

Gender Pay Gap Report 2023/24

Elanco

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Understanding UK Gender pay gap reporting

Understanding the difference between equal pay & gender pay gap

Equal pay requires that women and men carrying out the same or similar work in the same employment must receive the same pay.

The Gender Pay Gap shows the difference between the average (mean or median) earnings of men and women across all roles and is expressed as a percentage of men's earnings. All UK companies with 250 or more employees are required to report their gender pay gap annually.

The gender pay gap can stem from multiple factors, notably the underrepresentation of women in senior leadership roles. It's crucial to differentiate the gender pay gap from the legal concept of equal pay, which demands equal compensation for equal work, as stipulated by the Equality Act 2010.

Understanding the gender pay gap calculations

Organizations must follow the calculation methodology set out by the Government Equalities Office to report their mean and median gender pay gap, bonus gap and distribution, considering equivalent hourly rates, and expressed as a percentage of men's earnings. It encompasses various components such as base pay, allowances and bonuses paid in April 2023.

Throughout this report we refer to mean and median.

The mean, commonly known as the average, is calculated when you add up the basic pay of all employees and divide the figure by the number of employees. The mean gender pay gap is the difference between mean male basic pay and mean female basic pay.

The median is the middle point of a range of numbers arranged in order. This is calculated separately for men and women and the medians are compared.

Gender Pay Gap

Report 2023/24

Changes in our workforce between 2021 and 2023

Demographic change – This year we recognize the widened gender pay gap over the 2022/23 reporting period. During 2022, a noteworthy event occurred with approximately half of our Elanco UK team transitioning to TriRX following the sale of the Speke manufacturing site, which predominately consisted of male employees. The transition altered the demographic composition of our UK workforce. Additionally, we recognize the lower female representation in functional leadership positions.

While acknowledging the widening of our gender pay gap, we recognize the multifaceted factors contributing to this trend. The sale of the Speke manufacturing site had some impact, the data also identified the need for greater female representation in key areas of our business.

UK WORKFORCE

5th April 2023, the UK had ~264 employees across two sites (Hook and Speke and remote/field workers)

Narrowing the gap will take time. Leveraging insights from the data analysis, we will identify specific areas within Elanco that require improvement, with full support from our leadership teams, and create an action plan. Although this will require time, we are committed to the plan and its implementation.

Our approach to pay administration ensures fairness and equity throughout our workforce. Compensation decisions are guided by various factors including job content and level, previous work experiences, tenure, educational background and individual performance. Supported by a comprehensive global job structure and grade ranges, we uphold consistent and equitable pay practices across our diverse workforce.

% OF UK WORKFORCE IN 2023



Action plan for closing the UK gender pay gap will include the following:

1. Enhanced UK policies to create a conducive environment for gender parity.
2. Comprehensive well-being programs designed to support our IDEA agenda.
3. Strategic succession planning to increase female representation in functional leadership positions.
4. Empowering women through a number of programs and other specific development opportunities including engagement with internal and external resource groups to drive collaboration, advocacy and support to increase female representation in function leadership positions.

Note: The above list is not exhaustive.

Mean and Median Pay Gap

The difference in hourly rates of male and female full-pay employees

MEAN PAY GAP
17.12%

MEDIAN PAY GAP
19.56%

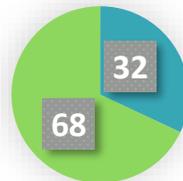
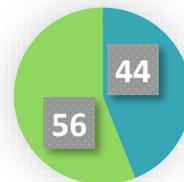
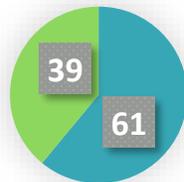
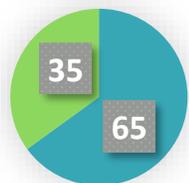
Proportion of men & women in each quartile across the workforce

Quartile 1

Quartile 2

Quartile 3

Quartile 4



Mean & Median Bonus Gap

The difference in average bonus paid to male and female employees

MEAN BONUS GAP
19.87%

MEDIAN BONUS GAP
36.74%

Proportion of men & women receiving a bonus payment

Females 97.08%

Males 95.49%