

Dechra Gender Pay Gap Report 2019

Dechra Limited, UK

At Dechra, our people are our greatest asset and underpin everything we do in the business. We recognise that the diversity of our team and an inclusive culture is beneficial for our business, its processes, and its performance.

Gender pay gap reporting has highlighted to us, and UK businesses as a whole, some of the organisational and societal factors that contribute to the gender pay gap.

We are pleased to report that as a result of our proactive management in relation to our gender pay gap, the gap has reduced from 17.7% in 2017 to 9.2% in 2018 and further again to 7.4% in 2019, it is something that we are looking to continue to build upon as we continue to make Dechra an increasingly attractive place to work.

As required by the UK legislation the following information is provided for Dechra Limited, the only UK Company within the Dechra Pharmaceuticals PLC Group, which employs more than 250 people.

The data below is based on an assessment of 249 employees (124 males and 125 females) who were employed within Dechra Limited on the snapshot date of 05 April 2019. Whilst this falls under the 250 employee threshold, we had removed seven non full-pay relevant employees for this reporting period for the gender pay gap calculations, therefore, we feel it prudent to provide our figures for April 2019.

What is the ‘gender pay gap’?

The reporting requirements relate specifically to separate legal entities within a Group structure in the UK who employ 250 or more employees on the ‘snapshot date’ each year; this is 05 April each year. For Dechra, this relates only to Dechra Limited (which comprises Dechra Pharmaceuticals Manufacturing and Product Development and Regulatory Affairs).

In this report, we share the gender pay gap data for the 12 months up to April 2019 for Dechra Limited.

The gender pay gap measures the difference between men and women’s earnings by expressing women’s pay as a percentage of men’s pay.

This is different to equal pay. Equal pay refers to men and women receiving the same pay for the same work.

Gender pay gap

Median (<i>middle</i>) Gender Pay Gap; Dechra Limited	7.4%
Mean (<i>average</i>) Gender Pay Gap; Dechra Limited	10.1%
UK’s National Gender Pay Gap*	17.3%

*Source: ONS, 2019

The data above shows the gender pay gap within Dechra Limited (which includes a number of global Group Manufacturing and Supply roles based within the UK). This is a snapshot of the difference between the average hourly pay of women compared to men, irrespective of their job or grade, expressed as a percentage of men’s average pay. The hourly pay figure used to calculate the difference includes all items specified in the regulations, such as allowances and shift pay (but excludes overtime, as stipulated in the regulations).

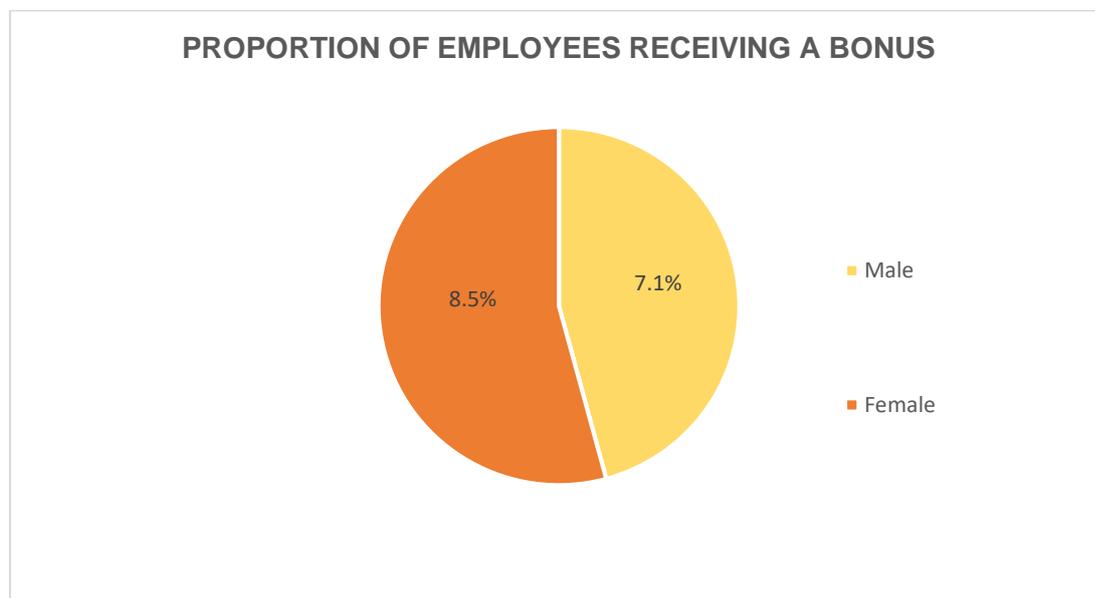
The median gender pay gap within Dechra Limited was 7.4%. This is significantly below the UK national average of 17.3%*, as is our mean gender pay gap figure at 10.1%, and we have witnessed a major improvement on our median gender pay gap from 2017 which stood at 17.7%.

Our analysis of the data shows that the gap, although reduced, remains largely driven by:

- More males occupying the higher paid, technical or senior positions, predominantly within the manufacturing division of Dechra Limited;
- A large proportion of the female workers occupying the lower paid, blue collar positions.

Bonus pay gap

in preceding 12 months to 05 April 2019



Median (<i>middle</i>) Bonus Pay Gap; Dechra Limited	-83.1%
Mean (<i>average</i>) Bonus Pay Gap; Dechra Limited	17%

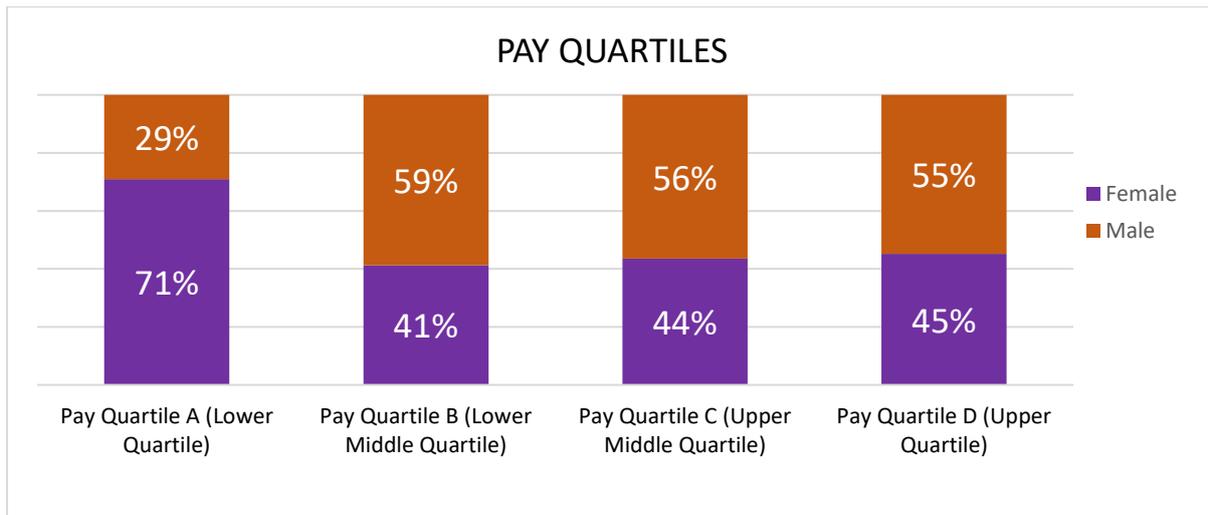
The figures above show the bonus pay gap for bonuses paid to employees within Dechra Limited, between 06 April 2018 and 05 April 2019, as per the regulations. The differences between the median and mean averages can be explained by the fact that there are a higher proportion of the bonuses paid at a lower amount compared to the higher amount (the latter of which is paid to the employees who hold senior management roles within Group Manufacturing and Supply). This therefore increases the mean average, although, given these same reasons were present in our last report, we have made significant headway here resulting in a decrease from the 2018 mean bonus pay gap of 35.5%. This shows that we now have a higher proportion of females receiving a higher paid bonus compared with 2018.

The regulations require the bonus calculation to be based on the actual hours worked without taking into account pro-rating for part time working (which is different to how the pay gap is calculated). On analysis of our data, almost a third of the females (a decrease compared against 2018) who received a bonus, worked part time whereas all males who received a bonus worked full time.

A higher proportion of male employees occupy our global Group Manufacturing and Supply roles and these roles have a higher bonus opportunity in percentage terms. We are aware of the opportunity to do, and we are committed to doing, more to support and encourage women into our senior Manufacturing and Supply roles.

However overall, there is a higher proportion of female employees who receive a bonus compared to males, this is mainly due to our Regulatory Affairs division which is predominantly occupied by females. This explains why we have a negative median bonus gender pay gap.

Pay quartiles



The graph above shows the gender distribution across Dechra Limited in four equally sized hourly pay quartiles. For example, within the lower quartile 71% (+3% compared with 2018) of employees are women and 29% are male.

Overall, there is an almost equal split of men and women within Dechra Limited, however in the lower quartile, the lower paid roles, are heavily occupied by women. At the upper middle and upper quartile we have a more even split between men and women. We have seen an improvement compared against 2018 in our lower middle quartile and upper middle quartile; in our last report the split was 50/50 in the lower middle quarter, and 32% of females fell into the upper middle quartile. In our last report we confirmed that we still needed to do more to understand progression barriers into our middle management positions (within the upper middle quartile range) therefore we are pleased to see the results of our efforts in this area. This is where the greatest improvement has been witnessed.

Moving towards an equal distribution of men and women across all levels is very important to Dechra and something we are continuing to strive towards.

We recognise that the diversity of our team and an inclusive culture is beneficial for our business, its processes, and its performance. We have highlighted below our key actions over the last 12 months which has helped us significantly reduce our gender pay gap. We acknowledge and accept that we still have more to do and we remain committed to tackling our gender pay gap.

A year in review – measurement against our actions

In our first gender pay gap report, which was published in April 2017, we prioritised three areas for action to reduce our gender pay gap. Here we report on our progress for each area and

how we are building on our plans in order to build on our greatest asset, our people, and further enhance our progress towards reducing our gender pay gap.

Manufacturing makes up the largest proportion of workers within Dechra Limited and traditionally this sector has a talent pool available externally that is predominantly male, however we are pleased that our male/female split remains at almost 50/50, largely reflective of the UK population. At Dechra we pride ourselves on our fair and honest recruitment process.

Despite this, we acknowledge that we need to do more to support our females into technical and senior positions and at Dechra we believe in growing our own talent. Over the last 12 months in particular, we have focussed efforts around our talent development and organisational design.

Our year in review

Our action: Learning and development (L&D)

Our progress: We continue to develop our engineering department leveraging our talent and are pleased to support women in STEM subjects. We are planning to recruit more apprentices in the future to continue to build on the progress made thus far.

We have created a new role and employed a training co-ordinator to maintain our standards and focus in delivering skills fit for the future and we believe that this will enhance the confidence of our employees to grow and develop further.

Our action: Occupational family leave policies

Our progress: Ongoing reviews and updates to our enhanced parental leave policies, which we implemented in January 2019, are continuously taking place with reference to external benchmarking.

Our action: Benchmarking

Our progress: Following the initial work done with Willis Towers Watson, we are continuing to review our salary constructions to ensure equity and consistency across our workforce.

Our action: Manager training and support

Our progress: We have been working closely with training partners in key areas and are pleased to have started our work with ACAS to upskill our managers with the rollout of our customised passport for managers across the UK.

This has also included reminding our managers of all our policies and how to support our employees with coaching skills and developing their mental health awareness.

Our action: Works council

Our progress: Another step towards increasing the focus in this area has been developing the agenda of Lisa Bright, the NED who has responsibility for ensuring that the voice of the employee is heard by the Board. Lisa attended a meeting of the Works Council in Skipton where she had the opportunity to discuss a range of topics that are key to both the Board and our employees. In addition to this we look forward to our next engagement survey where we can measure progress that we are making in this area.

Our action: Policy review

Our progress: We have rolled out our Dignity at Work policy to ensure that all our employees are clear on our expectations and how they can engage with each other in a way to bring out the best across the business. Training is continuing to give skills on how to deal with differences in the workplace and strengthen our diverse workforce.

Our action: Benefits review

Our progress: Our benefits continue to improve and we have increased our lowest paid rates above minimum wage from September 2019 with a view to moving to becoming a living wage employer. We offer consistent working hours and will be reviewing allowances to ensure guaranteed earnings to reflect these payments. In April 2019 we also increased our employer pension contribution above the minimum requirement (of 3%) to 4% and we have also enhanced the life assurance provision for our employees.

All of this is underpinned by an increased focus on embedding diversity and inclusion into our culture to create innovative and high performing teams making Dechra a great place to work, now, and in the future.

I confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Paul Sandland
Chief Financial Officer