

Gender Pay Gap

Report 2018

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Foreword



One year on from our first UK gender pay gap report in 2017, we remain committed to building an inclusive and diverse business where everyone can feel welcomed, respected, included and able to give, and be, their best.

Our 2018 report shows a positive trend towards increased female seniority in the Group Executive and UK Senior Leadership, however, we still have too few women in other higher-paying positions.

We haven't yet made the progress that we would have wished to make. We must and we will do more to close this gap through sustained and effective actions. We are committed to encouraging and supporting female colleagues across the organization and to inspiring everyone to reach their full potential. We have made some progress against the actions we outlined in 2017. The next stage of our journey will introduce a programme of further interventions to deliver measured results and maintain momentum including a global Diversity & Inclusion strategy, coaching and mentoring, as well as impactful recruitment and development actions.

We know that achieving our ambition of closing the gap will take time. We will work with colleagues across the business, bringing together their diverse perspectives and ideas to deliver and embed a culture of inclusivity, fairness and wellbeing for everyone at BSI.

Howard Kerr

Chief Executive

Declaration

We confirm the information and data reported is accurate as of the snapshot date of 5 April 2018.

A handwritten signature in black ink, appearing to read 'Howard Kerr', written over a light blue horizontal line.

Howard Kerr

Chief Executive

A handwritten signature in black ink, appearing to read 'Angela Paradise', written over a light blue horizontal line.

Angela Paradise

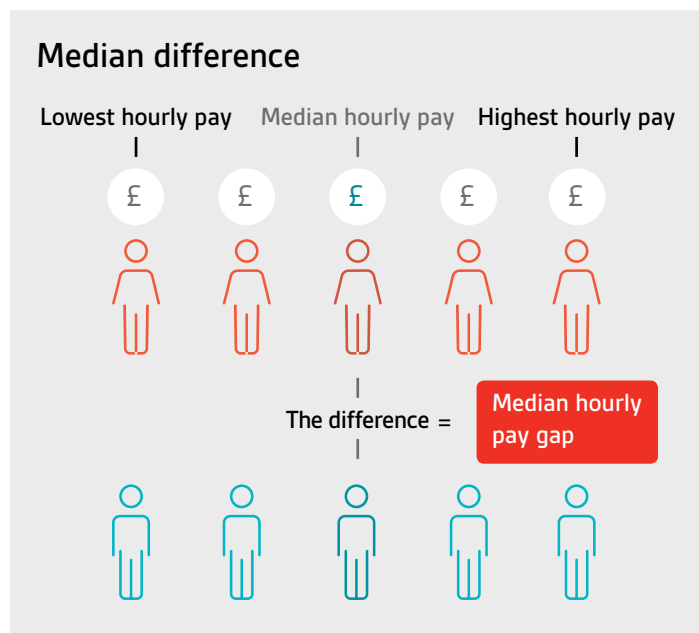
Human Resources Director

Measuring the gender pay gap

How are the median and mean pay gaps calculated?

Calculating the median gap

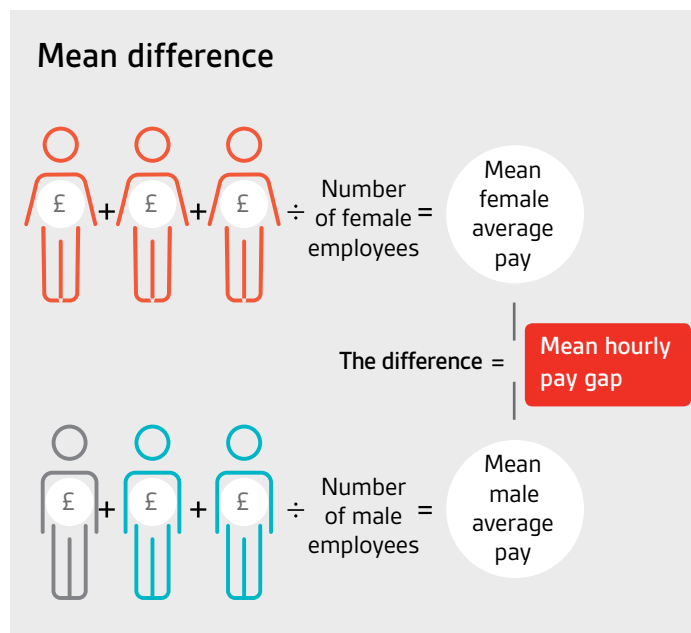
If we put all the hourly rates* of pay of our female employees in a line, starting with the lowest hourly rate of pay on the left and ending with the highest on the right, the median would be the hourly rate in the middle of the line. If we then do the same with the hourly rate of pay of our male employees to find the median, then the pay gap is the difference in pay between the female median hourly rate and the male median hourly rate.



Calculating the mean gap

The other measure is the mean gender pay gap, which simply shows the difference in average hourly rate of pay between men and women. This is also affected by the different numbers of men and women in different roles.

We also carry out these median and mean calculations when comparing bonus pay over a twelve month period.



How are the pay gaps expressed?

Pay gaps are expressed as a percentage of male pay, so where the difference is negative this means that female pay is higher than male pay.

What is included in our calculations?

Calculations of mean and median pay and of quartile pay bands are based only on data from the snapshot date of 5 April 2018.

Our calculations use the conventions set out by the UK government's Gender Pay Gap reporting regulations. Our data covers 1,554 people working in our UK business.

The pay used to calculate the mean and median gender pay gaps includes basic pay, as well as allowances and variable pay paid in April 2018.

Bonus pay includes pay relating to bonuses, incentives, recognition or performance.

How are pay quartiles calculated?

Quartiles are calculated by listing the rates of pay for each UK employee across BSI, from lowest to highest, before splitting that list into four equal-sized groups and calculating the percentage of males and females in each.

*Hourly rate is based on the salary divided by the number of contracted hours

Our UK gender pay numbers

Our 2018 data show an increase in both our UK median and mean pay gaps. In 2017, our median pay gap was better than the national pay gap of 18.4% reported by the Office for National Statistics. In 2018, the national median pay gap is at 17.9%, while BSI UK's pay gap is now at 22%.

We believe that change comes by starting with an honest evaluation of where we are today and we have therefore set out our 2017 and 2018 numbers side-by-side.

We are committed to delivering new initiatives and improving current ones to support, develop and reward all BSI colleagues in a truly inclusive way.

Pay – hourly rate

Difference between men and women for all BSI employees in the UK

2018

	UK
Median	22.0%
Mean	22.1%

2017

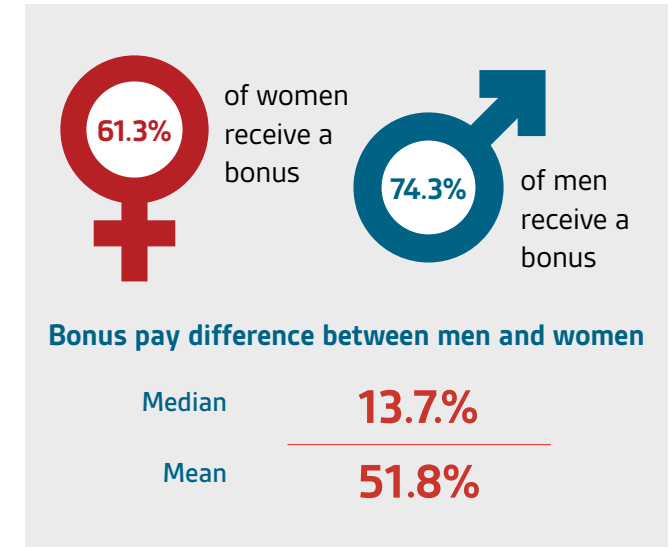
	UK
Median	15.2%
Mean	21.0%

Median and mean gender pay gaps are based on the hourly rate as at 5 April 2018.

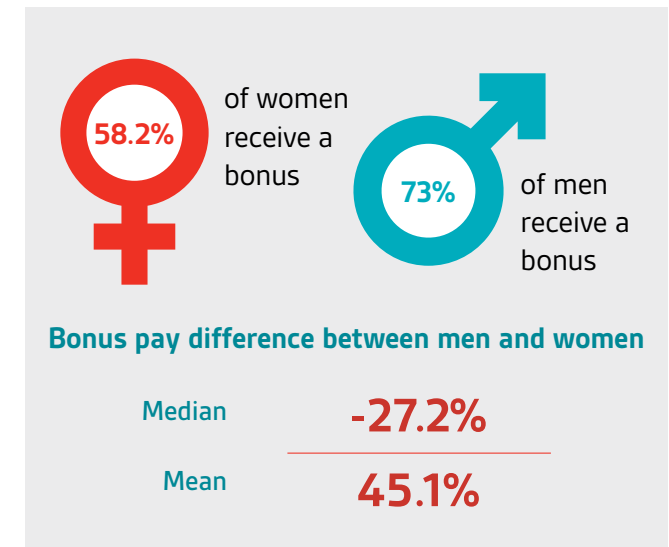
This data includes many different roles that earn a variety of rates of pay.

Bonus pay

2018



2017



Understanding our pay gap

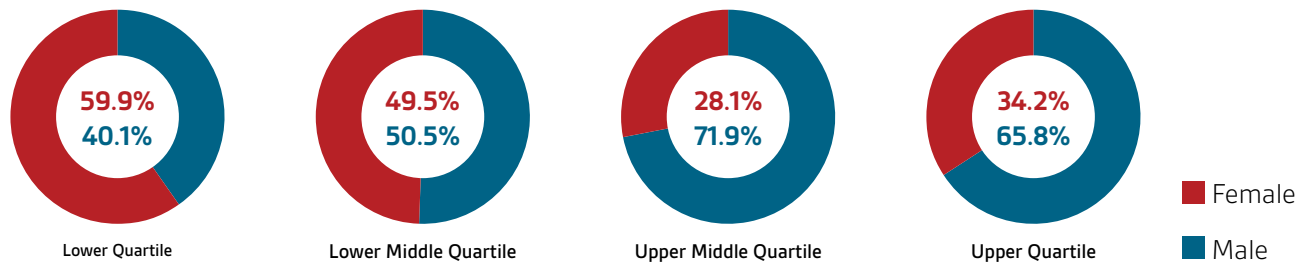
Our gender pay gap can be attributed, in part, to the following factors:

- Overall, we employ more men (57%) than women (43%). These percentages are identical to those of 2017.
- We have made progress towards increased female seniority in the Group Executive and UK Senior Leadership, however, we are not at 50-50 and there is still more to do.
- Our highly technical (STEM – science, technology, engineering and mathematics) roles in our Assurance business, where we traditionally have more men than women, attract a pay premium in the upper quartiles.
- We employ more women in our lower pay quartiles and more men in the upper quartiles. Our bonus gap is similarly impacted by fewer women in senior positions where higher bonuses are paid.

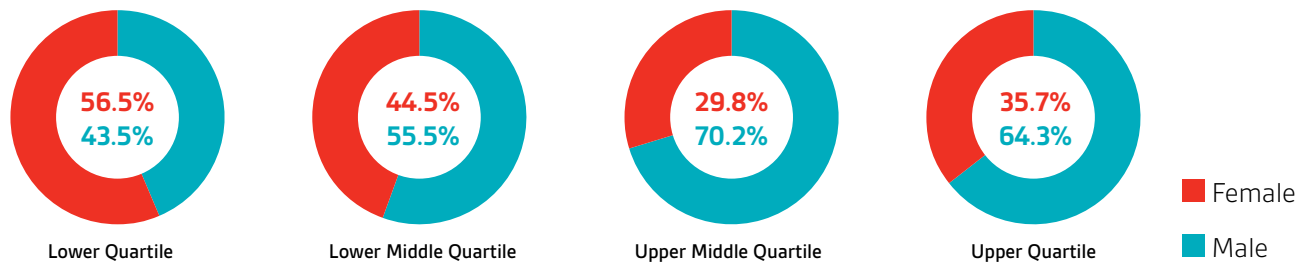
Pay Quartiles

Percentage of male and female employees according to quartile pay bands

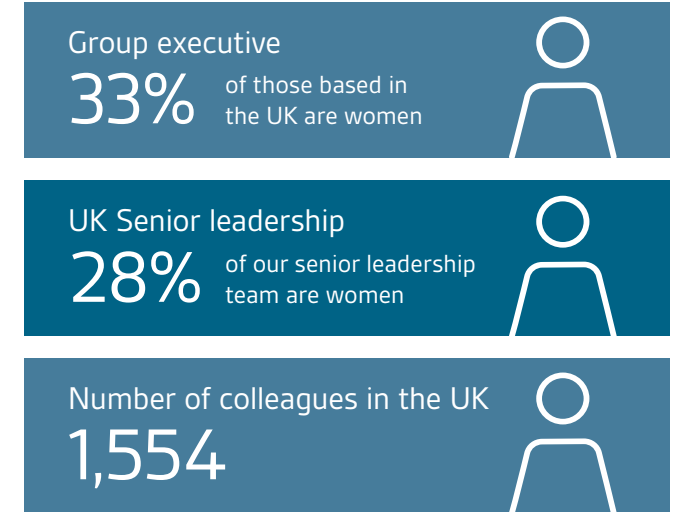
2018



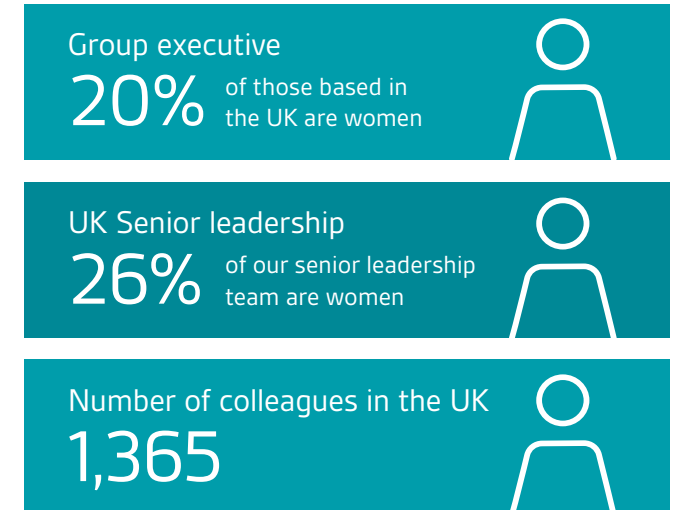
2017



2018



2017



Closing the gap

We are committed to understanding the reasons for the gap and to developing new solutions or improving current ones to ensure that we support, develop and reward all BSI colleagues in a truly inclusive way. Half-yearly analysis of our gender pay gap will help us to measure the progress we make to effect meaningful change. We also recognize that none of our actions will succeed without the right culture and a working environment where we encourage all our people to play an active part.



Leadership development opportunities

During 2018, we ran an Inclusive Leadership training programme in the UK on the importance of avoiding unconscious bias. This has enabled us to have productive conversations internally and we are now focusing on next steps.

We continue to ensure that there is balanced gender representation for leadership development and career opportunities.



Flexible and agile working

We have a flexible working policy within BSI and agile working on some of our sites, however this is not enough. We are doing more in this area and putting supporting technology in place in order to do it. This April, we are launching a **'Flexible and Agile Working Taskforce'** to develop a range of flexible working options, including job shares, term-time working, part time working, as well as a variety of agile working possibilities. These will give colleagues the opportunities they need to balance their home and work lives and ensure their wellbeing.



Access to career opportunities

In line with our 2017 commitment, we openly advertise all opportunities internally and give our current employees the first chance to apply for new roles.

Our processes are standardised and are easily accessible to all employees to enable people to deliver their best. We will encourage more women to apply for senior roles and support them in their development.



Mentoring

We will offer mentoring support to parents after maternity, adoption or shared parental leave to retain talented colleagues in our business. Our overall mentoring programme is in the design phase and will be implemented mid-year. We will offer a mentor to all parents returning to work. This will include helping parents in how best to balance work and family life.

Closing the gap



Encouraging STEM students

As part of our social responsibility commitment, we continue to build long-term relationships with schools to encourage more girls to choose STEM (Science, Technology, Maths, Engineering) subjects. This will, in time, lead to more women working in these fields. We have over 50 BSI STEM Ambassadors and organize regular student days at our sites where schoolgirls can meet with our inspiring female colleagues who are pursuing technical careers at BSI.



Diversity and Inclusion strategy

This year, we have initiated the development of a global diversity and inclusion strategy for BSI. We will be providing opportunities, through focus groups, surveys and interviews, for all colleagues to get involved and share their views on how we can build greater diversity and inclusion at BSI. This project will cover all types of diversity, including gender, and will therefore enable us to listen to the views of our women colleagues and develop further relevant actions.



Diverse recruitment and talent development

We have taken action to ensure that our search for talented people is diverse, inclusive and wide-reaching. We make every effort to ensure that our policies exceed statutory requirements, for example with regards to maternity leave.

We actively seek gender balance in our candidate shortlists, spanning all roles and levels. This year, we will implement gender-balanced interview panels with the aim of reaching at least 50% by the end of 2019.



Fair pay

We continue to be committed to providing fair and competitive rewards to all our people with increased transparency into our pay decisions and career pathways.

Our ambition is to continue to encourage and promote all our colleagues equally and fairly and to provide fair and competitive rewards to all our people, irrespective of gender.

Statutory disclosures

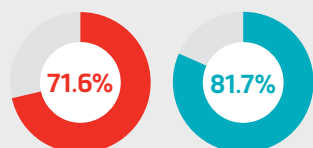
We track gender pay gap data for our legal entities with at least 250 employees for which we are required to report our gender pay gap data in line with the government regulations first launched in 2017. We have two legal entities that fulfil this requirement and we have published this data on the government website and in this report. We have also calculated the gender pay gap across all UK employees.

BSI Assurance

	Median	Mean
Gender pay gap	29.9%	19.4%
Gender bonus pay gap	-8.1%	31.9%

Percentage of men and women receiving a bonus payment

■ Female ■ Male



Percentage of men and women in each quartile band

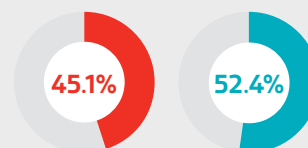
Quartile	Female	Male
Lower	59.4%	40.6%
Lower middle	43.2%	56.8%
Upper middle	21.4%	78.6%
Upper	28.5%	71.5%

BSI Standards

	Median	Mean
Gender pay gap	8.5%	16.6%
Gender bonus pay gap	54.5%	11.3%

Percentage of men and women receiving a bonus payment

■ Female ■ Male



Percentage of men and women in each quartile band

Quartile	Female	Male
Lower	72.7%	27.3%
Lower middle	61.8%	38.2%
Upper middle	49.3%	50.7%
Upper	47.4%	52.6%

The gender pay gap shows the difference in average hourly pay between women and men – regardless of the nature of their work – across the entire organization. It is expressed as a percentage of men's pay.

It is important to note that gender pay gap reporting does not measure equal pay, which relates to what women and men are paid for the same or similar jobs, or work of equal value.

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