

Gender Pay Gap Report

2023 edition

INTRODUCTION

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At Servier, we are a foundation, **committed to therapeutic progress, to serve patient needs and we aspire to make a meaningful social impact for patients and for a sustainable world.**

We are an international company operating in a global and interconnected world. In this context, the ability of employees to work together towards a common goal, while crossing the barriers of cultures, nationalities and gender is paramount.

This year we shared our **Servier 2023 strategy** with our 21,400 employees. A key pillar of this strategy is to create a significant positive social impact for a sustainable world. Integral to this ambition is to foster a diverse, inclusive and equitable work environment for all employees.

This ambition is mirrored at our Irish site in Arklow, Co. Wicklow, where we have a manufacturing site with over 400 employees. In recent years we have made significant progress in our governance of **CSR topics** with a comprehensive CSR organisation and roadmap in place. Central to our **Diversity and Inclusion program** is Gender Balance. We strive to create a favourable work environment for employees where everyone has the same opportunities regardless of gender.

Our Senior Leadership Team of 5 women and 4 men are fully committed to supporting this journey. Since publishing **our first Gender Pay Gap report in 2022** we have had time to reflect on the findings and to work on actions. **We are pleased this year to share our result of 5.8%.** This is significantly lower than the figure recently published in Ireland by the CSO of 9.6%, ('Structure of Earnings Survey 2022' GPG in Ireland for 2022), and we feel this reflects the inclusive environment on our site.

However, in any company, diversity and inclusion is a topic that requires continuous involvement and action because it is an integral part of progress.

We will continue to keep this topic on the agenda at all levels of the organisation in order to highlight the importance and to drive the progress.

What is the Gender Pay Gap?

The gender pay gap refers to the difference between what is earned on average by women and men based on the average gross hourly earnings of all paid employees.

Where a gender pay gap exists, this does not indicate discrimination or an absence of equal pay for equal work – it indicates a gender representation gap within the organisation.

The hourly pay rate is calculated on all pay elements, i.e. basic pay, shift premium, overtime and bonus. This total annual remuneration is then divided by total actual hours worked in the year to arrive at the hourly rate of pay.

In Ireland, The Central Statistics Office (CSO) recently published 'Structure of Earnings Survey 2022' indicates the GPG in Ireland for 2022 was 9.6%

In this report, we will show the gender pay gap within Servier (Ireland) Industries Ltd., under a number of different pay headings, as well as highlighting the factors influencing the gender pay gap in our organisation.



What is the difference between Gender Pay and Equal Pay?

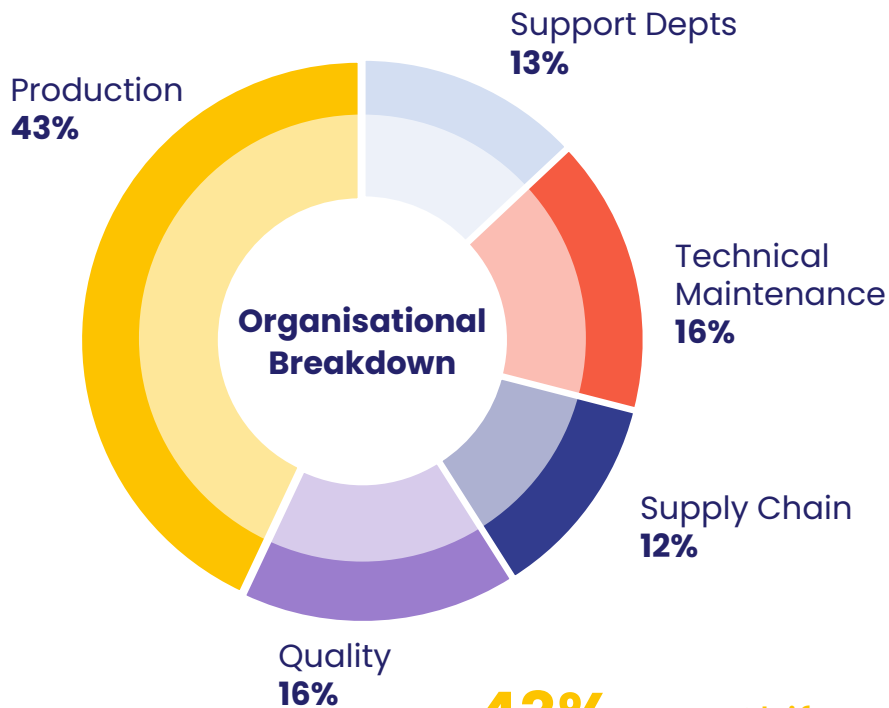
The gender pay gap measures the difference between men and women's average pay.

Equal pay, on the other hand, is the legal obligation that requires employers to give men and women equal pay if they are employed to do like work.

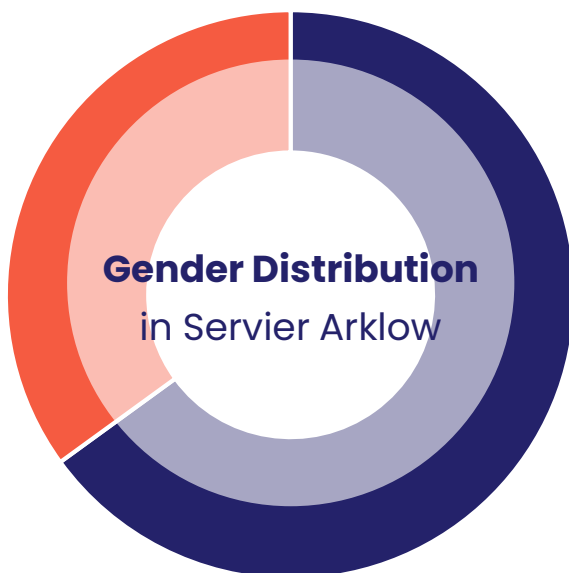
Background

Servier (Ireland) Industries Ltd. is a pharmaceutical manufacturing plant based in **Arklow**, Co Wicklow. Our manufacturing facility is operated on a shift basis spanning 24hrs, 7days.

This report is based on a snapshot date of 01/06/2023. The reporting period is the 12 month period 05/06/2022 to 01/06/2023 inclusive.

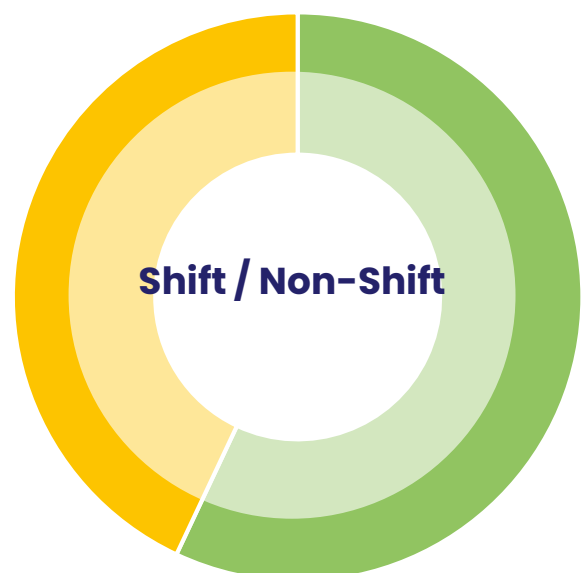


35% Female



65% Male

43% Non-Shift

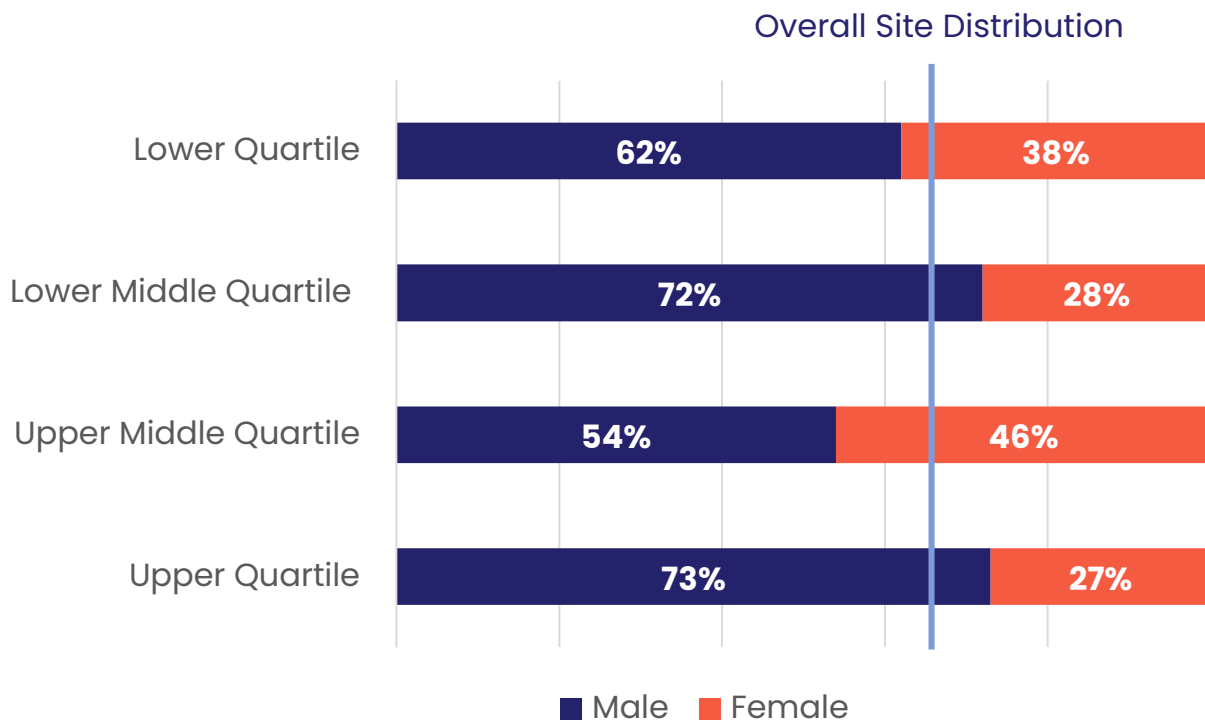


57% Shift

This report is based on a total of 412 employees of which (65%) are male and (35%) are female. **57% of personnel are working on a shift basis.**

Pay Quartiles Male/Female Representation

In order to group employees into quartile pay bands, we created a ranking of employees based on their hourly remuneration from lowest to highest. This is then divided into four even groups to show the proportions of men and women in each of these quartiles (Lower, Lower Middle, Upper Middle and Upper).



Key points to note within these quartiles:

- The Upper Quartile is made up of 49% Management and 51% operational shift roles.
- Within the Management Team in the Upper Quartile the gender distribution is **57% male and 43% female**
- 52% in the Upper and Upper Middle Quartiles are receiving shift premium in addition to basic salary.
- The male/female representation is well-balanced in the Upper Middle Quartile.
- The gender representation in the Lower Quartile is in line with the overall site ratio of 65% male and 35% female and includes a higher representation of males in operational shift roles.



Mean Hourly Remuneration

Mean Hourly Remuneration All Employees

The mean hourly pay rate is calculated on all pay elements, i.e. basic pay, shift premium, overtime and bonus.



€**28.83**



€**27.16**

Mean Hourly Remuneration Part Time Employees

Part time employees represent 5.3% (4 male and 18 female) of the overall headcount.

The limited data pool impacts on the findings.



€**29.89**



€**31.44**

Mean Hourly Remuneration Temporary Employees

Temporary employees represent less than 4.9% (13 male and 7 female) of the overall headcount.

The limited data pool impacts on the findings.



€**16.25**



€**15.88**



What is mean hourly remuneration?

The mean is the average hourly pay across each gender. This is calculated by adding together all the hourly rates of pay for each gender and then dividing the total by the number of people of that gender.

Mean Gender Pay Gap

Mean Gender Pay Gap All Employees

Due to the nature of our manufacturing business, factors influencing the gap in favour of males include:

- A higher proportion of males earning shift premium
- A higher proportion of males volunteering for overtime
- A higher proportion of males working weekend shift
- A reduction in hours worked in the female group due to voluntary family leave

5.8%

Mean Gender Pay Gap Part time Employees

Part time employees represent 5.3% (4 male and 18 female) of the overall headcount.

The figure indicates a gap in favour of the female part time group, however, the limited data pool impacts on the findings.



-5.2%

Mean Gender Pay Gap Temporary Employees

Temporary employees represent 4.9% (13 male and 7 female) of the overall headcount.

The limited data pool impacts on the findings.



2.3%



What is the mean gender pay gap?

The mean gender pay gap is the difference in the average hourly rate of pay of men and women expressed as a percentage.

The result of **5.8%** is 0.1% lower than last year's result of 5.9% and is a more favourable figure than the CSO reported figure of **9.6%**

Median Gender Pay Gap

Median Gender Pay Gap All Employees

Here, the gap is in favour of the female group, where the mid point hourly rate of the female group applies to a more specialised role versus an operational role in the case of the mid point hourly rate in the male group.



€25.08



€26.21

-4.5%

Median Gender Pay Gap Part Time Employees

Part time employees represent 5.3% (4 male and 18 female) of the overall headcount. The figure indicates a gap in favour of the female part time group, however, the limited data pool impacts on the findings.



€21.48



€31.95

-48.7%

Median Gender Pay Gap Temporary Employees

Temporary employees represent 4.9% (13 male and 7 female) of the overall headcount. The limited data pool impacts on the findings.



€15.49



€15.09

2.6%



What is the median pay gap?

The median pay gap is reached by finding the exact mid point between the lowest and highest hourly pay rate for the male group and the lowest and highest hourly pay rate for the female group and then calculating the pay gap as a percentage.

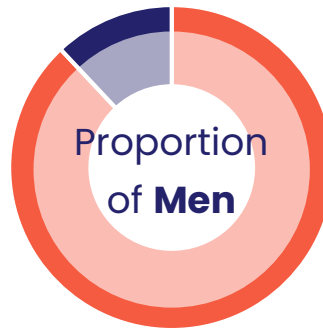
Bonus Attribution

Proportion receiving Bonus

100% of eligible male and female employees received a bonus in the period 05/06/2022 to 01/06/2023.

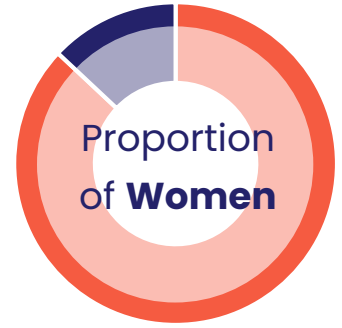
Those who did not receive a bonus were employed after the date of the relevant financial year to which the bonus applied, i.e. 01/10/2021 to 30/09/2022.

12% No



88% Yes

13% No



87% Yes

Mean Bonus Gap

It is important to state that male and female employees are entitled to the same bonus structure applicable to their role.

The minus percentage value indicates a gap in favour of females.

-5.6%

Median Bonus Gap

The minus percentage value indicates a gap in favour of females.

-12.7%

What is the Mean Bonus Gap?

The mean bonus gap is the difference in the average bonus of men and women expressed as a percentage.

What is the Median Bonus Gap?

The median bonus gap is reached by finding the exact mid point between the lowest and highest bonus for the male group and the lowest and highest bonus for the female group and then calculating the bonus gap as a percentage.



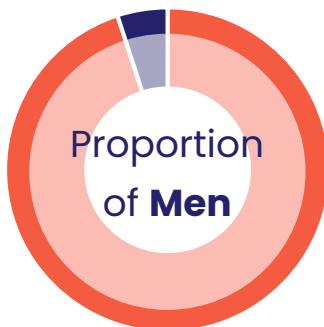
Benefit in Kind

Benefit in Kind refers in particular to Medical Insurance paid by the Company.

All employees are entitled to medical insurance for themselves and their immediate family.

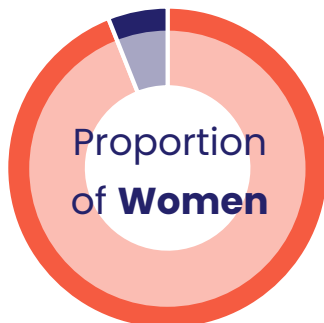
However, a small number of people, and in this case more females than males, have opted not to take paid medical insurance cover.

5% No



95% Yes

6% No



94% Yes



Our Action Plan



Leadership Commitment

Servier's Leadership Team is committed to understanding the drivers of our gender pay gap and to addressing these through our Diversity & Inclusion Strategy.

As part of our **D & I strategy**:

- We established our CSR Workplace committee in 2023.
- One of the pillars of our workplace committee is an awareness year of D & I.
- Female participation at senior leadership level has increased to 56% female.
- A continued focus to drive progress in the D & I space.



Recruit – Retain

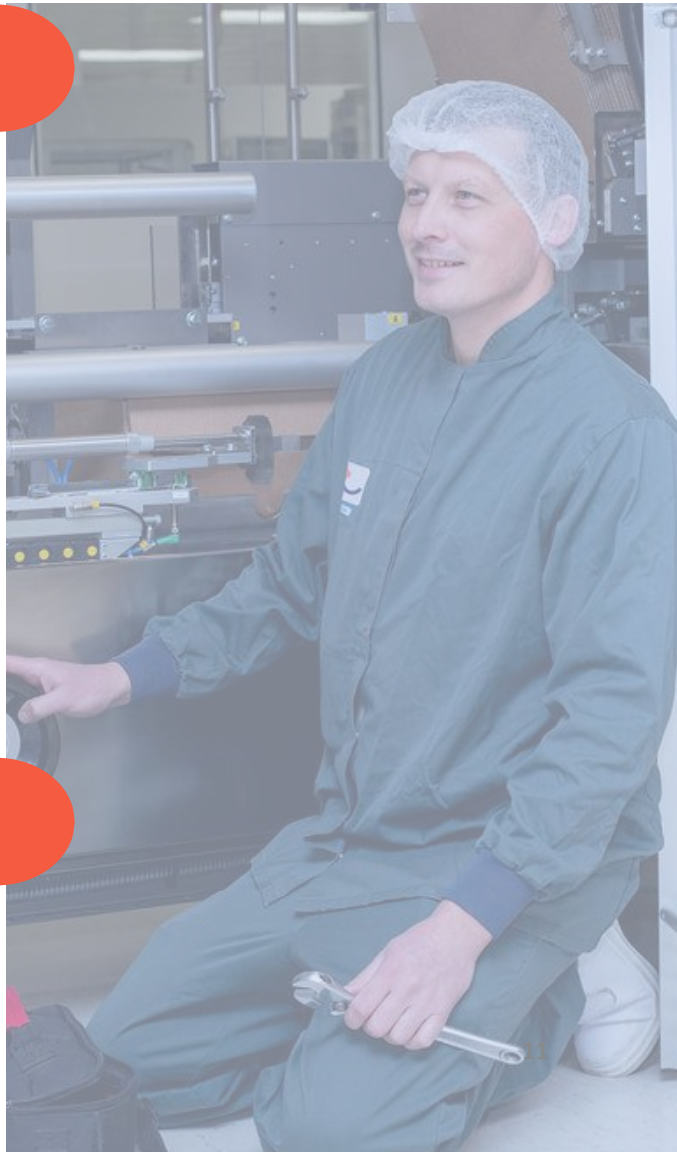
We are **committed** to:

- Equal opportunities during our recruitment and selection process.
- Equal opportunities for all in promotion opportunities.
- An increasingly diverse talent pipeline.
- Increased engagement with the student and graduate population to encourage greater awareness of career opportunities in the Pharmaceutical industry
- Providing a reward package that remains fair and equitable. In 2023, a new salary model was introduced providing more structured salary practices.



Engage

People are at the heart of what we do in Servier. We will continue to work on our engagement strategy to ensure a fair and equitable working environment for all employees.





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