

GENDER PAY GAP REPORT 2022

Introduction

The Gender Pay Gap Information Act 2021 requires organisations to report on their hourly gender pay gap across a range of metrics. Organisations with over 250 employees are being asked to report on their Gender Pay Gap for the first time in 2022 at a "snapshot" date in the month of June.

THE GENDER PAY GAP VS EQUAL PAY

It is possible to have a gender pay gap while still paying men and women fairly. Equal pay refers to the difference in men and women's pay who carry out the same role.

The Gender Pay gap calculates and compares the average pay between all men and women across an organisation.

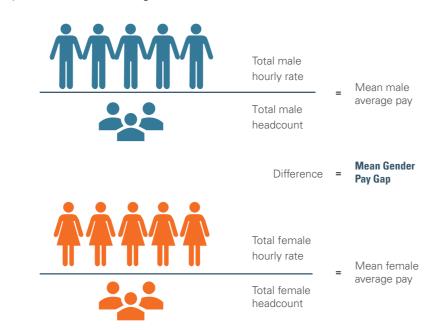
This report covers the 2021-22 reporting cycle, using a snapshot date of 25 June 2022.

WHAT WILL ORGANISATIONS REPORT ON?

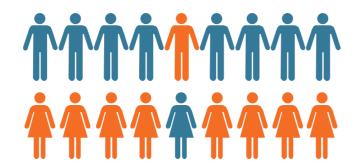
- a. The difference between the mean hourly remuneration of male employees and female employees expressed as a %
- b. The difference between the median hourly remuneration of male employees and female employees expressed as a %
- c. The difference between the mean bonus remuneration of male employees and female employees expressed as a %
- d. The difference between the median bonus remuneration of male employees and female employees expressed as a %
- e. The difference between the mean hourly remuneration of part-time male employees and part-time female employees as a %
- f. The difference between the **median hourly remuneration** of part-time male employees and part-time female employees as a %
- g. The percentage of all male employees who were paid a bonus and the percentage of all female employees who were paid a bonus
- h. The percentage of all male employees who received benefits in kind and the percentage of all female employees who received such benefits.
- i. The difference between the mean hourly remuneration of male employees on temporary contracts and that of female employees expressed as a %
- j. The difference between the median hourly remuneration of male employees on temporary contracts and that of female employees on such contracts expressed as a %
- k. Quartile pay bands, The proportion of male and female employees in the lower, lower-middle, upper-middle and upper quartile pay bands.

DEFINITIONS

Mean – The mean gender pay gap is the difference in the average hourly pay for women compared to men within an organisation



Median – The median represents the middle point of a population. The median pay gap is the difference between hourly pay rate for the middle female employee compared to the middle male employee



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Our results

Finding the mean pay gap. To do this we add all the hourly pay rates of our female employees and divided that by the number of women in the organisation. We repeated this calculation for the male employees. We also used the same calculation for our Part Time and Temporary workers of both genders. The resulting difference is the Mean Gender Pay Gap.

To find the Median pay gap. We ranked our employees by their hourly rate. We then compared the rate at the middle point of our female employee population of 229 and repeated this with the middle point of our male employee population of 154. The resulting difference is the Median Gender Pay Gap.

DIFFERENCE IN PAY BETWEEN MALEAND FEMALE EMPLOYEES (MEAN AND MEDIAN GENDER PAY GAP)

	2021/22
Mean Pay Gap	13%
Median Pay Gap	24%

Mean Pay – Our results found that the average pay for women was 13% less per hour than the average pay for men. Meaning that for every €1 a male employee received, a female employee received 87c. However, it should be noted that female employees represented a higher proportion of Upper and Upper-middle pay quartiles than male employees.

Median Pay – Our results found that the female employee in the middle of the female pay range received 24% less than the male employee in the middle of the male pay range – The gender split of our workforce at the snapshot date in June was 59.5% female and 40.5% male.

While there is a positive gender split in favour of female employees the gap is still predominantly driven by an over-representation of females in roles that attract lower and lower-middle pay levels e.g. Verification officers, call centre agents, administration.

Subsequently when we exclude all Temporary employees from the general workforce population the Median Pay Gap reduces to 14%.



Our results when it came to our Part Time and Temporary employee population found no Gap in the Median Pay meaning the middle female and middle male received the same pay range.

However, our Mean Pay Gap for Part-Time employees showed a significant negative gap of -59% this result is pre-dominantly driven by more females than male employees opting to working part time in Upper and Upper-Middle pay range.

DIFFERENCE IN PAY BETWEEN MALE AND FEMALE TEMPORARY EMPLOYEES (MEAN AND MEDIAN GENDER PAY GAP)

	2021/22
Mean Pay Gap	1%
Median Pay Gap	0%

DIFFERENCE IN PAY BETWEEN MALE AND FEMALE PART-TIME EMPLOYEES (MEAN AND MEDIAN GENDER PAY GAP)

	2021/22
Mean Pay Gap	-59%
Median Pay Gap	0%

The Bonus gap signifies the difference between bonuses paid to male and female employees, only employees in receipt of a bonus were included in our calculations.

While the percentage of females receiving a bonus was higher at 61% compared to male employees 39%, it is important to note that the gap was impacted this year in particular by the award of share dividends and one-off retention bonuses.

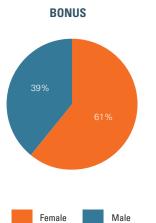
Similarly, the Median bonus pay resulted from the over-representation of female employees at the lower and lower-middle pay range where the bonus for the middle male employee was present in the upper-middle range. If we excluded all Temporary employees that received a bonus the Median Bonus pay gap falls to 51%.

DIFFERENCE IN BONUS PAY BETWEEN MALE AND FEMALE EMPLOYEES (MEAN AND MEDIAN BONUS GENDER PAY GAP)

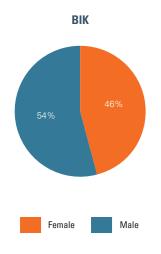
	2021/22
Mean Bonus Pay Gap	38%
Median Bonus Pay Gap	96%

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PROPORTION OF MALE AND FEMALE EMPLOYEES RECEIVING A BONUS



PROPORTION OF MALE AND FEMALE EMPLOYEES RECEIVING BENEFIT IN KIND



OUR WORKFORCE AND PAY QUARTILES

SGS Ireland's gender pay gap data was taken from snapshot date 25 June 2022. At the time of the report there were 383 people working within our organisation: 229 Women (59.5%) and 154 Men (40.5%)

Each pay quartile represents 25% of our total workforce ranked by pay

	2021/2022	COUNT	PERCENTAGE
Upper Quartile	Male	46	48%
	Female	50	52%
Upper Middle Quartile	Male	41	43%
	Female	55	57%
Lower Middle Quartile	Male	30	32%
	Female	65	68%
Lower Quartile	Male	37	39%
	Female	59	61%

The proportion of male and female employees in the lower, lower-middle, upper-middle, and upper quartile pay bands

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Understanding the Gap

At the snapshot date of 25th June 2022, 32% of our total workforce was made up of hourly paid temporary staff of which 67% of those were female. Historically, these temporary contract roles attracted a greater number of female applicants typically looking to return to the workforce or engaging in a contract that better suited their personal requirements. It should be noted that female representation at upper and upper middle quartiles is higher than male employees but conversely the nature of the temporary contract shows significant female representation in Lower & lower middle quartiles also.

Our part time mean gap at (-59%) was predominately represented by females in the Upper and Upper Middle pay quartiles while this bucks the trend of part time roles being seen as naturally less senior, when we look at the data the assumption is that it still fulfils societal expectations that females are more likely to be seen as the primary care givers often impacting earnings, while very few males in any quartile opted or applied for Part time working.

The growth and expansion of our service business is based on tendering and winning new service contracts and moreover acquiring companies to deliver business needs, the acquisitive nature of our organisation is also a contributing factor whereby groups of new employees are joining the company on a mix of rewards which can lead to gap fluctuations, similarly when acquisitions are more specialised and technical, historically technical roles are pre-dominantly male attracting relatively high levels of pay.

The Median bonus gap takes into account the greater weighting towards variable pays at a more senior level, while there is a higher representation of women at this senior level the calculations are not adjusted for temporary contract workers which has an over-representation of women at these lower and lower middle pay levels. Alongside this in 2022 there was a one-off Retention bonus paid to a section of the workforce represented primarily in the upper and upper middle quartiles following on from an acquisition agreement which had a significant impact on this year's figures.

Bridging the Gap

At SGS Ireland we are committed to being open and transparent with our employees about our gender pay gap. This report will provide our organisation not only with an opportunity to understand why we have a disparity in pay and bonuses but the causative factors and the work we can do to improve and bridge this gap moving forward.

We will continue to encourage and support our workforce in the lower and lower middle pay levels by introducing professional and personal development through learning pathways that are designed to advance the skills of our workforce so that they are equipped with the tools they need to consider future opportunities for their career development.

Working collaboratively with our University and Technical Institute partners to promote our internship and apprenticeship programs to increase our brand awareness and attract female talent particularly in the STEM (science, technology, engineering, and maths) areas. Ensure that we continue to improve fairness and inclusivity in our recruitment and selection processes through a recently developed management training program for newly promoted Managers.

Where possible we will harmonise and align our terms and conditions for companies we look to acquire.

We will engage our employee surveys and work with our employee champions on initiatives to realign the gap

Ensure our policies remain family-friendly and proactively communicate our open, inclusive, and flexible work culture and to reaffirm our commitment to equality in the workplace.

We will make full use of the data presented in this report to build a better understanding of what drives our gender pay gap and what we need to do to bridge that gap.

Declaration

We confirm that the figures contained within this report are accurate and have been calculated in line with The Gender Pay Gap Information Act 2021.



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