



We create chemistry

Gender Pay Gap Report

BASF plc, 2019

This report shows our commitment to be transparent on our pay strategy and to provide a competitive salary package for all existing and potential employees.

The report snapshot was taken at April 5, 2019.



Our Gender Pay Results

(April 5, 2019)

Pay

(Salary plus additional supplements i.e. shift received between April 6, 2018 and April 5, 2019)

The **mean*** gender pay gap comparing ordinary pay

Mean of ORDINARY Hourly Pay

9.6% Difference

The **median**** gender pay gap comparing ordinary pay

Median of TOTAL Hourly Pay

12.1% Difference

Bonus***

(Bonus + similar awards received between April 6, 2018 and April 5, 2019)

The **mean** bonus gender pay gap comparing actual bonus paid

Mean of ACTUAL BONUS PAID

15.5% Difference

The **median** bonus gender pay gap comparing actual bonus paid

Median of ACTUAL BONUS PAID

4.9% Difference

Pay differences - When considering the pay split using only basic pay, the gender pay gap reduces to 6.6%. However, for the publication of this report, the difference is due to the additional supplements which make up 'ordinary pay' paid to shift workers, who are predominantly male (10.2% of our workforce work shifts and 97% of these are male.)

Bonus Differences - The calculation for this uses the actual bonus paid and does not consider the effects of pro-rated bonus pay for part-time workers and adjustments for unpaid leave. 24.5% of the BASF plc female workforce work reduced hours compared to 0.7% of the male workforce.

The proportion of male and female employees who received a bonus:



83.8%



84%

Quartile Ranges

(The proportion of male and female in each of the four quartiles pay bands who ranked in order of ordinary pay)

Lower Quartile

Male 69%

Female 31%

Lower Middle Quartile

Male 60%

Female 40%

Upper Middle Quartile

Male 72%

Female 28%

Upper Quartile

Male 80%

Female 20%

All UK employees

Male 70%

Female 30%

Reporting on Gender Pay

At BASF plc the gender pay gap at April 5, 2019 was 9.6% (4.8% in 2018), well below the overall UK national gender pay gap rate of 17.3%****

BASF plc is a diverse range of businesses dispersed throughout the UK. During 2018-2019 BASF plc divested its largest manufacturing businesses which has changed the workforce at BASF plc and the gender pay gap. For example, the percentage of shift workers has dropped from 28% to 10%. All employees are entitled to an annual bonus which is based on the grade of the role and individual performance.

UK employers with over 250 people in a single legal entity must calculate and publish their gender pay and bonus gaps as they are on April 5 each year. The gender pay gap measures the difference between the average earnings of male and female employees and is expressed as a percentage of male employees' pay.

General workforce overview

- The BASF plc workforce was 70% male and 30% female.
- 24.5% of our female employees worked reduced hours, compared to 0.7% of our male employees.
- 10.2% of our employees worked shifts. 97% of shift workers were male.
- The average standard contracted hours for females was 33.82 and for males it was 36.56.
- The percentage of women holding senior positions (Grade 5 and above) dropped from 22% in 2018 to 18% in 2019, mainly as a result of the divestment of our largest manufacturing site in the UK.

Our employees are key to the successful implementation of BASF's strategy. They contribute to changing the world we live in for the better with innovative and sustainable solutions. We want our working conditions to be a motor for innovation, and one way of achieving this is through inclusion...

BASF Online Report 2018

A working environment that inspires and connects

The purpose of BASF reflects what we do and why we do it: We create chemistry for a sustainable future. People is one of our six action areas from our Corporate Strategy and our employees make a significant contribution to BASF's long-term success. We want to attract and retain talented people for our company and support them in their development. To do so, we cultivate a working environment that inspires and connects people. It is founded on inclusive leadership based on mutual trust, respect and dedication to top performance.

In the UK and Ireland in 2019, BASF employed around 928 people across 14 sites, 9 of which were manufacturing units. For BASF plc, 628 people were employed at the time of the snapshot at April 5, 2019.

* Mean – the actual variable pay (bonus) for a part time worker in the same grade as a full time worker is less. Most part time workers are female.

** Median - the median female and male grade are the same.

*** To receive a bonus in the reporting period, the person had to be employed at December 1, 2017.

**** Source: Office of National Statistics October 29, 2019.

Taking steps towards a more inclusive workplace

We are proud to be a member of WISE (Women in Science and Engineering) and a signatory of the Ten Steps. The WISE Ten Steps is an industry-led initiative to address how best to remove the sometimes complex barriers that can stand in the way of real equality of opportunity and how to develop a genuinely inclusive culture. We have taken several positive actions addressing points raised in the Ten Steps employee survey during 2018-19 and will continue to review our progress.

- Be Creative in Job design - Gender-neutral language has been introduced into our job vacancy advertisements and role descriptions
- Educate your Leaders – We have trained all leaders on Diversity & Inclusion and Unconscious Bias
- Share Learning and Good Practice - BASF is passionate about engaging more girls into STEM subjects and is keen to encourage talent into our industry. We work with students and teachers around the UK & Ireland to get them excited about science
- Make Flexible working a reality for all – We have introduced new agile working arrangements for our employees. Flexible working is also offered from day one, where possible
- Demonstrate to women that you want to retain and develop them – We have supported the establishing of a Women in Business Network with the aim of creating an open and honest environment, to connect with and support colleagues. The network offers opportunities for both women and men to promote and discuss topics of diversity and gender balance and recognise the contributions of women in our organisation, industry and communities

I look forward to continuing along our journey towards a more inclusive workplace.



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