAY GAP EXPLAINED

From 2017 onwards, any UK organisation employing 250 or more employees has to publicly report on its gender pay gap in six different ways:

1. Mean pay gap
2. Median pay gap
3. Mean bonus gap
4. Median bonus gap
5. Proportion of men and women who received bonuses
6. Number of men and women according to quartile pay bands

A gender pay gap is not the same as equal pay. Equal pay is a direct comparison between individuals. It considers whether an individual is paid equivalently to other employees doing the same or equivalent work regardless of gender. The gender pay gap, however, shows the difference in the average earnings between all men and women in an organisation regardless of role or seniority.

A company reporting a positive pay gap means its male employees, on average, are compensated at a higher level than its female ones. A company reporting a negative pay gap means its female employees are compensated more than its male ones on average.

From our UK legal entities, only Evotec (UK) Ltd had more than 250 employees in 2021, so this report focuses solely on data from this company.

## 3. EVOTEC (UK) LTD'S GENDER PAY GAP DATA

We collected our data on 5<sup>th</sup> April 2022 and at this point in time, our workforce at Evotec (UK) Ltd consisted of 199 women (an increase from 164 in 2021) and 287 men (an increase from 267 in 2021). Employees are split between the quartiles as follows:

| Upper Quartile |          | Upper Middle Quartile |          | Lower Middle Quartile |          | Lower Quartile |          |
|----------------|----------|-----------------------|----------|-----------------------|----------|----------------|----------|
| 72.3%          | 27.7%    | 63.9%                 | 36.1%    | 62.2%                 | 37.8%    | 35.0%          | 65.0%    |
| 86 men         | 33 women | 76 men                | 43 women | 74 men                | 45 women | 42 men         | 78 women |

The 2022 distribution has a slight change to that of 2021 in the three upper quartiles and reflects the increase in both female and male employees in 2022 at Evotec (UK) Ltd; however, there continues to be greater percentages of men in all but the lowest quartile. We have had a significant rise in junior female scientists, and this is a positive for the company, and has contributed to the difference in pay gap in the lower quartile. We are hopeful that this will also begin to improve the gender splits in higher quartiles over the coming years as these female employees progress through the organisation.

Reported in 2022 (data as of 05/04/2021):

| Upper Quartile |          | Upper Middle Quartile |          | Lower Middle Quartile |          | Lower Quartile |          |
|----------------|----------|-----------------------|----------|-----------------------|----------|----------------|----------|
| 74.80%         | 25.20%   | 63.60%                | 36.40%   | 62.60%                | 37.40%   | 48.10%         | 51.90%   |
| 80 men         | 27 women | 68 men                | 39 women | 67 men                | 40 women | 51 men         | 55 women |

When looking at the mean and median gender pay gap, both Evotec (UK) Ltd's mean and median gender pay gap has reduced in comparison to the 2021 figures:

Difference between female and male employees earnings at Evotec UK

|                                       |                       |
|---------------------------------------|-----------------------|
| Mean gender pay gap (in hourly pay)   | 22.0% (20.6% in 2021) |
| Median gender pay gap (in hourly pay) | 14.7% (11.8% in 2021) |

According to statistics from Women in STEM in 2020<sup>1</sup>, the percentage of women entering STEM subjects at university level was 27%, and that women still only made up 24% of the UK's STEM workforce. The percentage of female graduates with physical science related degrees is steadily growing, however, the split is still just 26%. As the growth is so slow, it is clear that more work is needed to encourage women to both study STEM subjects and then transition into the workforce.

When compared to these statistics, Evotec (UK) Ltd's percentage of female employees (42%) is significantly higher than in some organisations in the STEM sector. Also, encouragingly, whilst Evotec (UK) Ltd had a higher percentage of male employees (62%) in 2021, the percentage has decreased to 58% in 2022, indicating that more women are joining the company.

Given the higher proportion of male employees at Evotec (UK) Ltd, there continues to be more male than female employees in the higher pay quartiles, although the Gender Pay Gap in the higher quartiles is gradually decreasing. In addition, the population split between male and female employees becomes greater with seniority, and this therefore affects the gender pay gap. As mentioned, the under-representation of females in the STEM sector, and particularly at senior levels, continues to be typical of the STEM sector and a challenge that most businesses in this sector face, so is not an Evotec specific problem. In fact, it is estimated that at the current rate of progress, gender parity in pay in STEM will only be achieved in 2069.

<sup>1</sup> References: <https://www.stemwomen.com/women-in-stem-percentages-of-women-in-stem-statistics#:~:text=Women%20in%20STEM%20workforce&text=This%20means%20women%20now%20make,STEM%20workforce%20in%20the%20UK.> <https://www2.deloitte.com/uk/en/pages/growth/articles/technology-career-pathways-gender-pay-gap.html>

#### 4. EVOTEC UK'S GENDER BONUS GAP DATA 2022

All Evotec (UK) Ltd's permanent employees in the UK are eligible for an annual bonus. 86.1% of male employees (90.3% in 2021) and 82.7% of female employees (91.5% in 2021) received a bonus in the relevant period for this report. Those employees who did not receive a bonus were not eligible, primarily due to their employment start date not being within the performance year.

Evotec (UK) Ltd has several different bonus schemes, all of which are calculated using business success measures; bonus schemes aimed at higher-level employees also include a measure of success with individual contributions.

In general, Evotec (UK) Ltd's bonus pay gap reflects the lower number of females at senior levels and within roles where the bonus is a larger component of overall compensation. The 2022 figures show that there has been a negative change in the mean gender bonus gap when compared to the 2021 figures:

##### Difference between female and male employees bonus at Evotec

|                         |                        |
|-------------------------|------------------------|
| Mean gender bonus gap   | 71.2% (47.08% in 2021) |
| Median gender bonus gap | 25.7% (25.01% in 2021) |

Although there is a higher proportion of males to females in the higher pay quartiles, Evotec (UK) Ltd continues to have a significant proportion of males in the lower two pay quartiles who receive comparatively lower bonuses (see quartile table above). This results in the median bonus gap being lower than the mean bonus gap, due to a higher percentage of our senior employees being male, and these more senior employees having a compensation package that includes both a short-term incentive and a long-term incentive plan. In successful years for the company, these bonus plans can be very lucrative, and leads to a higher mean bonus pay gap.

It should be noted that Evotec is a global organisation with its head offices in Hamburg, Germany. Worldwide, Evotec continues to employ a significant number of women at senior levels and in roles where the bonus is a significant component of overall compensation. As these women have their base in other countries and are not employed by Evotec (UK) Ltd, they are not covered by this UK gender pay gap report; were the gender pay gap report to include all Evotec offices globally, the bonus differential between men and women would be less significant.

The figures are also affected by the bonus pay gap being based on actual payments received and does not take into account the pro-ration of bonus calculations for part-time workers. Pro-ration is a contributing factor to the size of the reported bonus and impacts on both the mean and median bonus gap as a higher proportion of female employees at Evotec (UK) Ltd are part-time.

#### 5. EVOTEC UK'S COMMITMENT TO REDUCING THE GENDER PAY GAP

Whilst Evotec (UK) Ltd's compensation policy and practice is one that rewards based on market comparisons and is gender neutral, we offer flexible working practices to all employees and have a diverse workforce, there is more that Evotec can do to reduce the gender pay gap.

Evotec (UK) Ltd is committed to reducing the gender pay gap and our UK HR team will continue to work with the leadership team to create initiatives to close the gender pay gap. This will continue to include:

- ▶ We have and will continue to encourage employees at all levels to network within the STEM sector by attending and presenting at conferences and conference and other events
- ▶ We have introduced a global ESG function into the Company, and one of the remits of the Department will be to ensure gender diversity (amongst other ESG factors)
- ▶ We will continue to offer an industrial placement student programme in several of our scientific teams
- ▶ We will also continue to offer work experience to students of school age to encourage them to follow STEM based careers; in 2022 we hosted > 25 school age students for 1 week periods of work experience within our scientific groups
- ▶ We have set up a STEM team at our Abingdon site, whose remit is to work more closely with local schools and hold educational visits and events to encourage students to continue with their STEM studies
- ▶ Our dedicated team of global recruiters will continue to attend careers events at local schools, colleges, universities and scientific bodies to promote the STEM industry in the UK, and our literature now includes a leaflet to highlight the flexible working opportunities available to all employees at Evotec
- ▶ We will review the language used in job adverts to ensure that the language used is gender neutral
- ▶ We will continue to address the under-representation of females in senior positions by encouraging female employees to acquire the skills necessary to move to a senior position. In recent years, a number of women have been promoted to senior levels within the organisation globally
- ▶ We have reviewed and will actively continue to review our website to promote our flexible working practices and work/life balance ethos to all employees and potential employees
- ▶ We will continue to promote our maternity/paternity/shared parental leave policies to all employees
- ▶ We will continue to offer all employees access to the same training opportunities
- ▶ We will work with our managers to ensure that there is no unconscious bias within the workplace whether for existing employees or prospective employees
- ▶ We will publish Evotec UK's pay scales to ensure transparency

Such changes will take time to have an impact, and we continue to work with our employees and our local community to raise awareness of the opportunities at Evotec (UK) Ltd and in the STEM sector. Although the percentage of female graduates in STEM subjects is steadily increasing, as a large employer in Oxfordshire, we acknowledge and take seriously our role in encouraging more females into the industry.



## 6. COMMENT

Evotec (UK) Ltd's aim is to develop best-in-class and first-in-class differentiated therapeutics on its systematic, unbiased and comprehensive infrastructure. To achieve this aim we employ a highly skilled, diverse workforce who are recruited and developed based upon their skills, experience, and ability. We offer a transparent and inclusive environment that rewards in a non-gender biased way based upon company and individual performance. We have systems in place to ensure that our salaries and bonuses are reviewed, benchmarked, and moderated.

We acknowledge that Evotec (UK) Ltd has a gender pay gap and are committed to reducing this by addressing our gender imbalance at senior levels and increasing awareness of current processes and practices that support employees in their work life balance and their development within the organisation.

I confirm that the information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**Adam Stoten**

SVP Academic Partnerships

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