

Our 2021 Gender Pay Gap Report



In a difficult year, we're proud that equality, diversity and inclusion have remained our focus. We're delighted to share that MSD is now part of the Inclusive Top 50 UK Employers list; a membership body assisting employers in recognising and valuing the differences of each employee. And for the fourth consecutive year, we are nominated as a Top UK Employer.*

This is the fourth year we've published our gender pay gap data and we appreciate the opportunity it offers to recognise our achievements and identify areas that need further attention. The results provide us with useful insight and direction when designing and implementing effective Gender Diversity & Inclusion programmes to address the gap.

Our gender pay gap figures have remained consistent for the last year, indicating that the initiatives we have in place are having a positive effect. These results are a reflection of our organisation as of the 5th of April 2020. Since this date, we have continued with several initiatives and programmes that we believe will have a positive impact on our results, and we have also introduced a number of effective new measures.

About MSD

We're a leading biopharmaceutical company with a mission 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 (UK) Ltd (Human Health), MSD Animal Health 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 women in an organisation with the average pay of all men. 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?

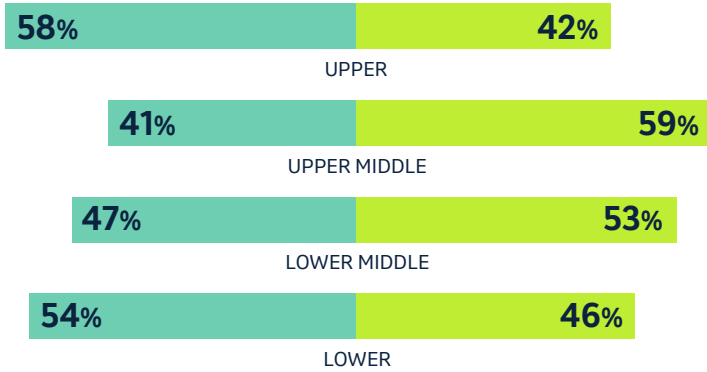
The gender pay gap is not about equal pay, which is ensuring that men and women in similar roles are paid the same amount in line with their skills and experience. At MSD we're committed to equal pay and take measures to ensure that we are paying employees fairly and equitably, not based on age, gender, race or other protected characteristics.

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

Our 2021 Gender Pay Gap results

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

Our pay quartiles have remained balanced compared to last year.



MSD Gender Pay Gap results



We have continued to narrow our gender pay gap. Our mean gap continues to make progress (from 6.7% in 2019/20). Our median gap (calculated by comparing the midpoint of all salaries) has shifted (from 1.1%) to minus 1.2%. In real terms, this means that this year's result has shifted favourably towards women compared to last year. However, this median remains fairly consistent since last year and very close to an ideal of zero.

As an organisation, we see the distribution of men and women's roles and working patterns continually change. As a result, we expect these factors to have an ongoing impact and influence on our figures year on year. Our diversity and inclusion initiatives are important to us and over time we hope that their impact will narrow the gender pay gap even further.

Our results remain well below national Gender Pay Gap figures*:

National Averages:
MEAN 13.8% | MEDIAN 10.7%

*MSD was among a smaller number of organisations than usual reporting to The Equality and Human Rights Commission (EHRC) for the 2019/20 year due to relaxed regulations following the Covid-19 pandemic.

MSD Bonus Gap Results



For the second consecutive year, we can report that an equal number of our male and female employees received a bonus this year.

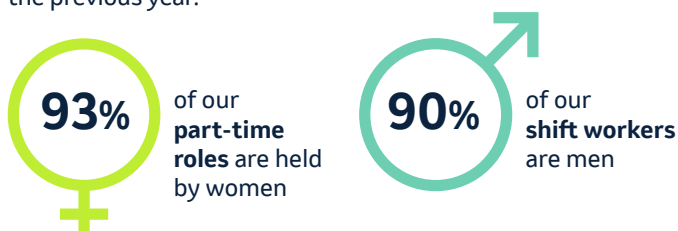
Our mean result has narrowed significantly (reduced from 31.3% in 2019/20). The median result has moved to a positive figure (from - 5.2%) but its positioning close to the goal of zero remains the same.

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 Merck Sharp & Dohme (UK) Ltd and MSD Animal Health Ltd data reports [here](#). However, in line with government guidelines, we do not publish a separate report for MSD R&D Innovation Centre Ltd as this entity has fewer than 250 employees.

A look behind the statistics

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

For 2020/21, MSD's pay quartiles and percentages of genders working part-time and shifts have remained consistent with the previous year.



Job type continues to play a part in widening our gender pay gap figures. For instance, the majority of part-time positions in the organisation are held by women. In turn, the largest proportion of shift workers, who benefit from shift allowances due to unsociable hours of work, are men.

However, this year's results have seen an increase of the male population in the lower pay quartiles, which has contributed to a decrease in the median pay gap.

Our commitment to recognising diversity continues to be central to our culture. We're proud to offer our employees opportunities which align with their values and provide an excellent work-life balance, as well as a working environment that strives to enable them to be their true selves at work every day.

Our Ongoing Commitment to Diversity and Inclusion

To support our growing diversity and inclusion agenda, we've put these forward-thinking initiatives in place. Together, we hope that they will have a culminative and positive impact on our gender pay gap results.

Employee Development Opportunities

MSD Advance

We are enabling professional growth and development by providing opportunities to upskill or reskill. The scheme also attracts new talent through our apprenticeship programme.

Workday Opportunity Marketplace

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

Networks Assemble

We launched an initiative to bring our employee resource groups together so that they have a holistic view of all diversity and inclusion activities. By working together these groups can achieve a greater impact in raising awareness of important issues and can encourage inclusivity across the organisation.

Rainbow Alliance	Our LGBTQ+ employee network.
MSD Women's Network	Empowering employees to realise their full professional and personal potential.
Live It and Mental Health Network	Focus on employee wellbeing.
UK League of Employees of African Descent (LEAD)	Increase and strengthen the pipeline of leaders of African descent.
Next Generation Network	Shaping the future for all generations.
MSD for Mothers	Promoting maternal health.

During the pandemic we have drawn upon the resources within our Networks Assemble by providing our employees with wellbeing and mental health support and resources, which has had a positive uptake.

Global Diversity and Inclusion (D&I) Programme

The focus of our global programme this year has been on developing the necessary skills to conduct meaningful conversations on potentially polarising topics such as race, religion and gender. We have introduced Colour Brave Discussions to generate dialogue, self-awareness and to support our employees to build the skills required to engage in bold, inclusive conversations.

Also, to build upon our unconscious bias training we have introduced a compulsory organisation-wide e-learning module Foundations of Diversity and Inclusion Training.

Whilst we continually build awareness of D&I issues and opportunities throughout the year, we dedicate the month of September to drive the awareness of our D&I initiatives further.

Working patterns to suit everyone

As part of our commitment to employee wellbeing we continue to provide forward-thinking and flexible working policies.



MSD CapABILITY Network - Coming soon!

A new initiative representing colleagues with disabilities and their allies to support their professional development.



In conclusion

At MSD we are dedicated to creating a globally diverse and more inclusive workforce for our employees by creating an environment of belonging, engagement, equity and empowerment.

We take a holistic approach to diversity and inclusion, ensuring it's embedded throughout the organisation from recruitment, to targeted learning and education, work-life flexibility, and building diversity and inclusion capabilities in leaders, managers and employees.

We are one of the thousands of leading UK organisations who have published our results for 2020, despite the relaxation of regulations due to the coronavirus pandemic. Our gender pay gap figures remain far below the national average and stable for 2020/21, this is a clear indication that the initiatives we have in place are having a positive impact and we will continue to invest in them as we endeavour to close our gender pay gap.



“Our employees must reflect the diversity in the global patient base in order to fulfil our mission of saving, not ‘some’ lives but ‘all’ lives.”

Celeste R Warren, VP, Diversity and Inclusion Center of Excellence