

NORTHERN TRUST GENDER PAY GAP REPORT 2022 – IRELAND

FOREWORD

Fostering and supporting a globally diverse and inclusive workforce is a strength of Northern Trust which will aid in our success. We are an equal opportunity employer and aim for excellence in our efforts to recruit and develop our workforce.

Effective 2022, government legislation requires Northern Trust and all companies in Ireland with 250 or more employees to disclose their gender pay gap annually. We support the widespread publishing of gender pay gaps and are continually looking to make improvements to close our own gender pay gap.

For us, this is about ensuring equal opportunity for all males and females to participate in all areas of work and at all levels of seniority. We support this by the many initiatives and policies embedded in our organisation, such as our flexible working policies, Women in Leadership and other Business Resource Councils, in addition to external networks including the Ireland 30% club.

Some of these initiatives will impact and address our gender pay gap, for example:

- Running leadership development programmes, such as our Diverse Leaders' Programme (DLP), for diverse groups. Our women's DLP has been running for eight years and is designed to ensure the pipeline of female talent for senior roles remains strong.
- Joining Ireland's Women in Finance Charter and setting targets to address gender diversity at Northern Trust. We will continue to focus on activities that will help us to achieve these targets.
- Inclusion of unconscious bias training for hiring managers and recruiters to address potential bias in our recruitment processes and mandating the slate of candidates we consider for senior roles is diverse.

We are committed to making progress in closing our gender pay gap.

Meliosa O'Caoimh
Country Head, Ireland

Ciaran O'Hare
Head of Human Resources, Ireland

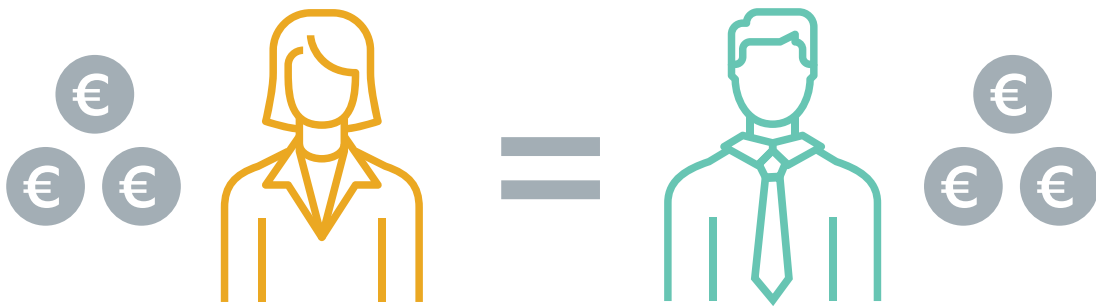
WHAT IS THE GENDER PAY GAP?

The gender pay gap is often confused with equal pay - but they are not the same. The gender pay gap is the difference in the average hourly pay of all males and all females across an organisation. Equal pay is about ensuring males and females receive the same salary for equivalent work (i.e. carrying out the same jobs).

You can have a gender pay gap without having an equal pay problem. This is because gender pay gaps are typically caused by having more males in more senior, and therefore more highly paid, positions. This will mean that males receive a higher average pay than females.

There are a number of legitimate reasons people can receive different pay for doing the same job. For example, skills, previous experience and how long they have been in a role.

EQUAL PAY IS ABOUT ENSURING MALES AND FEMALES RECEIVE THE SAME SALARY FOR EQUIVALENT WORK



GENDER PAY GAP IS THE DIFFERENCE IN THE AVERAGE HOURLY PAY OF ALL MALES AND ALL FEMALES IN AN ORGANISATION



OUR GENDER PAY GAP

Pay and Bonus Gap

At Northern Trust, our hourly pay gap is **11.0%** on a mean basis and **3.3%** on a median basis (shown in Table 1).

For partners on temporary contracts, the hourly gender pay gap is **23.8%** on a mean basis, while there is **no gap** on a median basis. For part-time partners, our hourly gender pay gap is in favour of females at **18.5%** on a mean basis and **10.2%** on a median basis (shown in Table 2), which is largely attributable to the higher representation of females in the part-time contract population.

At Northern Trust, although the number of males and females receiving a bonus is comparable (Exhibit 1), our median bonus gap is **12.5%** and our mean bonus gap is **35.0%** (Table 1). This suggests that our gender bonus gap is a result of the amount of bonus paid rather than bonuses being awarded to a significantly higher proportion of males.

The bonus gap is based on actual data: it is not annualised for those who work part-time or were on a leave of absence during the previous 12 months – this helps to explain why the bonus gap is larger than the hourly pay gap.

TABLE 1

	Mean	Median
Females' hourly pay is..	11.0% lower	3.3% lower
Females' bonus pay is..	35.0% lower	12.5% lower

TABLE 2:

	Mean	Median
Females' hourly pay for temporary contracts is..	23.8% lower	00.0% lower
Females' hourly pay for part time employees is..	18.5% higher	10.2% higher

EXHIBIT 1: WHO RECEIVED BONUS PAY?

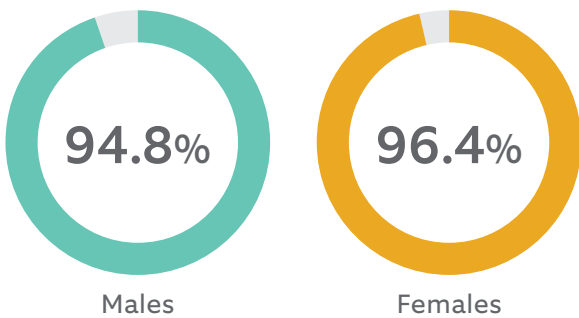
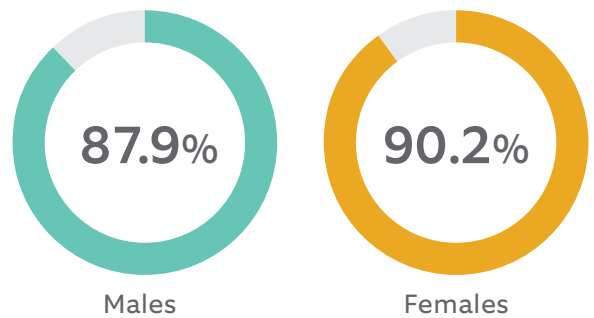


EXHIBIT 2: WHO RECEIVED BENEFITS IN KIND?



Pay Quartiles

At the snapshot date of 30 June 2022, our gender pay gaps shows us that males and females generally have an even distribution across pay bands (Table 3). The main driver of our gender pay gap in Ireland is a result of some key highly paid positions being filled by males.

TABLE 3

Pay Quartiles	Lower Quartile	Lower Middle Quartile	Upper Middle Quartile	Upper Quartile
Males	51.6%	45.2%	48.2%	58.6%
Females	48.4%	54.8%	51.8%	41.4%

Based on hourly pay – full-time partners only.

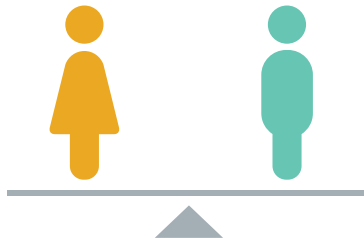
DIVERSITY AT NORTHERN TRUST

Supporting and developing a globally diverse and inclusive workforce is a priority for Northern Trust. This is evidenced by the many initiatives and policies embedded in our organisation, such as our flexible working policies, Women in Leadership and other Business Resource Councils and external networks including the Ireland 30% Club.

Some of these initiatives will impact and address our gender pay gap, for example:

- Running leadership development programmes, such as our Diverse Leaders' Programme, for diverse groups. Our women's programme has been running for eight years and is designed to ensure the pipeline of female talent for senior roles remains strong.
- Joining Ireland's Women in Finance Charter and setting a target of reaching 48% women in senior management roles by December 2025, to address gender diversity at Northern Trust.
- Inclusion of unconscious bias training for hiring managers and recruiters to address potential bias in our recruitment processes and mandating that the slate of candidates we consider for senior roles is diverse.

Although we have strong diversity, equity and inclusion initiatives, we always want to improve and are committed to ensuring we achieve gender balance at all levels.



GLOSSARY OF KEY TERMS

Hourly Pay includes all payments made to the employee in respect of the reporting period (July 2021 – June 2022) and consists of both “ordinary pay” (e.g., basic pay, allowances, overtime) and “bonus pay” (e.g. performance incentive, commission).

Bonus pay is the gross bonus received during the 12 months prior to 30 June. It is the actual bonus paid, rather than full-time equivalent for those who work part time or were on a leave of absence during the previous 12 months.

Mean hourly pay gap is the difference between the average hourly pay of males and females. This is often expressed as a percentage to give the gender pay gap in hourly pay as a percentage of males' pay.

Median hourly pay gap is the difference between the median hourly pay rates of males and females. This is often expressed as a percentage to give the median gender pay gap in hourly pay as a percentage of males' pay.

Demographic profile is the representation of males/females within bands across an organisation.

Equal pay is ensuring males and females are paid the same for work of equal value (set out in the Employment Equality Act 1998).

Gender pay gap is a measure looking at the difference in the gross hourly pay for both males and females across an organisation and is expressed as a percentage of males' earnings.

TO LEARN MORE:

Visit our Diversity, Equity and Inclusion page: northerntrust.com/gender-pay-gap.