

# GSK UK gender pay gap report 2019



## Our 2019 UK pay gap data

"Being a modern employer is one of our three core Trust commitments – creating a workplace where everyone is empowered to be themselves, feel good and keep growing at GSK. Fairness in our pay practices is fundamental in our pay philosophy and Trust agenda – and key to attracting and motivating the very best people.



We first published our UK gender pay gap in 2017 and are pleased to report that we continue to significantly outperform the national average of 16.2%. Last year we had a pay gap of 2.43% – a slight (0.28%) increase on 2018 which reflects a change in the distribution of women across GSK. Overall, we've seen the number of women in the highest paid quartile continuing to rise – with more men than women in the lower paid quartiles leaving the organisation.

We continue to take a progressive approach to inclusion and diversity across GSK and remain committed to achieving over 37% female representation in senior roles by 2022. In 2019, women represented 47% of all management roles (up from 45% in 2018) and this year we're doubling the capacity of our 'Accelerating Difference' programme for high-performing female managers, which has won two external awards. Our new global gender council provides important input to guide our work, as does the Women's Leadership Initiative (WLI) with whom we have a valuable dialogue."

**Iain Mackay**  
Chief Financial Officer

**Diana Conrad**  
Senior Vice President, Human Resources

For the 2019 figures, UK legislation asks for calculations based on data collected on 5 April 2019

## GSK workforce



\*Change from 42% and 58% respectively in 2018

## GSK gender pay gap external salary comparison

| Mean          |        |               |        | Median        |        |               |        |
|---------------|--------|---------------|--------|---------------|--------|---------------|--------|
| GSK UK        |        | UK comparison |        | GSK UK        |        | UK comparison |        |
| 2019          | 2018   | 2019          | 2018   | 2019          | 2018   | 2019          | 2018   |
| <b>+2.43%</b> | +2.15% | <b>+16.2%</b> | +17.1% | <b>-0.47%</b> | -0.60% | <b>+17.3%</b> | +17.9% |

## Gender pay explained

The gender pay gap isn't the same as equal pay. It's the description given to the difference in average pay between all men and all women across an organisation regardless of role or grade level.

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

Equal pay is different and is a direct comparison between individuals. It considers whether someone is paid equivalently to others doing the same or equivalent job, regardless of gender. Unequal pay is unlawful.

## Pay quartiles

Pay quartiles show the distribution of earnings when looking at pay. The workforce is divided into four equal groups ranging from the lowest to the highest paid individuals. It shows the proportion of male and female employees in each quartile.

| Lower |               |        | Lower middle |               |        | Upper middle |               |        | Upper |               |        |
|-------|---------------|--------|--------------|---------------|--------|--------------|---------------|--------|-------|---------------|--------|
|       | 2019          | 2018   |              | 2019          | 2018   |              | 2019          | 2018   |       | 2019          | 2018   |
| Women | <b>47.62%</b> | 45.53% | Women        | <b>38.24%</b> | 39.02% | Women        | <b>43.69%</b> | 43.07% | Women | <b>42.73%</b> | 42.39% |
| Men   | <b>52.38%</b> | 54.47% | Men          | <b>61.76%</b> | 60.98% | Men          | <b>56.31%</b> | 56.93% | Men   | <b>57.27%</b> | 57.61% |

## Bonus pay (includes long-term incentives)

All of our permanent employees in the UK are eligible for an annual bonus.

### Bonus gap

| Mean          |        | Median        |        |
|---------------|--------|---------------|--------|
| 2019          | 2018   | 2019          | 2018   |
| <b>+4.20%</b> | +7.96% | <b>-8.91%</b> | -6.89% |

We've seen a significant improvement in the bonus gender pay gap since 2017. This has been driven by a number of factors, including the impact of our share price on the value of our long-term incentives, the increase in the proportion of women in higher paid positions at GSK in the UK and proportionately more women receiving recognition and IPT<sup>c</sup> awards. Our mean bonus gap is bigger than our overall mean pay gap.

## Bonus pay (includes long-term incentives) continued

The government's definition of bonus pay includes long-term incentives (LTI) which applies to eligible employees in our leadership population. Bonus and LTI value increases with grade. A higher proportion in our executive leaders are male and this is reflected in a bigger bonus gap when compared to our overall gender pay gap.

For the difference between our mean and median bonus pay gaps, we have a higher proportion of men to women at the most senior levels, while we also have a significant proportion of men at the lowest pay bands who receive lower bonuses (see quartile diagram on previous page). This results in the bonus median for men being pulled downwards, to a point below the midpoint for women.

**Note:** The bonus pay gap is based on actual payments received with the pro-rating of bonus calculations for part time workers. Pro-rating is a contributing factor to the size of the reported bonus gap as the majority of our part time workers are women.

## Pay quartiles

The UK Government requires gender pay data to be reported by legal entity where there are more than 250 UK-based employees.

\*As of 5 April 2019, we had a population of 12,844 employees across four separate legal entities in GSK UK. These are GSK Services Unlimited, GlaxoSmithKline Consumer Healthcare (UK) Trading ("Consumer Healthcare"), ViiV Healthcare (joint venture with Pfizer and Shionogi) and Galvani Bioelectronics (joint venture with Verily). GSK Services Unlimited and Consumer Healthcare each have more than 250 employees in the UK. The gender pay data for these legal entities is below.

### GSK Services Unlimited

#### Pay gap

| Mean          |        | Median        |        | Mean          |        | Median        |        |
|---------------|--------|---------------|--------|---------------|--------|---------------|--------|
| 2019          | 2018   | 2019          | 2018   | 2019          | 2018   | 2019          | 2018   |
| <b>+3.15%</b> | +2.68% | <b>+0.87%</b> | +1.25% | <b>+4.06%</b> | +7.17% | <b>-6.48%</b> | -5.62% |

#### Bonus gap (annual bonus and long-term incentives)

#### Pay quartiles

| Lower |               |        | Lower middle |               |        | Upper middle |               |        | Upper |               |        |
|-------|---------------|--------|--------------|---------------|--------|--------------|---------------|--------|-------|---------------|--------|
|       | 2019          | 2018   |              | 2019          | 2018   |              | 2019          | 2018   |       | 2019          | 2018   |
| Women | <b>48.78%</b> | 47.46% | Women        | <b>37.48%</b> | 38.93% | Women        | <b>42.82%</b> | 42.22% | Women | <b>42.09%</b> | 41.69% |
| Men   | <b>51.22%</b> | 52.54% | Men          | <b>62.52%</b> | 61.07% | Men          | <b>57.18%</b> | 57.78% | Men   | <b>57.91%</b> | 58.31% |

### Consumer Healthcare

#### Pay gap

| Mean          |        | Median         |         | Mean          |         | Median         |         |
|---------------|--------|----------------|---------|---------------|---------|----------------|---------|
| 2019          | 2018   | 2019           | 2018    | 2019          | 2018    | 2019           | 2018    |
| <b>-2.75%</b> | -1.64% | <b>-13.69%</b> | -16.59% | <b>+4.66%</b> | +14.56% | <b>-24.34%</b> | -15.57% |

#### Bonus gap (annual bonus and long-term incentives)

#### Pay quartiles

| Lower |               |        | Lower middle |               |        | Upper middle |               |        | Upper |               |        |
|-------|---------------|--------|--------------|---------------|--------|--------------|---------------|--------|-------|---------------|--------|
|       | 2019          | 2018   |              | 2019          | 2018   |              | 2019          | 2018   |       | 2019          | 2018   |
| Women | <b>35.37%</b> | 31.56% | Women        | <b>43.88%</b> | 38.13% | Women        | <b>49.66%</b> | 45.63% | Women | <b>45.05%</b> | 44.06% |
| Men   | <b>64.63%</b> | 68.44% | Men          | <b>56.12%</b> | 61.87% | Men          | <b>50.34%</b> | 54.37% | Men   | <b>54.95%</b> | 55.94% |

Our Consumer Healthcare business in the UK comprises 1,175 employees (total GSK UK population of 12,844 employees). Women represent 43.49% of the Consumer Healthcare workforce.

The workforce profile shows there is a large volume of men in manufacturing roles which tend to be at relatively lower

grades and salaries. With 64.63% men in the lower quartile and 56.12% in the lower middle quartile, this is the key factor behind why the base pay mean (-2.75%) and median (-13.69%) gaps are in favour of women. The mean bonus gap has also reduced to +4.66% from last year (+14.56%) reflecting the proportional change in women across all quartiles closing the gap at more senior levels.

All calculations follow the specified methodology set out in the UK Government legislation. The mean and median salary analysis is reported before salary sacrifice payments were removed.