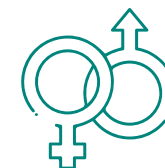


# Ireland Gender Pay 2023



At MSD, we are dedicated to fostering an ever more diverse and inclusive environment where all of our employees are empowered to be their best and whole selves in the workplace. Diversity, equity and inclusion (DE&I) are at the heart of our purpose to save and improve lives. Continuing our commitment to a company culture of belonging, engagement, equity, and empowerment is at the forefront of our corporate strategy. By taking a holistic approach to DE&I and ensuring it is embedded throughout our organisation, we can better represent the people and communities we serve.

While conducting annual Gender Pay Gap analysis is a legal requirement in Ireland, it also aligns with our values of transparency and inclusion. By making this information visible, we hold ourselves accountable to drive real change within our organisation. We are pleased to report that our gender pay gap of 9.65% is considerably below the national and European averages and indeed we perform very strongly compared to many other organisations. However, we understand that there is still work to be done in reducing this gap. The detailed analysis from this study will guide our actions as we strive to further address this in 2024.

We will continue to collaborate as a community with the support of our Employee Business Resource Groups (EBRGs) and our integrated DE&I business strategy.

The figures presented in this report encompass data from MSD Ireland and our operations across the country including Human Health, Animal Health, and Manufacturing, which represent our legal entities: MSD International GmbH, MSD Ireland (Human Health) Ltd., MSD SBS EMEA Ltd., IdentiGEN Ltd, and Intervet Ireland Ltd (Animal Health).

We confirm the data reported is accurate, in accordance with the requirements of The Gender Pay Gap Information Act 2021. Please note that the results presented here reflect our Gender Pay Gap as from the period July 2022 to June 2023, and this is explained in more detail on the following page.

Kind Regards,

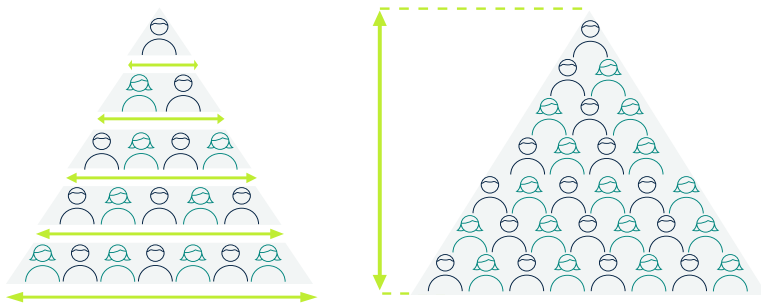
**Country Leadership Team**



# Understanding the results

When examining the results, 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 vs Gender Pay Gap



### 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.

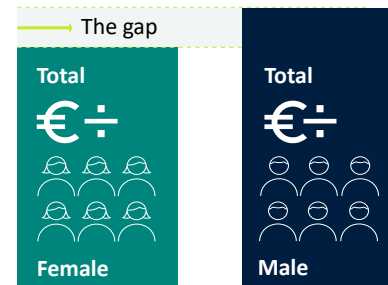
### Gender Pay Gap

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.

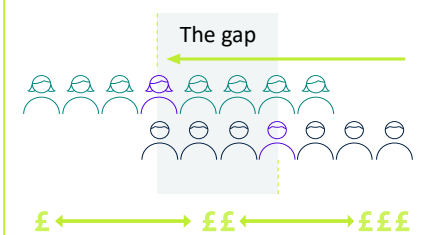
### Mean:

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.

#### Mean:



#### Median:



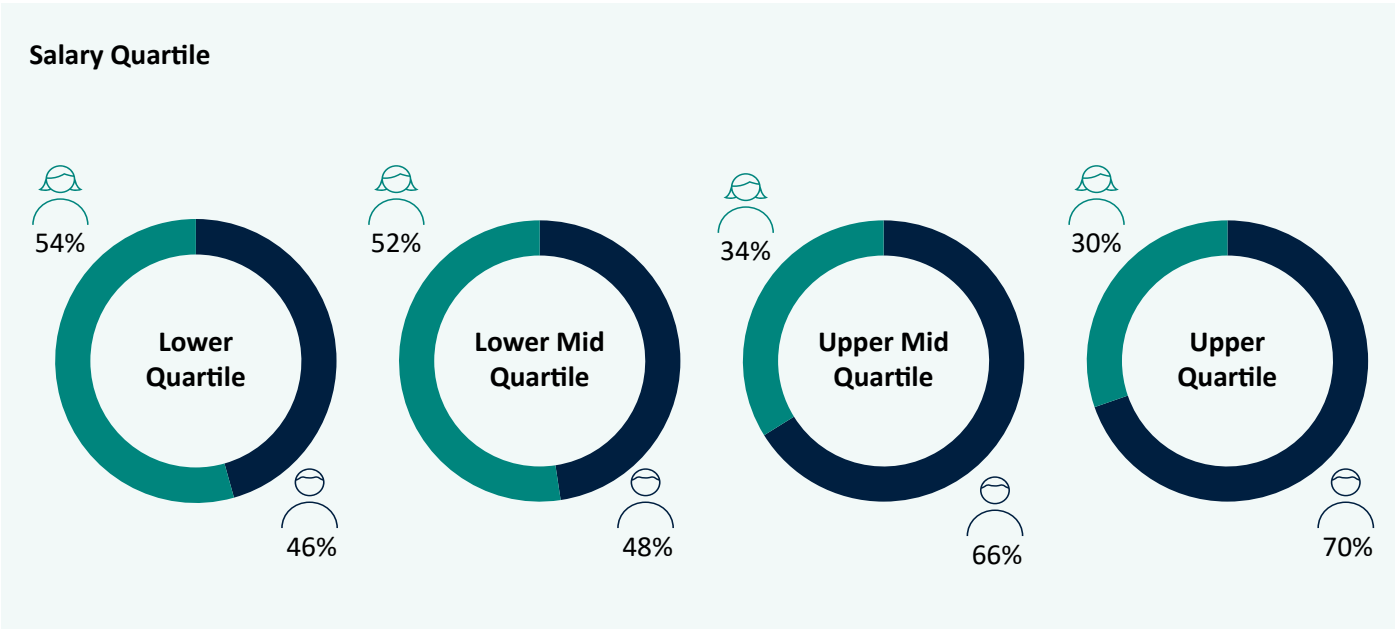
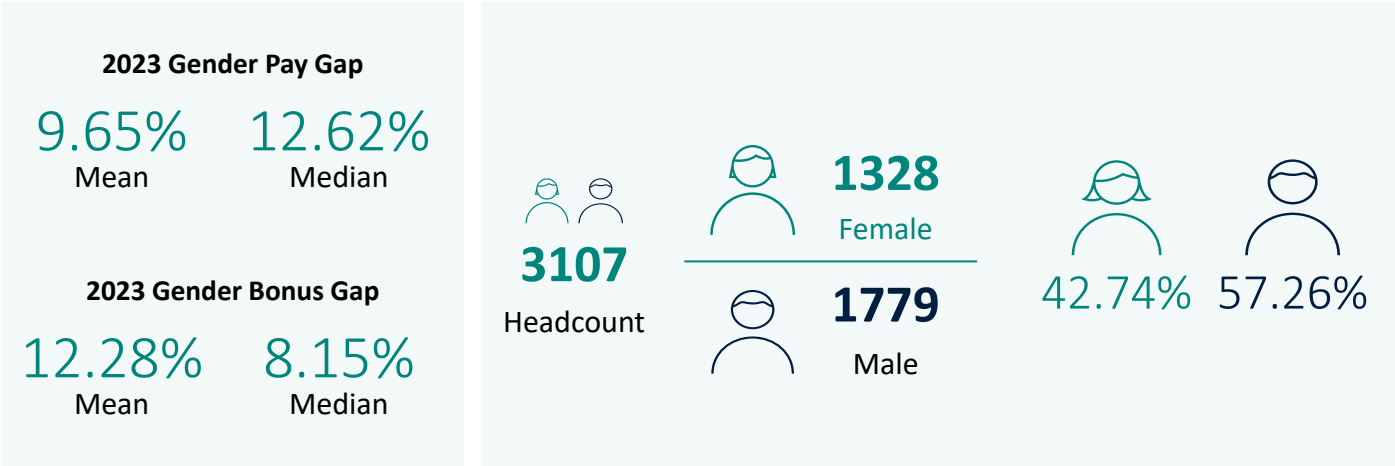
### Median:

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 2023

## MSD Overall Gender Pay Gap (GPG) and Gender Bonus Gap (GBG) Results

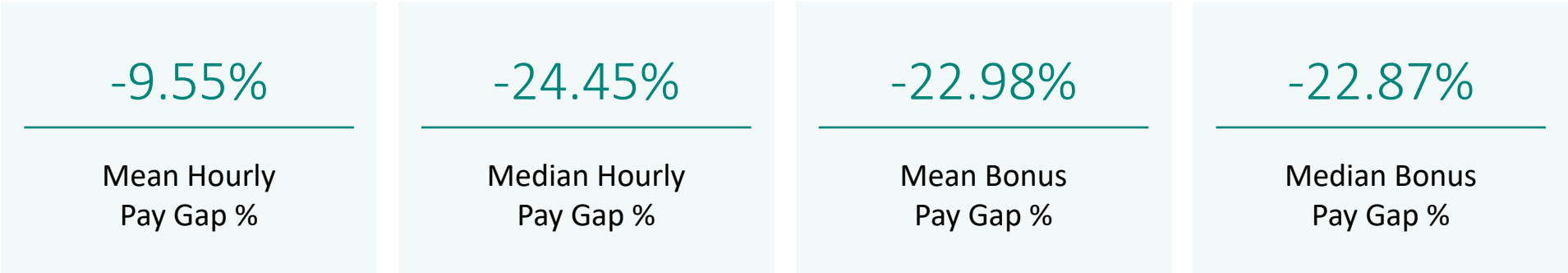


The Gender Pay Gap is predominantly driven by a lower proportion of females in senior roles across the organisation, further highlighting the need for greater representation of females in key areas of our business. To close the gap, we need to continue to work with our partners in academia, Government and industry partners to drive both short and long term change.

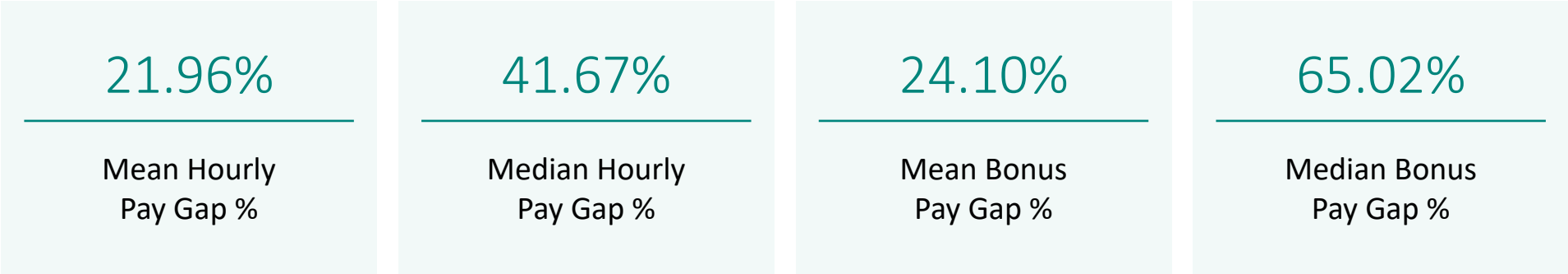
As we reflect on the data and our journey to improve opportunities for women across the business, we know that making a meaningful impact takes both time and decisive action. Our cross-functional leadership team are fully committed to being active allies by advocating for greater diversity and representation across our workforce.

# MSD Overall Gender Pay Gap Results 2023

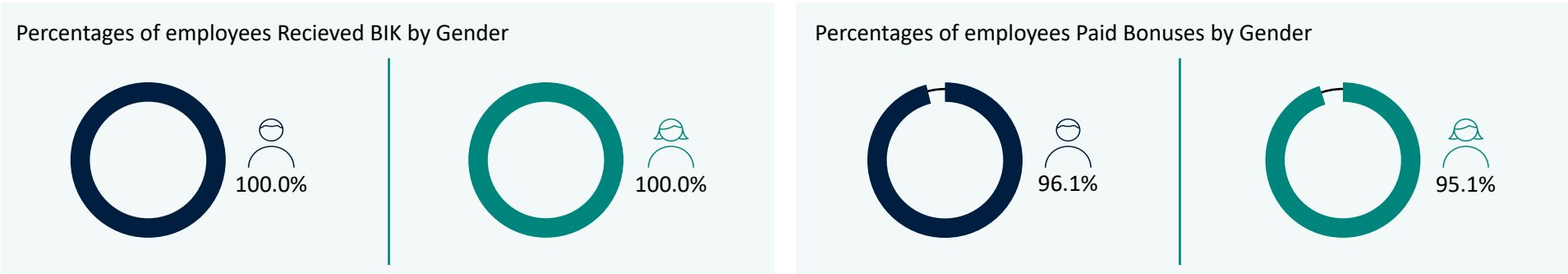
## Part-time employees



## Temporary contracts



## Proportion of male and female employee paid bonus pay & benefit



# What we are doing to make a meaningful impact

Here at MSD in Ireland, we are committed to actions, not words.

- **Family Friendly Policies:** We are committed to advancing our family-friendly policies in the workplace, with a particular focus on promoting equal parental responsibility. Our updated paternity leave policy now offers 3 weeks of paid leave, while our parental leave policy grants 9 weeks of paid leave to all employees, effective from day one of their employment.
- **Recruitment & Selection:** Our recruitment and selection process utilises the latest in AI tools to ensure our job adverts are engaging with broad requirements and meet gender-neutral scoring to promote diverse applications.

In order to ensure we are building a diverse and inclusive team at all levels, one of the key competencies we assess as part of our recruitment process is whether the candidate has a strong understanding of DE&I and how their experiences align with our values within this area. Our team preps all candidates to ensure they successfully showcase their experiences and skills and be their most authentic selves during the process. We mandate diverse interview panels and facilitate Hiring Manager training covering topics such as unconscious bias – which is a mandatory part of all employee's learning journey with MSD. Diversity is essential to our success. By establishing ourselves as an employer of choice, we are confident we can attract the best and brightest to our open positions.

This year, we also launched the “Important to Me” campaign across EMEA, which highlights the importance of aligning personal values with career plans and how MSD allows employees to do this in their everyday job. Our incredible employees share their passions and personal beliefs, and we strongly support them in achieving these aspirations because we believe that what's important to you, is important to us.

- **Pay Equity:** We are dedicated to maintaining a workplace in which everyone feels valued, respected, and given equal access to opportunities. We conduct global centralised pay equity reviews once a year. These reviews are one of the important tools we use to support our commitment to fair and equitable pay. We regularly engage with external legal experts and statisticians to conduct robust pay equity reviews. Following the assessment, pay adjustments are made to address any unanticipated significant pay gaps.



# 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 30<sup>th</sup> June 2023.

**Gender Bonus Gap (GBG):** All bonuses paid to relevant employees in the 12 months prior to the snapshot date of 30<sup>th</sup> June 2023 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.

