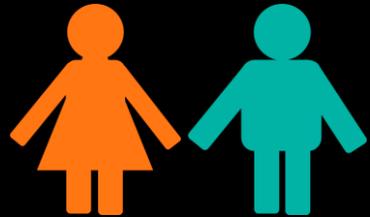


28 March 2019

SIS Gender Pay Report 2018



SIS

SIS and the Gender Pay Gap

The UK government introduced new legislation in 2017 which requires UK employers with 250 or more employees to publish statutory calculations every year to show how large the pay gap is between their male and female employees. The deadline to report the data for 2018 is 4 April 2019. This is the report for the data taken at 5 April 2018.

This report outlines our findings and our thoughts about the gender pay gap at SIS and some initiatives we are considering introducing to reduce the pay gap.

Gender Pay Reporting is Different to Equal Pay

The gender pay gap is the difference between average hourly rate of pay of all men and all women in the business. This is different to equal pay which addresses the differences between men and women who carry out the same job, similar job or work of equal value.

At SIS, we regularly review our employees' salaries to ensure that men and women are treated equally, and we are comfortable with our position regarding equal pay.

Calculating the Gender Pay Gap

There are six statutory metrics required from the government. The legislation requires the data to be taken from a snapshot date of 5 April each year.

An employer must publish six calculations showing their:

1. Average gender pay gap as a mean average.
2. Average gender pay gap as a median average.
3. Average bonus gender pay gap as a mean average.
4. Average bonus gender pay gap as a median average.
5. Proportion of males receiving a bonus payment and proportion of females receiving a bonus payment.
6. Proportion of males and females in each quartile pay band (lower to upper)



What could cause a Gender Pay Gap

The gender pay gap is based on average pay of all females and of all males in SIS, the biggest cause of a gap is due to the number of men and women in different roles and at different levels in an organisation. For example, if the majority of the employees in the senior pay levels are male and the majority of employees in the lower pay levels are female then there is likely to be a gender pay gap.



Other factors which could cause a gender pay gap are:

The number of women working in the Company compared to men. Looking at data published by the Office of National Statistics some industry sectors have a more male dominated workforce for example engineering and technology.

Demographics of the workforce by contracted hours. Gender pay gaps can be driven by a Company having a workforce structure with a higher proportion of women in lower paid part time work than men.

A widening of the pay gap can occur when more women than men take time away from work to raise families.

Gender Pay Gap

On 5 April 2018 SIS had 324 employees' (237 male and 87 female). For the purposes of Gender Pay Gap calculation, if employees are paid less than their usual basic pay during the relevant pay period as a result of being on leave (maternity/statutory sick pay) they are not regarded as a 'full pay relevant employee' therefore are excluded from gender pay gap calculations. The hourly pay was calculated in accordance with ACAS guidelines, it includes basic net pay, bonus pay, car allowance and any other allowances.

At SIS, our mean average calculation shows that men were paid 16% more than women, this is an improvement from last years 21.6%. This reduction can be attributed to the appointment of senior level females in the Sales and Product Proposition departments. Our median average also decreased from 17.7% to 15.7%, this is lower than the 18.1% figure reported by the Office for National Statistics (2016) as the median pay gap for all employees.

Whilst females made up 27% of our overall workforce in April 2018, only 17% (an increase from 15% last year) of our upper quartile are female. We do recognise this as an ongoing challenge and are committed to improving the situation.

HOURLY PAY		
	2017	2018
Mean	21.6%	16.0%
Median	17.7%	15.7%

Gender Bonus Pay Gap

The Gender Bonus Pay Gap calculations include all bonuses received during 6 April 2017 to 5 April 2018 by males and females employed on 5 April 2018.

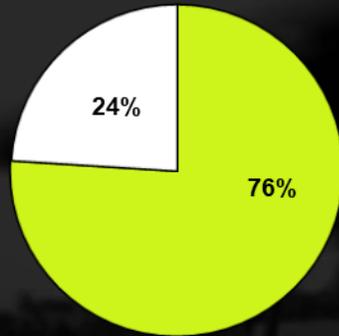
At SIS, our mean average Gender Bonus Pay Gap shows that men were paid a bonus 25.9% greater than women, this significantly reduced from 35.4% as a result of total bonuses paid to females increasing from 2016 while total bonuses paid to males decreased. The difference can be attributed to more females working flexibly, proportionally, then males (18% compared to 3%) and more males employed in senior level roles.

BONUS PAY		
	2016	2017
Mean	35.4%	25.9%
Median	16.4%	23.3%

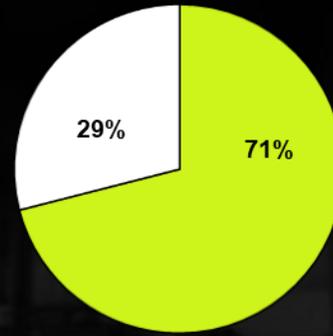
Bonus Proportions

The proportion of male and female employees who received a bonus during 6 April 2017 to 5 April 2018:

MALE BONUS PROPORTION



FEMALE BONUS PROPORTION

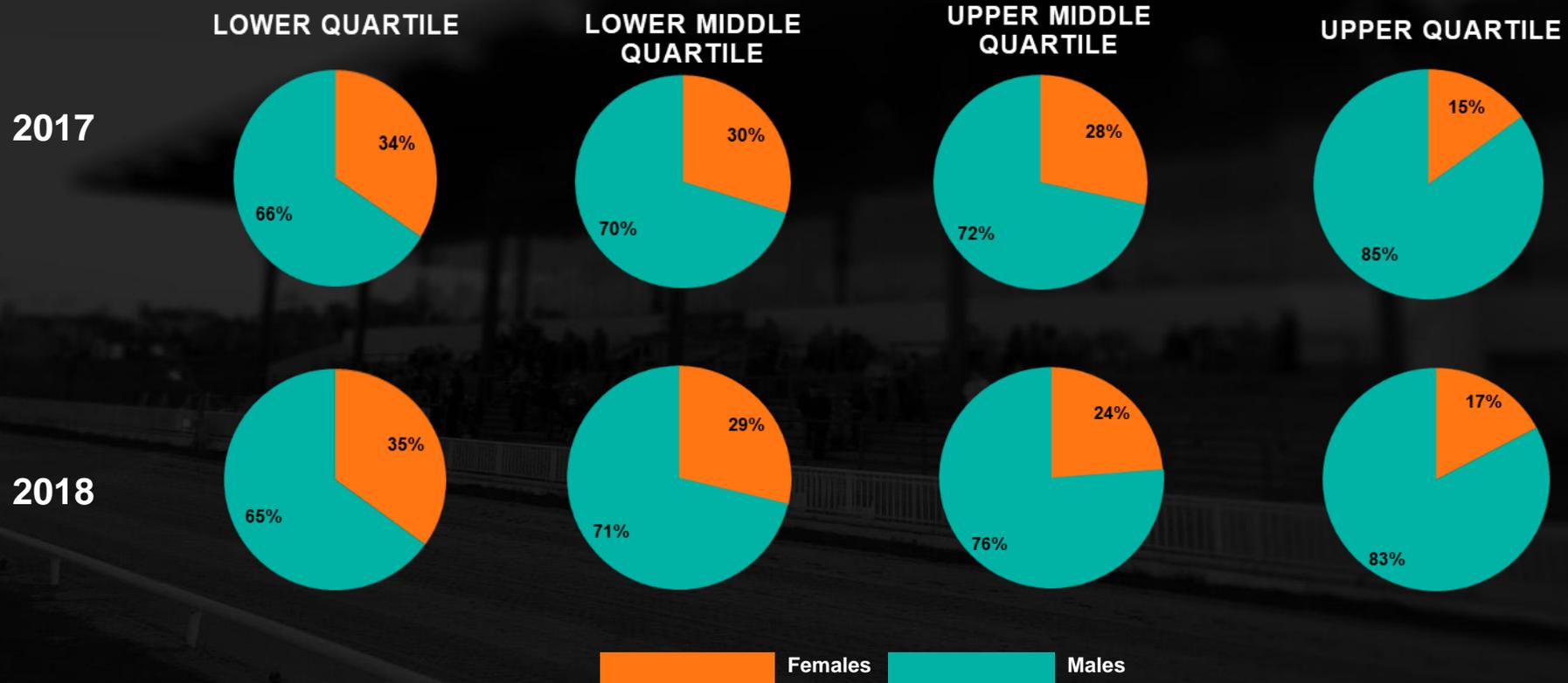


76% of males and 71% of females received a bonus in the specified period.

The legislation requires us to only consider bonus payments made 12 months prior to the snapshot date of 5 April 2018, at SIS our bonus payments are paid on or around the 25th of April, therefore for the purposes of this report we have to consider bonus payment data from the prior year (April 2017). Consequently, the majority of employees who are shown to not have received a bonus are new starters who joined the company from January 2017 therefore did not receive a bonus in April 2017 but have in April 2018. Upon reviewing our bonus proportions for bonus payments made in April 2018 to staff employed on 5 April 2018, the proportions drastically increased to 99% of males and 98% of females.

Proportion of Males and Females in each Quartile Pay Band

The final calculation is to order the males and females from lowest to highest pay and split into four groups. The below illustrates the gender distribution at SIS when employees are placed in equally sized quartiles based on pay.



As illustrated the lower quartile has the highest percent of females at 35% and then reducing in each quartile. The upper quartile has the lowest percentage of females at 17%.

Action

The industry sectors SIS operates in has traditionally had a higher proportion of male dominated roles and this is reflected within our company headcount by the proportion of male and female employees (237 male and 87 female). However, in recent years the company has attracted more females, increasing the number of female employees from 18% in 2011 to 27% in 2018. We have made improvements to our maternity/paternity and flexible working arrangement policies over the last few years which we are hopeful has made us more attractive as a family friendly employer.

The upper quartile pay band contains the lowest number of female employees. Lack of female representation at senior level along with predominantly male departments such as Information Technology, Broadcast Engineering and Software Engineering do impact the gender pay gap. The Ofcom monitoring report on diversity in television (September, 2017) reported that women are underrepresented across the broadcast industries and are represented even less at senior levels. They reported that employees are increasingly likely to be male the more senior the role and that high percentage of employees in programming roles are men.

With a view to reducing the gap we have devised three initiatives:

1. Female middle managers continue to be selected to participate in the six month leadership development programme STRIDE delivered by Oakridge. It is a leadership development programme designed specifically for women in middle management as research has shown this is frequently the key drop out point for women. The programme is about empowering women to develop their leadership skills and support them to attain senior level positions within companies. A few of our female managers have already completed this programme.
2. We have made available to all staff the 'Overcoming Unconscious Bias' e-learning module through our partner Engage in Learning. This is particularly relevant for managers as it may help them become more aware and mindful during the recruitment process and when considering promotions for employees. More e-learning modules centred on equality and diversity will be rolled out to all staff in the coming months.
3. We have set a target of having a female on each vacancy shortlist during recruitment, our recruitment partners have been informed of this objective so are actively seeking female candidates where possible. The appointment of two senior level females in the Sales and Product Proposition departments demonstrates our progress towards this challenging objective.

We are confident that these three initiatives will assist us to reduce our gender pay gap.



27 March 2019

I confirm that the data in this report is accurate.

A handwritten signature in black ink, appearing to read 'Richard Ames'.

Richard Ames, Chief Executive