GENDER PAY GAP
REPORT 2017

SGS UNITED KINGDOM LIMITED

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What is the gender pay gap?

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

It is important to understand that 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.

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

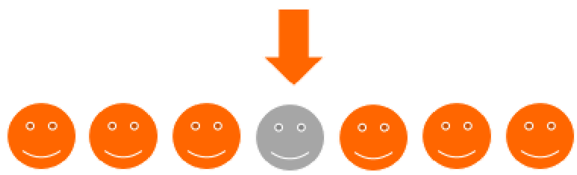
What are employers required to publish?

- Mean gender pay gap
- Median gender pay gap
- Mean bonus gender pay gap
- Median bonus gender pay gap
- Proportion of males and females receiving a bonus payment
- Proportion of males and females in each pay quartile

Definitions

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.

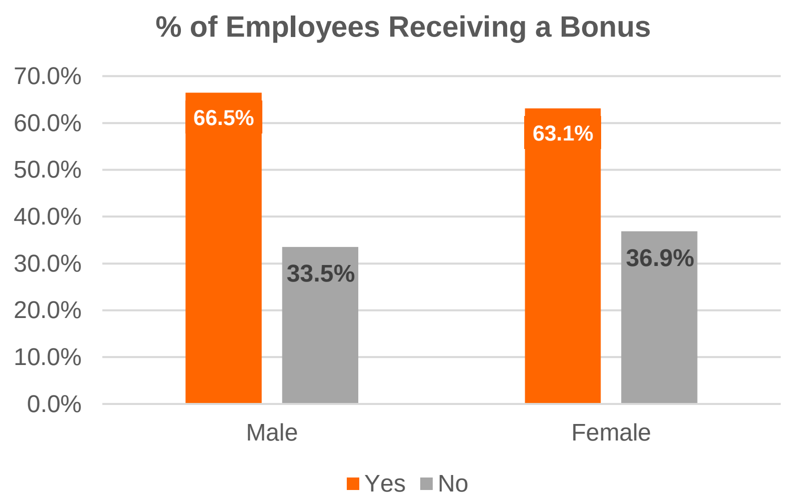


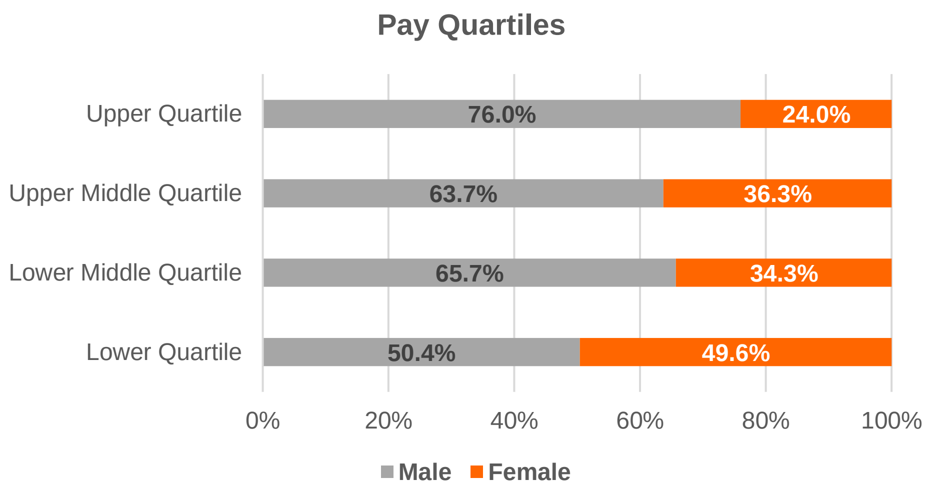
Gender pay gap results

Mean and median pay and bonus gap		
	Mean	**Median**
Gender Pay Gap	16.3%	13.2%
Gender Bonus Gap	7.0%	14.7%

The mean gender pay gap for the whole economy is 17.4%, and the median gender pay gap is 18.4%

(Office for National Statistics (ONS) Annual Survey of Hours and Earnings figures, October 2017)



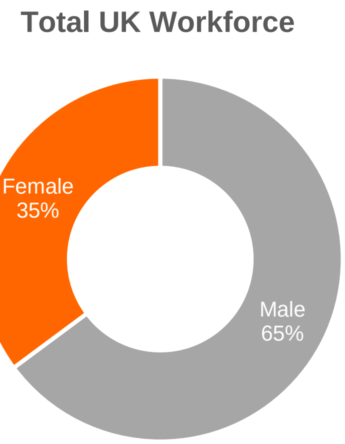


Understanding the gap

A positive percentage figure, which almost all organisations are likely to have according to ACAS (December 2017), 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 gap figures are lower than the UK average, and as such, they demonstrate our commitment to ensuring that everyone is rewarded fairly for their contribution. However, a gender pay gap does exist and the causes are complex and can vary.



Why do we have a gender pay gap?

- Our gender pay 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.
- Our workforce is currently comprised of 65% men and 35% women. Adopting a policy of developing our own people to promote internal progression, this will inevitably result in a higher proportion of males taking more senior roles that attract higher levels of pay.
- Currently, we employ a higher proportion of women in occupations that typically attract lower salaries (e.g. administrative/support roles, where 81.2% of employees are female).
- Occupations where women are under-represented typically produce higher pay gaps. Our largest business is Oil, Gas and Chemicals, where women comprise 14.2% of the workforce. This sector historically has been male-dominated, with fewer women employed in laboratory, offshore or engineering roles that attract 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.

Measures to address the gender pay gap

We routinely classify our workforce according to Job Families, where positions are grouped according to type of activity (e.g. Administration, Field Operations, Middle Management, etc). This provides a useful insight into pay differentials within broadly comparable positions and we will continue to use this data to identify trends and potential areas of concern. According to this classification we can see that, in most cases, the gender pay gap is in single figures at the time of reporting.

Whilst our pay gap is currently below the headline UK figure, we will continue to monitor our workforce closely and maintain a focus on maximising the number of women we employ at all levels. Our main market sectors are historically male dominated and there are no quick wins to further close the gap. We will, however, 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).

Accordingly, our recruitment, retention and development policies will always aim to ensure we source and select without bias, offer flexible working conditions wherever practicable and ensure both men and women are able to compete fairly and equitably for more senior roles.

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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