

# Our 2020 Gender Pay Gap Report



We're delighted to announce that, for the third year in a row, we've been nominated a Top UK Employer;\* evidence that our commitment to actively promoting a culture which embraces diversity and inclusion marks us out as a great place to work.

This is the third year we've published our gender pay gap data and we appreciate the opportunity it offers us to reflect on our achievements and identify areas that still require action. The results provide us with useful insight and direction when designing and implementing effective Gender Diversity & Inclusion programs to address the gap.

Although this year we have seen an increase in our gender pay figures, we can attribute this largely to the way our organisation is made up; the various working patterns and the percentage of men and women who occupy roles at different levels across the business. These results are a reflection of our organisation structure on the 5th April 2019. Since that time we have started to put in place a number of initiatives and programs that we believe will improve our results. We know our gender pay gap will change year on year but we remain committed to improving our overall performance wherever possible.

\*The Top Employers Institute has awarded MSD the exclusive Top Employers United Kingdom Certification for the third year in a row.

## About MSD

We're a leading biopharmaceutical company whose mission is to improve health and wellbeing around the world. This report combines pay data from the entities that make up our UK business, Merck Sharp & Dohme Ltd (Human Health), Intervet UK Ltd (Animal Health) and MSD R&D Innovation Centre Ltd (our research facility).

## What is the gender pay gap?

The gender pay gap compares the average pay of all females in an organisation with the average pay of all males. It's an indication of whether employees have an equal chance to progress in a company, whatever their gender.

## Is it linked to equal pay?

The gender pay gap is not about equal pay, which is ensuring that men and women in similar roles are paid the same amount in line with their skills and experience.

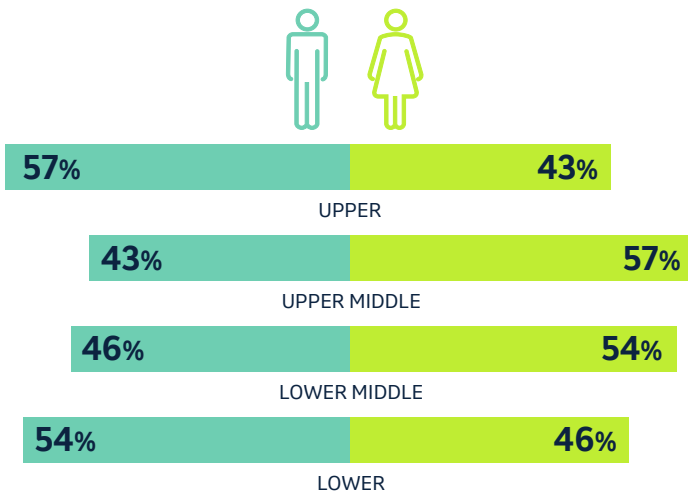
At MSD we're committed to equal pay and take measures to ensure that we are paying employees fairly and equitably, not based on age, gender, race or other protected characteristics.

"We take a holistic approach to D&I ensuring it's embedded throughout the organization from Recruitment, to Communications, to D&I Learning and Education, Annual Priorities, Compensation, Benefits, Work Life Flexibility, and building diversity and inclusion capabilities in leaders, managers and employees."

Celeste R Warren, VP Human Resources and Global Diversity and Inclusion Center of Excellence

# Our 2020 Gender Pay Gap results

## Pay Quartiles for MSD overall: MSD Ltd, AH UK Ltd and MSD R&D Innovation Centre Ltd



Our results have remained reasonably balanced compared to last year.

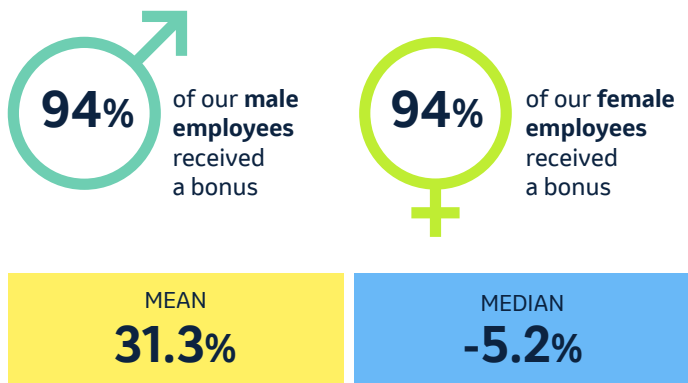
## MSD Gender Pay Gap results



We have seen a notable shift in our results this year. Whilst our mean gap has grown, our median gap is actually now closer to zero. As an organisation that sees both men and women moving into roles at different levels of the business and with different working patterns all the time, we can expect to see these figures continue to fluctuate over time. However, ongoing diversity and inclusion initiatives remain focused on getting both mean and median figures closer to 0%.

Both figures remain well below the national average: MEAN 13.1% | MEDIAN 9.5%

## MSD Bonus Gap Results



We're delighted to report that an equal percentage of our male and female employees received a bonus this year.

Although our mean result has increased since last year, our median result is now closer to 0%.

We've compiled the data for this report using the pay data from all three of our UK entities and you can find the separate MSD Ltd and Intervet UK Ltd data reports [here](#).

However, in line with government guide lines we do not publish a separate report for MSD R&D Innovation Centre Ltd as this entity has fewer than 250 employees.

## Factors behind the results

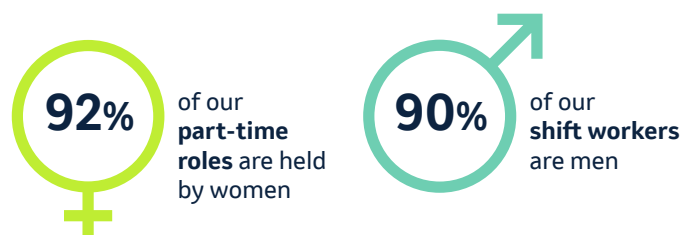
As part of a global pharmaceutical company there are a breadth of roles within our UK organisation, including manufacturing, research commercial and professional functions.

There is still a higher percentage of men than women in our most senior positions but we're pleased to see a reduction in the gap between the number of men and women in jobs within our upper pay quartile. We believe our efforts in promoting initiatives like our Women in Leadership Programme, General Management Acceleration Programme and Corporate Talent Development programmes have helped drive this positive change.

Our commitment to recognising diversity continues to be central to our culture at MSD and we're proud to offer employees opportunities and a working environment that enables them to be their true selves at work every day. However, as most part-time positions in the organisation are held by women and a significant proportion of our shift workers are men, who benefit from shift allowances due

to their hours of work, this difference in job type continues to play a part in increasing our gender pay gap figures. Additionally, when global roles are aligned to the UK, it can have a further negative impact on gender pay figures.

The good news is that employees are now leveraging initiatives and opportunities which suit them best and provide a good work-life balance. Another sign we're moving in the right direction.



# Focused on continuing to improve

Here are just a few of the initiatives we have in place to support our growing diversity and inclusion agenda. Going forward we expect all these to make a positive impact on our gender pay gap results year on year.

## MSD Advance Development Programme

Enables employees to grow and develop by providing opportunities to up-skill or re-skill in targeted capabilities. The scheme also attracts bright new talent through our apprenticeship programmes.

## Rainbow Alliance

Our LGBTQ+ employee network launched this year and champions inclusivity, supporting many LGBTQ+ causes and introducing a transgender policy across the UK.

## Workday Opportunity Market Place

Encouraging employees to develop skills in new areas by picking up ad hoc projects in other parts of the business.

## MSD Women's Network

Supporting a number of activities including personal branding workshops and International Women's Day.

## Global Diversity and Inclusion Month

Four weeks of events, discussions and initiatives which help to build awareness of D&I issues and opportunities.

## Live It

Focusing on general employee health with a particular focus on mental wellbeing.



## MSD Networks Assemble!

An exercise to bring all our employee groups together to hold events where everyone can take part in each group's activities. This will encourage an even greater level of inclusivity across the organisation to the benefit of our employees.

## Working Patterns to suit everyone

As part of our commitment to employee well-being we continue to provide forward-thinking and flexible working policies. Here are just a few of the family friendly initiatives we offer:

- **Enhanced Maternity Leave** - ensuring pay is above the statutory minimums and providing a level of pay for up to 52 weeks
- **Parental Leave** - provides employees the opportunity to take up to 18 weeks unpaid leave per child, with a cap of 4 weeks per year
- **Enhanced Paternity Leave** - provides 3 weeks paid leave following birth or adoption of a child at average gross pay, rather than government statutory rate.

We also offer enhanced shared parental leave schemes, a generous sabbatical policy and other flexible working arrangement to enhance the work/life balance of all our employees.

## In summary

We are incredibly proud of our diverse workforce across the UK and will continue our commitment to investing in initiatives that promote Gender Diversity & Inclusion as well as providing equal employment opportunities for all. We recognise there's been a shift in our mean and median gender pay results this year but we believe this is due to the current make up of our business and the distribution of men and women in different roles across it. We continue to provide unconscious bias training to all employees and actively encourage everyone who works at MSD to bring their whole, authentic selves to work every day to ensure we all feel included. We recognise that, although there is enormous strength in diversity, there is also great power in inclusion.

