INTRODUCTION

The UK Government introduced the Gender Pay Gap Regulations two years ago, with the aim to increase transparency related to gender pay and to persuade businesses in the UK to close the gender pay gap, if one exists.

DNV GL UK operates within the Science, Technology, Engineering and Mathematics (STEM) areas. We, in DNV GL, believe in the success that comes with diversity. With this second consecutive Gender Pay Gap Report, DNV GL UK continues to report beyond legal requirements by publishing our statement for the whole DNV GL UK business in addition to the required GL Industrial Services UK Ltd (GLIS)*.

The figures for GLIS and DNV GL have been calculated using the methodologies defined in the Equality Act (gender pay gap information) Regulations 2017.

Actions are as important as statistics. That is why we have reviewed the whole process to make it meaningful and effective. Our strategy and actions to reduce the gender pay gap remain high on our global and local agenda.

* GLIS was the only DNV GL UK entity which employed more than 250 people on 5th April 2018 and is therefore required to report for the Gender Pay Gap Report 2018.
Our activities at a glance

Globally, we
■ provide a clear structure and guidance to managers and other staff members involved in pay reviews to ensure objectivity and fairness;
■ evaluate job roles and pay grades as necessary to ensure a fair structure; and
■ widely advertise management positions and encourage applications from a diverse range of candidates.

Locally, we
■ actively encourage young people into the industry through completion of the ‘Year in Industry’ scheme alongside the Engineering Development Trust (EDT);
■ support SmartSTEM – an event specifically for approx. 40 female students at a University involving an engineering related practical activity and talk from members of our Engineering staff;
■ support local school and college events including career fairs and career talks. This includes supplying career packs, requirements to different technical roles within DNV GL, and employee case studies; and
■ support the ‘Gold Crest awards’, whereby students undertake a placement then write reports and create presentation posters; the Gold Crest award is then issued and this enhances a student’s CV/personal statement for ongoing university or job applications.

Key initiatives based on our last report
■ Our Oil & Gas business area (main proportion of GLIS) has been reorganised and a proactive approach was taken to actively encourage all female colleagues with suitable qualifications to apply also for more senior positions. All jobs concerning the reorganisation were published according to DNV GL standard procedures.
■ Piloting the review of salary adjustment guidelines to further integrate diversity (incl. gender) awareness amongst decision makers with the aim to roll out new guidelines to all departments in DNV GL UK.
■ Accelerating gender pay gap reporting process. While the governmental framework allows companies to report up to a year later, DNV GL UK will aim to complete the 2019 gender pay gap analysis shortly after the data is available. This will enable us to engage with employees and then define and implement initiatives in a more timely and insightful way.
Our 2018 gender pay gap analysis confirms last year’s findings. The gender pay gap in DNV GL UK is driven less by inequality in salary, but rather by the disparity of female vs. male workers in the middle and upper quartiles. This is a general trend that is prevalent in the STEM (Science, Technology, Engineering and Mathematics) sector. Therefore, DNV GL UK, as well as the whole sector, needs to continue encouraging women to join the industry and provide a framework that enables them to step up in their career and reinforces the necessity of continuing initiatives.

Although the KPIs for GLIS have changed, this is a result of a statistical phenomenon rather than a major change in the pay of our staff. Several key factors contributed to this, such as the reorganization of the Oil and Gas business, a reduction in the number of employees, staff turnover and changes in employees’ life circumstances.

### Gender Pay Gap

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<tr>
<th>GL Industrial Services UK Ltd</th>
<th>DNV GL - UK</th>
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<tbody>
<tr>
<td>9% mean</td>
<td>24% mean</td>
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<tr>
<td>9% median</td>
<td>25% median</td>
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**NOTE:** The numbers of ‘Relevant Employees’ as at 5th April 2018 were 1,041 (DNV GL) and 279 (GLIS). The numbers in the ‘Full Pay Relevant Employees’ subset were 1,017 (DNV GL) and 269 (GLIS).
Gender pay analysis

DNV GL and GLIS report a 26.6% and 27.2% total female representation respectively. These figures compare favourably with the wider reported representation of women across the UK engineering workforce (11%)¹.

At DNV GL UK, many of our female workforce are employed in grades up to and including those recognized as middle management (‘lower’ and ‘lower middle’ pay quartiles reported), while the large majority of upper quartile, and therefore senior management roles, are predominantly held by males. This disparity in proportion sizes between males and females across the pay quartiles is a significant factor in why a pay gap exists within DNV GL.

2018 Bonus pay gap

Payments to employees were not made from the Company Profit Share Schemes in respect of 2016 performance. Thus, the majority of DNV GL employees in the UK did not receive any bonus payments during the relevant snapshot period, as demonstrated by the low percentages of males and females receiving a bonus.

A handful of employees did receive some form of payment because of individual circumstance or legacy arrangements. As none of these employees were women the bonus gap figures reported show a 100% gap. These statistics do not reflect the company’s incentive policy or the bonus structure and, given the small sample size, it is not possible to draw any meaningful conclusion from it.

**Bonus Pay Gap**

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</table>

1% males receiving bonus
0% females receiving bonus

0% males receiving bonus
0% females receiving bonus

*Note: The period covered was the 12 months leading up to 5th April 2018.*

I, Pradeep Vamadevan, Country Chair, Region UK, confirm that the information in this statement is accurate.

Signed                                  Date

[Signature]                              03/04/2019