

GSK UK ethnicity pay gap report 2022



Our 2022 UK ethnicity pay gap data

We believe that being an inclusive and diverse business makes us more successful, because we're making the most of all our people's potential. Creating an inclusive culture where everyone can thrive helps us attract, retain, and motivate the best people. We want our people to reflect the communities we serve and our leadership to reflect our people. We fundamentally believe in fairness and pay equity for all.



While there is no requirement to publish an ethnicity pay gap in the UK, there is precedent for gender, with an established methodology. Given our commitment to diversity, we are sharing UK ethnicity pay gap data based on the approach used for gender pay gap reporting, recognising that adjustments to the calculation methodology may be required in the future.

Our UK ethnicity pay gap is 0.06%* in favour of our white employees.

Part of our commitment to diversity, equity and inclusion includes an aspirational target to increase the number of ethnically diverse leaders in VP and above roles in the UK to 18% by the end of 2025. In 2022, 14.3% of our UK leaders were ethnically diverse. We continue to work to improve representation of people who are ethnically diverse in our leadership which will reflect in our ethnicity pay and bonus gaps. Our 'Accelerating Difference' development programme for diverse managers, and the input of our EMBRACE ERG have made important contributions to this progress, and we thank all involved.

Ethnicity pay explained

An ethnicity pay gap isn't the same as unequal pay. A pay gap is the description given to the difference in average pay of groups across an organisation, regardless of role or level. Our ethnicity pay gap data shows the difference in pay of white and ethnically diverse employees. Reporting a positive pay gap means white employees, on average, are paid more than ethnically diverse employees. Reporting a negative pay gap means ethnically diverse employees are paid more than white employees, on average. Equal pay is different and is a direct comparison between individuals. Equal pay considers whether someone is paid comparatively to others doing the same or an equivalent job, regardless of their ethnicity. Unequal pay is unlawful.

Iain Mackay
Chief Financial Officer

Diana Conrad
Chief People Officer

*Our GSK UK ethnicity pay gap as outlined in this report, is determined using data for all permanent employees in the UK. This is provided in addition to the legal entity breakdown required by the UK government when reporting the gender pay gap (which is shown on page 2)

GSK ethnicity pay gap

| Mean | Median |
|-------|---------|
| 0.06% | -12.25% |

The mean UK ethnicity pay gap for all permanent UK employees, as well as for GSK Services Unlimited (shown on page 2 of this report), slightly favours our white employees. While the median pay gap favours our ethnically diverse employees.

Pay Quartiles

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

| | Lower | Lower middle | Upper middle | Upper |
|--------------------|--------|--------------|--------------|--------|
| Ethnically diverse | 16.06% | 16.21% | 21.60% | 18.67% |
| White | 83.94% | 83.79% | 78.40% | 81.33% |

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We have comparatively higher representation of ethnically diverse employees in the upper middle and upper pay quartiles in both the GSK UK and GSK Services Unlimited data sets. This positively impacts the overall GSK mean and median pay gap, however at our most senior VP population we continue to have lower levels of ethnic representation, which particularly impacts our bonus gap.

GSK ethnicity bonus gap (includes long-term incentives and recognition)

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

| | |
|--------|---------|
| Mean | Median |
| 18.71% | -20.96% |

As with the pay gap, the mean bonus gap favours our white employees, while the median bonus gap favours our ethnically diverse employees.

Our bonus gap at the mean is attributed to representation at the most senior levels within our organisation. This is where the % of pay at risk (bonus and LTIs) make up a significant part of the total package. We are making good progress against our aspiration to increase ethnically diverse representation at VP and above, and we expect this will positively impact our bonus gap in the future.

Note: The bonus pay gap is based on actual payments received with the pro-rating of bonus calculations for part time workers.

Legal entity breakdown

Our ethnicity pay gap analysis replicates the methodology used for the UK gender pay gap. The UK Government requires data to be reported by legal entity where there are more than 250 UK-based employees. On 5 April 2022 GSK plc, the parent company of the GSK group of companies had only one legal entity in the UK which met this criterion: GSK Services Unlimited.

Please note: Previously we also reported gender pay gap data for Consumer Healthcare, however during 2022 GSK became a pure biopharma company with the separation of the Consumer Healthcare business and the creation of Haleon. Haleon was established as a legal entity (effective 1 April 2022) and all GSK Consumer Healthcare employees plus those confirmed to be transitioning to Haleon by April 5th were realigned to this new legal entity. As such, our pay gap reports reflect only employees of GSK on April 5th. Haleon is a separate company and is now required to report its gender pay gap to the UK Government separately.

GSK Services Unlimited (9,254 employees)

Pay Gap

| | |
|-------|---------|
| Mean | Median |
| 0.46% | -12.15% |

Bonus Gap (annual bonus and long-term incentives)

| | |
|--------|---------|
| Mean | Median |
| 20.15% | -21.36% |

Pay Quartiles

| | | | | |
|--------------------|--------|--------------|--------------|--------|
| | Lower | Lower middle | Upper middle | Upper |
| Ethnically diverse | 16.15% | 16.02% | 21.39% | 18.61% |
| White | 83.85% | 83.98% | 78.61% | 81.39% |

Note: All calculations follow the specified methodology set out in the UK Government gender pay gap legislation. The mean and median data is reported before salary sacrifice payments were removed.