



Zoetis Belgium S.A. (Irish Branch) Gender Pay Gap Report 2022

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Leadership Note

At Zoetis, we are a global team committed to nurturing the world and humankind by advancing care for animals. Our colleagues drive success and fuel our purpose. Colleagues around the globe take pride in our positive company culture.

At Zoetis, we understand the importance of embracing diversity to drive innovation. We are committed to accelerating inclusion, equity and more diverse representation across the company.

This is the first year that companies in Ireland, like Zoetis, are required to report on gender pay gaps as defined by legislation. In this report you will find our statistics on the gender pay gap, an explanation for the gap that exists, and our plans to address the findings.

Thanks to our colleagues, Zoetis has created an award-winning workplace and has become a leading partner of choice in animal health. We will continue to strive to promote a work atmosphere where colleagues feel valued and supported, feel inspired to give their best every day, and feel proud of the company they work for.

Introduction

The Gender Pay Gap Information Act 2021, implemented in 2022, outlines the requirement for organisations with 250 or more employees to report their Gender Pay Gap.

The Gender Pay Gap illustrates the gap between the average pay of female and male employees based on the average hourly wage of men and women across the workforce of the organisation.

Equal Pay and the **Gender Pay Gap** are not synonymous and refer to distinct concepts.

Equal Pay refers to employees receiving equal pay for equal work or work of equal value. In Ireland employers are required to pay employees an equal wage for equal work, as governed by the Irish Human Rights and Equality Commission.

The **Gender Pay Gap** is the difference between the average hourly wages of women and men across an organisation. It takes no account of the different roles, or the balance of women and men, within an organisation.

It is possible for an organisation that pays its people fairly and equitably for the same work to show a gender pay gap. A **Gender Pay Gap** does not indicate that a company does not provide **Equal Pay**.

Understanding the gap¹

This year Zoetis Belgium (Irish Branch) is reporting a Mean Gender Pay Gap of 22%². At present, approximately 36% of our workforce is comprised of females, and 64% is comprised of males.

The main drivers of our Gender Pay Gap are:

- **Organisational distribution.** There are more males holding more senior positions compared to females. These roles typically correspond with higher pay and specific bonus schemes, increasing the Gender Pay Gap in favour of males.
- **Difficulty recruiting females to STEM roles.** A prominent challenge in our pharmaceutical industry has been to attract females to our STEM-related positions, which is an industry norm. These STEM-related positions typically refer to our higher paid roles. This is a key area we aim to improve as we move onto the next chapter of addressing our Gender Pay Gap.

We believe that although we have made progress towards building a more diverse and inclusive workforce in our organisation, there is still more that we can achieve. We believe that increasing representation and reducing our Gender Pay Gap will enhance our business performance.

¹ All data in this report were calculated in line with the regulations embedded in the Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) Regulations 2022 (S.I. No. 264 of 2022).

² Refers to the Zoetis Belgium (Irish Branch) legal entity only which accounts for its total Irish workforce.

1. The Mean & Median Pay Gap in hourly pay between male and females

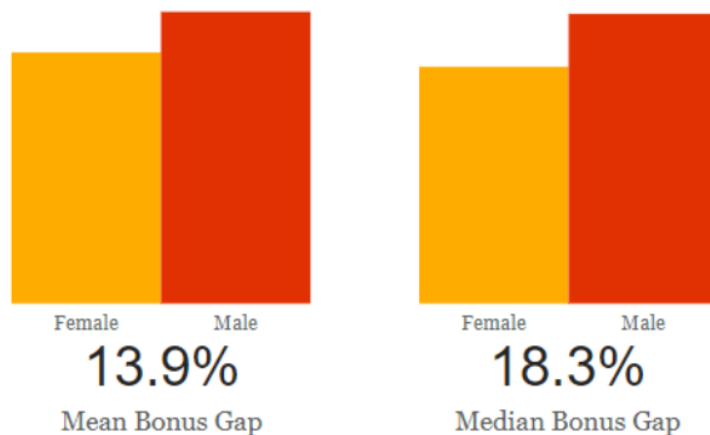
Gender ● Female ● Male



Our Mean Pay Gap is 22%. This means that on average, a male earns approximately 22% more than a female. Our Median Pay Gap indicates that when pay is ranked in ascending order by gender, the middle/typical male earns approximately 20.5% more than the middle/typical female.

2. The Mean & Median Bonus Pay Gap between male and females

Gender ● Female ● Male

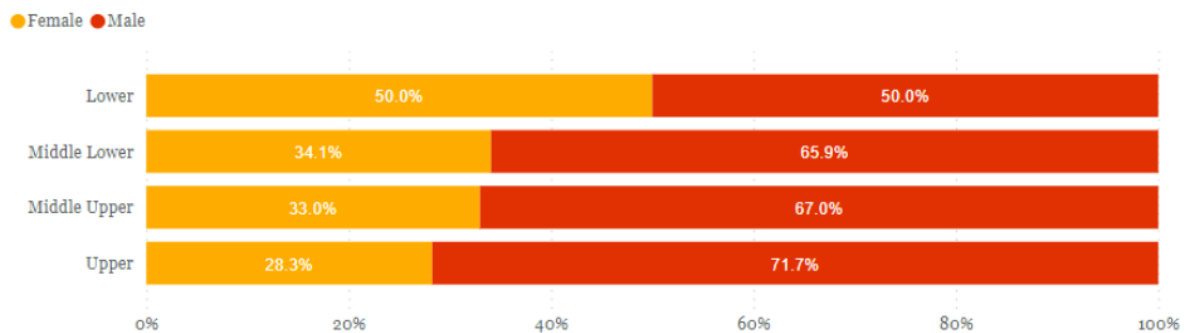


Our Mean Bonus Pay gap is 13.9%. This means that on average a male earns a bonus approximately 13.9% higher than a female. Our Median Bonus Gap illustrates that there is a 18.3% difference between the bonus earned by the middle/typical male and the middle/typical female, when bonuses are ranked in ascending order by gender.

3. The percentage of male and female in each of four pay band quartiles

The use of quartiles enables us to review the distribution of male and female staff across the organisation. As illustrated below, males comprise the majority in the upper quartiles due to more males occupying senior level roles in our organisation.

Proportion of Employees in each Quartile



4. The percentage of male and females who received a bonus pay

There are 78.1% of male employees who have received a bonus compared to 65.4% of female employees. This is due to a higher proportion of males holding more senior positions, which are associated with specific bonus schemes.

Gender ● Female ● Male

Proportion of females receiving bonus



Proportion of males receiving bonus



5. The percentage of male and females who received benefits in kind

Benefits-in-Kind (BIK) are classified as non-cash benefits excluded under the definition of 'ordinary pay' (for example healthcare allowance). There is a small difference between the proportion of males versus females receiving BIK.

Employees who are eligible, but nevertheless choose not to avail of these benefits in kind, are not captured in the below table.

Gender ● Female ● Male

Proportion of females receiving benefit in kind



Proportion of males receiving benefit in kind



Current Actions

Our DEI strategy and practices have a global focus, ensuring our values are unified through our culture.



We are committed to continuing to be a company our colleagues can be proud of and to attract, retain and develop the best talent in the industry through our focus on workplace culture and engagement, diversity, equity and inclusion (DEI), talent recruitment, development and retention, benefits and compensation, and employee health and safety.

To date we have made progress in reaching the following milestones:

- Our commitment to advancing DEI starts with our CEO, Kristin Peck, the Board of Directors and our executive team. We partner with organizations and institutions to expand and diversify the talent pool for our company and industry.
- We set global representation aspirations across various demographics, including gender, ethnicity and nationality.
- We launched global Colleague Resource Groups (CRGs) to bring colleagues together from various backgrounds, experiences and interests, with a strong DEI focus. We are continuously supporting and growing our women's CRG across the globe, Women Achieving Vision, Excellence and Success (WAVES)
- We introduced a broad range of family-friendly and inclusive benefits like paternal leave, adoption leave and infertility benefit to support employees through various life stages.
- We have introduced enterprise-wide colleague wellness and flexibility practices and programs.
- We enable each colleague the opportunity to build leadership capabilities and drive results by offering opportunities for growth via programmatic development, annual performance reviews, coaching and feedback and mentorship programs.
- Zoetis offers DE&I training for all colleagues on inclusion, valuing differences, unconscious bias, avoiding exclusion, and spotting and avoiding microaggressions. Over 92% of our colleagues globally have participated in one or more of our DEI education offerings. We also offer training for people managers on leading inclusively, narrative storytelling, allyship and courageous conversations. In 2022, we launched Cultural Explorer training in eight languages to encourage respectful curiosity and open



conversation about differences to deepen mutual understanding and value what each colleague brings to work.

Future Actions

We are committed to continuing our current initiatives related to DEI. Although we are proud of all we have achieved to date, we appreciate that more work can be done to enhance gender diversity.

Aligning key processes to align with representation aspirations

We aim to review all our policies and work towards achieving our representation aspirations. We are continuously committed to executing our DEI strategy and ensuring that our workforce is diverse and representative of people from all backgrounds. These aspirations are aligned to our Global DEI roadmap.

Expand talent acquisition and internal development

We are committed to expanding talent acquisition efforts focused on early career talent to expand talent pools and increase representation. Similarly, we aim to ensure there is a diverse candidate slate of talent for all external and internal roles.

Enhanced communication

This year we will continue to ensure all employees feel included in our journey to enhance diversity. This year we will continue to work on improving communication of this journey on our website - part of this will be to share testimonials of women who have progressed their career with us to enable us to attract more women into the STEM-related roles.

Expanding knowledge

To ensure that we are aligned with industry best practices, we aim to engage with the IDA Women in STEM events and the IBEC Forum throughout the year.

Continuing to promote flexibility

We aim to introduce enhanced flexibility for our people wherever reasonably possible.

Utilise data analytics

We will use data analytics to monitor uptake of family friendly policies such as paternity leave, parental leave to encourage all colleagues to utilise these leaves for their benefit.

Appendix: Statistical Reporting Requirements

Appendix: 2022 Gender Pay Gap Information Act 2021 Reporting Requirements Snapshot date: 20th June 2022	
Metric	Percentage %
Mean hourly pay gap (All Relevant Employees)	22.0%
Median hourly gender pay gap (All Relevant Employees)	20.5%
Mean Hourly bonus gender pay gap (All Relevant Employees)	13.9%
Median Hourly bonus gender pay gap (All Relevant Employees)	18.3%
Percentage of employees per gender who received a bonus (All Relevant Employees)	65.4% (F) 78.1% (M)
Percentage of employees per gender to receive benefit in kind (BIK) (All Relevant Employees)	86.5% (F) 89.3% (M)
Mean hourly gender pay gap (Temporary)	NR*
Mean hourly gender pay gap (part-time)	NR*
Median hourly gender pay gap (Part-time)	NR*
Median Hourly gender pay (Temporary)	NR*
Percentage of employees per gender in the lower quartile	50% (F) 50% (M)
Percentage of employees per gender in the lower middle quartile	34.1% (F) 65.9% (M)
Percentage of employees per gender in the upper middle quartile	33% (F) 67% (M)
Percentage of employees per gender in the upper quartile	28.3% (F) 71.7% (M)



*NR= Not Reported. These figures are not reported as we have no data to disclose for both part-time and temporary employees.