



GENDER PAY GAP REPORT 2019

SGS UNITED KINGDOM LIMITED



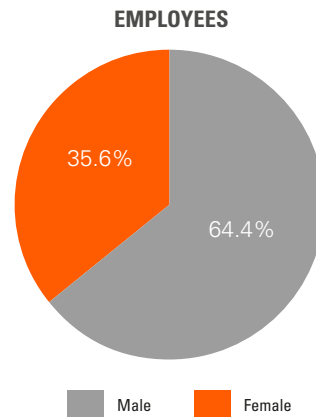
WHAT IS THE GENDER PAY GAP?

Under legislation that came into force in April 2017, UK employers with more than 250 employees are now required to publish their gender pay gap based on an annual “snapshot” date of 5th April.

THE GENDER PAY GAP IS DIFFERENT TO EQUAL PAY:

Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value. It is unlawful to pay people unequally because they are a man or a woman.

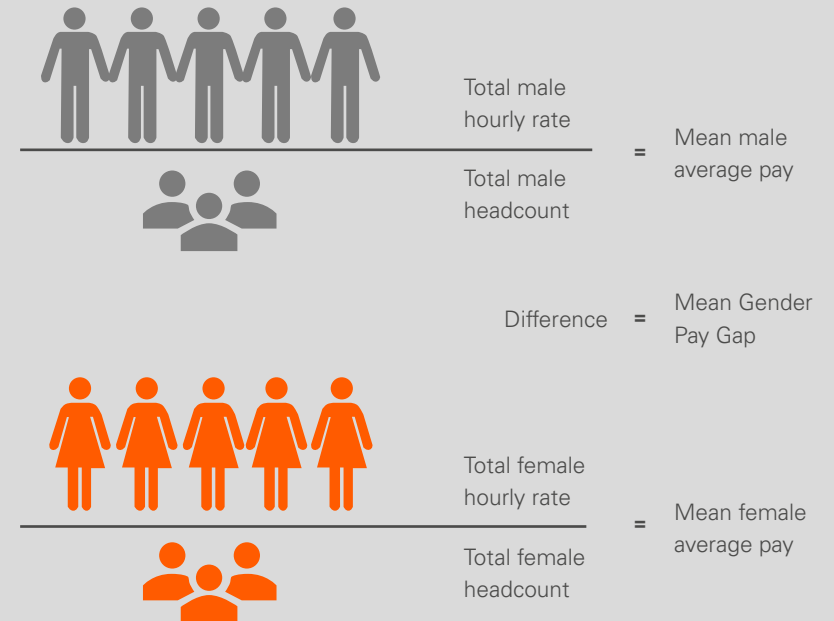
The **gender pay gap** shows the difference in the average pay between all men and women in a workforce.



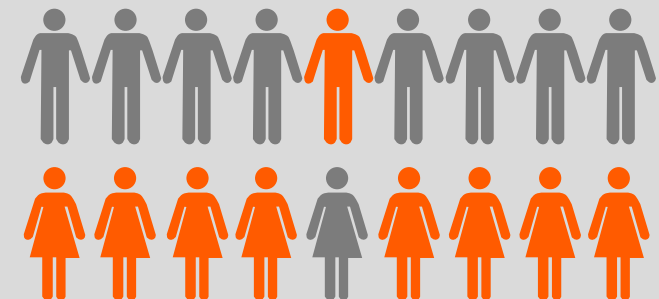
WHAT ARE EMPLOYERS REQUIRED TO PUBLISH?

- **Mean gender pay gap:** The difference between the mean hourly rate of pay of male full pay relevant employees and that of female full-pay relevant employees.
- **Median gender pay gap:** The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
- **Mean bonus gender pay gap:** The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.
- **Median bonus gender pay gap:** The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.
- **Bonus proportions:** The proportions of male and female relevant employees who were paid bonus pay during the relevant period.
- **Quartile pay bands:** The proportions of male and female full-pay relevant employees in the lower, lower-middle, upper-middle and upper quartile pay bands.

MEAN - The mean gender pay gap is the difference in the average hourly pay for women compared to men within a company



MEDIAN - The median represents the middle point of a population. If you line up separately all the women and all the men, the median pay gap is the difference between the hourly pay rate for the middle woman compared to the middle man.



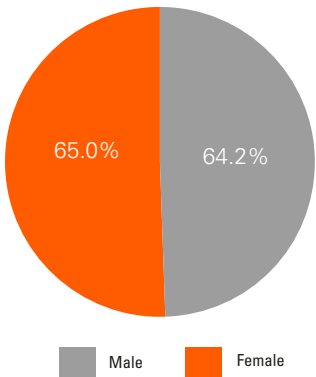
OUR RESULTS

MEAN AND MEDIAN PAY AND BONUS GAP

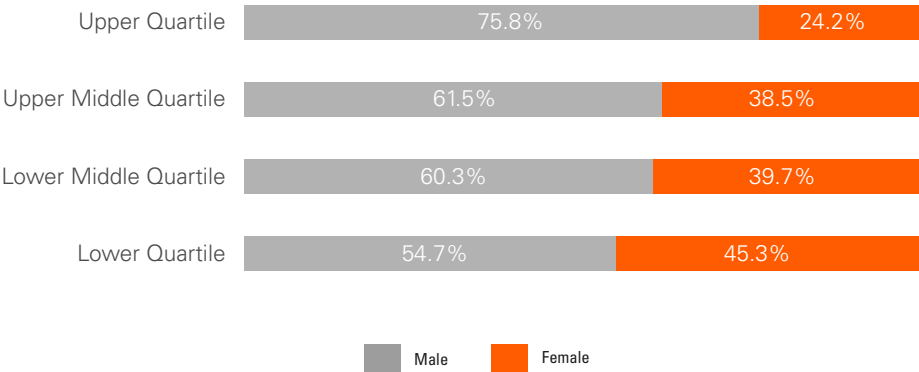
2018			2017	
	MEAN	MEDIAN	MEAN	MEDIAN
Gender Pay Gap	14.8%	13.5%	16.3%	13.2%
Bonus Pay Gap	1.4%	22.4%	7.0%	14.7%

- The mean pay gap has decreased from 16.3% in 2017 to 14.8% in 2018. An improvement of 1.5%.
- Bonus pay gaps will fluctuate from year to year as they include one-off payments including share awards, discretionary bonuses, and commission payments.
- A similar percentage of male and female employees received a bonus payment.
- The pay quartiles illustrate that we have a greater proportion of females in the lower quartiles as compared to men. The proportion of women in the higher quartiles has increased slightly in 2018 (up from 24.0% and 36.8% in 2017).

% OF EMPLOYEES RECEIVING A BONUS 2018



PAY QUANTILES



The mean gender pay gap for the whole economy is 17.1% (17.4%, 2017), and the median gender pay gap is 17.9% (18.4%, 2017). (Office for National Statistics (ONS) Annual Survey of Hours and Earnings figures, October 2018).



UNDERSTANDING THE GAP

A **positive** percentage figure, which almost all organisations are likely to have according to ACAS (December 2018), shows that overall female employees have lower pay or bonuses than male employees.

Conversely, a **negative** percentage figure reveals that overall male employees have lower pay or bonuses than female employees.

- Our gender pay gap is 14.8% and represents a reduction of 1.5% from last year's figure.
- Our 2018 median gender pay gap is 14.6% and has increased slightly by 1.4% from last year's figure.
- Our pay gap remains markedly lower than the current UK pay gap of 17.1%.

WHY DO WE HAVE A GENDER PAY GAP?

- Our gender pay gap exists mainly because we have differing proportions of men and women at different levels in our workforce and in specific roles that attract higher fixed and variable pay.
- We recognise that highly specialist technical roles are often dominated by males and that due to scarcity of skills or highly competitive markets, these technical positions often attract high levels of remuneration.
- Currently, we employ a higher proportion of women in occupations that typically attract lower salaries (e.g. administrative/support roles, where 80% of employees are female).
- Our workforce is currently comprised of 65% men and 35% women (unchanged from 2017). We continue to adopt a policy of developing our own people to promote internal progression which will inevitably result in a higher proportion of males taking more senior roles that attract higher levels of pay.
- Occupations where women are under-represented typically produce higher pay gaps. Our largest business is Oil, Gas and Chemicals, where women comprise 14.6% of the workforce. This sector historically has been male-dominated, with fewer women employed in laboratory, offshore or engineering roles that attract relatively high remuneration via allowances and shift pay.
- Over 40% of our workforce is employed in professional, technical or scientific disciplines. Such roles often require knowledge and experience of STEM subjects (science, technology, engineering and maths) which are traditionally male dominated and are associated with higher salaries.
- Bonus gaps are likely to fluctuate from year to year as they include one-off payments including share awards, discretionary bonuses, and commission payments.

MEASURES TO ADDRESS THE GENDER PAY GAP

The expertise of our people is central to our performance as a company and we empower our employees to succeed in a safe, diverse and inclusive workplace that treats everyone fairly and with respect. Our approach is grounded in our Business Principles in which “Respect” is defined as “making sure we treat all people fairly” (SGS Annual Report 2018).

SGS has four principles that underpin the way we acquire, manage, develop and engage people at SGS (talent acquisition, engagement and well-being, talent development and remuneration). Our recruitment, retention and development policies aim to ensure we source and select without bias, offer flexible working conditions wherever practicable and ensure both men and women can compete fairly and equitably for all roles.

Our gender pay gap continues to be below the headline UK figure, however we will continue to monitor our workforce closely and maintain a focus on maximising the number of women we employ at all levels. Whilst our main market sectors are historically male dominated, we seek to ensure equal opportunity at all stages of the employment cycle in accordance with the principles of our Code of Integrity (www.sgs.co.uk/en-gb/our-company/compliance-and-integrity/code-of-integrity).

The shortage of women who have skills in science, technology, engineering and mathematics (STEM) related disciplines continues to be a barrier to a stepped improvement in the short to medium term, as our service portfolio dictates that we are overweight in these areas. In the UK, only 25% of all graduates qualifying in STEM subjects are women (ONS, May 2018), however through such things as work experience initiatives and apprenticeship schemes, we are hoping to encourage more females to enter and train in traditionally male-dominated positions.

DECLARATION

We confirm that the figures contained within this report are accurate and have been calculated in line with the government regulations, the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



David Martland - HR Manager, UK & Western Europe

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WHEN YOU NEED TO BE SURE

