



# Gender Pay Gap Report 2017



It's important to us at P&G that we fairly represent the world in which we live and work.

It's why we put equality, diversity and inclusion at the centre of how we do business, the products we sell and the way we advertise them.

These form part of our core beliefs and are an important part of helping us deliver our vision.

Diversity is about making sure we have the right mix of talented people.

Inclusion is about using that diversity to make us all stronger.

It takes both.

Our vision:

Everyone Valued.  
Everyone Included.  
Everyone Performing  
at their Peak.<sup>TM</sup>

# Section 1

## Committed to Diversity & Inclusion

### Encouraging dialogue and action: We don't just say, we also do.

Our commitment is a bias towards action: seeing something, saying something and then doing something about it.

P&G is taking deliberate steps inside and outside the company to create a trusting workplace environment for dialogue, to understand unconscious bias and to share best practices.



Using our advertising to raise awareness and spark conversations around gender bias, and to motivate change, such as the Always #LikeAGirl, #WeSeeEqual, and Fairy's Fair campaigns. We're also part of the UN Women-led Unstereotype Alliance, which is focused on addressing and eliminating stereotypes in advertising around the world.

The Always [#LikeAGirl](#) campaign is committed to keeping girls' confidence high during puberty and beyond: transforming the phrase #LikeAGirl from an insult to a positive compliment is a small step in the right direction. The [Fairy's Fair](#) campaign starts the dialogue around who does the daily chores and whether these are being equitably split within the household.

Helping to remove barriers to education for girls and increasing economic opportunities for women throughout social impact programmes and advocacy efforts.

Our partnership with **The Global Shapers Community** to help raise awareness among young people about gender equality, including a grant to support youth-led initiatives that further gender equality.

Through our partnership with **WEConnect International** and **UN Women** in 14 countries, we're providing training to women entrepreneurs to develop their capabilities and help them grow their businesses.

Creating an inclusive environment within P&G with 50-50 representation of women and men in all parts of our company.

Men can help by **amplifying the voices of women** in the company — recognising women's contributions and making sure they get credit. They can also make a difference by seeing gender stereotypes for what they are and alerting others to them, too.

We work closely with Catalyst to offer **MARC (Men Advocating Real Change)** training to help men understand the role that they can play to support women.

We recognise that there is still a lot more to do – as individuals and as a company, and we are committed to make even more

For more information about our journey in Diversity & Inclusion at P&G please click [here](#).

## Section 2

# Measuring the Gender Pay Gap

### Gender Pay is not the same as Equal Pay

Equal pay considers the differences in pay between men and women who do the same or similar jobs, or jobs where the work is of equal value. It is illegal to pay people differently for the same work simply because of their gender.

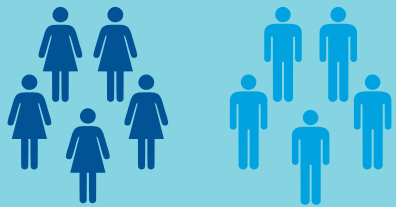
The gender pay gap measures the difference in average pay between men and women across a total organisation, regardless of the specific work they perform, and therefore it is also affected by the demographics and representation in the various parts of our organisation.

### There are many reasons why a pay gap may exist

Some of the reasons are outside the control of the workplace, such as the careers advice given to girls and the lower numbers of girls choosing further education and jobs in science, technology, engineering and maths (STEM) disciplines.

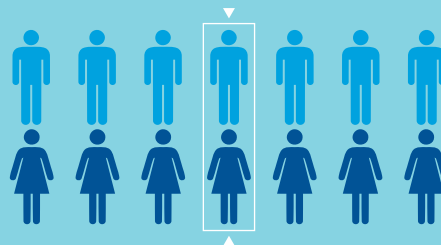
### Employers can help make a difference

There are positive steps that many companies, including ourselves, are taking in the workplace to help eliminate the gap, such as working towards balanced numbers of men and women employed throughout a company, making available roles that offer flexible working options and promoting senior female role models and mentors to help women progress.



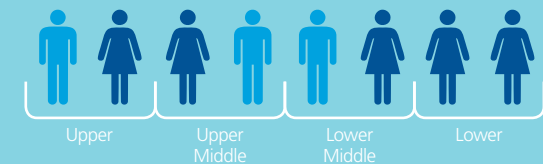
#### Mean Pay Gap

The mean gender pay gap is the difference in the average hourly pay for women compared to that of men within a company expressed as a percentage of male pay. To calculate the mean, add together all the women's hourly pay rates and divide by the total number of women. Do the same for men.



#### Median Pay Gap

Imagine lining up all the women, and separately lining up all the men, in ascending value of hourly pay rate. The median pay gap is the difference between the hourly pay for the middle point woman compared to that of the middle point man expressed as a percentage of male pay.



#### Pay Quartile

Imagine lining up all the men and women together from highest to lowest paid and then splitting them into 4 equally sized groups (termed a quartile) and showing the percentage of men and women in each of those quartiles.



## A matter of principle

Our pay and reward systems are designed to minimise the potential for bias and we have confidence from our pay equity audit data, which takes into account legitimate drivers of pay – like job level and performance – that we have no intentional or unintentional statistically significant differences in pay due to gender.

We stay true to our principles through well-defined compensation policies and systems which are intentionally designed to minimise potential for bias. We also carry out robust pay equity audits to ensure our pay systems are working as intended.

### Our principles include:

- Pay is tailored to each employee's performance
- Pay is competitive within the marketplace
- Independent salary planners help managers create personalised pay plans based on the employee's performance

## Insights reduce oversight

Comparing mean or median pay differences is fine for determining the overall gender pay gap.

However, these simple statistical analyses which do not necessarily take into account legitimate drivers of pay — like job level and performance — do not provide insight into the cause of these gaps and whether any gaps are due to gender-related pay differences.

Potentially, this could lead to the wrong conclusions and thus wrong actions.

This is why we run more vigorous analysis through our pay equity audit process, which showed we have no intentional or unintentional statistically significant differences in pay due to gender.

## Section 3

# Gender Pay Gap Data 2017

### Total P&G in Great Britain

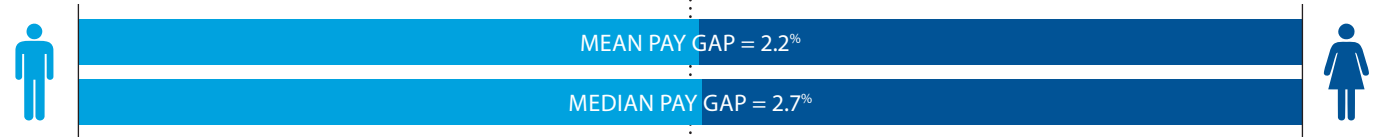
Under the new government regulations, employers must publish their gender pay gap for all legal entities, with more than 250 employees in Great Britain.

The Procter & Gamble group has three entities in Great Britain for which we need to calculate and publish gender pay gap data.

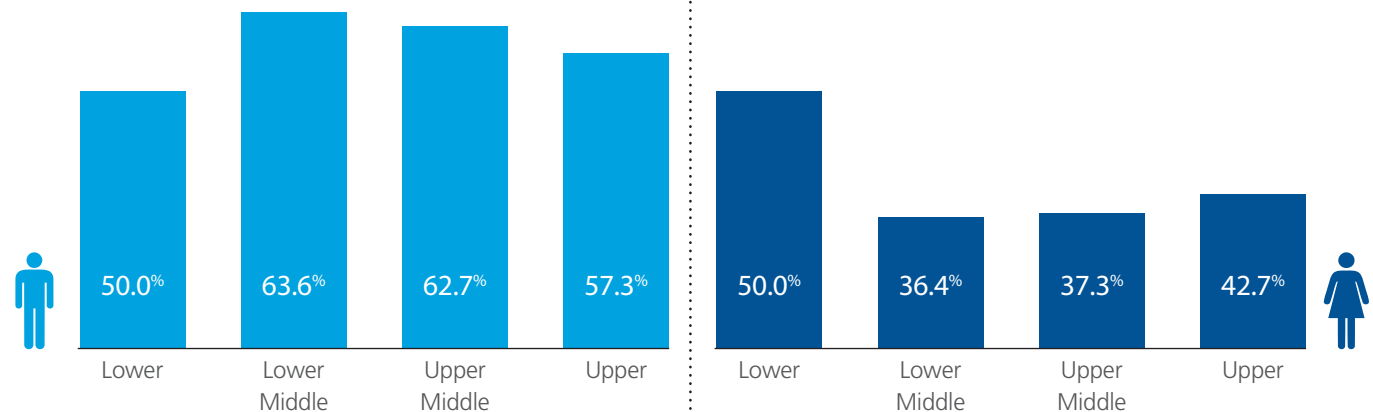
We have also chosen to provide data for the whole of our UK Business which includes all Procter & Gamble entities in Great Britain and comprises more than 2,500 employees in total working across Research & Development, Manufacturing & Distribution and the Commercial business.

Our data for the total P&G business shows a mean pay gap of 2.2% and a median pay gap of 2.7%. As a benchmark, the latest confirmed data from the Office of National Statistics puts the UK mean pay gap at 17.5% and the median pay gap at 18.2%\*.

### Women's Hourly Pay:



### Representation of men and women by pay quartile:




### Women's Bonus Pay:



### Who received bonus pay:

  
**12.2%**  
OF MEN

  
**7.9%**  
OF WOMEN

\*Annual Survey of Hours and Earnings (ASHE) Gender Pay Gap Tables SIC2007 Table 4.12 Gender Pay Gap 2016.  
Our gender pay gap data has been calculated using the pay data of our UK employees, working in the UK on 5<sup>th</sup> April 2017.

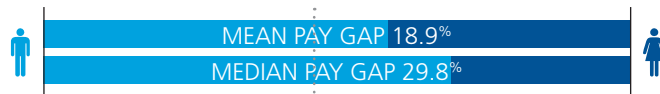
# Gender Pay Gap Data 2017

## P&G UK

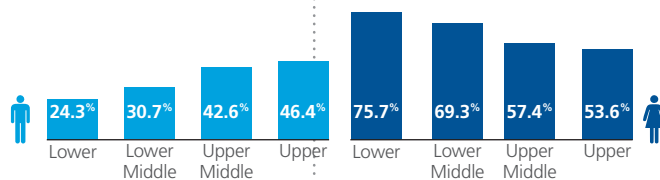
There are around 600 employees within this entity, covering a range of functions including sales and marketing, finance, HR and supply network operations. With beauty consultant, administrative and technical, management and senior management roles, up to vice president level, represented.

For the sector in which P&G UK falls, the median gender pay gap is 23.4% and the mean gender pay gap is 23.2%\*.

### Women's Hourly Pay:



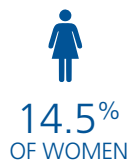
Representation of men and women by pay quartile:



### Women's Bonus Pay:



Who received bonus pay:



## P&G Technical Centres Ltd

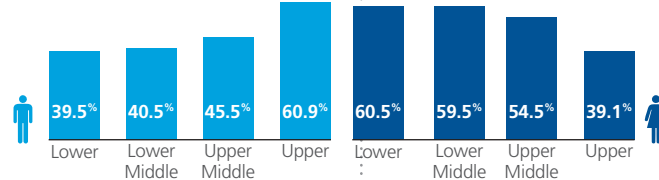
There are around 1,000 employees within our P&G Technical Centres entity, covering a range of functions such as research & development, finance and accounting, supply network operations and information systems. Both administrative and technical management and senior management roles up to director level are represented.

For the sector in which P&G Technical Centres falls, the median gender pay gap is 23.4% and the mean gender pay gap is 23.2%\*.

### Women's Hourly Pay:



Representation of men and women by pay quartile:



### Women's Bonus Pay:



Who received bonus pay:



## P&G Product Supply Ltd

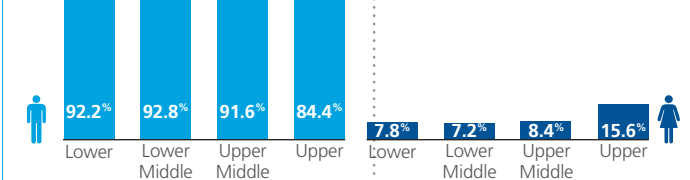
There are around 700 employees within this entity, covering a range of functions supporting our manufacturing and distribution operations. Most roles represented are at an administrative and technical levels with management roles represented up to associate director level.

For the sector in which P&G Product Supply falls, the median gender pay gap is 22.3% and the mean gender pay gap is 18.5%\*.

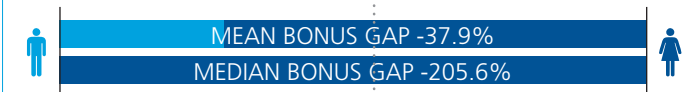
### Women's Hourly Pay:



Representation of men and women by pay quartile:



### Women's Bonus Pay:



Who received bonus pay:



\*Annual Survey of Hours and Earnings (ASHE) Gender Pay Gap Tables SIC2007 Table 4.12 Gender Pay Gap 2016.

# Key drivers of our gender pay and bonus gaps

Our pay and reward systems are designed to minimise the potential for bias and we are confident from our pay equity audit data, which takes into account legitimate drivers of pay – like job level and performance – that we have no intentional or unintentional statistically significant differences in pay due to gender.

Our gender pay gaps are predominately driven by differences in the number of men and women at the different job levels within our organisation.

Similarly, given that the main element of bonus pay is management incentive pay, some entities having less women in senior manager roles is a driver of our gender bonus pay gaps.

Whilst we are proud some of our entities have gender parity at management and senior management levels – for example, in P&G UK more than 50% of managers and senior managers are women – we know we need to continue to take appropriate action, in each entity across our total UK organisation, to improve female representation.

At P&G, pay is uniquely tailored to every individual.

It can be impacted by factors such as performance as well as by the choices our employees make on how they receive their pay e.g. choosing to sacrifice salary into a childcare voucher scheme or choosing to take incentive pay as either cash or options.

These factors, which are not directly related to gender, may also be influencing the data.



## Section 4

# Continuing Our Journey

Whilst we are proud of the progress we're making, we aspire to build a better world for all of us – inside and outside of P&G – free from gender bias and with an equal voice and equal representation for women and men. A world where everyone sees equal, just as [#WeSeeEqual](#).

### The next steps for sustainable impact

We have identified four areas we believe are key to making a sustained impact on the gender pay gap both within the company and to contribute to societal change.

#### 1 Gender diversity in recruitment

P&G is widely recognised as a leader in global innovation within the consumer products industry. It is vital that we continue to recruit diverse people and ignite their potential. We ensure gender-neutral recruitment language is used, and our certified interviewers are trained in recognising unconscious bias. Through skills-based tests and structured interviews, we are further reducing factors that may influence bias.

We are proud of the strong links we've built with universities, local colleges and schools. Our focus on STEM (science, technology, engineering and maths) is towards girls and boys as they make pivotal choices that will

affect their future careers. We highlight the variety of jobs that are needed in innovation to create consumer products that will delight those who use them and inspire those who create them.

"As a robotics specialist at P&G, I'm working with cutting edge artificial intelligence to improve business capabilities. Many young girls are put off careers in STEM as they think coding is anti-social, but it's a collaborative business, all about using collective brain power to crack problems!"

**Sinead Devine**  
Digital Leader for Financial Services  
& Solutions P&G, Newcastle-Upon-Tyne

#### 2 Flexible working

Our flex@work ethos is more than a policy or programme – it's a business strategy that's at the heart of our working culture. We recognise that traditional schedules may no longer fit the rhythm of many of our career and life needs. Personalised, flexible

work schedules are proven to deliver improved business performance.

A flexible environment is also one in which different thinking and working styles are valued. Each workplace team is encouraged to understand how to enable every team member to perform at their best and help them achieve better business results, faster: inclusion in practice.

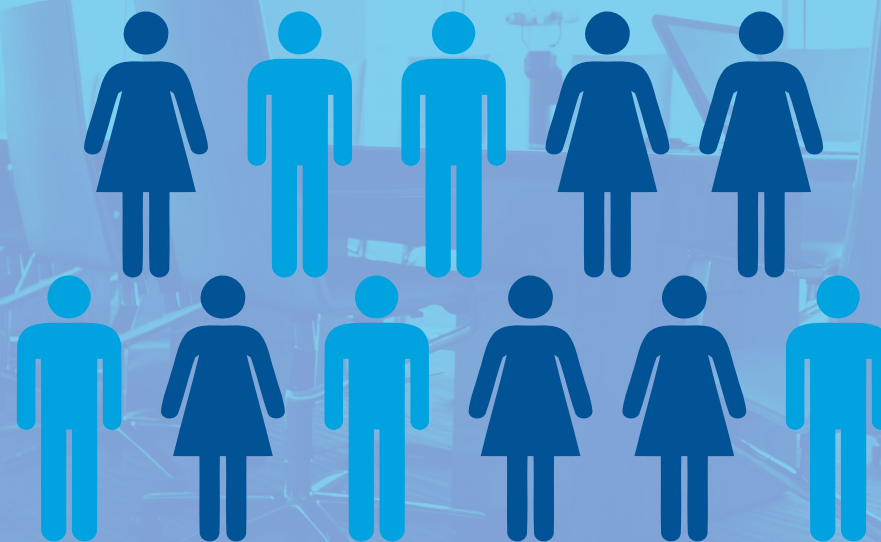
"My flex@work journey started when a colleague and I persuaded the Lab Director to trial the idea of 'job-sharing': after 10+ years of a reduced work schedule across different business units, different managers and different countries within P&G, I'm proof that it can be done, having progressed my career to Director. I've found the set-up to focus my mind on the things that are most important. P&G encourages employees to explore the set-up that would be right for their personal circumstances."

**Anne Stewart**  
R&D Director of Global Gillette  
Innovation Centre, Reading

### 3 Parental leave & returning to work

Starting a family has often meant women putting their careers on hold. In a world where [#WeSeeEqual](#), we've been working hard to meet the needs of mums and dads through enhanced maternity pay, shared parental leave and policies and benefits which enable families to make the choices which work for them.

After having their first child Helen and Paul, both P&G employees took advantage of the Company's flex@work programme. This has allowed them to share childcare by working a 90% work schedule each and ensured that their skills were retained and maximised within their new part-time arrangement.



In the UK, the Board of Directors of the Company that form the partnership comprise 11 Directors, of which 6 are female.

### 4 Promotion and career development

We are committed to achieving gender balance at all levels and divisions of the company. In the UK, P&G hires women and men equally at entry level. Our talent development committees ensure equitable career sponsorship and mentoring of both women and men so that each can develop to their full potential.



"I am proud that our mean pay gap across our entire business in Great Britain is 2.2%. It is testament to the principles and the systems we have in place.

To be clear however, a 2.2% pay gap does not mean the job is done. There is so much more we can and will do. We are keen to see more women succeeding in STEM careers. We are keen to push the boundaries on flexible working solutions. We are keen to continue to use our advertising to shape gender equality. We are keen to make sure every single woman we recruit can achieve the absolute maximum of her potential.

We deeply believe in this work; it is the right thing to do and it creates better business results."

**Tom Moody**  
General Manager and Vice President

## Declaration



I confirm that the information and data reported here is accurate and fulfils our responsibility under the UK Government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

*Helen Tucker*

**Helen Tucker**  
HR Director  
P&G Northern Europe