

# GSK UK gender pay gap report 2020



## Our 2020 UK pay gap data

"At GSK, we focus on what matters most to our people – creating an inclusive environment where everyone can be themselves, feel good and keep growing, in ways that work for them. By being a modern employer and making sure our policies and practices are always fair, we aim to attract and motivate the very best people from all cultures and backgrounds.



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 14.6%. Last year we had a pay gap of 1.41% – a decrease of 1.02% on 2019 which reflects an increase in the percentage of women in each pay quartile. 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're committed to doing more around inclusion and diversity across the company – and this includes achieving over 45% female representation in senior roles by 2025. In 2020, women represented 48% of all management roles (up from 47% in 2019) and we also doubled the capacity of our 'Accelerating Difference' programme for high-performing female managers – and invited employees to self-nominate for the first time. Our global gender council and Women's Leadership Initiative continue to provide important input to guide our goals."

## Gender pay explained

Gender pay gap isn't the same as equal pay. Pay gap is the description given to the difference in average pay of all men and all women across an organisation regardless of role or level. Reporting a positive pay gap means male employees, on average, are paid more than female employees. Reporting a negative pay gap means female employees are paid more than its male ones, on average. Equal pay is different and is a direct comparison between individuals. Equal pay considers whether someone is paid equivalently to others doing the same or equivalent job, regardless of gender. Unequal pay is unlawful.

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Chief Financial Officer

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For the 2020 figures, UK legislation asks for calculations based on data collected on 5 April 2020

## GSK workforce



\*Change from 43% and 57% respectively in 2019

## GSK gender pay gap external salary comparison

Mean				Median			
GSK UK		UK comparison		GSK UK		UK comparison	
2020	2019	2020	2019	2020	2019	2020	2019
1.41%	2.43%	14.6%	16.2%	-2.51%	-0.47%	15.5%	17.3%

## 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		
	2020	2019		2020	2019		2020	2019		2020	2019
Women	48.20%	47.62%	Women	39.17%	38.24%	Women	45.71%	43.69%	Women	44.96%	42.73%
Men	51.80%	52.38%	Men	60.83%	61.76%	Men	54.29%	56.31%	Men	55.04%	57.27%

## Bonus pay (includes long-term incentives)

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

### Bonus gap

Mean		Median	
2020	2019	2020	2019
5.35%	4.20%	-11.79%	-8.91%

We've seen a significant improvement in the median bonus gender pay gap since 2019 and a slight decline in the mean bonus pay gap for 2020 versus 2019. The mean gap is largely driven by a small number of men at the most senior levels receiving high bonus and LTI awards. The median figure reflects a gender gap in favour of women.

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

Last year women continued to receive proportionately more recognition awards than men. Our mean bonus gap is bigger than our overall gender pay gap.

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.

The difference between our mean and median bonus pay gaps is because 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 and a median bonus pay gap in favour of women.

**Note:** The bonus pay gap is based on actual payments received with the pro-rating of bonus calculations for part time workers. Pro-ration 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 2020, we had a population of 12,305 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	
2020	2019	2020	2019	2020	2019	2020	2019
1.77%	3.15%	-0.69%	0.87%	3.97%	4.06%	-9.57%	-6.48%

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

### Pay quartiles

Lower			Lower middle			Upper middle			Upper		
	2020	2019		2020	2019		2020	2019		2020	2019
Women	49.14%	48.78%	Women	38.37%	37.48%	Women	44.20%	42.82%	Women	44.77%	42.09%
Men	50.86%	51.22%	Men	61.63%	62.52%	Men	55.80%	57.18%	Men	55.23%	57.91%

## Consumer Healthcare

### Pay gap

Mean		Median		Mean		Median	
2020	2019	2020	2019	2020	2019	2020	2019
1.22%	-2.75%	-9.43%	-13.69%	12.48%	4.66%	-16.45%	-24.34%

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

### Pay quartiles

Lower			Lower middle			Upper middle			Upper		
	2020	2019		2020	2019		2020	2019		2020	2019
Women	37.37%	35.37%	Women	47.06%	43.88%	Women	53.29%	49.66%	Women	43.25%	45.05%
Men	62.63%	64.63%	Men	52.94%	56.12%	Men	46.71%	50.34%	Men	56.75%	54.95%

Our Consumer Healthcare business in the UK comprises 1,156 employees (total GSK UK population of 12,305 employees). Women represent 45.24% 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 62.63% men in the lower quartile and 52.94% in the lower middle quartile, this is the key factor behind why the median (-9.43%) gap is in favour of women. The mean bonus gap has increased to 12.48% from last year (4.66%) reflecting the proportional change in women across the three lower quartiles and a decrease in the top quartile, 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.