



//// Gender Pay
Gap Report

March 2018





Lars Bruening

Bayer UK & Ireland CEO

“Bayer is building a company which supports a diverse, inclusive and transparent culture. This year, for the first time, UK companies with over 250 staff have to report on their gender pay gap. This is an incredibly important step forward because if we are transparent about pay, and identify the root causes of any pay gap, we can find the right solutions to build a better business.”





Adnan Ahmetovic

Head of Human Resources, UK & Ireland

It is disappointing that we have a gender pay gap.

We know this is not a pay issue because our approach to pay is gender neutral by design. Instead our analysis shows that our pay gap is driven by the structure of our workforce and in support of this, we regularly analyse and monitor our pay to make sure our male and female employees are treated equally.

The gender pay gap data contained in this report for Bayer PLC are accurate and have been produced in accordance with the requirements of the regulations. It shows a median gender pay gap of 19.1% which is around the average for UK companies but, naturally, it is very important to us that we improve on this.

In our gender pay report, we highlight that the principal reason for our pay gap is that we have significantly

more female employees in our lower job levels and slightly more male employees in our higher level job roles. Our approach to addressing this issue is about ensuring everyone, regardless of their background, race, ethnicity or gender, has an equal opportunity to thrive.

For some time we have been pushing to get a good balance of men and women working across grades and functions but we recognise that we still have progress to make.

We already have processes and policies in place to support diversity in our recruitment and talent management practices.

We will continuously review and actively promote these practices to ensure that we achieve our long term aim of an inclusive and diverse workforce at all levels.

Our Gender Pay Data

Mean and Median Gender Pay Gap

To calculate the median gender pay gap each male and female employee's pay is listed in order from highest to lowest. The median gender pay gap is the difference in pay between the female in the middle of their list and the male in the middle of their list.

The other measure is the mean gender pay gap, which shows the difference in average hourly rate of pay between men and women

Mean and Median Bonus Pay Gap

The mean gender bonus gap is the difference in average bonus pay received by men and women.

The median gender bonus gap is the difference in the midpoint of the ranges of bonus pay between men and women.

Proportion of Males and Females receiving a Bonus

This is the percentage of men and women receiving a bonus in the twelve month period up to the snapshot date of 5 April 2017.

Mean

19.6%

National 17.4%

Median

19.1%

National 18.4%

Mean

29.4%

Median

34.7%

Male



86.1%

Female



87.1%

Proportion of Males and Females by Pay Quartile



Upper Quartile
Mean Pay Gap 7.0%



Upper Mid Quartile
Mean Pay Gap 0.2%



Lower Mid Quartile
Mean Pay Gap 3.1%



Lower Quartile
Mean Pay Gap -7.3%

Explanation of our Gender Pay Data

Why do we have a Gender Pay Gap in Bayer?

The most significant factor leading to our gender pay gap is the structure of our workforce. There are more women than men in our lower paid roles and slightly fewer in higher paid ones. To address this, we are actively pushing to get a good balance.

The fact we still have slightly higher numbers of male employees in managerial roles is a contributing factor to our gender pay gap.

The Bonus Gap

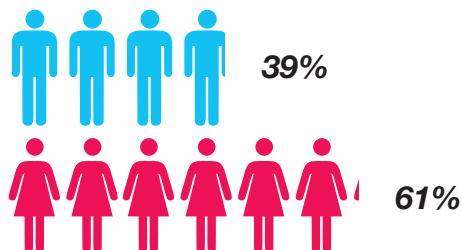
All employees are entitled to a bonus. However, our bonus pay gap is higher than our gender pay gap because our Short Term Incentive programme provides a higher bonus opportunity to employees in higher job grades. This increases the differential in bonus pay because there are more women in the lower job grade where their bonus opportunity is lower.

Gender Split by Level

Managerial



Professional



Administrative



We are Committed to Addressing our Gender Pay Gap

We place a great amount of emphasis on transparency and fairness across all of our internal processes.

As a consequence we already have a higher proportion of female employees than male (56.9% female; 43.1% male) and we have a good gender balance in our professional, specialist and management levels.

Bayer continues to make improvements as part of its overall policy on diversity and we believe that over time this will address our gender pay gap.

Our Commitments

We have adopted a number of policies and initiatives to support future improvements in our gender pay gap and address the balance of men and women across the whole organisation

Salary Transparency

Our compensation policies and practices are designed to be market competitive and ensure equal pay for equivalent roles, regardless of gender. We use internationally recognised systems for assessing job levels and relevant benchmark survey information to determine appropriate salaries for each role. Having these systems in place is important but we also believe that salary transparency supports fairness and equality.

During 2017, Bayer communicated its salary structures and salary bands to all employees as part of an ongoing process to improve salary transparency. This exercise was a first step and we will continue to develop and enhance our approach to this topic by providing this information on an ongoing basis.

Gender Neutral Policies

Our talent acquisition and management processes are critical to ensuring pay equality. Our talent management experts work with managers to provide guidance throughout our selection processes to ensure that the process is managed fairly and objectively. Key to ensuring we improve our gender pay gap is ensuring diversity of candidates for every role we recruit. Job adverts are reviewed to ensure they are gender neutral and do not have any unconscious gender bias and promote applications from diverse candidates.

It is equally important that through our talent management processes we continue to identify diverse candidates within our succession plans to improve our gender balance in senior positions within the organisation.

We will continuously review, scrutinise and develop our recruitment and talent management processes to eliminate bias and promote diversity across all levels of the organisation.

Flexible Working Practices

We already have a number of highly flexible working practices, such as working from home, part-time or compressed working hours, flexible start and finish times but we believe we can do more.

We will continue to raise awareness of our policies and practices, so employees can achieve the best balance for them and investigate whether there are any further developments that will support improvements in our gender pay gap.

What's Included in our Calculations

Calculations of mean and median pay and of quartile pay bands are based on data from April 2017 only, including ordinary pay and bonus pay.

Ordinary pay is not limited to basic pay, but also includes other types of pay including any allowances. It doesn't include pay for overtime, pay relating to redundancy/termination of employment or the value of benefits which are not in the form of money.

Bonus pay includes any additional pay relating to profit sharing, productivity or performance, whether this is in the form of money or vouchers. In our case, the vast majority of bonus pay is in the form of our annual Short Term Incentive Programme but we do also have other incentives, such as sales incentives and Passion Awards. Calculations of mean and median bonus pay use all bonus pay from the twelve months ending on 5 April 2017.





*If you have any questions about
this report, please contact:*

HR UK and Ireland

Phone: +44-118-206-3333

Fax: +44-118-206-3334

Email: HROP_UK@bayer.com