

GENDER PAY GAP REPORT 2019

PETROFAC FACILITIES MANAGEMENT LIMITED

This report sets out the results of our third gender pay gap analysis calculated in line with UK disclosure regulations. This relates to Petrofac Facilities Management Limited (PFML), which predominately covers our North Sea Operations, Maintenance and Engineering business. The report also sets out the findings of additional analysis we have undertaken in order to better understand the underlying causes of our pay gap, as well as the initiatives we have implemented thus far to respond.



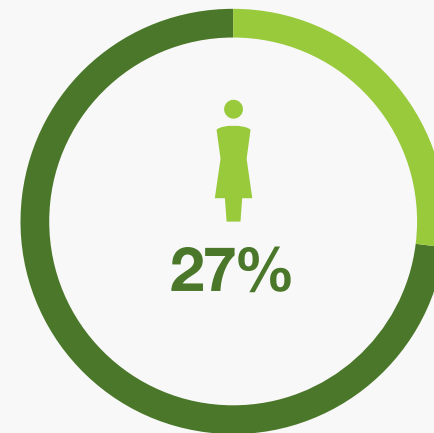
Our results

Pay and bonus pay

This table sets out our mean and median hourly gender pay gap based on hourly rates from a snapshot date of 5 April 2019, and our mean and median bonus pay gap based on all incentive pay in the 12 months previous to 5 April 2019.

Difference between men and women

	MEAN	MEDIAN
Hourly rate of pay	38.2%	42.4%
Bonus pay	10.4%	7.1%

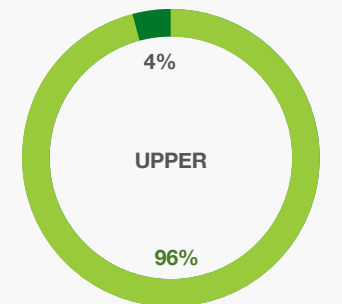
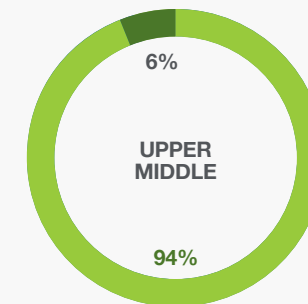
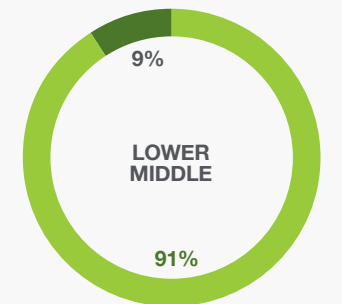
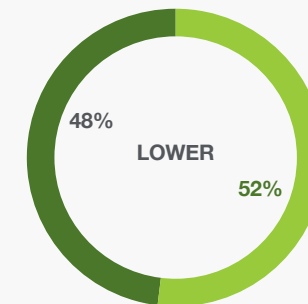


- Received a bonus (%)
- Did not receive a bonus (%)

Proportion of men and women in each pay quartile

Pay Quartiles

These charts illustrate the distribution of genders across four equally sized pay quartiles.



Women

Men

The data set out here is a snapshot of our UK workforce, making up around 20% of our global workforce. In addition, in line with the regulations, it does not include data on the small number of personnel employed through Petrofac Services Limited.

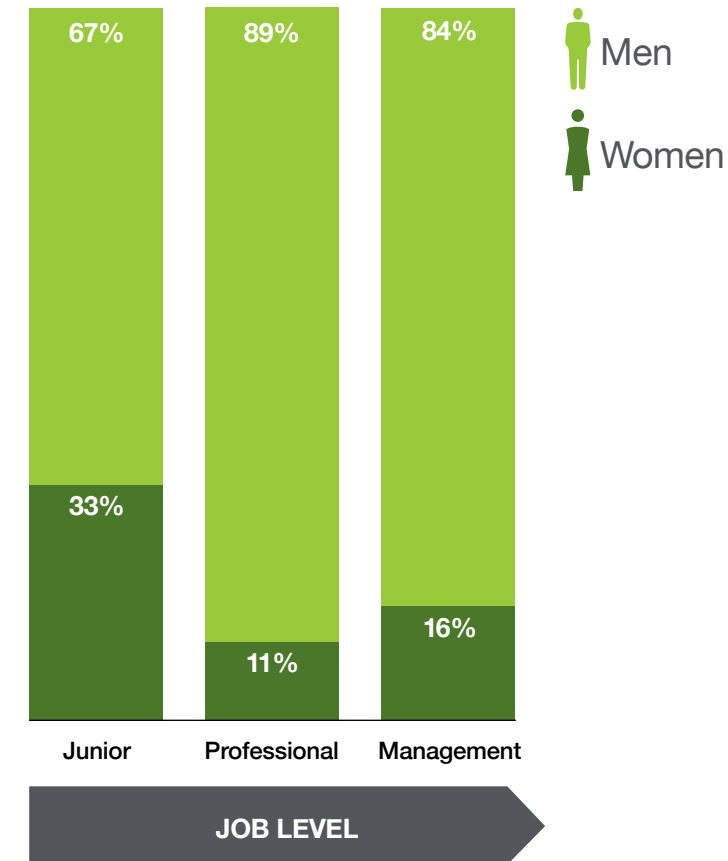


Analysing our Gender Pay Gap

Our pay quartiles indicate that whilst Petrofac has a significant Gender Pay Gap, this is skewed significantly by demographics, where most employees in the top two pay quartiles are men in senior professional level grades – that’s something we are working to address, but it will take time.

Our industry has traditionally been male dominated and this is reflected in our UK workforce, where 19% of our employees are women – up from last year.

This is further influenced by the scale and structure of our offshore workforce. 63% of our UK employees are based offshore or onsite, and only 2% of this population are women. This is not an uncommon picture across our industry – offshore and onsite roles generally receive higher pay and the workforce is predominantly male. Through our participation in the Axis Network Pledge, we’re committed to supporting a shift change in this dynamic. However, when viewed separately, the pay gap within offshore (and onsite) roles and the pay gap within onshore roles are both lower than when all employees are combined into the final overall figure.



Overall, women are under-represented at senior levels within our UK organisation as depicted by the graphic above. This is prominent in technical and operations leadership roles. Where we have women at manager or professional levels, they tend to be in non-technical or support areas such as Finance, Legal, HR and Supply Chain.



We’ve appointed our first Diversity and Inclusion manager, Anna Douglas, to oversee improvements we’re implementing across the Group.

To conclude, the challenge we face is gender parity within our organisational structure. Although we have achieved a significant improvement since last year, we still need to ensure stronger representation of women at the more senior professional levels going forward.

This has been more challenging in recent years due to the difficulty in promoting such change in a retrenched market, with low organisational turnover and few growth and development opportunities, as we have focused on cost efficiency and balance sheet recovery. However, actions listed on the following page, both current and going forward, are designed to enable positive change and sustainable improvement.



Current progress and beyond

What are we already doing?

These changes are sponsored by the Board and Executive Committee. As part of an active organisational engagement plan, we are confident these actions will in time deliver positive incremental and sustainable improvements which will contribute to the future success of the Company.



Female employees continue to benefit from our enhanced UK maternity leave policy, introduced in 2018.



We continue to partner with the Royal Academy of Engineering STEM Teacher Connectors project.



Our Petrofac Workplace Forum, introduced last year, mandates 30% of female representation and has achieved 50% female membership. The Forum meets regularly with the Board to champion issues affecting employees.



We appointed Diversity Leaders in the UK and UAE to review all aspects of policy and practice from a diversity perspective.



We actively monitor pay levels for jobs at every level to ensure there are no unjustifiable or structural differences in pay between men and women.



Hiring female graduates is a priority for us, and 42% of our 2019 UK graduate engineering programme hires were women.



We are participating in a number of Industry Forums to support the creation of a more diverse workforce.

Initiatives in 2020



Continue with our Graduate hiring programme with a commitment to recruiting a minimum of 35% female graduates in 2020 with an aim to increase our target with every intake.



All managers will have a diversity and inclusion target in their scorecards, on which 5% of their bonus will be dependent.



Over the next two years we will be putting together a detailed plan to improve our gender diversity across the Group.



We will seek to ensure, wherever possible, that we have equal representation of women on shortlists for senior management positions, ensuring compliance with relevant legislation at all times.



We are initiating a 'Women in Leadership' training programme at all levels across the Group to help empower women to reach their potential.



We are investing in more than 1,200 hours of training on unconscious bias this year.



Three women have been promoted into the EPS senior leadership team in Q1 2020.

PETROFAC FACILITIES MANAGEMENT LIMITED

Declaration

I confirm that the gender pay gap calculations set out in this report are accurate and meet the requirements of the legislation.

Nick Shorten

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