

# Gender pay gap 2022/2023



## Making life science life changing

At LifeArc, our mission is to improve the lives of patients with unmet medical needs

At our core is a team of exceptional interdisciplinary professionals, united by a shared sense of purpose.

To support them, we are fostering a culture of innovation and collaboration where people feel connected with each other and engaged through our values: the majority of our colleagues say they are proud to work for LifeArc. The future of life science research depends on attracting the best diverse talent in the industry and we take pride in supporting our people to thrive as their truest selves, through an inclusive, equitable and happy work environment.

## Our gender pay gap

The gender pay gap is the difference between the average hourly rates of pay of relevant male full-time employees to that of their female counterparts.

We have measured and reported our gender pay since 2021. Now, with the growth of our organisation requiring many new employees, we will register our data as required by the Equality and Human Rights Commission. We firmly support pay equality and this data helps us to identify any structural or cultural challenges which we can address through our equity, diversity and inclusion (ED&I) strategy and working with our ED&I forum and leadership teams.

On 5 April 2023, LifeArc had a median gender pay gap of 19.5% and a mean gender pay gap of 16%. Both have risen slightly since the previous year (2022 median: 19.1%; 2022 mean: 13.8%).

Our gender split for 2023 data was 40% male to 60% female.

### Mean and median pay gap

	2023	2022	2021
Mean pay gap	16%	13.8%	13.2%
Median pay gap	19.5%	19.1%	22.0%

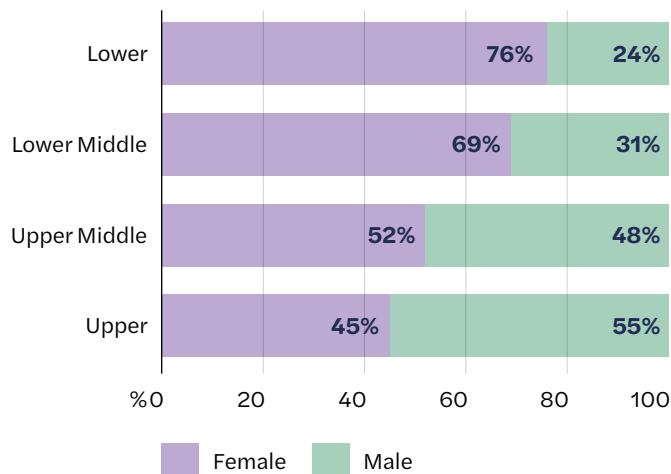
# Explaining our 2023 gender pay gap results

More than 60 people joined the LifeArc team during the reporting period in addition to replacing natural turnover. The majority of new colleagues were women, hired mostly into entry and mid-level roles.

We are proud of the number of women we have recruited – which can be challenging in our sector – but this has driven our gender pay gap, with fewer men in lower levels of the organisation.

To shift our pay gap, we need to focus on promoting and employing more women into mid-senior level roles, as well as recruiting more men in junior roles. We address this later in this report.

## Gender distribution across quartiles



Population spread by gender and hourly pay quartiles

## Our gender bonus gap

Our mean and median gender bonus pay gaps have both increased this year compared to the previous year (mean: 2022 1.4%, 2023 13.9%; median: 2022 14.6%, 2023 41.4%).

This data is complex and highlights a couple of points for consideration. The bonus payments reported here include a payment made in April 2022 for the 2021 performance year and only calculates the gap based on the employees who were still employed on the 5 April 2022. Additionally, the bonus payments reported in our last report, paid in April 2021 for the 2020 performance year, were standardised by grade due to the pandemic. This means year-on-year comparison is not appropriate. Many new hires had a performance rating of ‘developing in role’ which impacted the level of bonus paid – since many of our

new hires were female, this also impacts the bonus gap.

We introduced a new annual incentive plan (AIP) in 2023, covering the period from 1 January to 31 December linked to performance. The first bonus payments of the new AIP were made in April 2024 following approval from our Remunerations Committee, aligning with the annual increase in salary. This also provides an opportunity for employees to enrol in a range of benefit plans, including sacrificing salary and/or a proportion or all their bonus payments into their pension plan.

Going forward, this marks a period of consistency in our bonus arrangements where we can analyse payments and understand more clearly the year-on-year trend.

	2023	2022	2021
<b>Mean bonus gap</b>	13.9%	1.4%	26.0%
<b>Median bonus gap</b>	41.4%	14.6%	21.1%

# How we are addressing the gender pay gap

## We have ambitious plans

We know that the underlying reasons for our gender pay gap are varied and complex. We are working to reduce the gap directly and indirectly via our far-reaching, well-established ED&I strategy. This strategy is sponsored and governed by senior leaders and aims to integrate ED&I into everything we do – from internal culture and employment practices, to funding, patient engagement, science and research – so that it reflects and addresses the diverse perspectives of the communities we serve.

We are making good progress on an extensive programme of activity, of which gender is a primary area of focus, designed to lay down solid foundations to address barriers to inclusion and diversity in our workplace.

## We listen, learn and involve

We know that listening to colleagues in underrepresented groups is essential to understanding their experiences and challenges. We regularly monitor ED&I factors and analyse associated demographics via our formal engagement survey and have an established ED&I forum.

Our ED&I activity is high-profile across the organisation, and we now have growing interest and enthusiasm from colleagues who regularly participate in awareness events, listen to expert speakers and take part in an ongoing program of unconscious bias training.

Our thriving colleague support networks (LGBTQ+, Neurodiversity, Parents and Carers and Menopause) enable people to connect and discuss their lived experiences with each other in a safe environment, and they have also held thoughtful panel discussions open to all which fosters awareness, connectivity and allyship across the organisation.

Together, let's make life science life changing.

## Our organisational practices

We have clear standards and expectations for effective people management and are proud that a large majority of our colleagues rate their managers as caring and supportive. We offer ongoing encouragement, guidance and significant investment in learning opportunities to ensure our line managers have the confidence and skill to meet our expectations of leading inclusive teams, and to uphold equitable employment and hiring practices.

We have also introduced a high standard of practice in our performance management process. This is conducted via a best-in-class technology platform designed to promote equity and provides essential insights and data to shift culture and help reduce bias in decision making, which could subsequently impact performance-related annual incentive awards.

## Our focus for the future

Tracking our ongoing progress is important to ensure our efforts are effective and that we are moving in the right direction. We ensure accountability and regularly monitor our activity via our employee engagement survey and in partnership with our ED&I leadership committee.

We have also recently benchmarked our status via an external specialist consultancy, the Employers Network for Equality & Inclusion. The results of this have been useful in helping us to take an evidence-led approach when guiding our ongoing plans. We will determine and communicate the next phase of our ED&I strategy in the autumn of 2024.



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