

Pfizer gender pay gap report 2019



Building on the foundations for gender pay parity

To realise our purpose of discovering and delivering breakthroughs that change patients' lives, we must unleash the power of our people.



Pfizer UK is a diverse, welcoming place with an inclusive culture that offers colleagues many opportunities to grow and develop. But we do have a gender pay gap. This is driven by the fact that across our business more men are in more senior positions and more women are in more junior positions.

In our first gender pay gap report last year we made a clear commitment to address this issue head on. We put gender pay on the UK Board's agenda as a standing item to ensure continuous scrutiny at the top of the business. We appointed a dedicated gender pay gap lead to investigate and find solutions.

Twelve months on, our commitment remains as strong. We have made significant progress in understanding how and why our pay gap exists and we've taken steps to address the gap. For example, to mitigate the effects on progression after taking extended leave we have now changed the way we evaluate pay and performance for returning colleagues. We have also taken steps to formalise our processes to ensure new hires do not compound the pay gap.

Our recruitment and promotion of female talent over the year has been positive and most recently we've consulted with colleagues to determine what more we can do.

That is why it is disappointing not to be able to report an improvement in our gender pay gap in this report. The structure of our business remains the driver of our pay gap. This will take time to change.

There is more work to do and this will be an iterative and evolving strategy. But with our existing policies and the actions we have taken in 2018 we believe we have the right foundations in place to deliver our commitment and address the gender pay gap.



Ben Osborn
UK Managing Director



Denise Harnett
Head of HR

Understanding our numbers

What is the Gender Pay Gap?

The gender pay gap is not the same as unequal pay. It does not show differences in pay for comparable jobs. Unequal pay for men and women for equal work has been illegal for 45 years.

The gender pay gap is the difference between the average hourly pay for men and women across the entire organisation, expressed as a percentage of men's earnings. It provides a basic understanding of the gender pay balance in an organisation.

According to the Government Equalities Office, 77 % of organisations reporting data for the year to April 2017 have a gender pay gap in favour of men¹. The national average rate for 2018 is 17.9 %².

1 – <https://gender-pay-gap.service.gov.uk/public/assets/pdf/understand-your-gender-pay-gap.pdf>

2 – <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/genderpaygapintheuk/2018>

Changes to our calculations

To meet the most up to date reporting guidance from ACAS we have changed the way we calculate our gender pay gap. This means direct comparisons with last year are not possible.

The main change in the calculation is the inclusion of shares and long term incentives awarded in recognition of performance and service. The impact of this new approach is an increase our gender pay gap. Share awards increase with seniority and so with more male colleagues in more senior positions, including the value of shares awarded and exercised widens the pay gap.

When we adjust for this change and strip out the long term incentives and share awards, our gender pay gap has not moved significantly over the period.

While the new approach shows a larger gap and will also add volatility into our year on year comparisons (due to stock market variations), we think this is a truer reflection of how Pfizer UK colleagues are rewarded and therefore gives us a new base from which to work.



Gender pay gap report 2019 summary

When it comes to progression and opportunity for development at Pfizer UK, it's ability that matters. We work hard to ensure our recruitment and remuneration policies are gender neutral, and are committed to closing the gender pay gap.

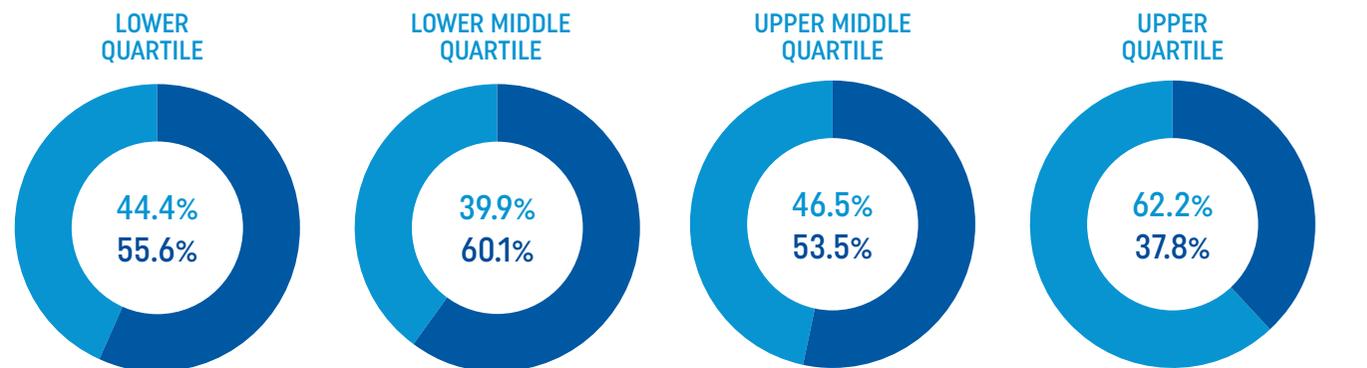
Gender pay gap

MEDIAN	MEAN
15.9%	20.6%

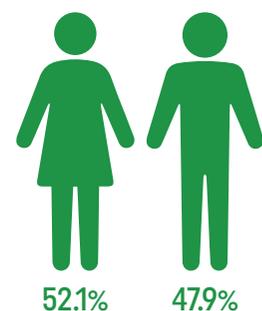
Bonus pay gap

MEDIAN	MEAN
29.8%	36.3%

Pay quartiles



Our People



Recruitment and promotion



Important terms

Mean pay gap Calculated by adding up the hourly pay of women in an organisation and dividing by the number of women, doing the same sum for men, then comparing the two figures.

Median pay gap Calculated by finding the middle point between the lowest and highest paid woman in an organisation and the lowest and highest paid man, then comparing the two figures.

Quartile Using hourly pay, quartiles divide the list of earners, ordered from lowest to highest, into four equal groups. This provides a picture of where male and female employees are in the pay hierarchy.

→ **99.1%** OF ALL MALE EMPLOYEES RECEIVED A BONUS.

→ **98.7%** OF ALL FEMALE EMPLOYEES RECEIVED A BONUS.

Our approach

Many factors contribute to a gender pay gap and there is no 'silver bullet' to eliminate it. It is not all about processes and policies but also culture and environment.

The good news is we already have many of the key elements in place that are required to support gender pay parity. We have also taken action since our last report:



Leadership and commitment

The gender pay gap is a standing item on the UK Board quarterly meeting agenda to ensure it remains at the top of the corporate agenda.

Our gender pay lead was appointed in the summer of 2018 to provide the Board with the insight required to develop our response.

Policies and processes

Our gender neutral policies are helping to ensure our recruitment is unbiased, pay is market competitive, and our people receive equal pay for equivalent roles, regardless of gender.

Our flexible working arrangements are helping us attract and retain top talent and to achieve greater work-life balance.

Our enhanced parental leave is supporting colleagues and their families. We're also raising awareness of shared parental leave entitlements.

Extended periods of absence can contribute to the pay gap. So we have introduced a formal salary review for all colleagues returning from long term leave (e.g. maternity, adoption leave, long term sickness etc). This will help ensure that colleagues don't fall behind because they have been out of the business for a while.

New hires and promotions. We have formalised our approach to salary offer development. This incorporates gender pay analysis alongside Job Code analysis and, where required, introduces a formal approval process above the usual Hiring Manager plus one approach.

Our approach

Culture and behaviours

Our colleague engagement survey shows that we have a strong culture of inclusion at Pfizer UK.

Our diversity and inclusion teams continue to provide colleagues with the skills to thrive and participate in diverse teams.

- During the year we ran inclusive culture workshops with over 400 colleagues.
- Our WoMens Network was established, designed to create opportunities for colleagues to engage on gender-related themes and build a more inclusive workplace. In the year, we ran discussions on gender partnerships, creating an inclusive culture, work/life balance and on gender pay gap.

External partnerships

Membership of HBA (Healthcare Businesswomen's Association).

Working with HBA, we are contributing to and learning from best practice in the advancement of women in the UK healthcare sector. We have the highest

number of HBA members and volunteers across our industry. Many of our colleagues have been recognised with awards for their volunteering with HBA.

ENEI (Employers Network for Equality & Inclusion) Corporate Members. Pfizer is on the Executive Steering Committee for ENEI, which exists to achieve and promote best practice in equality and inclusion in the workplace.

Inspiring the next generation

Throughout 2018, our STEM* outreach continued to inspire the next generation, more often than not, led by our female STEM Ambassadors. Our work to promote our sector to school pupils included:

- 23,000 pupils reached through our Science in a Box school's programme delivered by 149 female and 60 male STEM ambassadors.

Where next?

We will maintain the Board level quarterly review of progress and a dedicated diversity and inclusion lead (focusing on gender pay) will continue to work with colleagues and external partners to develop solutions.

We have the right environment, policy and processes in place to make sure Pfizer UK is an amazing workplace for all; a place where progression and development are based on ability not gender. There is clearly more to be done to address the gender pay gap. Our commitment to reducing our pay gap remains as strong as ever. Creating gender parity will take time and require action across process, policy, talent acquisition and development. We must also maintain our inclusive culture - it is a strength and benefits all of us.

*Science, Technology, Engineering and Maths

Statutory disclosure

The UK is an important location for Pfizer. We employ around 2,500 colleagues – split across our 3 legal entities: Pfizer Ltd, Pfizer Consumer Healthcare and John Wyeth & Brother Limited – in five locations.

These colleagues work across commercial business, research and development (R&D) and manufacturing and distribution. We are required to report data for companies with 250 or more employees and so only Pfizer Limited and John Wyeth & Brother Limited are reported here.

Pfizer Ltd			John Wyeth & Brother Limited		
Female employees: 1,080 Male employees: 931			Female employees: 73 Male employees: 140		
Median gender pay gap: 21.28% Mean gender pay gap: 24.83% Median bonus pay gap: 37.69% Mean bonus pay gap: 40.02% Male employees who received a bonus: 98.9% Female employees who received a bonus: 98.5%			Median gender pay gap: 1.41% Mean gender pay gap: 8.78% Median bonus pay gap: 3.46% Mean bonus pay gap: 21.67% Male employees who received a bonus: 100% Female employees who received a bonus: 100%		
Proportion of males and females in each quartile pay band					
Lower quartile	37.5% male	62.5% female	Lower quartile	63.0% male	37.0% female
Lower middle quartile	37.6% male	62.4% female	Lower middle quartile	62.3% male	37.7% female
Upper middle quartile	48.1% male	51.9% female	Upper middle quartile	67.9% male	32.1% female
Upper quartile	62.0% male	38.0% female	Upper quartile	69.8% male	30.2% female