

# **Gender Pay Gap Report as at 5 April 2018**

Ensuring we encourage career progression for all in our business, regardless of gender, is a key aim of our leadership team. As you will see from the results in this report, we remunerate and reward our people based on performance and contribution. We have worked hard to provide consistency and transparency within our pay decision-making process to ensure decisions are based on market data, skills and role performance.

David Gao

Vice Chairman & CEO, BPL Holdings Ltd

6 March 2019



# Gender Pay Gap Report

## Background

### Why do we report our gender pay gap annually?

UK companies employing more than 250 people must publish mandatory gender pay gap information annually, as at the “snapshot date” of 5 April. (Publication deadline 4 April the following year).

### What is gender pay gap?

Gender pay gap is the difference in earnings between men and women explained through various statistics. It covers all employees in UK BPLT, independent of the job they do and it is influenced by a number of factors, including the demographics of the workforce.

### Gender pay gap is different from Equal Pay

Gender pay gap is a measure of the average and median difference in earnings between men and women. Equal pay is different and relates to paying men and women equivalent rates for work of equal value, whilst taking into account skills and performance.

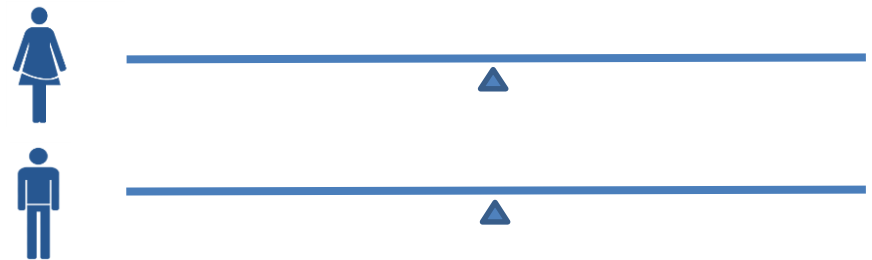
### Definition: Mean pay / bonus gap

The mean gender pay gap is the difference in the average annual pay rate / bonus for women compared to men within the company.



### Definition: Median pay / bonus gap

The median represents the middle point of a population. If we separately ranked the pay for all women and all men in BPL, the median gender pay / bonus gap is the difference between the pay of the middle woman and the middle man.



# What does our data tell us?

## Gender Pay Gap Figures



|                     |             |  |
|---------------------|-------------|--|
| <b>Mean pay gap</b> | <b>1.6%</b> | <b>Men were paid 1.6% (32p per hour) more than women</b> |
| Mean bonus gap      | 8.7%        | Females' bonus payments were 8.7% (£201) lower           |
| Median pay gap      | 0.7%        | Men were paid 0.7% (12p per hour) more than women        |
| Median bonus gap    | No gap      |  |

### Insight

Previously BPL was owned by the Department Of Health. As a result, some employees have legacy NHS terms & conditions and are paid via NHS pay scales (which are set by the NHS). If we exclude these employees; our mean pay gap reduces to 0.3% (6p per hour).

When looking at statistics, mean calculations may be impacted by outlying values, such as the earnings of a small numbers of very senior leaders. In our case, this affects both mean pay and bonus. Our mean pay and bonus gap have moved towards men in 2018 due to some senior female leavers and senior male appointments. Looking at our mean bonus gap figure of 8.7%, there were more men than women in positions with higher potential bonuses, which distorts the picture across the entire bonus-eligible population.

The median pay gap, which is less impacted by outlying values, is lower at 0.7% . If we exclude employees on legacy NHS pay scales, the median pay gap figures moves to -1.5% . This means that females on BPL pay grades were paid 1.5% (23p per hour) more than men. In addition, there was no median bonus pay gap between male and female employees across BPL Therapeutics in the UK.

Overall, our results indicate that our policy on making pay decisions based on market data, experience, skills and performance in role are appropriate.



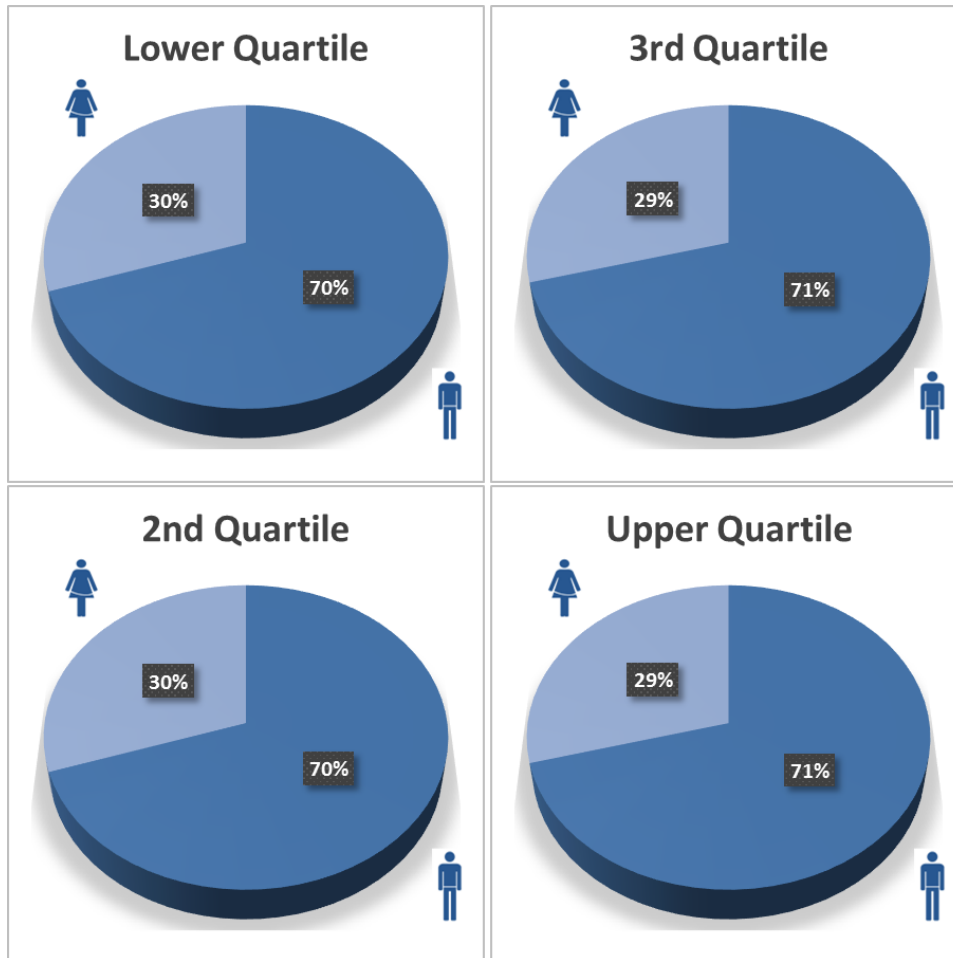
### Bonus payments

5.6% more men than women received a bonus.

All employees at BPL are entitled to participate in a bonus scheme. Payment is subject to qualifying criteria which includes date of joining. In 2018, 12% of females vs 7% of males did not meet the criteria to qualify for a bonus because they were not employed at the bonus eligibility date.

# What does our data tell us?

## Proportion of males & females in each pay quartile



Females represent 30% of our workforce. This is reflected across all pay quartiles. Factors affecting this are:

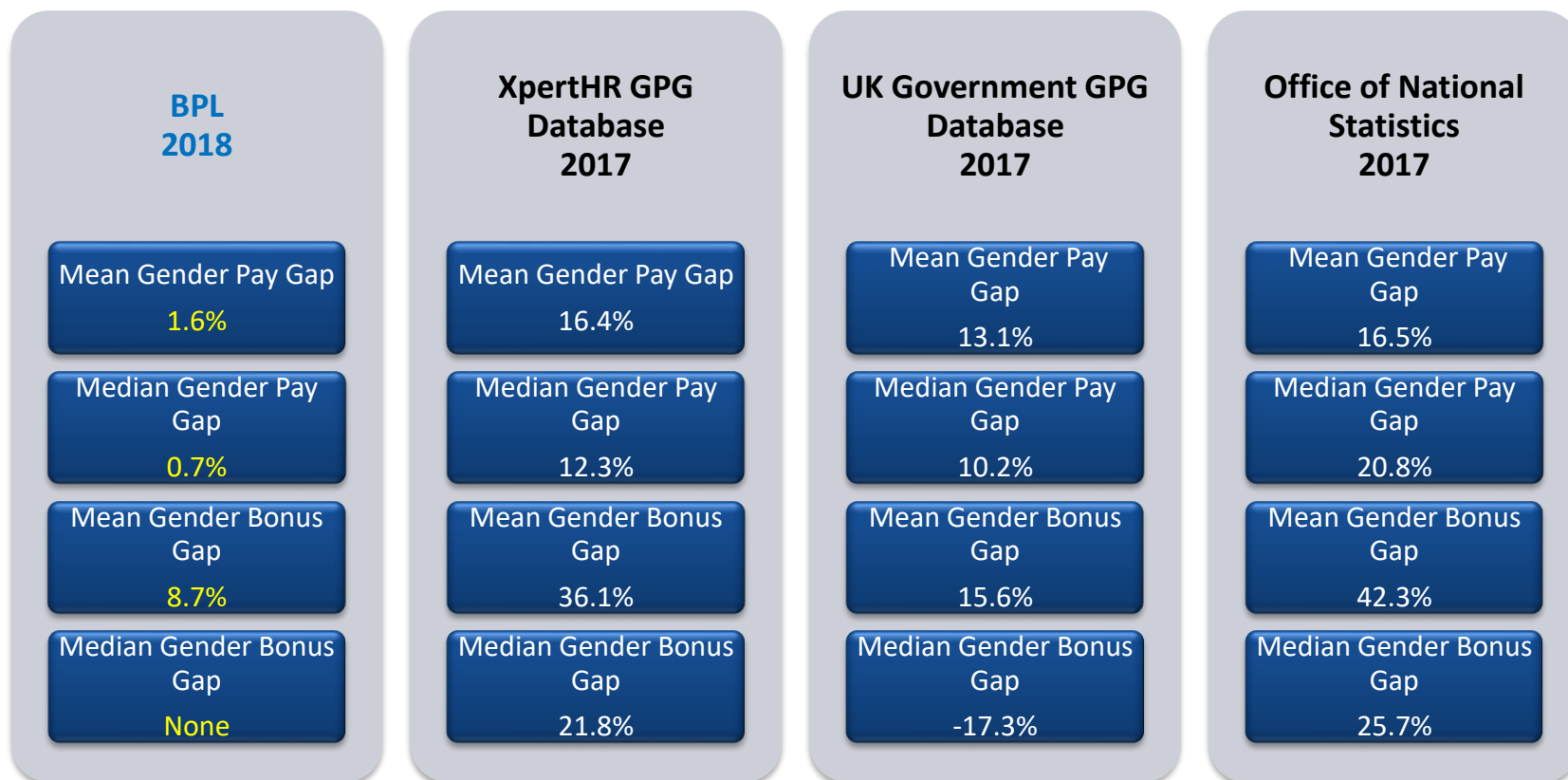
- 61% of roles require shift working
- 82% of shifts are worked by men vs. 18% worked by women.
- Shift allowances are paid to shift workers.
- Our highest shift allowances are paid for the most unsocial shifts.

Shift working is not suitable for all. We understand that flexible working can help people to fit work around family responsibilities and whenever possible, we support our employees through flexible working arrangements.

Our employment decisions, including recruitment and promotion, are based on capability not gender or other unlawful criteria. Recruitment and promotion decisions involve more than one person and where appropriate, multiple assessment criteria.

Pay ranges are based on market data and employees are positioned within salary ranges according to experience, skills and performance.

# How do we compare with other businesses in our sector? Chemicals, Pharmaceuticals & Oil



## Insight

- FY2018 data for all companies is not yet available so BPL comparisons are against full 2017 data, which will be updated as soon as full 2018 sector data is available.
- Every company is different, so direct comparisons are hard to make. 2017 sector statistics above show a gender pay gap (GPG) towards men. The only exception is the Government Gender Pay Gap website which reports a 17.3% median gender bonus gap in favour of women.
- Comparing BPL vs. our sector, although women are now paid 1.6% less than men (0.3% less excluding employees on NHS pay scales), our gender pay gap is considerably lower. In addition there is no median gender bonus gap.

To help ensure equity in remuneration between men and women at BPL, we will continue to:

- Review our gender pay gap data to understand what drives any differences.
- Refresh pay structures and provide additional placement guidance .
- Monitor the spread of performance ratings and performance related pay increases by gender.
- Ensure that recruitment decisions are based on the requirements of the role
- Provide training and development opportunities for all employees, so that they are able to progress through different career paths

