

Gender Pay Report 2018



Foreword

Over recent years, studies have provided undisputed evidence that inclusive and diverse teams are more innovative and effective. This underlines the need to continue to maximise different thinking, experiences and perspectives in our company.

When we published our first gender pay report last year, we took time to share the results with all senior managers in the UK and reflect on what these figures meant for us. We questioned ourselves with a renewed focus; how can we be a company of choice for the brightest people in our industry, regardless of gender?

I believe that we are leading by example in many ways. Our gender pay gap data compares favourably with national averages in the UK. In 2018 we had 41% of women on our Board, compared with the FTSE100 average of 30%, and we were listed 12th in the 2018 *Hampton-Alexander Review* for women on boards, up from 15th last year.

Globally, compared with five years ago, we have increased the number of women hired into senior roles: women make up 45% of senior leaders today, compared with 40% in 2012, and we are aiming to reach 50% by 2022.

This year, we launched an inclusion and diversity policy and held summits and events for our employees in a number of countries with a focus on inclusion and diversity. Alongside this, we initiated crowd-sourcing activities to encourage the exchange of ideas from employees around the world. And we recruited a new Head of Reward and Diversity in our efforts to increase our activity and achieve real change in this area.

I believe we are on the right track, but we can – and should – continue to challenge ourselves to do better, because at the heart of it, our aim to build an inclusive and diverse company is not just about hitting numbers, or percentages, or fulfilling government regulations. Our commitment is to our people, because it is our people who push the boundaries of science to deliver life-changing medicines to patients.



Pascal Soriot
Chief Executive Officer



12th

in FTSE100 ranking for women on boards (up from 15th in 2017), 2018 *Hampton-Alexander Review*.

45%

of our senior leaders today are women, compared with 40% in 2012.

% women on boards

AstraZeneca

FTSE100 Avg



41%



30%

Introduction

In 2018, we employed 6,448 people in the UK, and our gender balance was almost equal – 53% men vs 47% women. This year, our gender pay gap, which continues to compare well with the UK average, was very similar to that published for 2017.

The gap continues to be driven by the timing of bonuses or other payments to senior executives, and the fact that we have more men than women in senior roles in the UK, and more women than men who work part-time.

As a significant employer in science and manufacturing in the UK, we believe we have an important role to play in encouraging women in science, technology, engineering and maths (STEM). We continue to support initiatives to promote women in STEM through our ambassador work, with more than 60 STEM ambassadors currently partnering with primary and secondary schools in the UK. We also encourage students of diverse backgrounds to enter science and manufacturing through our paid internships, apprenticeship and mentoring programmes.

This year, we took an award-winning leadership role in developing a toolkit produced by the UK Women's Business Council. The toolkit supports organisations within the STEM fields to build greater gender diversity and fill their talent pipeline through the use of metrics.

“We aim to attract, retain and develop the best people, whatever their background.”

Within the company, we are also continuing to invest in our talent strategy which is based around attracting, retaining and developing the best people, whatever their backgrounds. This is because a truly diverse workforce is about every aspect of people's backgrounds, not only gender, but also ethnicity, religion, socio-economic status, sexual orientation and culture.

We're proud of the impact this strategy is having on our workforce. Currently women are being promoted into senior and leadership roles at a higher rate than men – and this is based on performance. You can read stories from some of the women whose careers are thriving at AstraZeneca later in this report.

As a leading biotech company, we constantly push ourselves to achieve more, which is why our strategy – and our investment – are for the long term, and why inclusion and diversity are high on our list of priorities as we continue to help our company and our people deliver life-changing medicines.



Fiona Cicconi
Executive Vice-President, Human Resources



14.9%

Hourly median pay gap – on average men were paid 14.9% more than women

23.5%

Median bonus gap – on average men were paid 23.5% more than women

AZ gender balance

UK employees – 6,448



53%



47%

Explaining gender pay

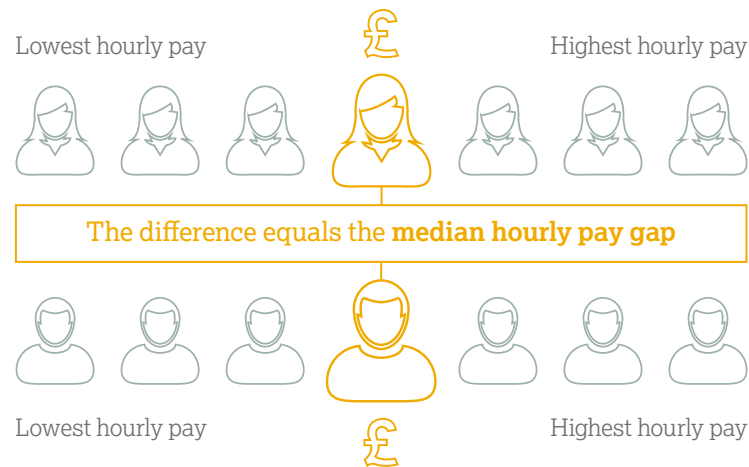
What is the difference between gender pay and equal pay?

Equal pay is a man and a woman being paid the same for doing the same job, or a job of equal value. The requirement of equal pay for equal work has been enshrined in UK law for nearly 50 years.

Companies are required to disclose their gender pay gap by comparing average pay by gender to show the overall balance of pay between men and women. The difference in average pay between men and women – the gender pay gap – can be influenced by many factors, such as the number of women and men at different salary levels within the company, or the number of men and women choosing to work part-time.

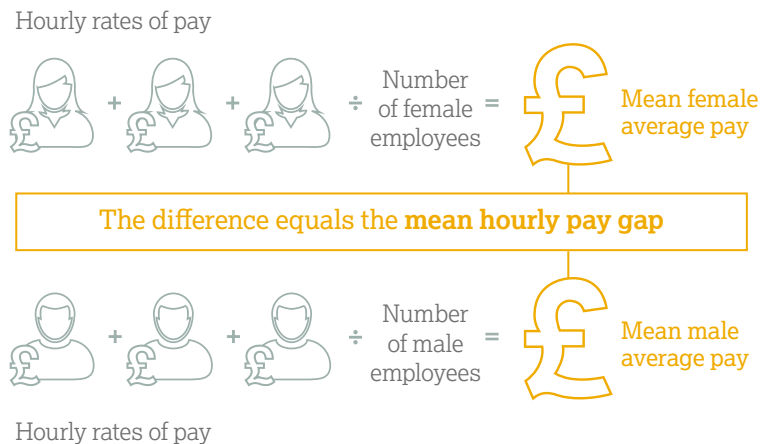
Explaining mean and median pay calculations

The UK Regulations require us to report our median (mid-point distribution) and mean (average) pay and bonus gaps, along with the ratio of men to women in each pay quartile.



Median

The median is calculated by lining up everyone of each gender in order of how much they are paid. The median is the amount paid to the person in the middle of each line. The median gap is the difference between these two numbers, expressed as a percentage. This calculation is done for pay and for bonuses.



Mean

The mean is the average hourly pay across each gender. This is worked out by adding together all the hourly rates of pay for each gender and then dividing the total by the total number of people of that gender. The mean gap is the difference between the two numbers, expressed as a percentage. We report both the mean pay gap and the mean bonus gap.

What is our UK gender pay gap?

Our hourly median pay gap, at 14.9%, is below the UK average of 17.9%

Why the gap?

The hourly median pay gap is driven largely by two factors:

1. The higher proportion of men in senior and executive roles
2. The higher proportion of women choosing part-time roles.

Part-time working

Part-time working affects the numbers because these roles receive pro-rated bonuses based on the number of hours worked, and the statutory calculations don't allow us to take this into account. The flexible arrangements we offer mean that many women find they can combine a rewarding career with having a family, and don't have to choose between the two. Part-time working is, of course, available to men as well, but in practice women tend to choose these arrangements more than men.

Seniority gap

Like many companies, the seniority gap comes from more men taking up careers in science in previous generations. However, things are changing. We now have an almost 50/50 split of men and women in scientific and clinical roles, which were traditionally male dominated. At present, we have more women in junior roles, but we are actively encouraging women to progress to senior roles, which should reduce the pay gap in due course.

How do these numbers differ from last year?

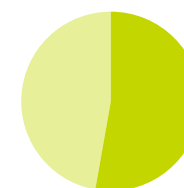
Overall, the pay gap is similar to last year. However, year-on-year comparisons can only give a general impression, because the gender pay gap in any particular year can be heavily skewed by the timing of bonuses or other payments to senior executives, particularly given the higher proportion of men in those senior roles. And change will only happen over the medium to long term, as our efforts to encourage more women to progress into senior roles start to bring results.

AstraZeneca in the UK

Number of employees

6,448

Employees



Male 53%
Female 47%

Bonus recipients



89%



88%

Hourly pay gap

Median

14.9%

On average, men were paid 14.9% more than women

Mean

13.6%

On average, men were paid 13.6% more than women

Bonus gap

Median

23.5%

On average, men were paid 23.5% more than women

Mean

30.6%

On average, men were paid 30.6% more than women

Ratio of men to women in each pay quartile

Lower quartile



Lower-middle quartile



Upper-middle quartile



Upper quartile



How are we promoting gender diversity in the UK?

To promote gender diversity across the company, we need to think about it at every level in the company, and at every stage in an employee's career.

“As our company becomes increasingly diverse, our pipeline has become one of the strongest in the industry. I believe these two factors are closely linked.”

Leif Johansson
Chairman of the Board

Our talent strategy is based around three areas:



This applies to all our employees, whatever their background, and a broad range of aspects of diversity. For the purposes of this report, however, we highlight here just a few of the ways we are promoting gender diversity in the UK, through which we aim to improve our gender pay gap in the medium to longer term.

Our diversity principles

- > We ensure we have equal pay for equal roles based on performance
- > We have a respectful and supportive culture that enables us to attract and retain a diverse workforce
- > We recruit from a broad, qualified group of candidates to increase diversity of thinking and perspective
- > We encourage collaboration and fairness to enable all employees to contribute to their full potential and increase retention
- > We identify and break down systemic barriers to full inclusion by embedding inclusion and diversity in our policies and practices
- > We equip leaders with the ability to mitigate unconscious bias, drive inclusion and psychological safety within teams, manage diversity and be accountable for the results.

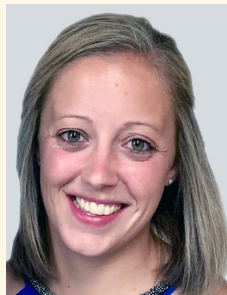
Attract

What this means

We work hard to make sure that the way we recruit appeals equally to men and women. This includes:

- > Using augmented writing software tool to check that job adverts use gender-neutral language
- > Gender-balanced interview panels and shortlists for interview candidates
- > Diversity/unconscious bias training for hiring managers in areas with existing imbalance
- > Focus on sourcing women candidates in areas of greatest leadership gender imbalance
- > Early talent assessment centres with an equal mix of genders attending.

Our strategy in action



After finishing her PhD in Pharmacology in 2013, Dr Beth Williamson worked as a Drug Metabolism and Pharmacokinetics (DMPK) Research Scientist, a DMPK Senior Scientist and a DMPK Team Leader for two other pharmaceutical companies. She joined AstraZeneca in February 2018 as a DMPK Project Representative.

I wanted to work for AstraZeneca because of the opportunities within the company to progress my career. My PhD mentors were, or had been, AstraZeneca leaders, so I also knew first hand the calibre of my would-be colleagues and the level of science.

The job description actively sought women leaders within my department, which I felt really encouraged by. AstraZeneca had very much acknowledged that there was a lack of women in the department and were proactive in addressing this imbalance.

The other thing that really impressed me when I was researching the job was the number of women on the Board. I found this very refreshing.

There's a lot of support here to help women become leaders. I'm part of a cohort of women currently going through the Women

as Leaders course, which highlights the opportunities available to us and helps us develop leadership skills. Women leaders have talked to us about the route to senior management, and we each have a coach and mentor to help us further our careers.

Since I joined, our team of eight has taken on two more women.

My department head and line manager has been particularly supportive. He gets me enrolled for new courses, for example. I think all the support I'm getting is fantastic. It confirms the reason why I moved to AstraZeneca from my previous job. I'm very excited about the opportunities and the path my career has the potential to take.

“One thing that really impressed me was the number of women on the Board.”

Retain

What this means

We're looking at how we can keep talented women working with us, through:

- > Updating maternity - and family-leave policies to be market leading
- > Encouraging managers to be gender-neutral during reward decisions
- > Formal and informal networking opportunities encouraging women to develop careers in STEM
- > A Network of Women and Women's Summits to support women at all career levels
- > Encouraging women and their families to take international assignments which provide them with a rich professional and personal experience
- > Closely monitoring gender diversity in our succession plans.

Our strategy in action



After six years in research roles at other companies, in 2009, Dr Lynne Murray joined MedImmune, the global biologics research and development arm of AstraZeneca, as Head of Biology-Fibrosis. In 2013, she moved to the Partnering & Strategy Group, where she stayed for another four years. In January 2018, she became Director of Science Strategy for AstraZeneca. Several months later, she was promoted to Head of Lung Regeneration.

I've stayed so long in this company because I'm genuinely impressed by the opportunities here for career growth.

I applied for the job of Director of Science Strategy at the end of 2017 knowing that the department is based in Sweden and that we couldn't relocate. We had a child under one and my husband works in the same company in the UK. It was agreed that I could do the job by commuting to Sweden. It's not all about women though – I heard a great talk by senior men at the Women's Summit on raising a family and work-life balance, and it's this kind of thing that gives people confidence that AstraZeneca believes families matter too.

There's also a big push on individual development plans, which is brilliant. For example, I did an executive MBA and was given time off to study for it, and a senior woman within the company mentored me.

I've now got twins and have been on maternity leave since November 2018. I'm involved as much or as little as I want to be with work while on leave, but most importantly I'm kept in the loop about big decisions. The dilemma about maternity leave is the idea that you're putting your career on hold, and I genuinely don't feel that here – in fact, my progression in the past year has been really positive.

“I'm genuinely impressed by the opportunities here for career growth.”

Develop

What this means

As part of the inclusive culture and leadership we are building across the organisation, we invest in robust training to encourage women's professional development.

- > Our Women as Leaders programme aims to encourage more women into senior roles – 320 women have completed the programme, with 200 more expected to complete it this year. 35% of attendees in 2016 and 33% in 2017 were women from the UK. Of those who have taken part so far, 55% have either been promoted, had their remit expanded, or been identified for future promotions.
- > Our Leading People, Leading Self and Leading Business development programmes aim to develop the whole self as a leader, and encourage participants to challenge themselves to recognise and overcome bias and assumptions.
- > We coach women leaders to take on roles that are stretching them beyond their comfort zone.

Our strategy in action



Penny James worked for 14 years in statistical consultancy and Six Sigma deployment and project leadership before joining AstraZeneca in 2008. She started as a Lean Sigma Master Black Belt and in 2011 became Head of Enabling Services. Two years later, she was made Director of Strategic Planning & Operations. In 2014, she became Senior Director of Operations and in 2016, was promoted to Vice President Operations Innovative Medicines and Early Development (IMED).

I'd always imagined myself as a statistician in a consultancy role. I've gone much further than I thought I would at AstraZeneca because I've been encouraged to take those skills and actually lead with them rather than simply consult.

When I was made Head of Enabling Services in 2011 – a director role – it was partly down to the company being willing to put someone in a role that would really stretch them.

I'd been working with many teams in different areas of drug discovery and facilitated lots of problem-solving. A leader in one of those areas wanted someone to head up an operational group, which was something I'd never done before. It was a leap of faith on his part because I didn't have extensive line management experience and I had to manage 25 people globally.

That transition to a director-level role really was the turning point in my career. I now manage about 180 people globally.

The other thing that's been key to my progression was AstraZeneca sponsoring me to take part in an International Women's Forum training programme when I started working as Director of Strategic Planning & Operations in 2013.

AstraZeneca started its own, very similar programme – Women as Leaders – in 2017, and I'm really pleased that a number of people in my organisation have taken part.

In my area of drug discovery, we are now almost 50/50 between men and women in senior positions. Once women see other women in senior positions, it snowballs.

“Once women see other women in senior positions, it snowballs.”

Appendix – statutory disclosures

In April 2018, we employed 6,448 people across three UK companies – AstraZeneca UK Limited, MedImmune Limited and MedImmune UK Limited. These companies reflect acquisitions made in previous years.

- > AstraZeneca UK Limited employed 5,667 people, who are involved across the full range of our activities: research, development, production and commercialisation of our medicines, as well as those working in support and global functions.
- > MedImmune Limited employed 500 people who work mainly on research and development.
- > MedImmune UK Limited employed 281 people who work on supply and quality operations, as well as some working in biopharmaceutical development activities.

AstraZeneca UK Limited

	Female %	Male %
5,667 employees	47	53

	Median %	Mean %
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Hourly pay gap

Gap between male and female hourly pay	13.3	13.5
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Bonus pay gap

Gap between male and female bonuses	25.5	30.9
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	Female %	Male %
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Proportion of males and females receiving a bonus

Proportion receiving a bonus	86.8	88.7
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	Female %	Male %
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Gender split by hourly pay quartile

Upper quartile	38.0	62.0
Upper-middle quartile	46.2	53.8
Lower-middle quartile	52.4	47.6
Lower quartile	51.4	48.6

MedImmune Limited

	Female %	Male %
500 employees	51	49

	Median %	Mean %
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Hourly pay gap

Gap between male and female hourly pay	18.8	20.6
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Bonus pay gap

Gap between male and female bonuses	41.3	36.7
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	Female %	Male %
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Proportion of males and females receiving a bonus

Proportion receiving a bonus	89.9	91.7
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	Female %	Male %
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Gender split by hourly pay quartile

Upper quartile	34.6	65.4
Upper-middle quartile	51.2	48.8
Lower-middle quartile	53.1	46.9
Lower quartile	66.9	33.1

MedImmune UK Limited

	Female %	Male %
281 employees	40	60

	Median %	Mean %
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Hourly pay gap

Gap between male and female hourly pay	-1.2	7.3
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Bonus pay gap

Gap between male and female bonuses	1.1	19.7
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	Female %	Male %
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Proportion of males and females receiving a bonus

Proportion receiving a bonus	96.4	97.6
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	Female %	Male %
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Gender split by hourly pay quartile

Upper quartile	27.9	72.1
Upper-middle quartile	52.9	47.1
Lower-middle quartile	39.7	60.3
Lower quartile	38.2	61.8

Basis of analysis

The figures show the median and mean pay gap based on data as at 5 April 2018 and for bonuses paid in the year ended 5 April 2018. We have complied with The Equality 2010 (Gender Pay Gap Information) Regulations 2017 in calculating our gender pay results. In line with the Regulations, we have excluded those people where data required to calculate the gender pay gap is not readily available. We have also excluded contractors who are engaged through third parties.