

# UK gender pay gap reporting

## Frequently asked questions

### About the legislation

1. **What is the gender pay gap legislation?**
  - 1.1. Since April 2017 the UK government has required employers with at least 250 employees in the UK to calculate and publish their gender pay and bonus gaps.
2. **Why did the UK government introduce the legislation?**
  - 2.1. It is a key part of the government's work to eliminate the gender pay gap. The UK is one of the first countries to mandate gender pay gap reporting.
3. **What are bp's obligations?**
  - 3.1. Since April 2017, each of bp's UK legal entities with at least 250 employees has published the required gender pay gap data on bp's [UK external website](#) and the UK government's [gender pay gap website](#).

### Reporting

4. **Which legal entities does bp report on?**
  - 4.1. bp reports on six UK legal entities which had at least 250 employees in the UK in 5 April 2020:
    - bp plc
    - bp Chemicals
    - bp Exploration
    - bp Oil
    - bp Express Shopping (Retail)
    - bp Pulse
5. **What are the main changes in the data compared to the 2019 report? Why?**
  - 5.1. The mean gender pay gap range across our UK businesses has changed by a small percentage overall, year on year. The mean bonus gap showed sizable fluctuations because payments such as equity awards can change year-on-year.
  - 5.2. bp Exploration saw a small year on year improvement. bp Pulse was included in 2020 for the first time.

5.3. Year on year we expect bonus gap numbers to fluctuate more than pay gap numbers, as bonus calculations include a number of one-off payments (such as vested taxable shares and spot bonuses) in addition to the annual bonus.

5.4. Several factors can influence a change in pay gap numbers, including organizational changes. We have seen some improvement in female representation in bp Exploration, which contributed to a reduction in both the mean and median pay gap. bp Chemicals has a smaller number of GLs and SLLs compared to the other entities, therefore a change in female representation at these levels moves the pay and bonus gap numbers.

5.5. We want there to be no structural basis for a gender pay gap anywhere in bp around the world, based on consistent representation of women at all levels throughout the organization. While we have made some progress, we are not satisfied, and we have action plans across all our businesses to improve representation and drive faster change. We know that this will take time to achieve.

## 6. Where can I see our gender pay gap report?

6.1. bp's gender pay gap data and supporting narrative report are available to employees and the public on bp's [UK external website](#) and the UK [government's website](#).

## 7. How does an employee know which entity they belong to?

7.1. This is shown on a payslip or employment contract. If still in doubt, an employee should either ask their line manager or their P&C business partner.

Example payslip

Page: 1

Employee Number: \*\*\*\*\*  
Global ID: \*\*\*\*\*

bp

PRIVATE & CONFIDENTIAL  
Name: \*\*\*\*\*  
Address: \*\*\*\*\*

Company Name: BP PLC  
Pay Date: 26.10.2016  
Pay Period: 01.10.2016

TaxCode/Basis: 1100L/F  
Tax Month: 07  
NI Number: \*\*\*\*\*  
NI Category: A

Sort Code: \*\*\*\*\*  
Account No: \*\*\*\*\*

| Payments         | Units   | Amount  | Deductions      | Amount  | TOT & Balances  | Amount  |
|------------------|---------|---------|-----------------|---------|-----------------|---------|
| Basic Salary     | XXXX.XX | XXXX.XX | Tax paid        | XXXX.XX | Total gross     | XXXX.XX |
| Gravel PVP       | XXXX.XX | XXXX.XX | Employee NIC    | XXXX.XX | Taxable pay     | XXXX.XX |
| Childcare Relief | XXXX.XX | XXXX.XX | Share Match W/T | XXXX.XX | Tax paid        | XXXX.XX |
| Cycle Flex Allow | XXXX.XX | XXXX.XX | Recovery PVP    | XXXX.XX | Employee NIC    | XXXX.XX |
| Critical Ill Tx  | XXXX.XX | XXXX.XX |                 |         | Employer NIC    | XXXX.XX |
| Dental Ins Tx    | XXXX.XX | XXXX.XX |                 |         | Critical Ill Tx | XXXX.XX |
| Travel Ins Tx    | XXXX.XX | XXXX.XX |                 |         | Dental Ins Tx   | XXXX.XX |
| Life Ass SP Tx   | XXXX.XX | XXXX.XX |                 |         | Travel Ins Tx   | XXXX.XX |
| Personal Acc Tx  | XXXX.XX | XXXX.XX |                 |         | Life Ass SP Tx  | XXXX.XX |
| *Priv ModCoreTx  | XXXX.XX | XXXX.XX |                 |         | Personal Acc Tx | XXXX.XX |
| Priv Mod P16 Tx  | XXXX.XX | XXXX.XX |                 |         | *Priv ModCoreTx | XXXX.XX |
| HealthScr SP Tx  | XXXX.XX | XXXX.XX |                 |         | Priv Mod P16 Tx | XXXX.XX |
| Pens. 54 SS      | XXXX.XX | XXXX.XX |                 |         | HealthScr SP Tx | XXXX.XX |
|                  |         |         |                 |         | Pens. 54 SS     | XXXX.XX |

BP Pension this month: \*\*\*\*\*

Payable Benefits: \*\*\*\*\*  
Non-Payable Benefits: \*\*\*\*\*

|                 |         |                  |         |          |         |
|-----------------|---------|------------------|---------|----------|---------|
| Total Payments: | XXXX.XX | Total Deduction: | XXXX.XX | Net Pay: | XXXX.XX |
|-----------------|---------|------------------|---------|----------|---------|

| This Employer   | Previous Employer | Tax Credits |
|-----------------|-------------------|-------------|
| Total Gross Pay | Taxable Pay       | Amount Paid |
| Taxable Pay     | Tax Paid          | Amount Paid |
| NI              |                   | SD Paid     |
| NI              |                   | SD Paid     |
| SP NIC          |                   | SD Paid     |

Company name shows legal entity

## **8. Is gender pay reporting a legal requirement in any other country?**

8.1. Most countries where we operate don't require this, but some analysis or reporting is required in Australia; Belgium; Canada; France; Germany; Luxemburg; Sweden; UK and the United States.

8.2. Our priority is to conduct gender pay analysis in countries where a review is required by law; and those with the largest population of bp employees. Data privacy laws and other legislation prevent us from conducting a review in some places.

## **9. How often does bp need to publish a UK gender pay gap report?**

9.1. bp publishes a UK gender pay gap report annually.

## **10. Why is bp disclosing its data in June instead of the usual April deadline?**

10.1. The deadline for disclosing data is usually early April; this year the UK government extended its deadline to 5 October 2021, because of the COVID-19 pandemic.

## **11. Other organizations publish a single UK number, why doesn't bp do this?**

11.1. The numbers we've published for individual entities show a more relevant picture of our businesses and the gender diversity challenges we face. bp has a broad portfolio of businesses; oil and gas and retail are where most of our employees work, yet these two sectors face different gender pay gap challenges. Gender pay gap regulations do not require organizations with multiple legal entities to disclose an overall number.

11.2. bp has six legal entities in the UK which must be included within the analysis. There are further legal entities which fall out of scope as they have fewer than 250 employees in the UK.

## **Gender pay and equal pay**

### **12. What causes a gender pay gap?**

12.1. The main drivers we have identified at bp, based on the pay numbers and the organization structure we had in April 2020, are:

- i Fewer women in senior positions and fewer men in less senior positions. Typically, at senior levels the average pay will be higher; an uneven ratio of men to women across different levels of an organization will result in a wider gap in average pay.
- ii Roles with higher additional pay such as shift/offshore allowances are male dominated.
- iii The bonus pay gap has similar drivers - the gender imbalance in senior/less senior roles as well as certain roles being eligible for higher

bonuses (mainly trading & shipping), and these roles often being male dominated.

12.2. There are several factors that can influence a gender pay gap. Different organizations will have different challenges depending on sector and nature of business. The UK government's equalities office focuses on the following: *"The gender pay gap exists because women tend to work in lower paid occupations and sectors and occupy fewer senior roles. More women than men take time out of the labour market and work part-time because of caring responsibilities. Stereotypes and workplace culture are also factors."*

### 13. Is gender pay gap the same as equal pay?

13.1. No. *Equal pay* is whether women and men receive the same pay for carrying out like work or work of equal value. Paying differently because of gender, for equal work, has been illegal in the UK since 1970. *Gender pay gap* is the difference between *average* male and female pay (see question 16 for a definition of 'pay'). So, our gender pay gap report provides a high-level indicator of women's and men's relative pay. bp regularly reviews equal pay to ensure compliance with all legal requirements.

### 14. How do we ensure that we have equal pay at bp?

14.1. We expect line managers and HR / P&C to make pay decisions without any consideration of gender. We have global policies and processes that outline what factors should determine pay.

14.2. We conduct regular equal pay reviews in bp's largest regions (UK and US), and in countries where this is required by law. These reviews seek to ensure that employees in similar roles are paid equitably regardless of gender, by comparing men and women in roles with the same job code and level, and neutral factors such as experience, time in grade and performance. These reviews look at pay on an individual level and involve analysis of employees' personal data, so results are not publicly available.

14.3. Equal pay reviews conducted in the UK have not shown any systemic issue with pay and gender.

## Calculating UK gender pay gap numbers

### 15. When are bp pay and bonus data collected to calculate the pay gap numbers?

15.1. The data used to calculate our gender pay gap are from the *April payroll of the reporting year*. So, April 2020's data is published in 2021. Information to calculate bonus gap numbers is collected *throughout the reporting year*. Our 2021 report is based on bonus data from April 2019 to April 2020.

## 16. How is 'pay' calculated?

16.1. Pay is calculated by including a number of payments such as base pay, holiday pay, allowances and shift premiums. All pay is converted to an hourly rate before calculating hourly average pay for men and women. Basing pay calculations on hourly pay means that pay for part-time employees is not impacted by their reduced hours.

## 17. How is a 'bonus' calculated?

17.1. Bonus is calculated by including actual payments such as cash bonuses, sales incentives or taxable vested equity released within a 12-month period. The calculations do not consider whether someone is full-time or part-time. So, as per the legislation, we use actual amounts (rather than annualised) for part-time workers, which are pro-rated (and therefore reduced) amounts as compared to those of full-time workers. Although it is not one of the main drivers of our bonus gap, it does influence our bonus pay gap numbers, since bp has more part-time working females than males.

## 18. How do 'mean' and 'median' differ?

18.1. The *mean* (or average) is calculated by adding all employees' rates of pay together and dividing by the total number of employees.

18.2. The *median* is the number that sits exactly in the middle (midpoint) of a range of numbers. Half of employees will earn a rate above the midpoint and half will earn a rate below the midpoint. The median is not affected by extremely low or high values to the same extent as the mean.

## 19. Who is in scope for the calculations?

19.1. Anyone who is employed on a UK contract and working primarily in the UK.

## Closing the pay gap

### 20. Reporting on the UK gender pay gap is an annual requirement, what are we hoping it will look like in 2021 and beyond? What targets are we putting in place?

20.1. One of the main drivers of the gender pay gap is differing proportions of men and women at different levels in our workforce. We have gender representation goals for group leaders and senior level leaders to achieve by 2025 and 2030. We regularly report on these numbers and track progress; bp is committed to narrowing the gap over time and driving progress. We have not put targets in place for gender pay and we do not plan to do so in the future.

### 21. What is bp doing to close the UK gender pay gap?

21.1. In 2020, we continued to take action to improve gender representation and support women across our businesses

- We know we need to do more for roles that require STEM qualifications and we are working on initiatives to help improve the attractiveness of our industry to females wanting to take up roles in STEM related disciplines.
- We work with the Royal Academy for Engineering and in 2020 sponsored their This Is Engineering campaign, transforming perceptions of engineering among 13–18-year-olds.
- We are working hard to ensure women have opportunities to progress their careers when they return from maternity leave. In 2020, we introduced a new child lead time policy for partners, spouses and dads to take up to 6 weeks of paid leave within the first 24 months of welcoming a new child.
- For the past three years, we have run a women’s talent programme for senior leaders and ask our senior leaders to sponsor and mentor talented women.
- We now aim to achieve gender parity among our top 120 leaders by 2025.

**22. If bp is serious about closing its UK gender pay gap, what are we doing to recruit women externally into under-represented jobs?**

22.1. In 2020 our global experienced hire (i.e. non intern/graduate) intake stood at 37% female. In professions such as law or finance, the qualified UK talent pool has been evenly balanced with an approximate 50/50 gender split, and our hiring results have generally reflected that gender balance. However, we know we need to do more for roles that require STEM qualifications and we are working on initiatives to help improve the attractiveness of our industry to females, in particular, those wanting to take up roles in STEM related disciplines.

22.2. We lead a number of external activities to attract and engage female talent, coupled with internal processes that help to achieve diverse candidate slates, whilst always focusing on ensuring that our recruitment decisions are merit-based:

- We continue to pilot and deploy ‘rules of the road’ which are diverse recruitment principles across our entities. We also agree aspirations with the business on how many shortlisted female candidates we want to achieve for interview and have diverse selection panels.
- We are using proactive sourcing strategies to help our hiring managers understand where they might have a shortfall in female applicants, and how we might be able to address this.
- We participate in a wide range of early career engagement activities through our schools’ liaison programme, our intern and graduate hiring activities, and our university scholarship programme
- We sponsor global initiatives such as International Women’s Day
- We regularly host talent attraction events such as live webcasts and Q&As on social media and face to face development events for females - not only to build awareness of bp as a future employer but also to help develop future STEM talent in the UK.

22.3. As our technology and data analysis tools evolve, and we continue to report more on how our initiatives are helping to deliver our gender diversity ambitions, we are confident our female representation in under-represented jobs will continue to grow.

**23. The oil and gas industry has known for years that women are under-represented in senior levels offshore, in refineries and in our trading offices; what has bp been doing to attract, progress and retain women into such jobs?**

23.1. bp has a long tradition of women employees working offshore, in our refineries and in operational and senior leadership roles. We have initiatives designed to help encourage girls and women to gain appropriate qualifications (such as STEM, or science, technology, engineering, and mathematics), to join the energy industry and then to ensure that they have every opportunity to develop their skills and experience in an inclusive and meritocratic environment.

23.2. We established the 'Discover-Include-Transform' female development programme where senior women sign-up to be ambassadors for culture change by joining a women-led cohort. This is designed to equip women with skills to continue to develop their personal leadership, contribute to a more inclusive culture and develop a reciprocal mentoring partnership with male leaders.

23.3. bp is partnering with the Energy Institute as a founding sponsor of POWERful Women. This initiative seeks to advance the professional growth and leadership development of women in the UK's energy sector, providing support and cross-business mentoring.

23.4. Our support as a principal partner for the Royal Academy of Engineering's #ThisIsEngineering campaign seeks to address stereotypes and barriers that prevent STEM uptake, including by highlighting success stories from women in STEM. This complements our own efforts to highlight female role models in STEM through STEM outreach in schools and other major events.

## Further questions

**24. Who can an employee speak to if they have additional questions?**

24.1. In the first instance employees should speak to their line manager. In addition, employees with further questions encouraged to speak to their business facing P&C contacts.

**25. What impact has the reinvent bp process had on the gender pay gap across the six reporting UK entities?**

25.1. Reinvent has had no impact on the 2020 gender pay gap results as they relate to the period up to April 2020 and they therefore predate the organization changes

tied to reinvent activities. It may however have an impact on pay gap for the following year – April 2021.

**26. The report presents a binary view of gender. How does bp plan to address the gap between this view and the refreshed gender ambition for 2025 and 2030 which includes recognition of all gender identities?**

26.1. The UK gender pay gap calculations and subsequent report are based on the legislation requirements which are currently a binary view of gender only. Our gender parity ambition strives for representation and inclusion of all gender identities. Our understanding of gender identity is evolving, and our ambition will always aim to reflect this.

**27. Why aren't we publishing our UK ethnicity pay gap?**

27.1. bp reinvent activities led to the transformation of our organization, with the true picture of our UK organization just emerging post reinvent. We will now establish our 2021 data across each of our entities, ahead of starting our pay gap analysis. We plan to communicate our ethnicity pay gap report in 2022.