

Gender Pay Gap Report

2021

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Simon Gould

Managing Director BMT Defence & Security UK

In 2017, the Government made it mandatory for all large organisations to report their gender pay gap. We welcomed this move as an important step towards having a more diverse and inclusive workforce.

This is our third gender pay gap report, which illustrates the progress we have made using annual Gender Pay Gap Data from 2019 to 2021.

In previous reports, I committed to prioritising measures that make BMT a workplace where everyone feels welcome and able to give their best. I said that we would invest in initiatives, such as STEM (Science, Technology, Engineering and Maths) and WISE (Women in Science and Engineering), which encourage greater diversity in our professions.

I have outlined some of the reasons we believe we have this gap, and our commitment to improving gender diversity.

Our results since 2019 have shown that we have taken significant positive steps towards narrowing our gender pay gap.

Despite making significant progress, there remains a gap and, in the last year, progress has slowed. One of the main reasons for this is that across many companies in BMT, men are currently holding a greater percentage of senior positions.

A contributing factor is the challenge we face recruiting female employees with STEM qualifications and experience, due to a smaller number of females studying these subjects in the UK than men.

While these factors help to understand and explain the gap, they cannot be an excuse and we remain committed to finding ways to overcome these challenges and build greater diversity. You can read more about the work we have been doing and have planned later in this report.

Our focus remains diligent. We are consciously doing more than ever as a global business to attract, retain and develop diverse individuals, offering an environment where our people feel respected and connected. We remain committed not just to our gender diversity initiatives, but to our long-term Diversity & Inclusion Programme as a whole.

By working together, we will continue to make a difference and we will close the gap.



Anne Segall

HR Director,

BMT

The analysis that takes place for Gender Pay Gap reporting is vital to our understanding of the salary position of our female employees with respect to our male employees at BMT.

Against the background of our Diversity & Inclusion Strategy, this work has achieved much more than simply, allowing us to look through the optic of reward. It has given us the opportunity to look at existing development opportunities for our female employees and to see which of these needs updating and what new initiatives we need to put in place. It also gives us a clear focus on the seniority gap between our female and males employees and material to help us understand how to bridge this gap.

Much of the above is included in the report. As outlined, our stated aim is for BMT to be both a diverse and inclusive company; one that has equal pay and equal opportunity for all our employees. I know the work we are undertaking at present and that which we have planned going forward, will be well directed by our newly appointed Diversity and Inclusion Manager. I am confident that everyone in BMT looks forward to working together with her to make a difference for our female colleagues and wider positive differences for our business. I look forward to giving further updates on the progress of our work.

This statement confirms that the published information is accurate at the time of publishing and is signed by Anne Segall, HR Director



Our Data 2021

At the time of this snapshot in April 2021, the total number of employees within scope for the Gender Pay Gap report was 574, of which the breakdown was 445 males (78%) and 129 females (22%).

Wider statistics for Gender Pay Gap

Data published by the Office for National Statistics show that for the UK, the gender pay gap among all employees increased to 15.4% in 2021, from 14.9% in 2020, but is still down from 17.4% in 2019.

	2021	2020	2019	2018
Mean hourly pay	18%	16%	20%	30%
Median hourly pay	15.5%	15%	19%	31%

The BMT Defence & Security mean hourly gender pay gap was 16% in 2020 but increased to 18% in 2021. Whilst we have experienced a small increase in the last year, our mean hourly gender pay gap remains lower than previous years of reporting.

The small widening of the mean hourly pay gap this year is due to a small number of female leaders leaving the business and either not being replaced or replaced with male candidates. Due to the imbalanced ratio of females to males in the business, a small change in our senior female population can significantly impact percentage results, as we have seen this year.

Our median was 15.5% in 2021, meaning the gap is similar than last year.

Compared with last year, our figures for bonus payments are more evenly split, with an immaterial pay gap in male and female payments made.

BONUS	2021 NEW	2020	2019	2018
Mean gender bonus gap	0.50% *women's mean is 0.5% lower	78.58% *women's mean is 78.58% lower	-38.1% *women's mean is 38.1% higher	14% *women's mean is 14% lower
Median gender bonus gap	0% *women's median is the same and men's	-69.09% *women's median is 69.09% higher	3.6% *women's median is 3.6% lower	25% *women's median is 25% lower



Pay quartiles by gender

Pay quartiles show the distribution of earnings when looking at pay. The total number of employees is divided into four equal groups ranging from the lowest to the highest paid individuals. It shows the proportion of male and female employees in each quartile.

	2021		2020		2019		2018	
	Male	Female	Male	Female	Male	Female	Male	Female
Lower Quartile	65%	34%	65%	35%	64%	36%	57%	43%
Lower Middle Quartile	76%	24%	75%	25%	78%	22%	90%	11%
Upper Middle Quartile	81%	19%	85%	15%	84%	16%	90%	10%
Upper Quartile	89%	11%	86%	14%	88%	12%	57%	12%

Since 2018, our percentage ratio of females in the upper and middle quartile (which are the quartiles that impact most upon the gender pay gap) have, as a general trend, increased. In 2021 we have seen a small decrease in the number of females in our upper quartile which has had a negative impact on our overall gender pay gap percentage owing to the overall smaller number of females in the business.

Previous Statistics, as outlined above, published on government website:

- 2017 <https://gender-pay-gap.service.gov.uk/Employer/2CTskjAe/2017>
- 2018 <https://gender-pay-gap.service.gov.uk/Employer/2CTskjAe/2018>
- 2019 <https://gender-pay-gap.service.gov.uk/Employer/2CTskjAe/2019>
- 2020 <https://gender-pay-gap.service.gov.uk/Employer/2CTskjAe/2020>



D&I voices

Catherine Ingram

Principal Naval Architect

The numbers presented in this report give a snapshot of one measure of diversity and equality in our business. But diversity initiatives go far beyond this; they help provide a workplace that offers opportunities for all and allow individuals and teams to grow in capability. Within our engineering teams in particular, it is hard to imagine we will ever have a workforce that is not male dominated.

It's 20 years ago now that I first got involved in the engineering industry and it is apparent that far more effort is now spent on making our workplaces inclusive – and it definitely makes a difference.

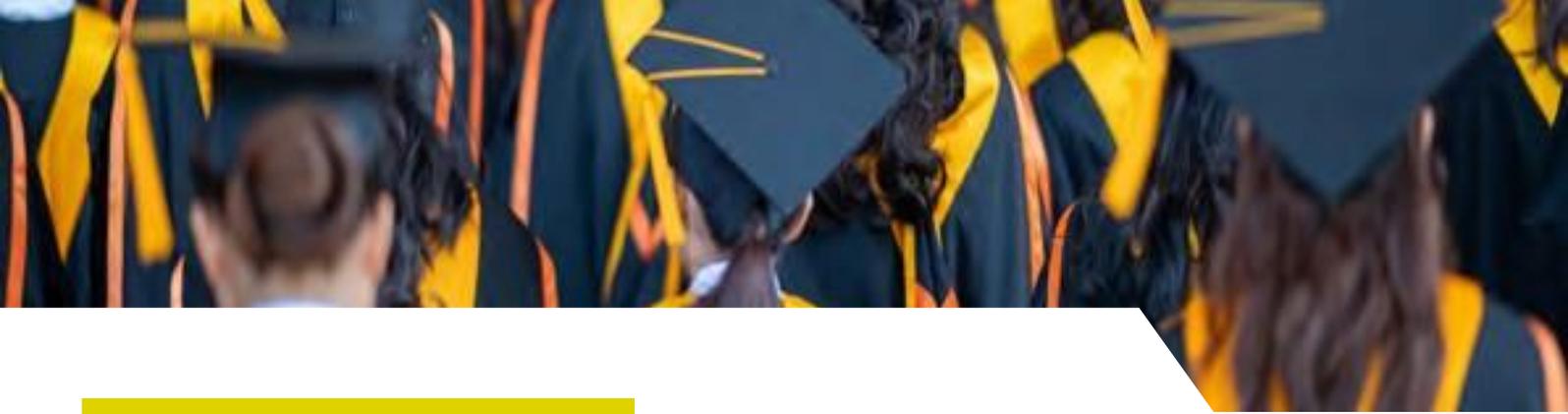
Although it is a common experience for me, I still find it daunting sometimes to look round a big meeting room and realise everyone else there is male.

Feeling like the odd one out or the person who doesn't belong in situations like this can really knock one's confidence and impact an individual's performance. This is why it's important that we all work on making sure everyone knows and feels they belong in our teams and business, regardless of gender, age, race or anything else they might perceive makes them different.

We all have a part to play in recruiting, retaining and developing the right resources in the right roles. Our business flourishes when individuals are contributing their absolute best. For this to happen, we all need to know we belong. We all have a responsibility for creating a welcoming, supportive, and encouraging working environment within our own teams and the broader business. Also, hybrid working means we need to be more proactive in this.

It was just over fifty years ago (1970) that equal pay regardless of gender became a legal requirement in the UK. Great progress has been made since then. However, there is still further to go to ensure that everyone can contribute without barriers.

Wouldn't it be fantastic if in another fifty years' time, equality was so engrained in our society that we didn't need to publish any pay gap statistics and diversity campaigns were nothing more than historical curiosity?



Our approach

What action have we taken?

We are committed to working towards closing the gap and creating an open and inclusive culture for all our people.

To ensure we continue our focus on creating a diverse workforce, we have carefully considered our approach, our progress, and our plan of action.

Our Diversity, Equity and Inclusion (DE&I) Strategy is a business imperative for us; we know that a diverse and inclusive environment will unlock the innovation required to help us achieve [our business purpose](#). And only then will our people and organisation truly thrive.

We are taking a global and holistic approach to DE&I. At the end of 2021 in recognition of our continued commitment to DE&I as a priority we appointed Sara Packwood our new Global DE&I Manager to review our DE&I strategy and pillars, which centre around building an inclusive culture and strong foundations for DE&I, embedding it deeper and wider across the organisation and create a focused plan for delivery.

We have built upon the momentum of our previous progress with a clear plan in place for 2022. Our DE&I strategy pillars are Culture, Awareness and Understanding, Data and Equity. So, what do these mean in practice?

Culture is about us creating an Inclusive environment where diversity can thrive. This means putting the right structures and communities in place to support our diversity and inclusion efforts. A solid communications plan ensures that DE&I is at the forefront of all our minds and that diversity is celebrated and recognized company-wide.

Awareness and Understanding is about raising the base-level of awareness around DE&I across BMT. The aim is to give everyone the right tools and support to become more consciously inclusive in our everyday decision making, behaviours and interactions.

Data is about enabling us able to understand the makeup of our workforce so we can identify opportunities to make BMT a more equitable and diverse place to be. Data also gives us the gift of measuring our progress when it comes to both diversity and inclusion, facilitating robust reporting and transparency around it.

Equity underpins everything we do in the D&I space. It means scrutinising our policies, practices, and processes with an inclusive lens, so we can truly level the playing field and make progress on closing the gap by giving everyone what they need to succeed here.



Some upcoming highlights planned for the year are:

- Bespoke inclusion learning offerings for all employees, people managers and leaders.
- Diversity data monitoring across our employee lifecycle from entry through to exit, so we have meaningful insight on our DE&I position enabling us to make fact-based decisions and interventions.
- Widening our talent pool through embedding a gender de-coder / inclusive writing software for job adverts and descriptions.
- A targeted comms plan of events and education.
- Review of our end-to-end recruitment process, attraction strategies, family-friendly and people policies with an inclusive lens to ensure we attract and select a more diverse talent pool and set BMT women up for success.
- Expansion of our employee networks to include a Senior Women's Network to support and provide networking and mentoring opportunities.
- Review of our approach to Early Careers and STEM to build a strong and diverse pipeline.
- Continuing to grow and review our Global Graduate and Apprenticeship programme, aimed at providing opportunities to graduates and apprentices looking to start their careers. As part of our programme, we provide significant training and development as well as access to our networks across BMT. Almost 50% of our 2021 graduate intake are female.

What have we done so far?

- Appointed a Diversity and Inclusion specialist to build out a targeted plan for 2022 and lay the foundations for a longer-term DE&I strategy.
- Updated our careers website to include a positive statement encouraging underrepresented groups to apply to us as well as an updated wording around our strategy, direction and commitment to D, E&I.
- Launched an inclusive recruitment toolkit to support and guide our hiring managers in mitigating bias and thinking outside the 'recruiting like for like' box.
- Amended our job adverts and description templates with positive action and flexible working statements to send a strong message to candidates that we actively seek and welcome diverse talent.
- Celebrated International Women's Day 2022 through sharing personal snippets from our women across BMT.
- Opened the DAS DE&I forum up to a regional business-led model which will drive greater business engagement for DE&I, diversity of thought and visibility for our senior women across the entire organisation.
- Influenced the attraction and selection process through mandatory recruitment passport training for our hiring managers to ensure all our hiring managers recruit in the most consistent and inclusive way.
- Continued to provide the BMT Consulting Women course as part of our suite of training, a course designed to encourage and promote women to achieve their true potential in their careers. The feedback for this course has been phenomenal and a real inspiration for many of our delegates.
- We have an established partnership with WISE (Women in Science and Engineering) and are committed to their Ten Steps for Diversity Success.
- We also have representative at the MCA Diversity & Inclusion Working group to ensure we acquire and contribute to industry specific DE&I knowledge.
- Rolled out mandatory bias training for all.

- Last year we launched our Succession and Talent Management programme, designed to provide our High Potential employees with the development and tools they need to excel within BMT. Females accounted for 25% of places on the High Potential Development Programme.
- In 2020, we signed the Women in Defence Charter showing our commitment to promoting gender balance across the defence industry.
- In October 2020, Cathy Ingram, was selected as a finalist in the Equality of Opportunity Award category at the Women in Defence UK Awards 2020.

We know that there are many variables which contribute to closing the gender pay gap such as hiring, promotion, development, succession planning and a laser focus on retention. Whilst our promotions, training and development opportunities for males and females are broadly equal, we recognise that to shift the dial we need to go beyond this and take bolder action to address the historic imbalances and challenges which our industry presents.

Closing Summary

To close the gender pay gap in DAS UK and across BMT as a whole we recognise there is significant work to be done which involves scrutinising everything we do with an inclusive lens and continuously looking for opportunities to build upon the successful initiatives already in place (such as the BMT Consulting Women Programme).

Through a data-led and holistic approach to DE&I – which not only focuses on representation – we are confident we'll be able to drive the right outcomes and make sustainable progress against closing the gap in the long term.

