



Novartis Ireland **Gender Pay Gap** Report

Introduction

At Novartis Ireland, we are committed to fostering a diverse, equitable, and inclusive workplace where every associate is valued and respected. Our Gender Pay Gap Report is a crucial tool in understanding and addressing any disparities in pay between male and female employees within our organization. This report not only highlights our current standing, but also underscores our dedication to continuous improvement in gender equity.

This past year has seen several developments which have influenced our gender pay gap results. One notable factor was the transformation, announced in 2022. This two-year effort, concluding this year, has led to a reduction in our overall population. At the time of reporting, this reduction has understandably resulted in a shifting demographic and, consequently, our gender pay metrics.

We are in a period of activities to improve our gender pay gap results moving forward - such as doubling down on our commitments as a part of our Equal Pay International Coalition (EPIC) pledge which includes our Pay Equity studies and focusing on diverse succession planning to ensure we further balance our representation, at leadership level. The EPIC pay pledge is a commitment made by organizations to promote and achieve equal pay for men and women. We are very proud of the fact that Novartis was one of the early signatories of the pledge.

We continue to be dedicated to building on the progress we have made, ensuring we attract, hire, and grow diverse talent to continue driving our growth. At Novartis, innovation is our business, and our people are our biggest asset. Novartis is committed to treating people with dignity and respect and believes in providing equitable access to opportunities. We believe in the power of diversity and are keen to ensure everyone has an equal opportunity to make an impact.

What is the Gender Pay Gap?

It is important to understand the distinction between the gender pay gap and equal pay.

The **gender pay gap** is a measure of the difference between the average hourly and bonus earnings of all males and females in the business. It should not be confused with equal pay, which is legislation already in place in Ireland that requires organisations to pay males and females equally for performing the same or similar work or work of equal value. At Novartis, we continue working on this by pledging to conduct regular gender pay analyses and remediate annually, as appropriate. To help prevent pay differences, we continue to pledge to eliminate the use of historical salary data when making internal and external offers. Additionally, we commit to paying transparently by sharing associates' pay as compared to internal and external benchmarks.

Equal Pay refers to males and females being paid equally for performing the same or similar work or work of equal value. Equal Pay is already required by the Employment Equality Act in Ireland.

What we are required to report

All analysis is based on a 'snapshot' date of our pay on 30th June 2024. All Pay and Bonuses looked at for this analysis cover the full year leading up to the snapshot date (1st July 2023 – 30th June 2024).

Mean Pay

The mean is calculated by adding up the total pay of employees and dividing it by the total number of employees. This calculation is completed separately for males and females with the difference expressed as a percentage of males' mean earnings.

Median Pay

The median is the middle number in a ranking of pay from lowest to highest. This calculation is completed separately for males and females with the difference expressed as a percentage of males' median earnings.

Our 2024 Results

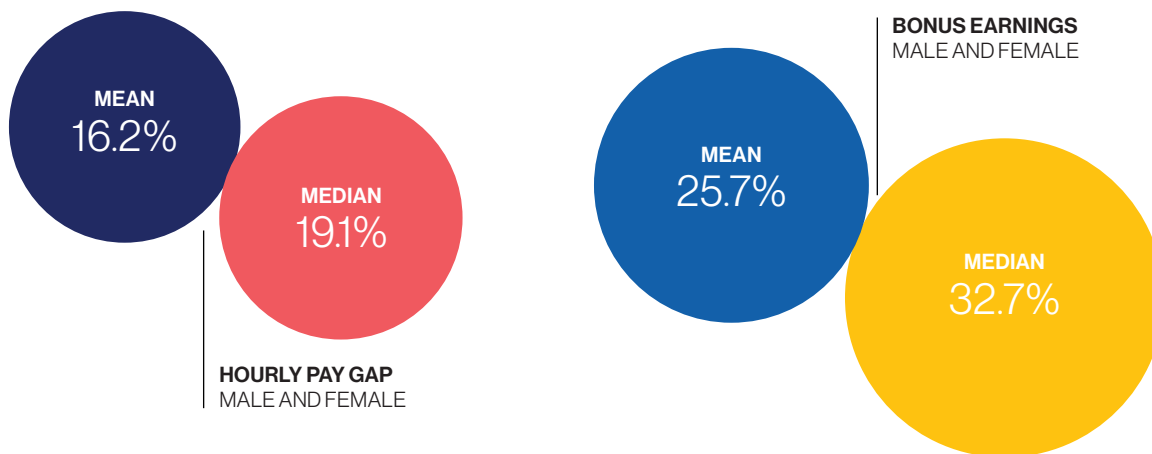
Our analysis shows that the overall difference between female and male hourly pay earnings is 16.2% (mean) and 19.1% (median) for Novartis Ireland Limited and the difference between bonus earnings is 25.7% (mean) and 32.7% (median). This is based on information as of 30th June 2024. At this date, Novartis Ireland Limited employed 889 employees of which the gender split was 43% males and 57% females showing a slight increase in the percentage of females compared to last year.

In comparison to last year, there has been a slight increase in our Gender Pay at both the Mean and Median. There has been an increase in the Median Gender Bonus Gap but and decrease in the overall mean Gender Bonus Gap.

It is important to emphasise that that this gender pay gap is not an issue of Equal Pay. Novartis stands firmly on a global commitment to uphold Equal Pay for equal work. Our Pay Equity initiatives are

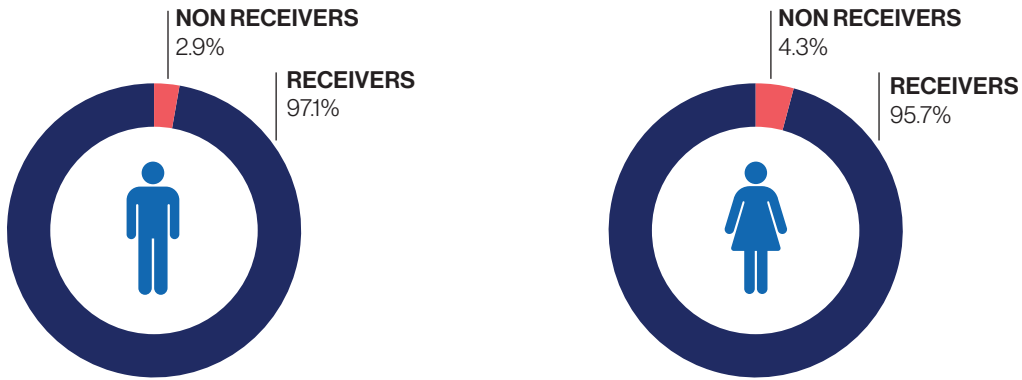
rigorous and systematic, involving comprehensive pay equity analyses and adjustments conducted annually in every country where we operate. This unwavering commitment guarantees that males and females performing the same or equivalent work are compensated equally, fully aligning with the Employment Equality Act in Ireland. Our primary focus extends beyond immediate pay equity, targeting the broader gender representation and structural elements that contribute to the observed pay gaps.

For Part-Time and Temporary contract employees there have been large deviations year on year in the numbers, this is due to the changes in the representation of males and females and also the small number of employees skewing the sample size. Due to the small sample size, we have chosen not to report specific numbers this year due to confidentiality concerns.

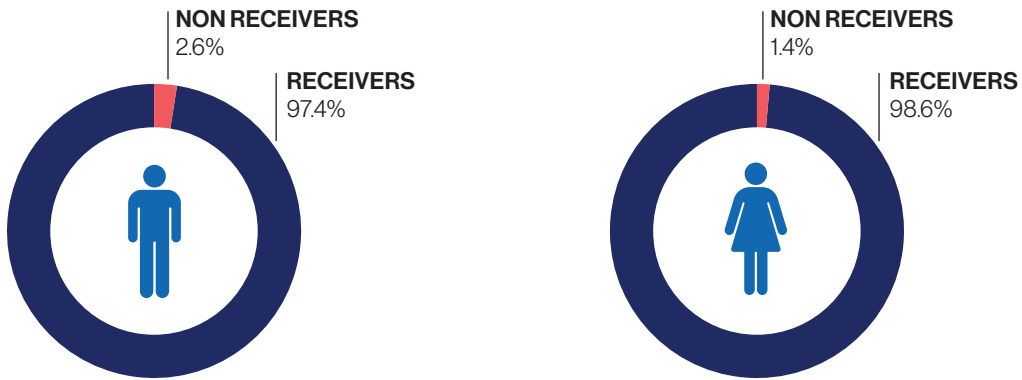


	2024 Results		2023 Results		2022 Results	
	Mean	Median	Mean	Median	Mean	Median
Hourly pay gap: all employees	16.2%	19.1%	10.8%	11.8%	14.8%	17.8%
Hourly pay gap: employees on temporary contracts	-8.5%	-10.2%	42.4%	50.8%	0.1%	-2.1%
Bonus Pay Gap	25.7%	32.7%	27.0%	28.7%	24.8%	28.6%

Percentage of employees receiving a bonus



Percentage of employees receiving a Benefit in Kind

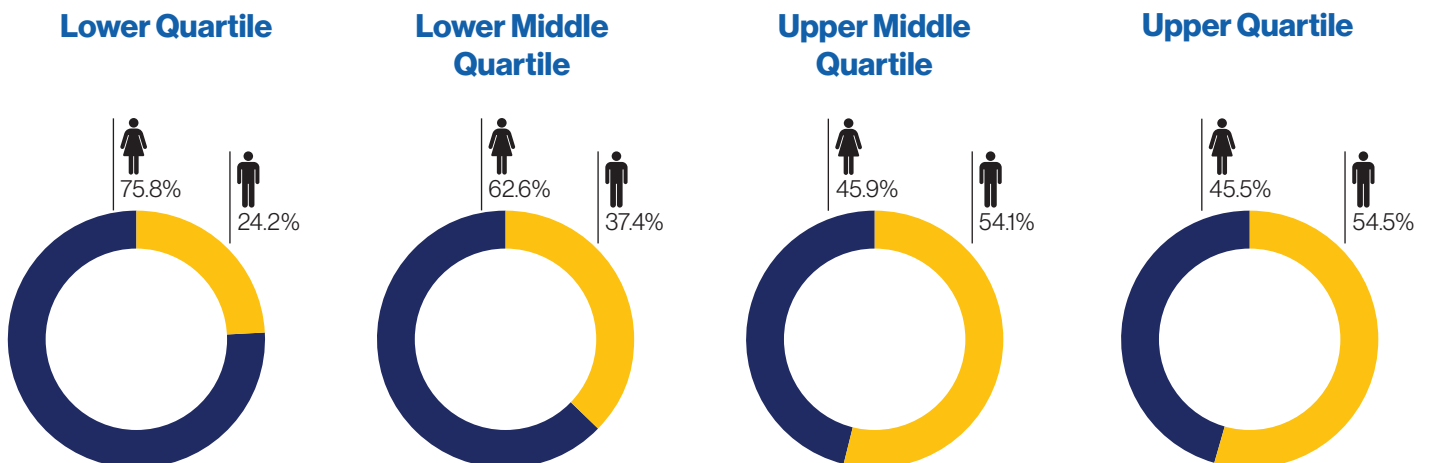


Pay Quartiles

To calculate the quartiles, all hourly pay rates are listed from low to high and the list is then divided into four groups with an equal number

of employees in each. The gender division in the resulting four groups is then analysed.

Novartis Ireland Limited's pay quartile results



Understanding our gender pay gap results

There are several areas that we believe contributed to our pay gaps this year:



Changes to overall population size

This reporting period is the first to include a reduced workforce size as a result of the transformation work that has taken place over the last couple of years. With the changes, the representation of females remains high, increasing by 1% this year. However, there remains a greater representation of females in the bottom two quartiles, while there is a greater representation of males in the top quartiles.



Senior Positions

A higher proportion of our most senior positions continue to be occupied by males in the upper quartile which contributes to our mean pay gap, we remain committed to improving the diversity of our employees at the most senior levels within the organisation.



Bonuses and Benefit in Kind

Consistent with previous years, our results of the Bonus and Benefit in Kind analysis do not reflect any difference in the eligibility or pay-out between males and females. All employees are eligible to receive both a bonus and benefit in kind (BIK). Of those employees that didn't receive a bonus in the period, all were new joiners to the organisation and therefore missed the cut-off date. With BIKs, some employees choose not to take the benefits offered for personal reasons and therefore the figures result in less than 100%. It is important to note that this analysis upholds our commitment to pay equity, ensuring that all eligible employees, regardless of gender, are compensated fairly and equally.

How do we intend to close the gaps?

We remain committed and focused on closing our Gender Pay Gaps, we are committed to continuing to decreasing our pay gap and fostering a diverse workforce.



Our Inclusive Recruitment strategy

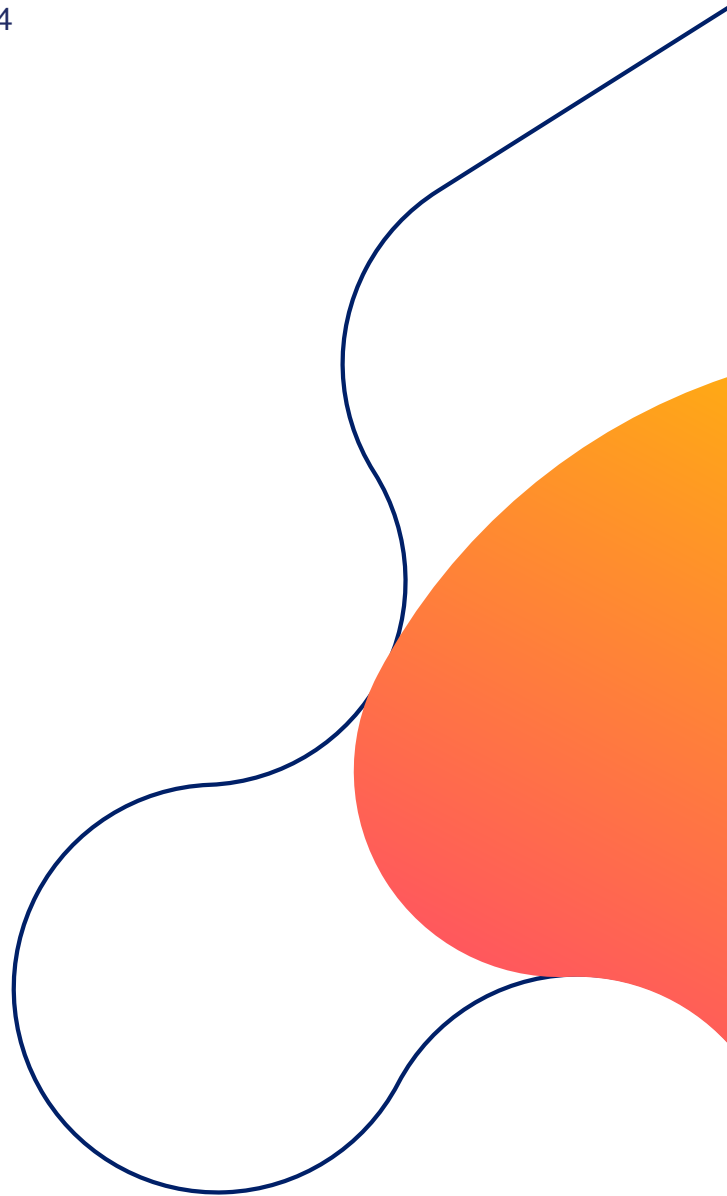
An inclusive recruiting strategy is a deliberate and proactive approach to attracting and hiring diverse talent, by eliminating biases and giving equal opportunities to all applicants. It shows our strong commitment to building a diverse and agile workforce and culture of belonging. Our Diversity, Equity and Inclusion Team closely collaborates with the Talent Acquisition Team to support the attraction, recruitment, retention and development of all associates, including those from underrepresented groups.

Our strategy focuses on the following:

Policies and commitments: Ensuring everyone has a fair opportunity to fulfill their potential and contribute to reimagining medicine for a better world.

Talent Management & Succession Planning: We are dedicated to identifying and developing future leaders from diverse backgrounds. Our talent management and succession planning efforts are designed to ensure a robust and diverse pipeline of talented individuals ready to step into key roles. By focusing on diversity in our leadership development programs, we aim to create a leadership team that reflects the diverse nature of our workforce and the communities we serve.

Employer Branding, Recruitment Marketing & External engagement: Showcasing who we are as an employer and what we stand for is crucial to attracting top talent. Our employer branding and recruitment marketing efforts highlight our commitment to diversity, equity and inclusion, demonstrating that we are an organization where everyone can thrive. By sharing stories of our diverse workforce and inclusive culture, as well as partnering with individuals and organizations that share our dedication to advancing diverse talent, we aim to attract and retain people who share our values and vision.





Our Epic Pledge and Transparency focus

At Novartis, we unwaveringly champion equal pay for women and men for work of equal value.

Since pledging our allegiance to EPIC in 2018, we have been rigorously executing a multi-year program aimed at establishing and enforcing global principles and processes for pay equity and transparency across all our operational territories. As highlighted in our report last year, we have successfully implemented both external and internal pay transparency in every country we operate in.

We made four concrete actions when making the pledge to ensure that we continue to monitor and track our progress and make amendments when needed:

1. Monitor pay equity

Established a robust pay equity analysis cycle based on a global methodology.

2. Remove bias from the system

eliminated the use of historical salary comparisons from our offer processes and focus on an objective assessment of a candidate's relevant experience, education, and competency against internal and external benchmarking data to remove possible bias.

3. Pay Transparency

Transparent communication of individual pay positions compared to internal and external benchmark data.

4. Gender Balance

An overall pay gap is often driven by unequal representation of one gender in traditionally higher-paid skill sectors and/or senior leadership levels. Our balance is part of core reporting across Novartis Ireland such as; overall gender representation, representation of females in leadership, diversity in candidates, hiring panels and succession pools.

Final Thoughts

We can confirm that the data and information presented in this report are accurate and meet the requirements of the Employment Equality Act 1998 (Gender Pay Gap Information) Regulations 2022.

The Novartis Ireland Country Leadership team are committed to improving our results to close the gap and will continue to keep this as a standing topic to report, review and discuss in our leadership meetings in 2025.