

Evotec (UK) Ltd
**Gender Pay Gap
Report 2024**

INTRODUCTION

Evotec is an R&D biotech company that offers accelerating, high value pipeline co-creation partnerships and CRO/ CDMO services. Our expertise spans therapeutic/ disease areas and most modalities, especially small molecules and biotherapeutics. We take pride in acting as “drug hunters” in deep collaboration with our partners to advance science. We leverage our industrialized, AI-powered proprietary R&D platforms such as PanOmics and iPSC technologies to drive better disease understanding and human relevance. We deploy AI and continuous manufacturing technology to allow better access to high-quality biotherapeutics. Evotec operates globally with more than 5,000 highly qualified people. The Company’s 15 sites offer highly synergistic technologies and services and operate as complementary clusters of excellence.

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. Median pay gap** – the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- 2. Median pay gap** – the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
- 3. Mean bonus gap** – the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
- 4. Median bonus gap** – the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
- 5. Proportion of men and women who received bonuses** – the proportions of male and female relevant employees who were paid bonus pay during the relevant period
- 6. Number of men and women according to quartile pay bands** – the proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle and upper 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, where pay differentiation may be legitimately explained by individual performance, expertise or market rates for different skillsets.

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.

EVOTEC (UK) LTD’S GENDER PAY GAP DATA

We collected our data on 5th April 2024 and at this point in time, our workforce at Evotec (UK) Ltd consisted of 236 women (a decrease from 238 in 2023) and 280 men (a decrease from 308 in 2023). Employees are split between the quartiles as follows:

Upper Quartile		Upper Middle Quartile		Lower Middle Quartile		Lower Quartile	
62.0%	38.0%	63.6%	36.4%	58.9%	41.1%	32.6%	67.4%
80 men	49 women	82 men	47 women	76 men	53 women	42 men	87 women

The 2024 employee distribution has a noticeable change to that of 2023 in that there are comparatively more women in all quartiles apart from the lower middle quartile.

Reported in 2023 (data as of 05/04/2023):

Upper Quartile		Upper Middle Quartile		Lower Middle Quartile		Lower Quartile	
66.2%	33.8%	64.7%	35.3%	54.7%	45.3%	40.1%	59.9%
90 men	46 women	88 men	48 women	75 men	62 women	55 men	82 women

When comparing the 2023 and 2024 figures, there have been improvements in both the mean and median gender pay gap:

Difference between female and male employees earnings at Evotec UK

Mean gender pay gap (in hourly pay)	13.7% (14.0% in 2023)
Median gender pay gap (in hourly pay)	13.1% (15.2% in 2023)

The continuation of the positive change that we have seen in recent years, especially in our mean gender hourly pay gap is welcomed, and can be explained by 2 factors:

- The number of women is increasing in our more senior roles; as employees in higher grades have higher salaries, the mean hourly rate of pay for women therefore increased
- We recruited more women than men in the period between the 2023 and 2024 Gender Pay Gap report; these hires were at all quartiles

Whilst we are very pleased to see that mean gender pay gap reduce again this year, we realise that there are still improvements that can be made, especially in addressing the gender imbalance in more senior roles within the business. For this to happen, we need to continue to recruit women at all levels of the organisation, and ensure that there are no barriers to progression for any sector of our workforce.

EVOTEC UK'S GENDER BONUS GAP DATA 2024

All Evotec (UK) Ltd's permanent employees in the UK are eligible for an annual bonus. 94.7% of male employees (84.9% in 2023) and 90.3% of female employees (81.9% in 2023) 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 based on annual salary and business success measures; bonus schemes aimed at higher-level employees also include a measure of success with individual contributions.

In 2024, both the median and the mean gender bonus gap increased slightly in comparison to the 2023 figures:

Difference between female and male employees bonus pay at Evotec

Mean gender bonus gap	39.5% (36.8% in 2023)
Median gender bonus gap	15.4% (11.2% in 2023)

This change to the mean gender bonus pay gap can again be attributed to the following factors:

- ▶ Although we have recruited more women than men into the organisation in the reporting period, the impact of this in terms of bonus pay will not be seen until the 2025 report, due to the timing of the annual bonus payment
- ▶ As the target annual bonus increases markedly with seniority level, due to the comparatively lower number of women in senior leadership roles within the business, the gender bonus pay gap remains higher than we would like

EVOTEC UK'S COMMITMENT TO REDUCING THE GENDER PAY GAP

Whilst Evotec (UK) Ltd's compensation policy and practice is gender neutral, with rewards based on performance and market comparisons, and we offer flexible working practices to all employees, there is still more that Evotec can do to reduce the gender pay gap. Over the next 12 months, we will continue with activities that we believe will have a positive impact on our gender imbalance, which will in turn further improve our gender pay and bonus gap. These activities will include:

- ▶ Continuation of our industrial placement student programme to encourage early career entries
- ▶ Continuation of our work experience programme for students of school age to encourage them to follow STEM based careers
- ▶ Further support of STEM activities in local schools to encourage students to continue with their STEM studies and to consider STEM careers
- ▶ Further promotion of our internal mentoring scheme; although this initiative is not directed solely at women, it does provide an opportunity for younger female employees to learn from more senior women employees' experiences
- ▶ Addressing the under-representation of females in senior positions by encouraging female employees to acquire the skills necessary to move to a senior position
- ▶ Launching an internal menopause support group
- ▶ Reviewing 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 work with our managers to ensure that there is no unconscious bias within the workplace whether for existing employees or prospective employees.

The disparity of women in STEM based careers is not only an Evotec problem; it is a global issue which needs societal change as well as early educational engagement. Such changes will take time before gender pay differences are closed. At Evotec (UK) Ltd, we will continue to work with our employees and our local community to raise awareness of the opportunities here and in the STEM sector generally.

COMMENT

Evotec (UK) Ltd's aim is to develop best-in-class and first-in-class differentiated therapeutics within a 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