

Gender Pay Gap Report

BASF plc, 2018

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 5 April 2018.



Our way to a high performance organisation

The purpose of BASF reflects what we do and why we do it: **We create chemistry for a sustainable future.**

We want to contribute to a world that provides a viable future with enhanced quality of life for everyone. We do so by creating chemistry for our customers and society and by making the best use of available resources. The approximately 122,000 employees in the BASF Group work on contributing to the success of our customers in nearly all sectors and almost every country in the world.

In 2018 BASF launched its new business strategy with our people firmly identified as key to its delivery. Our employees make a significant contribution to BASF's long-term success, therefore we want to attract and retain talented people for our company and support them in their development.

In the UK and Ireland region of BASF in 2018 we employed around 1400 people across 16 sites, 10 of which are manufacturing units. For BASF plc 1171 people were employed at the time of the snapshot at 5 April 2018.

Equal benefits and opportunities



"We continue to be committed to providing the same benefits and development opportunities for all employees. We believe that inclusion and diversity is key to creating a balanced work environment where everyone feels involved and able to have a voice.

With this in mind we have committed to the **WISE** (Women in Science and Engineering) **10 Step plan** to provide a baseline against which we can measure organisational progress.

Although WISE has a specific agenda, we recognise that the principles can be used to foster inclusivity throughout the company and these are informing our local diversity and inclusion strategy."

Karen Harper, Head of Human Resources, UK & Ireland

Job Roles in BASF plc

There is a diversity of roles across BASF plc. As a company with a strong manufacturing base, we currently have a predominantly male workforce, many of who work shifts. When we compare the differences in pay, there are two key points to note: 1. there are additional supplements which make up 'ordinary pay' that is paid to shift workers; 2. the actual variable pay (bonus) is made on a pro-rated basis for part time employees.

Reporting on Gender Pay

At BASF plc the gender pay gap at 5 April 2018 was 4.8% (5.8% in 2017), well below the overall UK national gender pay gap rate of 17.9%*

*(*reported by Office of National Statistics 25 October 2018).*

Under new legislation that came into force in April 2017, 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 5 April 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.

Our Gender Pay Results (5 April, 2018)

Pay

(Salary plus additional supplements i.e. shift received between 6 April 2017 and 5 April 2018)

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

Mean of ORDINARY Hourly Pay 4.8% Difference

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

Median of ORDINARY Hourly Pay 4% Difference

Bonus

(Bonus + similar awards received between 6 April 2017 and 5 April 2018)

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

Mean of ACTUAL BONUS PAID 10.7% Difference

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

Median of ACTUAL BONUS PAID -17.6% Difference

The proportion of male and female employees who received a bonus



88.3%



85.6%

Pay differences are predominantly due to additional supplements which make up *ordinary pay* paid to shift workers who are predominantly male

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 male grade is lower than that of a female.

To receive a **bonus** in the reporting period, the person had to be employed at 1 December 2016.

General workforce overview at 5 April 2018

- The BASF plc workforce was 77% male and 23% female.
- 23% of our female employees worked reduced hours compared to 0.55% of our male employees.
- 28% of our employees worked shifts. 98% of shift workers were male.
- The average standard contracted hours for females was 34 and for males was 37.

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 83%

Female 17%

Upper Middle Quartile

Male 77%

Female 23%

Upper Quartile

Male 80%

Female 20%

All UK employees

Male 77%

Female 23%



L-R **Lisa Kelly**, Lead WISE Ambassador BASF, **Richard Carter**, Managing Director, BASF UK & Ireland & **Karen Harper**, Head of HR.

As part of BASF's WISE membership, we have decided to become 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.

This report is published by
BASF plc,
PO Box 4, Earl Road,
Cheadle Hulme, Cheadle,
Cheshire SK8 6QG
Tel: 0161 488 5616
www.basf.co.uk

BASF
We create chemistry