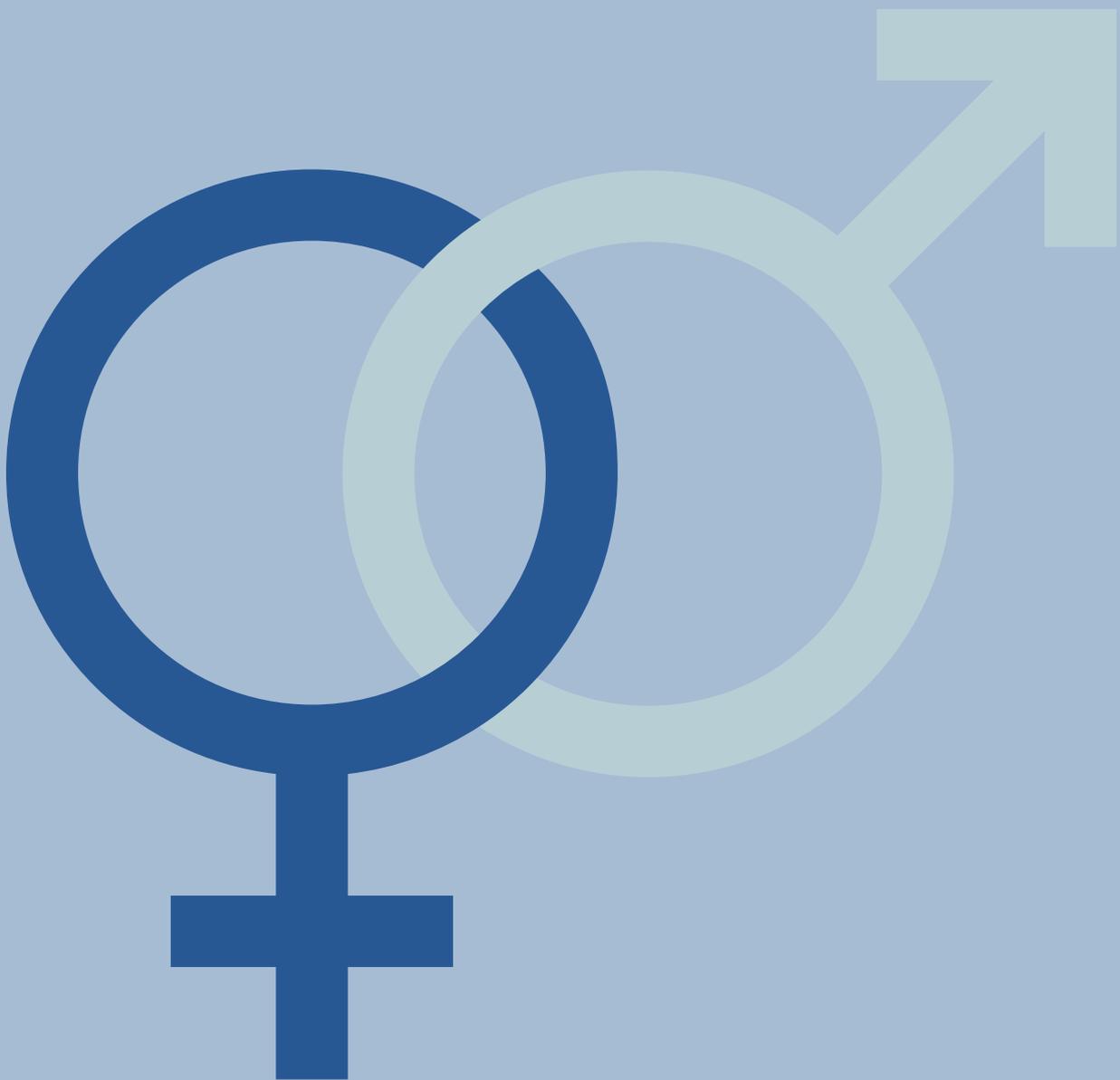


UK Gender Pay Gap Report 2018



BI: Being Inclusive

At BI, we believe that being inclusive means having respect and appreciation for everyone. It is about treating people fairly according to their individual strengths and allowing everyone to contribute and succeed.

We therefore continue to build an organisation of which we can be proud. We provide opportunities for all our people, irrespective of gender, to enable them to be successful.

This Gender Pay Gap Report is based on snapshot data from 5 April 2018. We are publishing well ahead of the statutory deadline of 4 April 2019.

It is useful to remind ourselves that the gender pay gap is not the same as equal pay. Gender pay gap reporting is designed to highlight the difference in the average hourly pay of all men and women in a workforce, regardless of role. This is not the same as equal pay, which looks into pay variance between men and women in similar roles.

In this report, we share our findings on the gender pay gap, explore some of the reasons behind these numbers, and give an overview of our diversity and inclusion action plan.

Our mean gender pay gap has decreased

At BI, our mean gender pay gap has decreased this year, falling to 21.7% (down from 27.2% in 2017). Our mean gender bonus pay gap has also decreased, to 35.7% from 36.5% in 2017.

Our median figures have increased a little, from 18.1% in 2017 to 19.8% in 2018; the median gender bonus gap has increased from 31.8% in 2017 to 34.9% in 2018.

We believe that our gender pay gap is largely due to employing significantly more females than males in roles in our lower and lower middle pay quartiles: 70% of employees in these quartiles combined are female compared with 30% male. In contrast, we have a 50:50 gender balance in our upper middle and upper pay quartiles combined.

Although there are more females than males in our lower and lower middle quartiles, we do not wish to address this just so we can remove the gender pay gap in our organisation. Instead, and more importantly, we feel that we should continue to focus our efforts on recruiting and promoting the best talent at all levels and in all roles. This focus should be regardless of gender and regardless of where the role occurs in the hierarchy.

We remain committed to our action plan

At BI, we remain committed to our action plan and doing the right thing by all our employees. We will continue to:

1. Apply our global diversity and inclusion strategy to the UK and Ireland.
2. Build gender-neutral practices into our candidate attraction and internal promotion strategies at all levels of our organisation.
3. Weave inclusion into our organisational DNA by ensuring gender balance and fairness in all our people practices.



A handwritten signature in black ink that reads "Sabine Nikolaus".

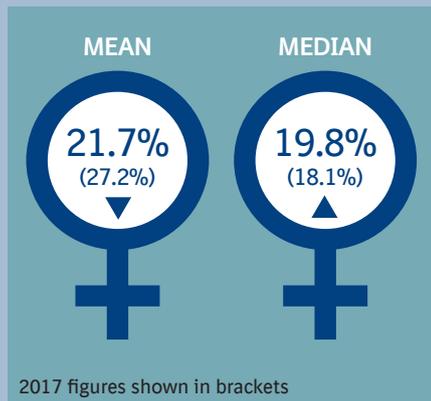
Dr Sabine Nikolaus
Country Managing Director
Boehringer Ingelheim UK & Ireland

Our gender pay gap

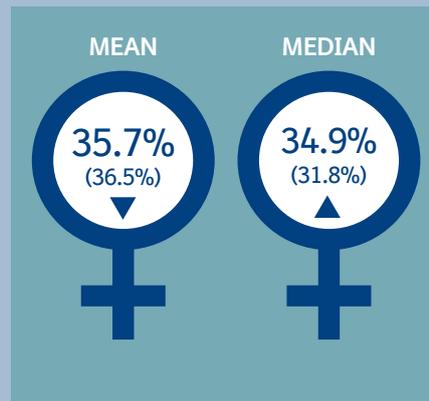
The gender pay gap figures below relate to information taken on the snapshot date of 5 April 2018.

The figures show our mean and median gender pay gap based on hourly pay rates, and the mean and median difference between bonuses paid to men and women for the 2017-18 performance year.

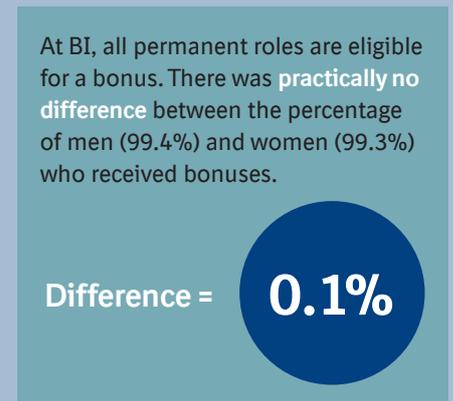
Pay gap



Bonus pay gap

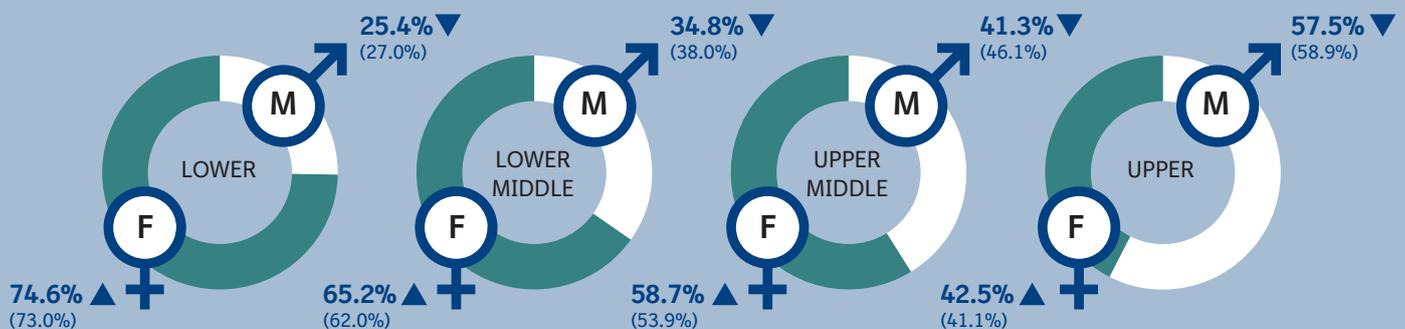


Who received a bonus?



Percentage of women and men in each pay quartile

On the snapshot date of 5 April 2018, as last year, there were more men than women in the upper pay quartile, and significantly more women than men in the other three quartiles. The difference is particularly large in the lower quartile, which has 25% men and 75% women (rounded figures).



2017 figures shown in brackets

Some differences explained

Gender pay gap v. equal pay

The gender pay gap and equal pay are often confused, but they are not the same.

The **gender pay gap** is the difference between the gross hourly pay of all men and the gross hourly pay of all women across the organisation, regardless of role. It is expressed as a percentage of men's earnings.

Equal pay deals with ensuring that men and women in the same employment who perform equal work receive equal pay.

This report deals with the gender pay gap and not with equal pay.

Mean v. median

The mean and the median are different types of average.

The **mean** of a set of numbers is found by adding up all the numbers and then dividing by the number of numbers.

The **median** is the middle point of a set of numbers, in which half the numbers are above the median and half are below. It is found by putting all the numbers in numerical order, and then finding the middle number in the list.

Diversity and inclusion: our continuing commitments

At BI, we know that diversity and inclusion are important to our success. We remain committed to ensuring that the company is an attractive employer to new and existing employees, where all talents can thrive.

Applying our global diversity and inclusion strategy

We have continued to train managers on unconscious bias and the risk to the quality of our decisions through the UK and Ireland. We have run additional live sessions and added an online version of this training to the intranet for all employees to access at a convenient time for them. Training on unconscious bias continues to form part of our leadership training and is also undertaken by our recruitment team. This education is not a one-off support piece and we continually look to improve and embed further.

Incorporating gender-balanced practices

As a result of unconscious bias training, we have found it even easier to have conversations with hiring managers about the power of language in our recruitment and development materials. This ensures that we are appealing to the largest possible talent pools. We are monitoring recruitment in our lowest and senior level roles to ensure we offer the role to the best candidate and are striving to make all roles appealing to both genders.

Ensuring that inclusion is part of our DNA

We are communicating our diversity & inclusion strategy more widely and providing six-monthly updates to the business on progress and on the initiatives we are undertaking. The more we talk about our aspirations and share what is going on, the more inclusion seamlessly becomes part of our everyday working practices. We also aim to support dual-career families by making it easier for all employees (of both genders) to take advantage of our flexible working opportunities.

Most important of all is that we encourage full diversity and are committed to develop all talent throughout the business.

I confirm that the data in this report is accurate and in line with government regulations.



Mikko Majasaari
Human Resources Director
Boehringer Ingelheim UK & Ireland