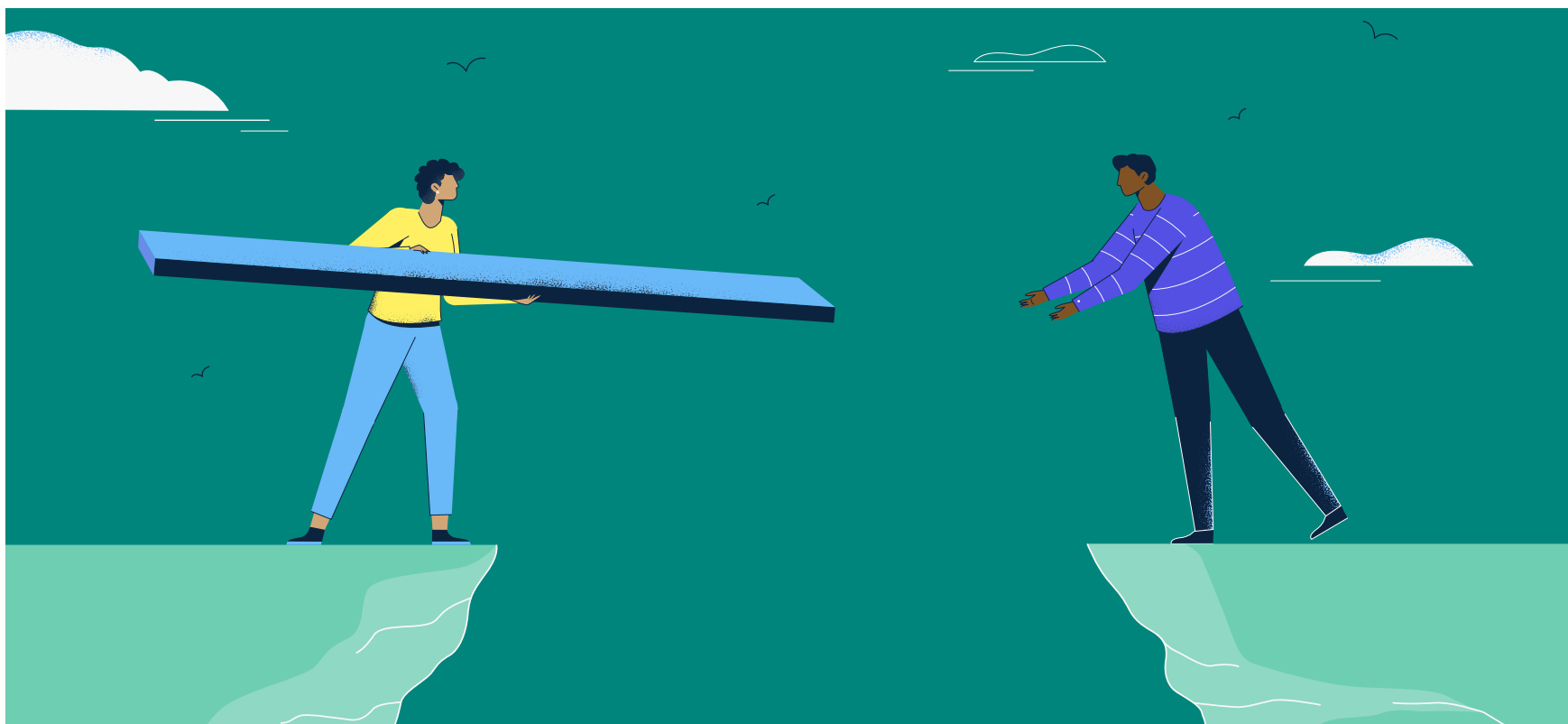
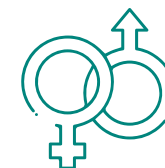


Ireland Gender Pay 2022



At MSD, we are committed to fostering a more globally diverse and inclusive workforce for our employees by creating an environment of belonging, engagement, equity, and empowerment where our people are our strength. We aim to support people to be their best and whole selves in the workplace. Diversity, Equity and Inclusion (D,E&I) are not just words at MSD – they are the reason we can deliver innovative life-saving, life changing medicines and services to humans and animals across the globe.

The Gender Pay Gap Information Act 2021 introduced the legislative basis for gender pay gap reporting in Ireland. The Act requires organisations to report on their hourly gender pay gap across a range of metrics. This is the first year that MSD in Ireland have collated, analysed and published our gender pay gap data and we appreciate the opportunity it offers us to reflect on our achievements and identify areas that require further action from us a leadership team. Whilst we are required to conduct an annual Gender Pay Gap analysis to meet legislative requirements within Ireland, doing so also aligns to our values of transparency and is embedded in our focus on embracing diversity and inclusion. The overall numbers presented within this report combine pay data from all of our Irish businesses: Human Health, Animal Health and Manufacturing representing our legal entities of MSD International GmbH, MSD Ireland (Human Health) Ltd., MSD SBS EMEA Ltd., IdentiGEN Ltd and Intervet Ireland Ltd (Animal Health).

These results are a reflection of our organisation from the period July 2021 to June 2022.

The results of the analysis are included in this report and while we are delighted as a Company that we are considerably below the national and European averages in terms of our gender pay gap, we recognise that we have work to do to reduce the gap and we will use the detailed analysis from this study to further focus our actions in 2023.

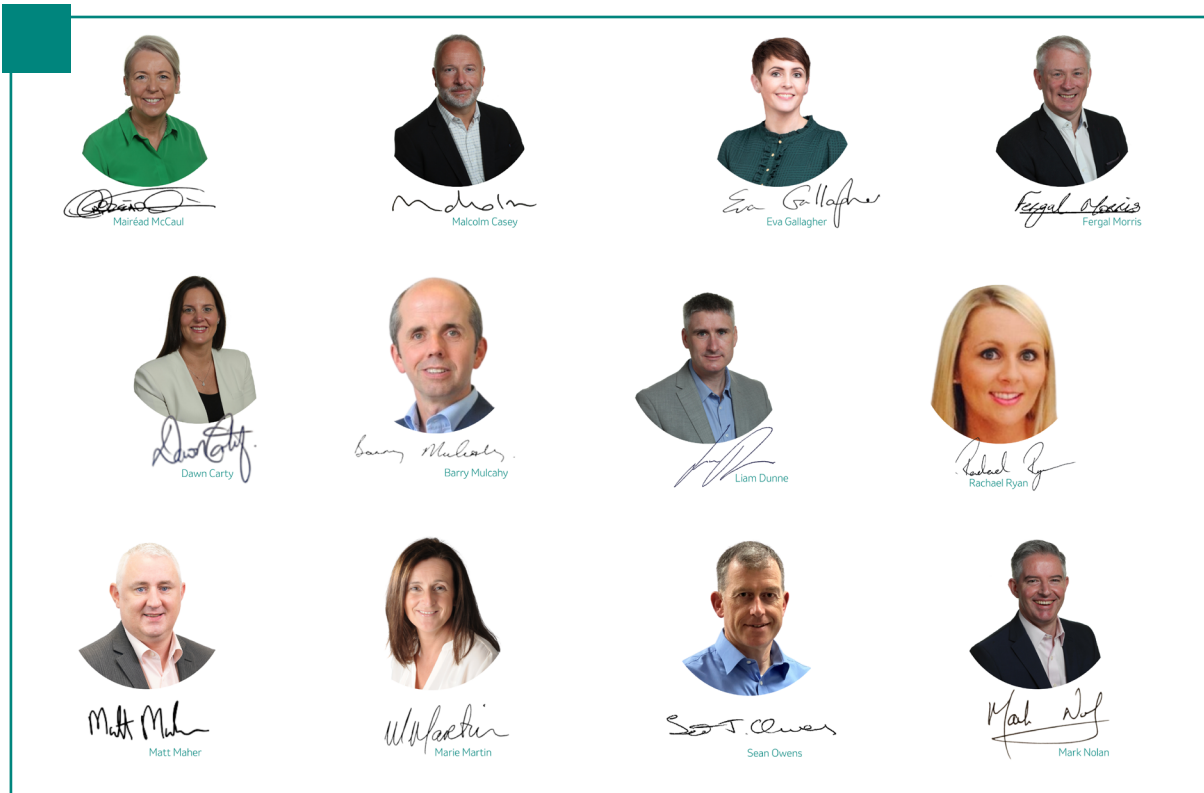
As you will know, we operate in a world that relies heavily on people that have entered into it over the past 30 plus years that have come from professions traditionally pursued by males like engineering, manufacturing and science. While society, business and Government have made great strides opening up these careers to females a lot more needs to be done. We're proud that our talent attraction and retention approach has improved our gender pay gap substantially and we continue these efforts.

Each year, we will use the Gender Pay Gap findings to hold ourselves accountable for addressing the gaps we have identified throughout the Company. This year's results have highlighted the need for us to increase our efforts in some areas and we are confident that we can take the necessary steps to reduce the gap in future.

Our commitment to recognising diversity is central to our culture at MSD Ireland, and we're proud to offer employees opportunities and a working environment that enables them to be their authentic selves at work every day. We are very proud of the progress we have made in our D,E&I efforts and as the Country Leadership Team we are committed to continuing to build on our progress and strengthen our culture for all of us across MSD Ireland.

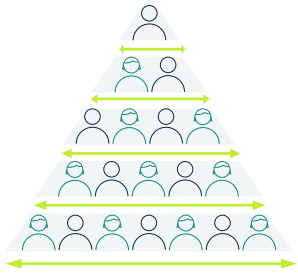
Kind Regards,

Country Leadership Team



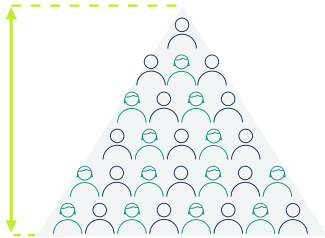
Understanding the calculations

It is important to understand that equal pay is not the same as the gender pay gap, and the two concepts should not be confused.



Equal Pay

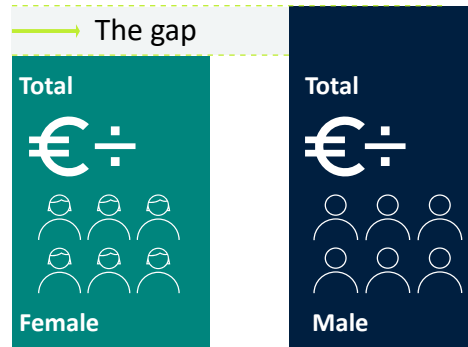
Equal pay requires that female and male carrying out the same or similar work in the same employment must receive the same pay.



Gender Pay Gap

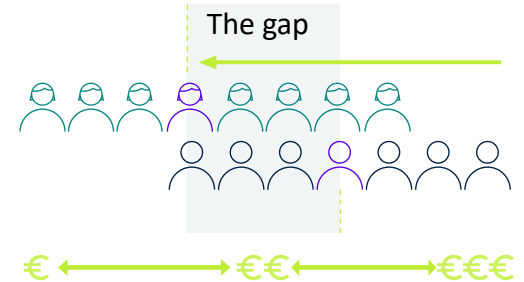
However, the gender pay gap measures the difference between the earnings of female and male across the business, regardless of the work they do. This is expressed in mean and median earnings, based on equivalent hourly rates, and is shown as a percentage of male earnings.

Mean:



The mean is calculated by adding up the total pay of employees and dividing by the number of employees. The calculation is completed separately for male and female and the means are compared.

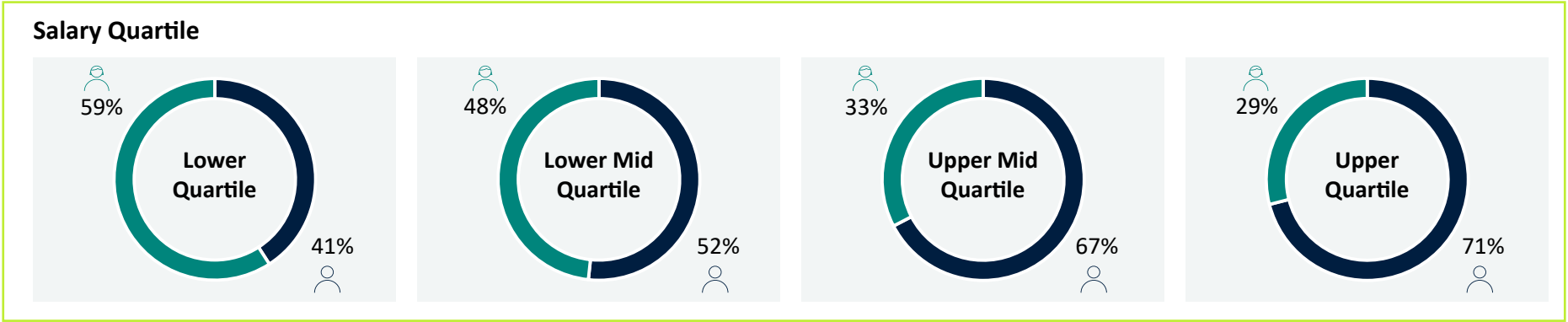
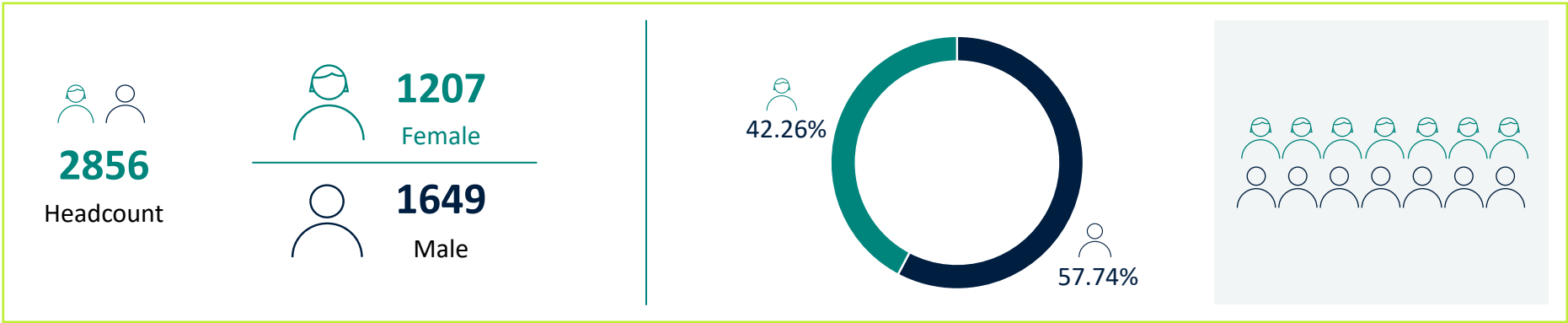
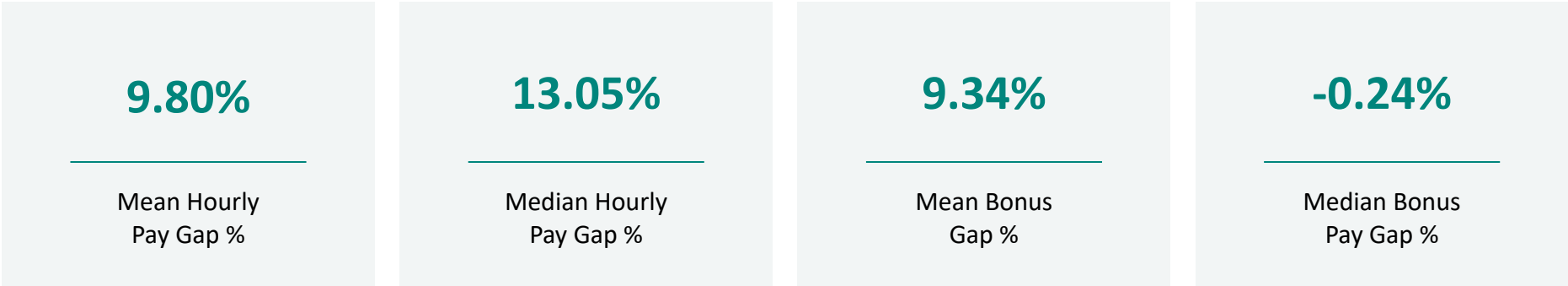
Median:



The median is the middle number of a ranking of pay from lowest to highest and gives us the best view of 'typical' pay. The calculation is completed separately for male and female and the medians are compared.

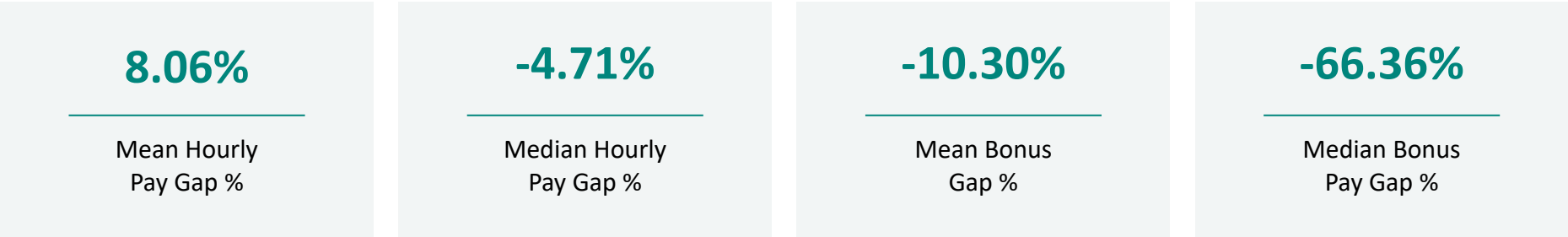
It is important to note that the Ireland Gender Pay Gap legislative requirements are binary in regards to gender (specifying female compared to male). Whilst we are reporting our statistics in accordance with the legislation, at MSD, we recognise and support all gender identities.

MSD Overall Gender Pay Gap Results 2022

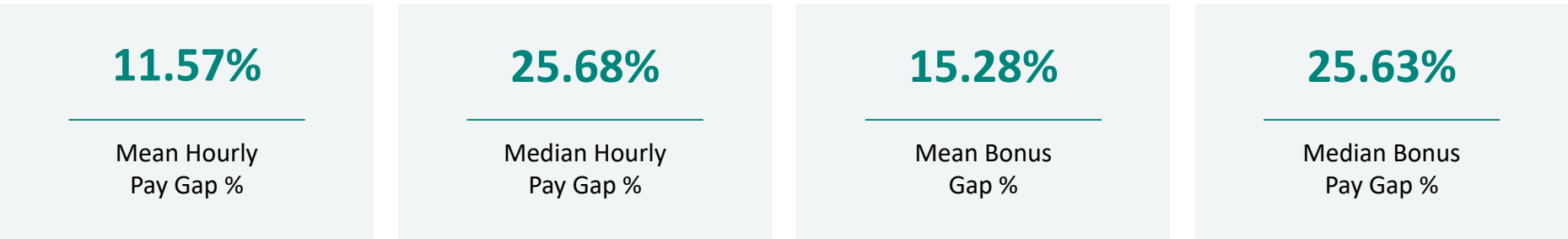


MSD Overall Gender Pay Gap Results 2022

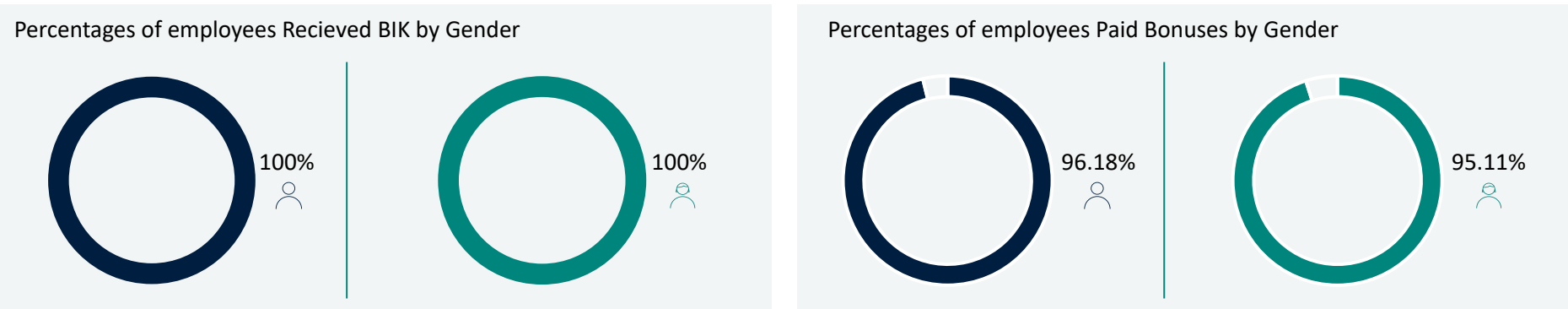
Part-time employees



Temporary contracts



Proportion of male and female employee paid bonus pay & benefit



Analysing the Gender Pay Gap

Hourly pay gap:

Our gender pay gap report shows a mean hourly pay gap of 9.80% and median pay gap of 13.05%. This gap is caused by a number of factors but the main reason is due to the greater representation of males in comparison to females in our organisation. The composition of our organisation across different levels is also a driver of this gap and as we have 58% males in our company and accordingly there are more male employees in senior levels (i.e. bands 500, 600, and 700).

As you may have read in the introductory note, MSD relies heavily on people that have entered into the workforce in the past 30 years. When we consider our Millennials (born 1981 -1994) the mean hourly pay gap reduces to 7.70%. When employees in our GPG data are filtered to Generation Z only (born after 1995) the hourly pay gap again decreases dramatically to a negative figure of -6.92%. This highlights that we making positive steps to attain parity amongst our younger staff which is really encouraging but we understand it will take time to eliminate in full our GPG.

Bonus Pay gap:

The bonus pay gap tracks very closely to the overall hourly pay gap at 9.34% and has the same underlying causes; the composition of our organisation and males being more likely to be at senior levels within the organisation.

Part-Time:

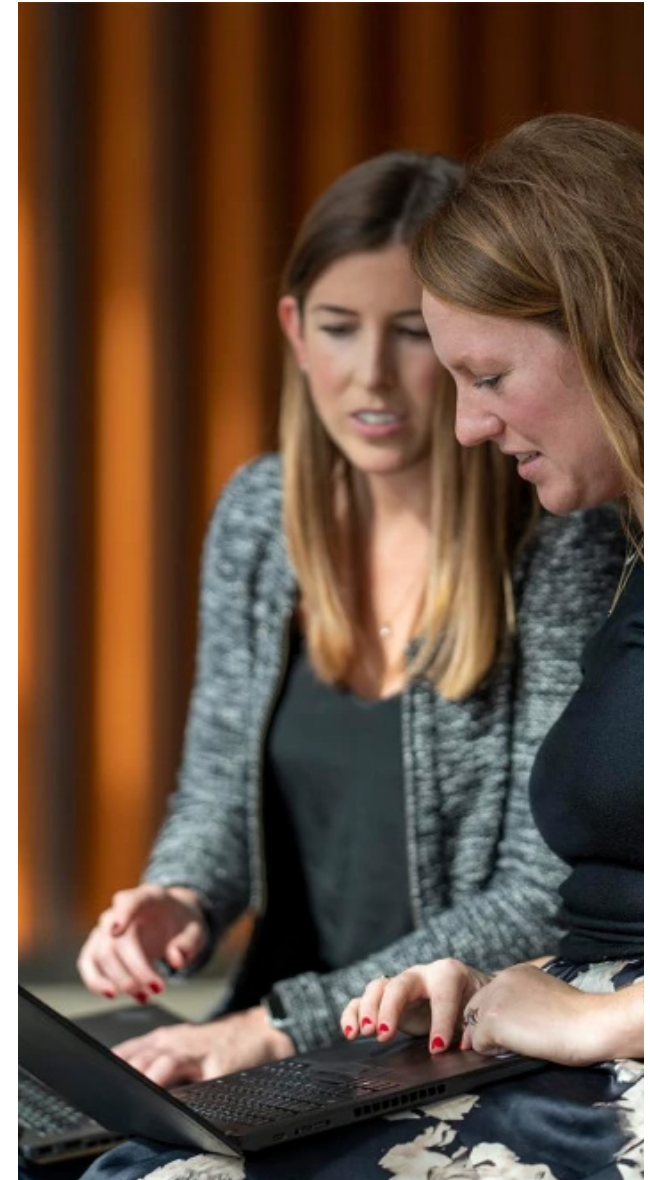
Part-time employees have the smallest gap of 8.06% and in fact have negative median pay, mean bonus, and median bonus. Females are much more likely to work part-time, making up 90.28% of part-time workers.

Temporary Workers:

Temporary workers have the largest mean hourly pay gap of 11.57%.

Benefit in Kind:

The gender pay gap reporting obligations in Ireland relate to the percentage of males and females who receive a Benefit in kind. For MSD, all employees are automatically included in a Death in Service life protection benefit. This along with a wide array of other benefits mean that all MSD employees are in receipt of a Benefit in Kind and as such there is no gender Benefit in Kind gap.



Our Diversity & Inclusion Commitments



OUR PURPOSE

Compel a more globally diverse and more inclusive workforce for our employees by creating an environment of belonging, engagement, equity, and empowerment so that we can ensure patients experience ultimate health outcomes.

OUR STRATEGIC FRAMEWORK

-  Strengthen the **FOUNDATIONAL ELEMENTS** of diversity
-  Ensure **ACCOUNTABILITY** to drive an inclusive culture
-  Continue to leverage diversity & inclusion to ensure **BUSINESS VALUE**
-  **TRANSFORM** the environment, culture, and business landscape

WE TAKE A HOLISTIC APPROACH TO DIVERSITY & INCLUSION

ensuring it is embedded throughout the lifeline of the organization



WHERE DO WE WANT YOU TO BE ALONG THIS JOURNEY?



THINKING:

I have greater opportunities to be an integral part of our diverse and inclusive culture



FEELING:

I am empowered to bring my authentic self to work so I can focus on contributing to the organization



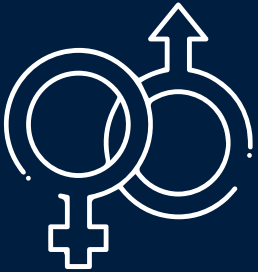
DOING:

I hold myself and others accountable for driving diversity and inclusion throughout the company

Ireland's D,E&I

Our desire from a country perspective is that D,E&I becomes part of our DNA. It is not something that we want to do as an 'event', it is something that we want to be deeply engrained in our culture and lived through our behaviours – where people can truly bring their whole selves to work.

We actively encourage everyone to be themselves and bring their whole selves to work every day. Through this, we believe we will create fully diverse teams that will deliver our best innovations and cultivate an inclusive environment where everyone is able to contribute their best ideas.



Our Diversity & Inclusion Commitments (Cont'd)



Continuing our D,E&I Journey

In 2022, we were delighted to launch our new global identity to represent total rewards at MSD – All About You; Live | Earn | Grow encompassing benefits and wellbeing, compensation, and career development.

We will continue to focus on actions that we believe are supportive of all through our Live, Earn Grow team and we got great responses and feedback to the activities in 2022 where we focused on menopause in the workplace, mental health, nutrition and de-cluttering to name a few.

We will continue to support our Ireland D,E&I team who did fantastic work this year in supporting colleagues and driving conversation and curiosity through our webinars such as Experiences of Racism in Ireland, How Psychological Safety creates High Performing Teams & Personal Branding through our female network.

We will continue our D&I Learning Journey through the global framework that enables each of us to build the capability and confidence to help shift our mindsets and behaviours to support a more diverse, equitable and inclusive culture.

The Learning Resource Centre which contains the Diversity and Inclusion learning resources essential to workplace success.

Where do we want **you** to be along this journey?



THINKING:

I have greater opportunities to be an integral part of our diverse and inclusive culture



FEELING:

I am empowered to bring my authentic self to work so I can focus on contributing to the organization



DOING:

I hold myself and others accountable for driving diversity and inclusion throughout the company

Wage elements included within the calculations

Gender Pay Gap (GPG): To determine the Gender Pay Gaps, as defined in the regulations, the following pay elements have been used, as provided by MSD across the different entities: basic pay, car allowance, shift pay, housing payment, maternity & paternity allowances, relocation pay, and holiday pay received in the 12 month period prior to the snapshot date of 30th June 2022.

Gender Bonus Gap (GBG): All bonuses paid to relevant employees in the 12 months prior to the snapshot date of 30th June 2022 have been included for the gender bonus gap metrics. Bonuses included across the different MSD entities were: Bonus pay, annual incentive plan, sales incentive bonus, dividend payments, referral bonus, deferred cash award, recognition & inspire award, and Restricted Stock Units ; inclusion of these is defined in the regulations.

