



CHRYSAOR

Gender Pay Gap Report 2019

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Chrysaor is the UK's largest independent exploration and production company. Our diverse portfolio of assets balances both near-term development and sustainable production growth with significant gearing to appraisal and exploration success.

Our vision is to create a market-leading North European E&P company that we and our stakeholders can be proud of. Our success is dependent on our ability to recruit, retain and motivate a high-quality skilled workforce. Key to this is our commitment to creating a respectful and inclusive workplace where equality of opportunity exists for everyone.

2019 is the second year that Chrysaor has reported on gender pay. Companies in scope of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 are required to report the average and median pay gaps; the mean and median bonus pay gaps; the proportion of men and women receiving the bonus and the proportion of men and women in each pay quartile.

Chrysaor's commitment to tackling the Gender Pay Gap includes:

- Working with cross-industry gender balance groups driving change
- Helping to promote STEM careers within the oil and gas industry
- Supporting flexible working
- Supporting training, education and learning
- Providing opportunities for development
- Ensuring fairness and equality
- Leading by example
- Living our Values and Business Principles
- Preventing any form of discrimination and encouraging diversity and inclusion

In 2018, Chrysaor's first published report followed the acquisition of assets from Shell. In October 2019, Chrysaor acquired ConocoPhillips UK's portfolio of assets including operations in the J-Area, Britannia, East Irish Sea and West of Shetland. This report, however, reflects data for April 2019 only and it does not include data with respect to this latest acquisition.

"Diversity and equal opportunities improve our business and society. Chrysaor is involved in a number of initiatives to support diversity and our Company Values. As part of these, we aim to attract, engage and develop women within our business. Our HR policies support inclusion and our recruitment process focuses on ensuring there is no bias and that a diverse candidate pool is provided for interview selection."

Having a more gender-balanced workforce is important to the future success of Chrysaor and the wider energy industry. While there are no quick fixes to the gender imbalance within our industry, we are working hard at developing both male and female talent within Chrysaor and we are committed to bringing about positive and effective change."

Phil Kirk

Chief Executive Officer



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Equal Pay and Gender Pay Gap

- **EQUAL PAY** means that men and women in the same employment performing equal work must receive equal pay.
- **GENDER PAY GAP** is the difference between the average earnings of men and women, irrespective of their role or seniority.

Chrysaor regularly conducts analysis across its business to ensure both women and men are being paid equally for the same, or similar work. Compensation decisions in relation to bonus, recognition and salary increments are reviewed to ensure equity across gender groups.

Gender Pay Gap Results

	ORDINARY PAY		BONUS PAY	
	2018	2019	2018	2019
MEAN	31.9%	28.0%	30.4%	18.5%
MEDIAN	34.9%	27.1%	-34.3%	-13.49%
NUMBER OF MALES	288	324	96.2%	90.5%
NUMBER OF FEMALES	74	82	93.3%	88.6%

MEAN = The mean hourly rate is the average hourly wage across the entire organisation, so the mean gender pay gap is a measure of the difference between women's mean hourly wage and men's mean hourly wage.

MEDIAN = The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median gender pay gap is the difference between women's median hourly wage (the middle paid woman) and men's median hourly wage (the middle paid man).

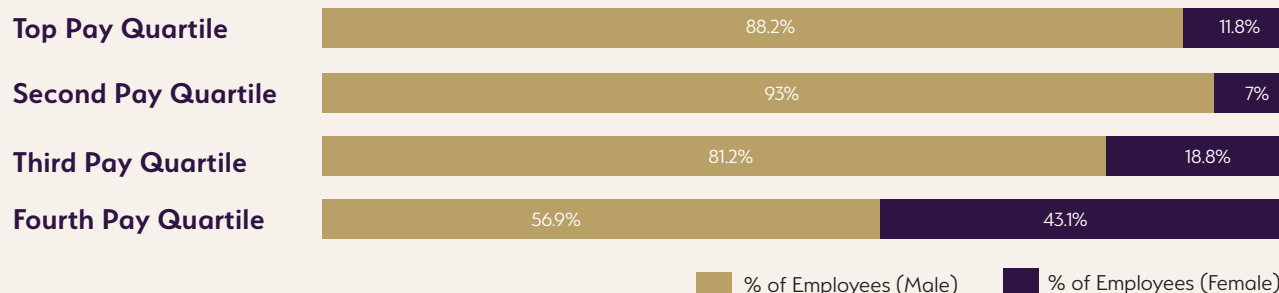
Ordinary Pay

The overall hourly pay gap between an average female worker and an average male worker's pay has reduced from 31.9% to 28.0% (mean) and 34.9% to 27.1% (median). This reflects the reduced variance in hourly rate between males and females over the past 12 months especially across the third pay quartile population. Of the promotions approved up to April 2019, 15% were female and 7% were male. No deliberate bias was applied.

Bonus Pay

The overall average bonus pay gap has reduced from 30.4% to 18.5% (mean) and -34.3% to -13.49% (median). This reflects the reduced variance in bonus paid between males and females over the past 12 months. The 2018 data included a pro-ration of bonus as most employees were TUPE transferred in November 2017. This 2019 data reflects a full year's dataset.

Employee Breakdown by Quartile



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What is Contributing to the Gap?

Although we have seen a positive reduction in the gender pay gap for both ordinary pay and bonus from 2018 to 2019, there continues to be challenges within the oil and gas industry with the representation of women making up less than 4% of the offshore workforce (3% in 2018) and 25% of the onshore and offshore workforce. Although companies are taking positive steps to improve the gap, there are still some areas where progress will take time, and a change in results will be seen in the long-term.

- A legacy challenge within the oil and gas industry has historically been the large proportion of jobs occupied by men. These roles generally attract higher salaries, such as the disciplines of science, technology, engineering and mathematics (STEM). This issue is compounded by the UK-wide issue of lower levels of women studying STEM subjects and entering the workforce with technical qualifications.
- Women have typically held more non-technical roles in Finance, HR, and Supply Chain, which can attract lower salaries when benchmarked against other technical disciplines.
- The offshore workforce is predominantly men and they are paid a premium to reflect the fact that they work offshore.
- Low representation of females in senior leadership roles.
- Women fill a large proportion of part-time positions, which tend to be lower paid.

Closing the Gender Pay Gap

Chrysaor continues to improve on its 2018 commitments to close the gender pay gap throughout an employee's lifecycle including, but not limited to:

- **Working with Cross-Industry Gender Balance Groups Driving Change** – Through Chrysaor's involvement in initiatives like POWERful Women (advancing the professional growth of women across the UK's energy sector) and the AXIS Network (working towards gender balance in oil and gas), we are actively supporting the development of women in our industry. In 2019, Chrysaor supported AXIS in three practical ways; enabling an employee to serve on the committee, chairing an AXIS committee meeting and participating in the delivery of an AXIS lunch and learn at one of their office locations in Aberdeen. In addition, one of our male employees became an AXIS Role Model on the topic of shared parental leave. AXIS positively impacts gender balance in oil and gas by:

- Engaging leaders across the industry to recognise the benefit of diversity and to drive through cultural change.
- Providing a personal support network and access to role models for over 1,000 members.
- Providing access to mentors who share industry insights and practical career advice.
- Sharing best practice on issues related to gender diversity.

To address the gender pay gap as an industry, Chrysaor signed up to the Oil and Gas Industry AXIS Pledge to commit to positive action steps to drive meaningful change in the inclusiveness of our workforce, including a pledge to;

1. Analyse the underlying reasons for any gender imbalance and/or gender pay gap in our organisation;
2. Follow a strategic plan, including clear ambitious targets to deliver positive change; and
3. Be transparent with our staff and communicate on our progress.



- **Helping to Promote STEM Careers** - In 2020, Chrysaor will be actively participating in the Oil and Gas UK (OGUK) Diversity & Inclusion Taskforce. OGUK will be building a network of diversity and inclusion (D&I) champions to promote the D&I agenda and to consider any gaps at an industry level. This will assess the challenge of getting more people involved in STEM at an early stage and will promote their members' work through schools in the UK. Chrysaor is participating in a working group looking at mid-life and beyond with a case study of people re-skilling for second careers in oil and gas.

Chrysaor is also actively part of the Energy Industry STEM programme working with the Oil & Gas Technology centre to promote STEM education and careers in the Energy Sector. This included a recent Skills Scotland Career Event where Chrysaor was a key sponsor. Chrysaor is also a supporter and mentor for STEM in the Pipeline and Go4Set secondary schools' education initiatives and the Engineer 'n' our Lives primary schools education programme.

- **More Flexible Working** – Chrysaor will continue to provide working parents (male and female employees) with opportunities to continue their careers through family-friendly incentives, as well as advocating flexible working arrangements to support individuals in the workplace. The implementation of flexible working hours also promotes workforce diversity and equality of opportunity for those with disabilities or caring responsibilities. Working parents (both male and female) made up 80% of our approved flexible working requests in 2019.

In January 2020, Chrysaor also introduced a Flex Arrangement Scheme that allows employees to take time away from work to manage personal/caring commitments.

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- **Supporting Training, Education and Learning** – Chrysaor has a Competence Management and Assurance Programme that ensures new and existing employees are competent to fulfil their role. The Training and Competence programme is centred around working with competent, innovative and dedicated colleagues regardless of gender.

A key part of Chrysaor's training strategy is the People Management Programme. This supports existing and future supervisors, managers and leaders in the important role that they play in ensuring a positive environment for all employees. The programme is designed to equip these employees with the skills, competencies and confidence to be able to effectively supervise, manage and lead people. A key module is Diversity and Inclusion (D&I). Over the last 12 months, 60 delegates have attended D&I training with the focus being on creating a respectful and inclusive workplace with equal opportunities for everyone.

Chrysaor has also provided support to OPITO in the promotion of the Oil and Gas Technical Apprentice Programme (OGTAP) to school and college pupils across the UK (aged 16 years plus). A series of six films were developed with an aim to raise awareness of the energy sector as a career route. These new videos were designed to encourage a more diverse pool of applicants including females. OPITO and its members continually monitor the gender balance from the application to the hiring process.

- **Providing Opportunities for Development** – Chrysaor continues to provide opportunities, increase capability and encourage all, to take up senior roles or development within the technical ladder. We also invest in our technical talent pool for entry level roles through our graduate scheme and work in partnership with universities providing internships for both non-technical and technical roles. We have good representation in our 2018/19 intern programme with two females joining in 2018 (Conceptional Engineering and Supply Chain) and four females in 2019 (Maintenance, Rotating Equipment, Commercial and Wells).
- **Ensuring Fairness and Equality** – Chrysaor is committed to a reward strategy that always promotes equality and fair pay. Employees at Chrysaor are rewarded based on competencies, qualifications and experience and they are continually benchmarked against relevant internal and external peer groups. Management dedicates a great deal of time to ensure that there is equality across all age, gender and ethnic groups. The Leadership Team ensures the Chrysaor reward strategy is continually reviewed and that it is fit-for-purpose. This includes equal pay reviews.
- **Leading by Example** – Chrysaor's Leadership Team is committed to ensuring the gap is narrowed now and in the future. They continue to provide a positive environment whereby employees, regardless of gender, are encouraged to succeed in their career paths.
- **Living our Values and Business Principles** – Chrysaor regularly reviews and develops procedures to ensure compliance with relevant regulations as well as the Company's Values and Key Business Principles, which are fundamental and sit at the heart of everything we do.
- **Preventing any Form of Discrimination and Encouraging Diversity and Inclusion** – Chrysaor ensures effective recruitment processes are in place, which are bias free and do not discourage certain groups. We continually review our job descriptions and job advertisements for gender neutrality to ensure we are reaching a diverse range of candidates. Our People Management Programme helps supervisors and managers understand unconscious bias and the impact it can have in the workplace. The programme arms participants with strategies for controlling bias to ensure our working environment is as equitable and inclusive as possible.

Declaration

I confirm that the Gender Pay Gap data reported for Chrysaor E&P Services Ltd is accurate and has been produced in accordance with the Equality Pay Act 2010.

Corinne Kelt

Senior Vice President, Human Resources



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