



Novo Nordisk Limited

Gender Pay Report

2020/21

Introduction

In line with Gender Pay Gap Reporting (GPGR) regulations, all UK companies with more than 250 employees are required to publish their GPGR statistics using data as of 5th April 2021. The metrics cover the gap in pay, the gap in bonus payments, the proportion of men/women at different pay quartiles, and proportion of men/women receiving bonus pay-outs over the previous 12 months period (6 April 2020 to 5 April 2021).

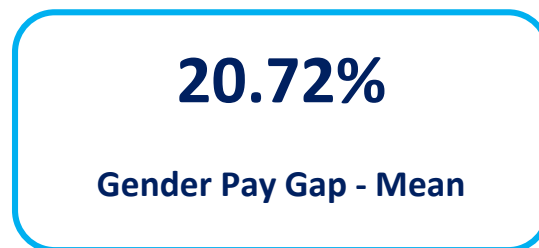
At Novo Nordisk Limited, we are committed to treating pay equality, and diversity and inclusion, with the highest priority. We have several activities focused on ensuring that male and female employees are paid equally for work of the same value, and we do not tolerate discrimination on gender or any other protected grounds.

Novo Nordisk Limited employs significantly more women than men.

2021 Gender Pay Gap statistics

Our GPGR figures are shown below:

Hourly pay

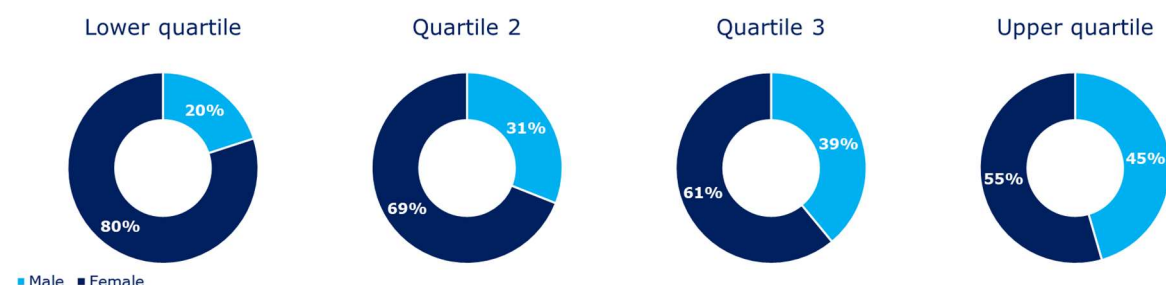


Key finding: the median hourly rate of female employees is 13.78% lower than male employees, compared with 17.53% in the previous year's report. The mean hourly rate of female employees is 20.72% lower than male employees, compared with 22.78% last year.

We are very pleased to see that the Median Gender Pay Gap has reduced compared to the previous year, reflecting the increased focus on this topic during recruitment and promotion processes at all levels in the organisation and the offline reviews that are conducted throughout the year. We are also pleased to see a reduction in the mean gap which is a clear result of the ongoing focus and efforts we as a company put around this topic.

As in previous years, we observe that the Median Equal Pay gap is significantly lower than the Gender Pay Gap, and close to zero for the period from April 2020 to March 2021.

Gender representation: Gender Pay Quartiles



Key finding: overall Novo Nordisk Limited has a majority female workforce (66% female, 34% male), we are very pleased to see we have been able to maintain the distribution vs last year and don't increase balance issue.

UK/CC/

Date of preparation: March 2022

The distribution of men and women in quartiles relates to the high representation of women in support roles and lower representation of women in the UK Executive Leadership Team when considering the overall distribution of men and women in the workforce.

Bonus

26.55%

Gender Bonus Gap - Median

35.93%

Gender Bonus Gap - Mean

Key finding: we are very pleased to see the median gap significantly reduced compared to last year (32.03%) and this is due to the high focus of the company on working on potential biases while distributing bonuses. The mean bonus gaps on the other hand have slightly increased compared to last year, and this is related to the fact that the overall performance of the company in the UK was strong in 2020 compared to previous years. In this context, the higher representation of men in the Leadership Team and the lower representation of men in the support job levels mechanically led to widen the Bonus Gap, as bonuses are expressed and calculated as percentage of the base salary.

We are however very pleased that when comparing the Median and Mean gap excluding these populations (i.e. support roles and UK Leadership Team roles) to the same metrics last year, we see an improvement in both Mean and Median pay gap, pursuing the trend already observed during former years:

	Median Pay Gap	Mean Pay Gap
Excluding Leadership Team and Support/para-professionals	10.54% (vs. 11.84% LY)	7.5% (vs. 9.61% LY)

In addition to the above two populations impacting on the data, there are two other causes we believe to be driving the gap:

1. Bonus eligibility

- Of the new joiners in the 2020/21 year not eligible to receive bonus (due to starting after the cut-off date – 1st October- for bonus pay-out) **75%** were female. It should be noted that 10% of the overall population working for Novo Nordisk in March 2021 was made up of employees who joined

between January 2020 and October 2020, hence had their bonus pro-rated for performance year 2020.

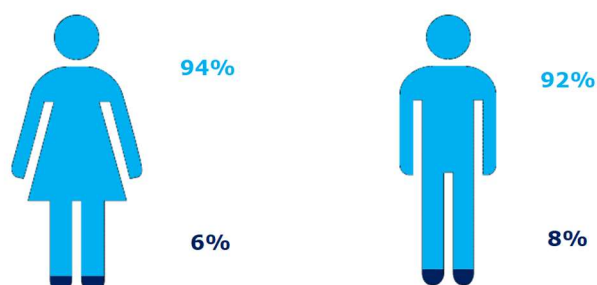
- Of the new joiners in the 2020/21 year eligible for a pro-rata bonus payment, **43%** were female. The bonus is usually pro-rated due to starting mid-way through the year but before the cut-off date, but also due to working part-time (as the bonus is adjusted to the time worked) or to any absences, including maternity leave (the group component of the bonus is fully paid but the individual component of the bonus is pro-rated based on the time worked).

2. Part time employees

In addition, **84%** of our part time employees are **female**. Only three men are working part time, and they are working 80%, whereas 40% of women working part time work less than 80%.

In all cases where pro-rata has been applied (due to start date or working pattern), we are unable to extrapolate the bonus figures to a full time equivalent, this also impacts on these numbers due to the larger majority in all categories being female.

Receiving a bonus



Key finding: **94%** of female employees received a bonus compared with **92%** of male employees receiving a bonus.

The cases where employees did not receive a bonus are explained by a hire date after October 1st, 2020, causing ineligibility to bonus as per our STI scheme rules.

Ongoing activities to drive diversity

We are confident that our focus areas over recent years related to improving diversity have been successful. These focus areas have included:

Maintaining focus on internal equity when making pay decisions

Novo Nordisk continues to conduct global in-depth analysis around Gender and Equal Pay in all regions and affiliates including the UK, as reducing any existing gender or equal pay gap is a priority for the company.

When making pay decisions – either as part of a job offer, annual salary increase, or promotion – we focus on internal equity and pay equality and will continue to do so.

We have had a job evaluation approach to identify jobs of equal value since 2011, and salary structure in 2017, placing greater emphasis on internal equity when making pay decisions.

Driving diversity in management level vacancies

Over the period 2014 to date, the proportion of females in management roles has remained consistent between 48%-55%. In 2021, 55% of managers are women.

For the last 5 years we have committed to interview at least 1 female candidate for all managerial level vacancies. We will continue this practice.

We have strengthened our internal talent pipeline that now includes 50% of women, ensuring focus on developing internal successors to take on roles identified as “key positions”.

If we consider successors only for the UK Leadership Team positions, a critical impacting factor on our Gender Pay Gap metrics, 50% of successors identified as “Ready Now” or “Ready within 1-2 years” are female.

As a result of these proactive measures, we therefore expect that more female employees will over time progress into the most senior leadership roles, narrowing the gender pay gap.

We have had a flexible working policy in place since 2003, which we have continued to review and update on a regular basis. We reviewed the policy over the last years to enhance flexibility, in terms of workplace and working from home, and introduced a sabbatical policy. We have an increasing number of female managers with approved flexible working patterns such as compressed hours.

A policy around secondments, job swaps and projects has also been formalised, consolidating and outlining opportunities for all employees to further develop skills and knowledge.

- In 2019, 18 career development initiatives were carried out; 83% were offered to female employees.
- In 2020, 19 career development initiatives were carried out; 84% of those completed by female employees.

We hope that these flexible policies will enable more women to pursue their career at Novo Nordisk Limited, at the same time as having time for responsibilities outside of the workplace.

Ensuring no bias

All managers attended refresher training session in 2019, on HR Basics which covered employment legislation around discrimination.

The HR team also received a dedicated training around "Inclusion and Unconscious bias" in 2019 to be able to challenge managers and the UK Leadership Team and ensure any unconscious bias when it comes to diversity and gender are identified and removed.

Our recruitment process includes rigorous assessment centres and competency based questions, ensuring that all appointments are made based on merit demonstrated against objective criteria, and all decisions around hiring are fully documented.

Closing the gap further –

We are committed to closing the gap even further and intend to continue the great activities we have been focusing on in recent years.

In addition, we will introduce new initiatives to support closing the gap in the areas we have identified that contribute to our gap.

Strengthen diversity in the pharma industry

In 2019, Novo Nordisk UK launched the Women in Science media outreach campaign, profiling four leading female scientists from the Novo Nordisk Oxford Research Centre (NNRCO). The purpose of this campaign is to help build a diverse new generation of scientists by raising awareness of Novo Nordisk UK's senior female scientists and the crucial role they play. Indeed, while there is an increase in the number of women who study science, technology, engineering, and maths (STEM) programmes and work in STEM roles, the percentage of women in these fields is actually dropping, therefore more women need to be inspired to join the

pharma industry. More recently in 2021/22 NNRCO has been actively working with Oxford University and Oxford Brooks University to run targeted mentoring and work experience programs for women, particularly from deprived and minority backgrounds.

In 2020, Novo Nordisk UK's CMR Director took part to a panellist discussion in the Women and Diversity in precision medicine conference focusing on the importance of Diversity and Inclusion strategies for navigating through the COVID-19 pandemic in 2020, emphasizing the actions taken by Novo Nordisk and its commitment to maintain its focus on diversity.

Inclusive Leadership – Leadership Forum for all managers

During June 2021 we conducted a Leadership Forum for all the 60+ managers of the organisation with an entire focus on Inclusive Leadership. Delivered by an internationally recognised speaker and founded over the principles of diversity, inclusion and equality, the main purpose of the session was to help our managers understand how barriers to inclusion develop (unconscious bias) and what are the different leadership techniques that they can use to avoid or minimise them.

Global Diversity & Inclusion (D&I) Guidelines

Most recently in 2022, Novo Nordisk launched new global guidelines to support hiring managers with recruitment. Specifically, this includes global D&I guidelines and mandatory training for all people leaders to cover topics such as why inclusive recruitment matters, creating inclusive job descriptions and job adverts, as well as inclusive interview guides.

I confirm that the information provided in this report is accurate, and the data reported has been prepared in line with mandatory requirements.



Pinder Sahota

**General Manager and Corporate Vice President
Novo Nordisk Limited**