

Baxter Healthcare Ltd (UK) Gender Pay Gap Report 2020

This is Baxter's 2020 gender pay gap report where we illustrate the difference in average earnings between men and women in the UK. This is calculated across all jobs at all levels.

At Baxter, inclusion and diversity is about building diverse, high performing teams that are engaged and innovative, and advancing company culture so that every employee feels valued, respected and safe to be their authentic self.

We are committed to attracting, motivating and retaining an inclusive and diverse workforce to better address the needs of our employees, customers, suppliers, patients and caregivers. By valuing differences such as gender, we make a difference in the lives of millions worldwide.

Understanding the numbers

Our mean gender pay gap without the covid allowance is 4.2%, and including the covid allowance is 5.4%. In both cases this is significantly smaller than the national average of around 15.5% and an improvement from last year where our mean gender pay gap was 6.3%.

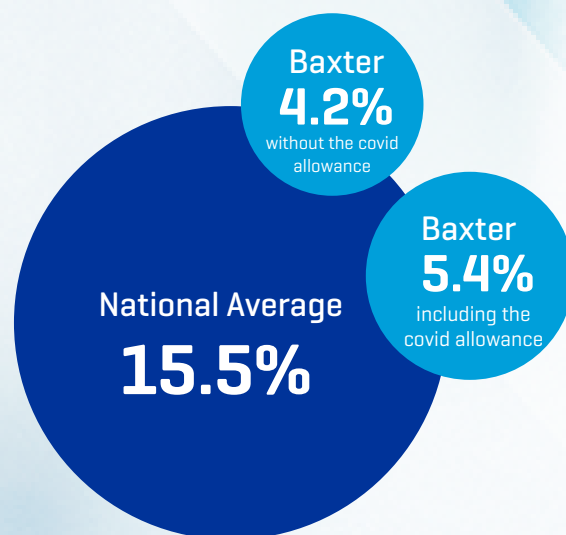
Our mean pay gender gap is driven simply by the fact that there are more men than women holding senior roles within the organisation and at that senior level, eligibility for equity grants plays a large part in the bonus awards.

Remember that the Gender Pay Gap is not the same as Equal Pay. The Gender Pay Gap is a simple average figure for all employees within the UK workforce, irrespective of the job that they do. Equal pay ensures that men and women receive equal pay for carrying out the same or equal work. Baxter has robust compensation policies and practices to ensure equal pay and we regularly review all employees' pay and our pay policies to ensure we offer equal pay for equal work, regardless of gender.

This year, our report will contain two data sets when looking at the gender pay gap for mean and median pay.

One set includes additional payments made to our operational employees, during the month of April 2020. This payment was recognition of those employees who had to continue to work at our manufacturing and operations sites and will be referred to as the covid allowance.

The other set of data has the covid allowance removed.



At the time of running the analysis in April 2020, we had 15 men and 5 women at Director level and 49 men and 45 women in senior management roles.

Our mean bonus gap in 2020 is 13.6% which is a slight increase on last year's figure of 12.8%. This is because slightly more men than women are bonus eligible.

Our Commitment

We are committed to further reduce the gender pay gap and have many programmes in place to help which are based around 3 core themes:

Attracting and retaining women leaders

- We ensure that our job adverts use gender neutral language to maximise attraction of women to Baxter roles and we are leveraging diverse candidate sourcing channels.
- We ensure that wherever possible we are presented with an equal number of male and female candidates. All interview slates for manager and above roles we expect to be at least 30% diverse where the labour market allows.
- We require diverse interview panels and all interviewers on the panel complete a hiring bias video as part of the process.
- We require that all interviewers participate in a standardised process for debriefing on candidates to mitigate bias in the process.
- We carry out onboarding questionnaires to gain feedback.
- We have a "Return to Work Programme" for women who are returning from maternity, adoption or parental leave.
- We have increased our activities to educate and attract new talent to Baxter by attending careers fairs (virtual), more recently we've been holding virtual focus sessions on specific career paths.
- We have an established Student and Graduate Placement Programme. Out of nine graduate placement positions, seven have been awarded to women.
- We use the Apprenticeship levy across the organisation and have 50:50 males:females uptake on subjects such as team leading, regulatory affairs, project management, pharmacy, engineering and also degrees in leadership and chemistry.
- We actively encourage progression of women through regularly holding focus groups to share career progression of successful women.

Holding our leaders accountable to drive inclusive leadership capabilities and culture

- Our leaders are held accountable to attract, develop and retain the best and diverse talent through Gender Balance & Talent Workforce Dashboards.
- Our Global Inclusion Council provides thought leadership, guidance and support to enhance Baxter's inclusive culture. Composed of leaders from the company's businesses, regions and functions worldwide. Our UK and Ireland Country Sponsor is a member of the Global Inclusion Council the lead for the Regional Inclusion Council in EMEA.
- Our Local Inclusion Council drives local action plans in line with our strategy.

- We provide Inclusion and Diversity education and training to all our managers which focuses on valuing differences and unconscious bias, equipping managers in their efforts to create and sustain an inclusive culture at Baxter.
- Our leaders attend and support industry led initiatives to learn about new ideas and share best practice.

Valuing differences to create a work environment where people can be their very best

- We provide Inclusion and Diversity education and training to all our employees designed to enhance their understanding of why inclusion and diversity are critical to Baxter's success.
- We have an established Women Leaders Resource Group and a number of Women in Leadership Forums at sites across the UK, to share experiences and learning for both women and men. Our global Baxter Women's Leader Resource Group is celebrating its 10th anniversary this year.
- We provide coaching, mentoring and career development interventions for all our team members with a focus on mentoring for Women and Sponsorship.
- We hold well attended events across different sites to celebrate International Women's and Men's Days as well as virtual seminars through the year focusing on Advancing women in leadership and Gender Differences.
- We have active links to The Healthcare Businesswoman's Association.
- We believe in and embrace flexible working wherever possible, including varied working patterns, part time roles, job share and remote working.
- We hold 'Gender IQ' Workshops for our teams. Within this the message on retaining women in the business is unequivocal.

In 2020, amongst ten other countries in Baxter, we have been named in the inaugural Seramount Global Inclusion Index, on the strength of our local diversity, equality and inclusion efforts.

Definitions

Mean and Median

The gender pay gap shows the difference between the mean (average) and the median (mid-point) earnings of male and female employees expressed as a percentage of male employee's earnings.

Pay quartiles by gender

The proportion of male and female employees in each of the quartiles ranked from lowest hourly rate to highest hourly rate.

Gender Pay and Bonus Gap

Data set without covid allowance

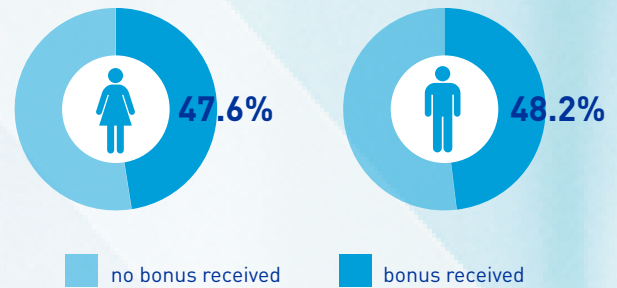
Difference between male and females	Mean	Median
Pay gap	4.2%	4.0%
Bonus gap	13.6%	-107.5%

Data set with covid allowance

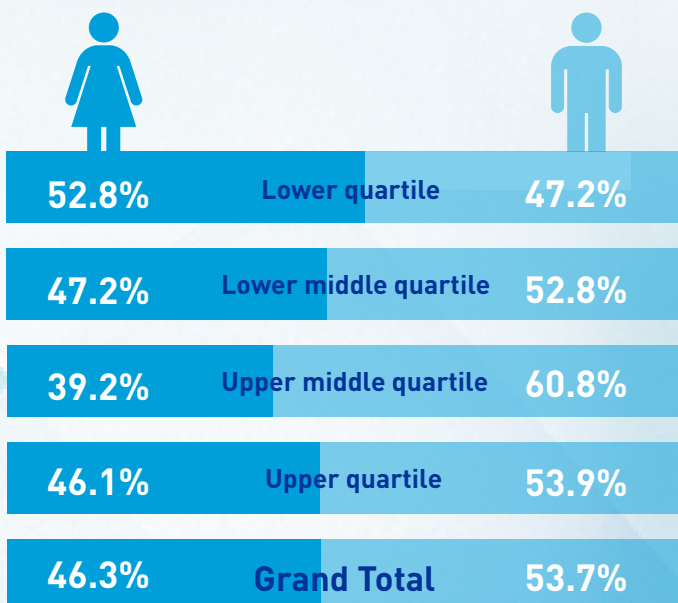
(The covid allowance is deemed as pay and therefore it appears in pay gap data not bonus gap data.)

Difference between male and females	Mean	Median
Pay gap	5.4%	7.7%

Proportion of employees receiving a bonus



Percentage of male and female employees in each pay quartile without covid allowance



Percentage of male and female employees in each pay quartile with covid allowance

