

Baxter Healthcare Ltd (UK) Gender Pay Gap Report 2022

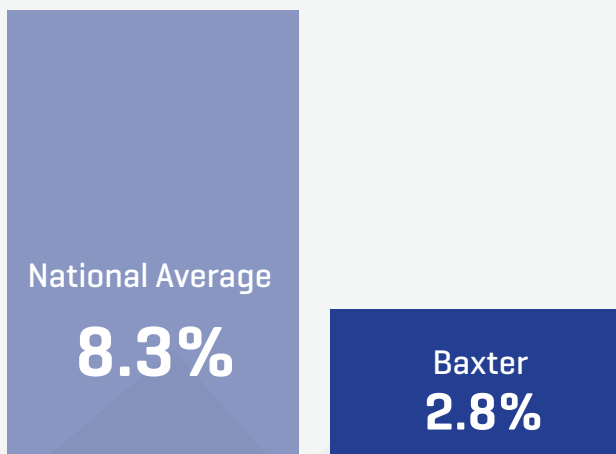
This is Baxter's 2022 gender pay gap report where we illustrate the difference in average earnings between men and women in the UK. This is calculated across all jobs at all levels.

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 median gender pay gap is 2.8%, which has increased from last year's figure of 1.4%. However, our gender pay gap continues to be significantly smaller than the national average of around 8.3% for the same period.



We are continuing to close the gap between the number of men and women at senior levels in the organisation, which can be one of the key drivers behind a pay gap.

At the time of running the analysis in April 2022, we had 15 men and 11 women (58% / 42%) at Director level and above and 52 men and 49 women (51% / 49%) in senior management roles. This compares to 15 men and 7 women (68% / 32%) at Director level in 2021, and 50 men and 47 women (52% / 48%) in senior management roles.

Other factors that impact on the gender pay gap include salary exchange (or salary sacrifice) arrangements, as all sacrificed amounts reduce the rate of pay (for pay gap reporting purposes). In Baxter this would include pension contributions, holiday purchase, childcare vouchers, Cyclescheme and Techscheme. In April 2022, females were contributing 1.17% more than males into salary sacrifice schemes. Additionally, the number of employees opting out of the pension scheme has increased. In 2022, 11.2% of males opted out of the pension scheme, compared with 9.4% of females. This has increased from 8.9% and 6.7% for males and females respectively in 2021. If more men than women are opting out, this will increase the pay gap.

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.

Our mean bonus gap in 2022 is 17.01% which is an increase on last year's figure of 13.9%. The number of people receiving a bonus has reduced substantially since last year due to changes to the bonus structure within manufacturing. This change is the primary cause of the increase to the mean and median bonus gap figures.

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 will participate in a standardised process for debriefing on candidates to mitigate bias in the process.
- 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 six student / graduate placement positions it is a 67:33 split between men and women.
- We use the Apprenticeship levy across the organisation and have 9 men and 15 women (37% / 63%) 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, to discuss and understand areas of challenge for 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 & Diversity 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 and the lead for the Regional Inclusion Council in EMEA.
- Our Local Inclusion & Diversity 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 Alliance for Baxter Women Resource Group is celebrating its 11th anniversary this year.
- We provide coaching, mentoring and career development interventions for all our team members with a focus on mentoring and Sponsorship for Women
- 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 team managers. Within this the message on retaining women in the business is unequivocal

In 2021, Baxter have been named in the Seramount Global Inclusion Index, on the strength of our local diversity, equality and inclusion efforts as a leading organisation that had superior achievement.

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.

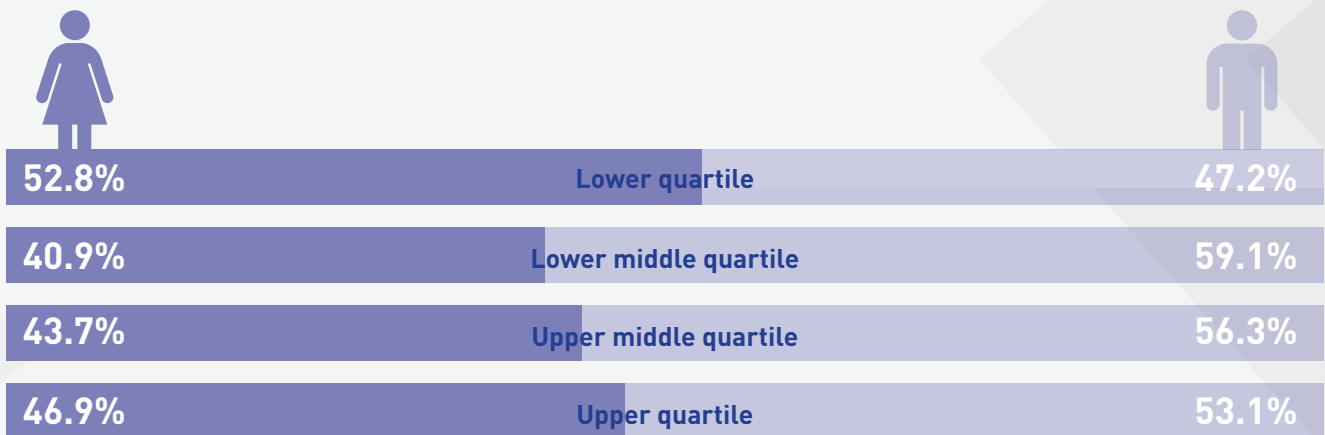
Pay quartiles by gender

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

Difference in mean hourly rate between male and female employees	2.6%
Difference in median hourly rate between male and female employees	2.8%

Percentage of male and female employees in each pay quartile:



Bonus pay:

Mean gender bonus gap %	17
Median gender bonus gap %	7.9%

% Receiving a bonus

