



2023 UK Gender Pay Gap Report



Opening Statement

At Organon, transparency is one of our core values, driving our commitment to sharing information about our Gender Pay Gap (GPG). We firmly believe in open communication and remain dedicated to providing regular updates on our GPG reports.

In our third year reporting, our mean pay gap is -5.1% and our median pay gap is -12.5%. This indicates that women earn more at both the mean and median across our UK organisation. Read on to find out what this means and what we are doing to address our pay gap.



Her Promise is our purpose

At Organon Pharma (UK) Limited (“Organon”), we are driven by our vision of creating *a better and healthier every day for every woman* and are fully committed to taking all necessary steps to achieve this goal. At the same time, we constantly ask ourselves what we can do to shape an inclusive and supportive environment that enables and encourages all our employees to grow and reach their full potential.

As an organisation, we have embedded Environmental, Social, and Governance (ESG) priorities throughout our business and aim to achieve balanced gender representation throughout all levels of the organisation globally by 2030.

Over the past three years, we have taken several measures to address our GPG, including the transparent publication of our GPG reports, rolling out key initiatives, constantly engaging with stakeholders, evaluating our policies and conducting a series of in-depth pay equity analyses. We provide more details on these actions in this report, and hope these efforts demonstrate our ongoing dedication to promoting fairness and equality in compensation.

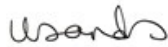
While we are pleased to report some positive developments in this year’s report, we also recognise that we are on a journey to achieving parity, and that this journey requires sustained effort.

We would like to take a moment to appreciate the efforts of all those, particularly the Her Employee Resource Group (ERG), who have contributed to promoting a balanced gender representation in the workplace.

We confirm the data reported is accurate, in accordance with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

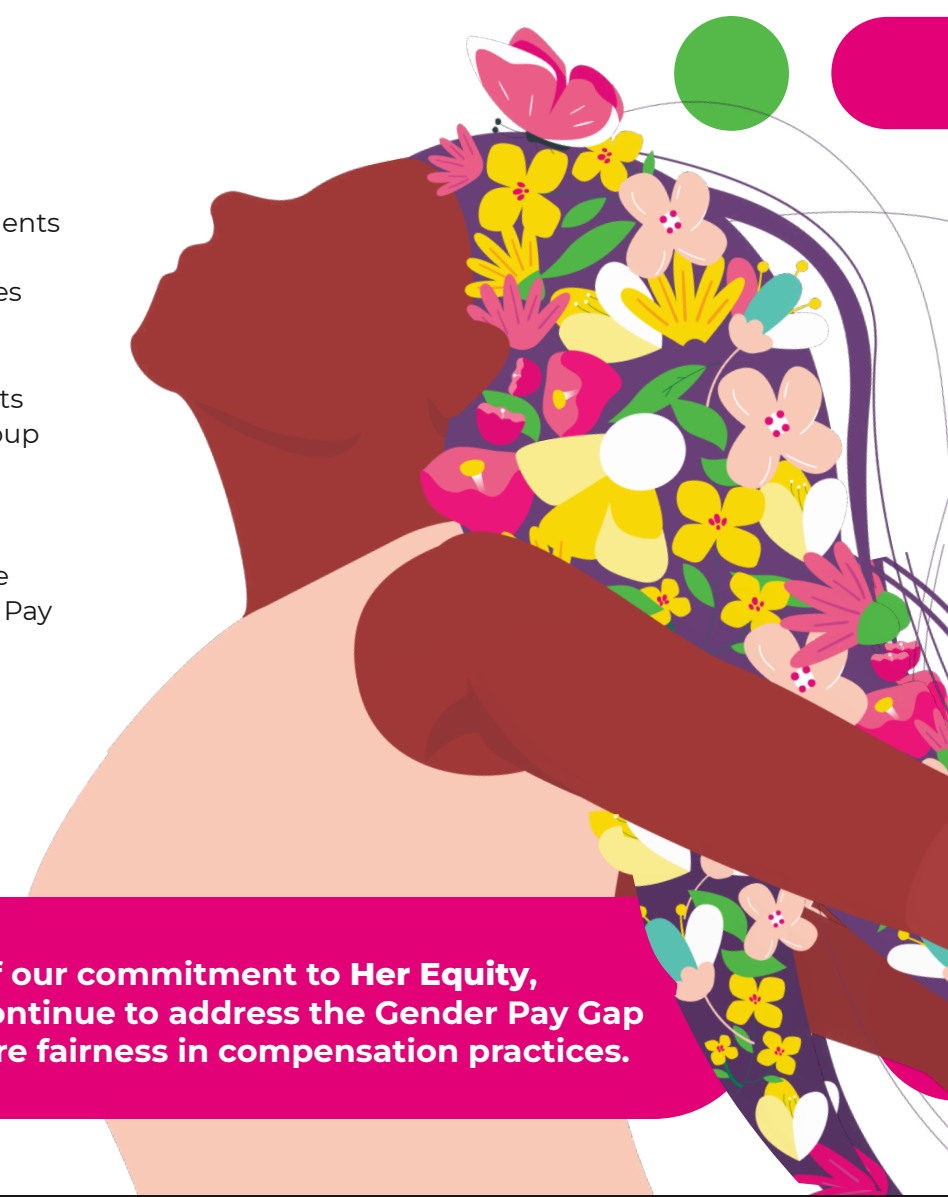


Michael Whale
UK OMS Lead



Vicky Sands
HR Lead UK, Ireland and Indonesia

As part of our commitment to Her Equity, we will continue to address the Gender Pay Gap and ensure fairness in compensation practices.



Understanding the calculations

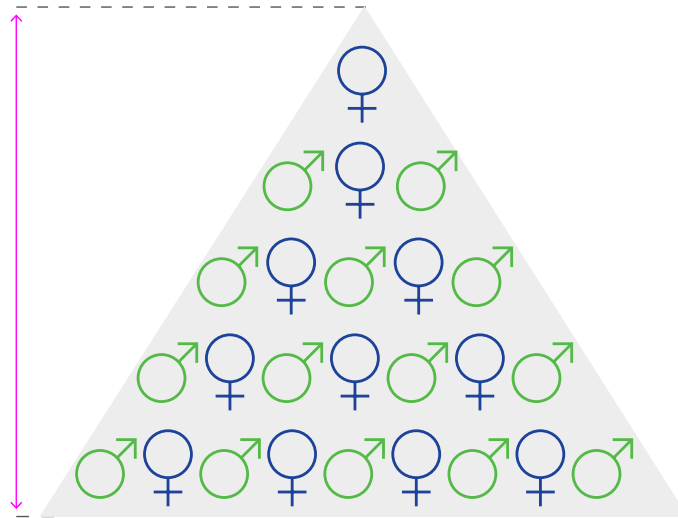
It is important to understand that the **Gender Pay Gap** is not the same as **Equal Pay**, and the two concepts should not be confused.

Gender Pay Gap

Calculates the pay difference between men and women across the whole organisation.

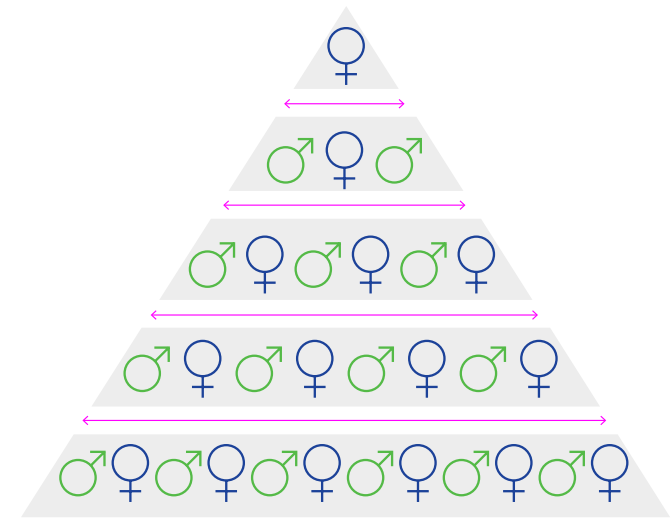
Gender Bonus Gap

Calculates the difference in incentive pay specifically between men and women across the whole organisation.



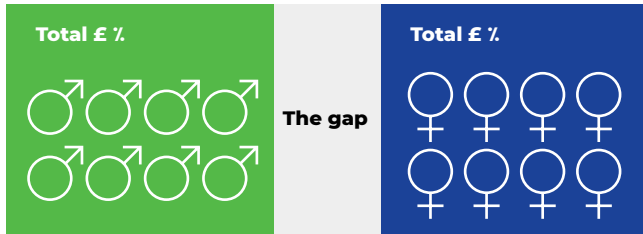
Equal Pay

Ensures pay is equal for all employees carrying out the same or similar work, or work of equal value taking into account level and job type.



Understanding the calculations

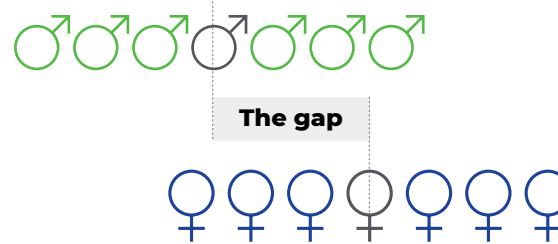
Mean pay:



The **mean** is calculated by adding up the total hourly or bonus pay of employees and dividing by the total number of employees. This is completed separately for males and females, and the means are compared. This way of calculating the mean can result in the final figure being distorted by a small number of highly paid individuals.

As an example, the mean of 3.7% shows that males are paid 3.7% more than females when looking at the average pay of all males when compared to the average pay of all females.

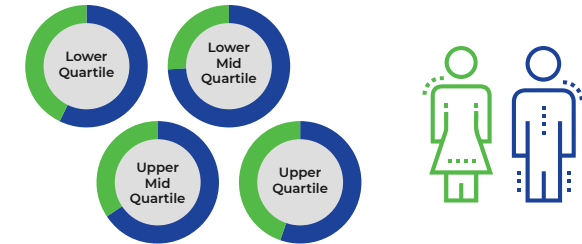
Median pay:



The **median** is the middle number of a ranking of pay or bonus from lowest to highest and gives us the best view of 'typical' pay or bonus. This calculation is completed separately for males and females and the medians are compared. Typically, the median number is the most stable as it is less affected by outliers. This makes it a more reliable and representative figure to track progression year on year.

As an example, the median of -3.7% shows females are paid 3.7% more than males when looking to the middle of the pay range for both males and females.

Quartile Pay Band Data:



The quartiles represent hourly pay rates across the company from the lowest to the highest, split into four equal quartiles.

All calculations are for employees who were at Organon Pharma (UK) Limited as of 5 April 2023. Gender Pay Gap calculations are based upon all pay in April 2023. Gender Bonus Gap calculations are based upon all bonus pay from 5 April 2022 to 4 April 2023.

It is important to note that the UK Gender Pay Gap legislative requirements are binary in regard to gender (specifying female compared to male employees). Whilst we are reporting our statistics in accordance with the legislation, at Organon, we recognise, and continue to look at how we can further support all gender identities through our policies and initiatives.



Rising together:

Gender Pay Gap (GPG) results

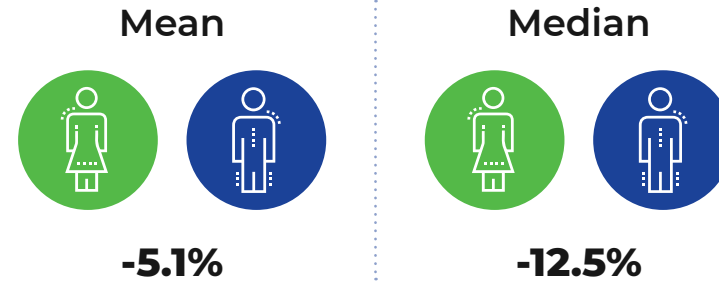
This year's report reveals a mean pay of -5.1%, which is a shift in favour of females compared to 2022, when mean pay was 6.2%, in favour of males. Similarly, the median pay indicates a shift in favour of females from -8% in 2022 to -12.5% this year.

This change in the GPG can be attributed to key factors, such as:

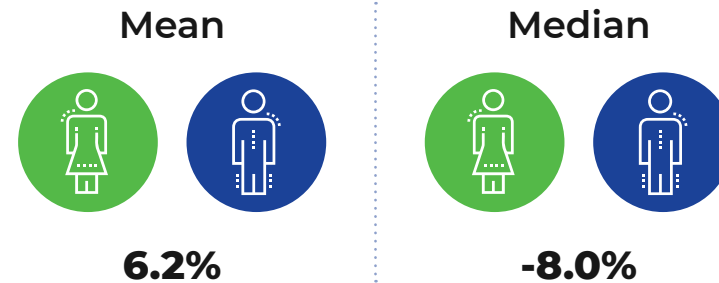
- When compared to males, there is a lower representation of female employees in Organon (39.1%). However, female representation has increased by 2.9% since last year (from 37% in 2022), with more females now in the Upper Quartile of the organisation. This is why the mean GPG has widened.
- While we welcome this increase, it has widened the mean GPG due to the higher presence of women in the Upper Quartile.
- Female representation has increased in all quartiles over the last two years, except for the Lower Quartile, which is the main contributor to the increase in the median GPG.

The Lower Quartile is predominantly occupied by men, which is common in our industry due to the higher representation of men in manufacturing-related roles.

2023



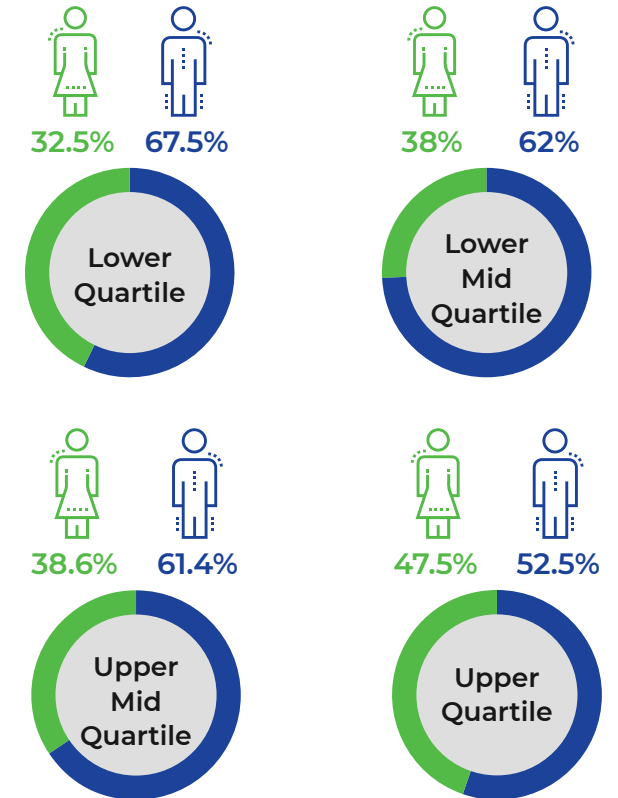
2022



- Positive figures indicate that pay is in favour of men.
- Negative figures indicate that pay is in favour of women

Pay Quartiles:

Shows the percentage of males and females in each of the quartiles of the organisation.



Industry comparison:

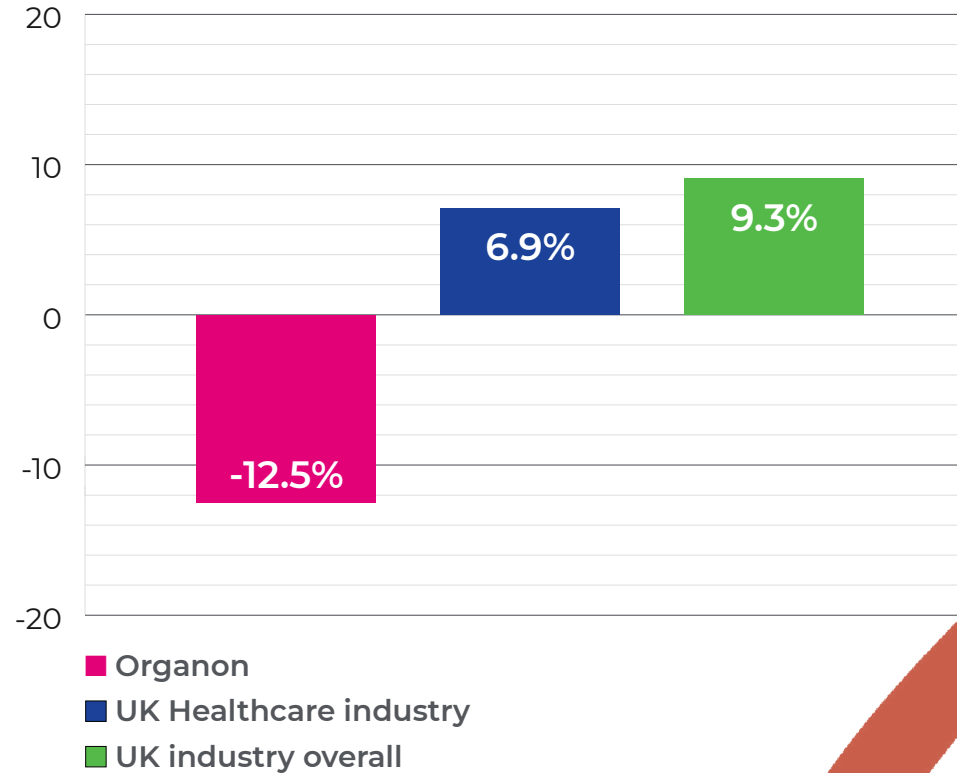
Gender Pay Gap (GPG) results

We use the median GPG figure for comparison purposes as it is a more stable and reliable figure to track progression year on year.

When compared to the UK market, Organon's median GPG (-12.5%) favours females. This stands in contrast to our comparator groups, the Healthcare (6.9%) and All Industry (9.3%), which show a GPG that favours males.

We aim to achieve balanced gender representation throughout all levels of the organisation globally by 2030.

Median Gender Pay Gaps:



Fuelling rewards:

Gender Bonus Gap (GBG) results

We appreciate the hard work of our employees and are proud that all Organon employees are eligible to receive bonus pay. Each employee receives a target percentage of their base salary dependent on their level and if they achieve their goals. Actual bonus payouts are based upon company performance.

We are pleased to report that nearly the same proportion of males (88%) and females (87%) received a bonus in 2023, which is a positive development compared to last year.

The data shows the median GBG favours female employees (-8.3%), while the mean GBG continues to favour males (19.8%). The increase in the mean GBG is driven by the bonuses paid to two most senior leaders in the UK office.

However, it is worth mentioning that as a global company, Organon & Co. currently has the most gender-diverse Board of Directors in the **S&P 500**, as well as one of the most diverse Boards in the healthcare industry, with 70% of directors being women.

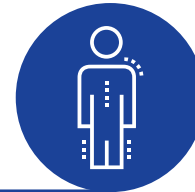
Percentage receiving bonus payments:

Females



87%

Males



88%



Gender bonus gap:

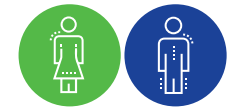
2023

Mean



19.8%

Median



-8.3%

2022

Mean



13.5%

Median



-14.2%

We remain committed to our goal of closing the gender bonus gap through ongoing efforts and initiatives.



Industry comparison:

Gender Bonus Gap (GBG) results

When it comes to employee bonus, Organon holds a unique position compared to the market. In 2023, 88% of males and 87% of females at Organon received a bonus. This compares to 69% of males and 71% of females in the healthcare industry, and 65% of males and 54% of females in the all industry.

Although Organon's 2023 median GBG favours males, when compared to the market it favours females (- 8.3%). In contrast, the healthcare industry and the all industry have median GBGs that favour men, 14.6% and 15.6%, respectively.

Bonus distribution in 2023:

Organon



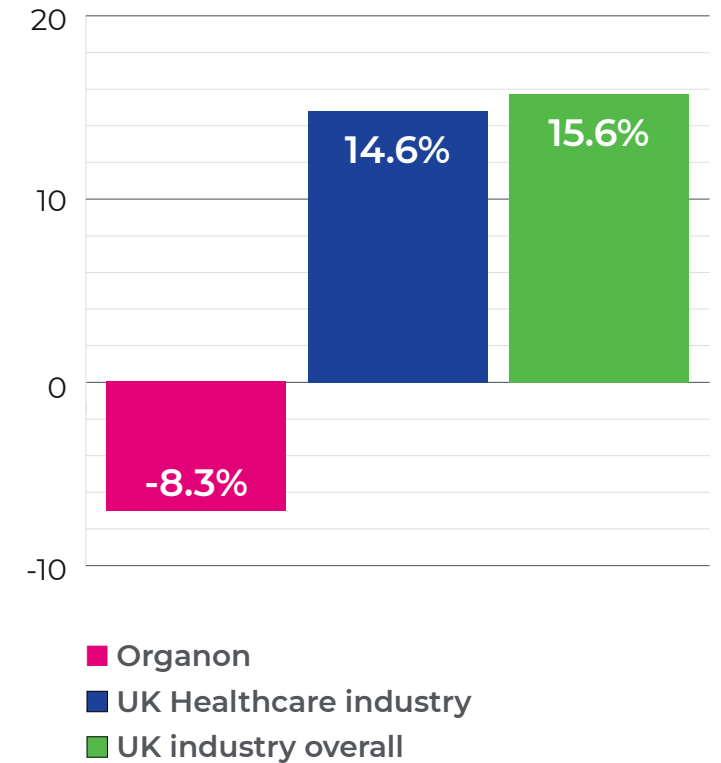
Healthcare



All industry



Median Gender Bonus Gaps:



We launched the Thrive initiative to recognise exceptional performances and provide cash bonuses year-round.



Addressing the gaps

We believe that reducing the gaps identified requires a comprehensive approach that firmly places our DEI&B strategy at the heart of everything we do.

We prioritise our employee's wellbeing by creating an inclusive and nurturing work environment that fosters growth for everyone. In addition, we are taking actions to empower and support them with the necessary tools and opportunities to develop their careers.

Pay Equity analysis

We've worked with external and legal experts to conduct a series of in-depth pay equity analyses, beyond legislative requirements, to ensure equity in pay, based upon employees' roles and experience, at a country level.

These studies were conducted in 2023 by external economic and legal experts in nine countries (UK, US, Switzerland, China, Canada, Brazil, Portugal, Spain, and Australia) with a specific focus on gender; and included 47% of our global workforce. Our goal is to increase this to 70% in 2024 and 100% by 2025.

Peppy

All our employees have access to personalised support through Peppy, a healthcare service that provides expert support for menopause, fertility, men's and women's health and early parenthood.

Thrive and Inspire

Our employee reward programmes aim to recognise and reward exceptional individual performers.

Menopause policy

Our menopause policy provides a wider range of support options, from access to a quiet or cool room to counselling and flexible working.

Pregnancy loss support

All employees who experience the loss of a pregnancy are entitled to a minimum of two weeks of paid leave. This applies to employees regardless of whether the loss occurs directly to them, their partner or their surrogate. The duration of the leave is not dependent on the nature of their loss or their length of service. Additionally, we offer a range of flexible working options to support a smooth transition back into work.

Paternity leave

Breaking down the stigma around men as primary care givers is important for us as we work to build a diverse and inclusive culture. We offer industry leading paternity leave of up to 12 weeks fully paid from day one of employment.

We drive accountability and empowerment with high integrity and ethical standards.



Our commitments and ongoing efforts in 2024:

- Prioritising DEI&B in everything we do
- Open and transparent gender pay gap reports
- Constantly evaluating our initiatives to ensure parity and inclusivity





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