

# Gender Pay Gap Report 2018

subsea 7





# Introduction from Keith Tipson

At Subsea 7 building greater diversity and inclusion is as important for our people to achieve a rewarding career, as it is for our UK business to stay successful.

Our company's strategy is to be an employer of choice and, as this report illustrates, this will include our commitment to provide our people with an inclusive environment that supports them through different stages in their lives.

We have learned a lot from both men and women since the last report, and taken what they've shared to form a number of UK work streams, under three key focus areas: **inclusive culture**, **talent attraction** and **talent development**.

Leading the continuous delivery of these is a new UK Diversity and Inclusion Steering Group of senior management and a UK Diversity and Inclusion Network of employees from different disciplines, backgrounds and life experiences.

We have developed what we feel is a positive step towards greater diversity, and will continue to review progress and adapt accordingly, to offer a supportive culture for people to bring their best self to work and achieve their life goals.

## Declaration

I confirm the information and data in this document is accurate and in line with mandatory requirements.

## Keith Tipson

Executive Vice President Human Resources





# On behalf of the UK Diversity and Inclusion Steering Group

In the UK, we are pleased to see a reduction and improvement in almost all of our pay gaps from 2017. However, change won't happen over night and we recognise we are still at the beginning of a journey.

We are a business passionate about doing the right thing for our people. We have a strong commitment to gender parity and the work we have done in the UK to understand our gender pay gap has given us invaluable insight into how we recruit, retain, develop and promote women. This insight is now driving an acceleration of our UK diversity agenda.

In this report, we explain where our gaps exist and describe some of the key activities we have introduced to drive progress and improve our gender diversity.

These activities and the others covered in our '**Taking Action**' section, aim to ensure our women have equal access to the right information and a supportive environment for them to progress their career.

During my career with Subsea 7, I've witnessed men and women achieve their personal and professional ambitions by empowering and supporting each other. It's because of them and their passion for what they do, Subsea 7 is a successful business.

## Judith Anderson

Chair of the UK Diversity and Inclusion Steering Group,  
UK and Canada Human Resources Director



# What is the gender pay gap?

**The gender pay gap is the measure of average pay between women and men.** It does not measure equal pay for men and women doing the same or equivalent work of equal value.

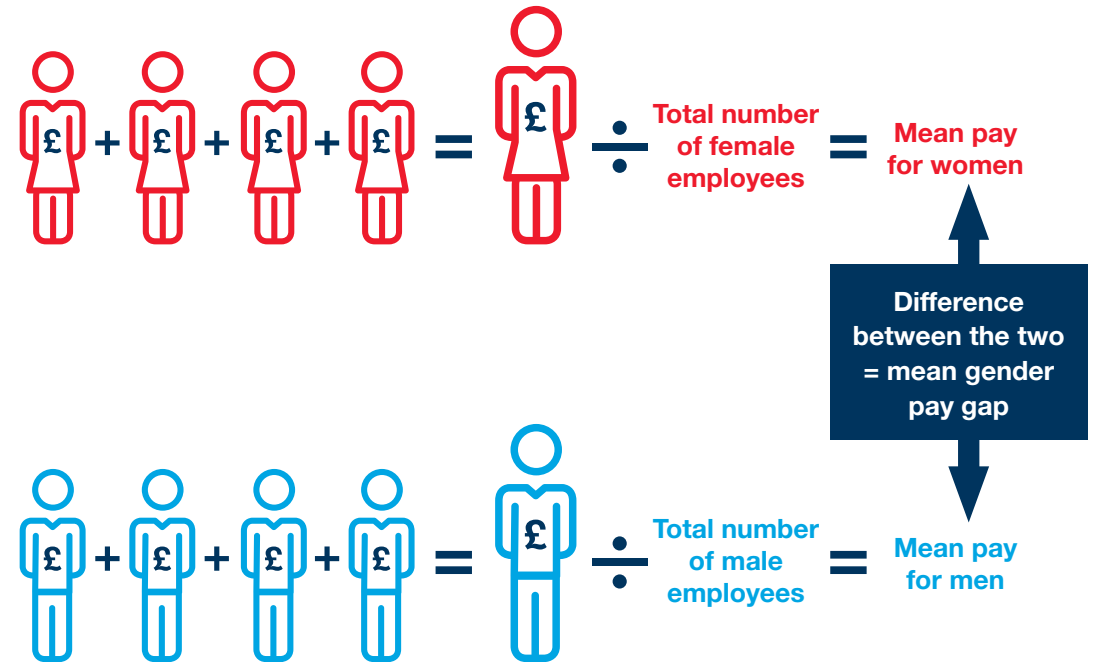
It is a legal requirement to pay men and women equally for equal work undertaken in the UK. We monitor and review all recruitment and pay decisions to make sure we can be completely confident that we comply with these requirements.

All UK organisations employing 250 or more employees are also required to prepare an annual report on their gender pay gap. Employing approximately 1,200 people, Subsea 7 (UK Service Company) falls into this criteria.

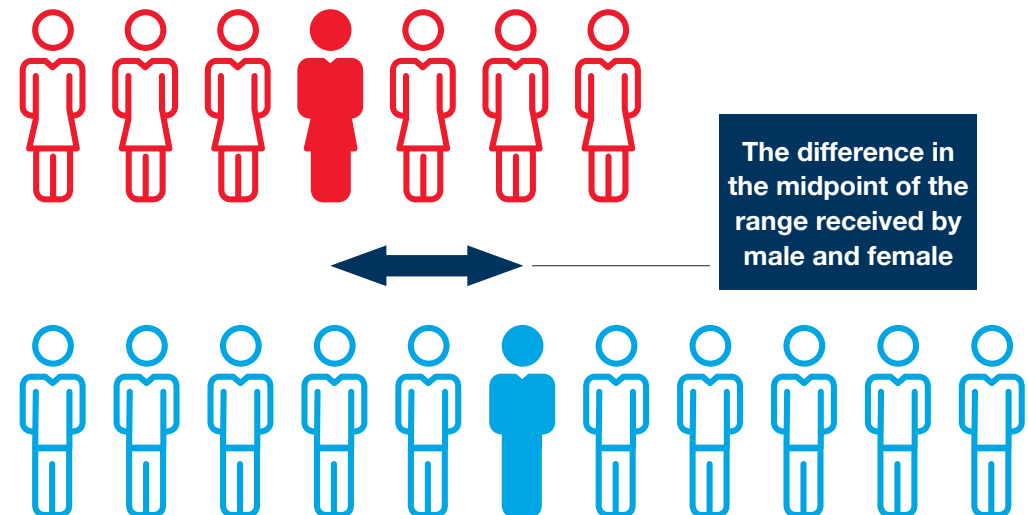
## Calculating mean and median gender pay gap

The mean figure is the difference in average hourly rates that male and female employees receive. This gives an overall indication of the gender pay gap by taking all hourly rates of pay divided by the total number of people. The median figure shows the difference in the midpoint of the range received by male and female employees.

## How the mean pay gap is calculated



## How the median hourly pay gap is calculated



# Subsea 7 UK gender pay gap

The mean and median hourly gender pay gap is for the snapshot date of 5 April 2018 and our bonus gap is for bonuses paid in the 12 months prior to 5 April 2018. The information shown here shows the percentage by which women's average hourly pay and bonus pay is lower compared to men. These figures exclude our third-party and limited company population.

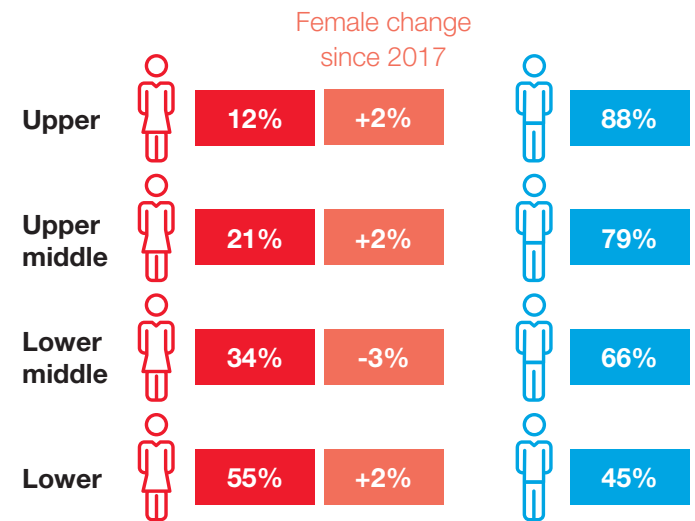
The median bonus gap point for males and females have both decreased from the 2017 data, due to an increase in the number of one-off lower value bonus payments awarded in relation to recognition and long-service.

68 more females received a bonus in the 2018 period, however, it is the increase in the lower level bonuses paid to males that drives the overall median gap down.

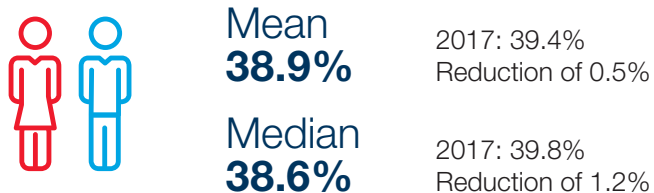
The mean bonus gap has increased by 8.2% from 2017. Although the percentage of females in the formal bonus plans has increased, there are more men in these plans. Specifically, the formal share-based bonus plans awarded three to five years previously, have a cumulative pay out impact, to a largely male population. The cumulative pay out impact will cause an annual fluctuation in the bonus pay gap figures.

## Percentage in pay quartiles

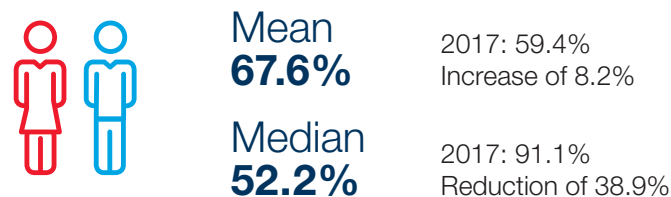
The graphic below shows the gender distribution in the UK in four equal size quartiles.



### Mean and median gender pay gap



### Mean and median gender bonus gap



### Percentage receiving bonus pay

In 12 months prior to 5 April 2018.





# What our gap tells us

We are making progress, but we still have a gender pay gap. The reasons for the gap are the same as those set out in our 2017 report:

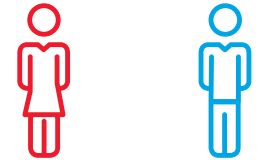
## Uneven gender representation across the business

Females represent 31% of our UK workforce. We recognise that there is an unequal distribution of men and women at every level of our UK business, with female representation decreasing with the level of seniority.

Formal bonus plans that target senior leadership and manager grades also impact the bonus gap. Of those in our formal annual performance plans and share-based bonus plans, 16% are female. This is an increase from 15% in the 2017 report.

A further contributing factor to our pay and bonus gaps is that our principle executive office is based in the UK where many of the company's most senior positions, which are at the higher end of the pay and bonus scale, are included within the data.

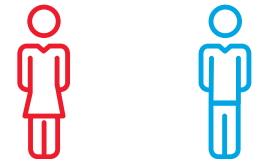
## Gender split of Subsea 7 UK employees



**38%** **62%**

### Operational

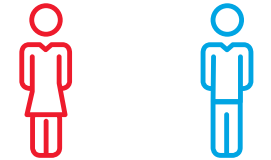
Female change from 2017  
+1% increase



**15%** **85%**

### Leadership

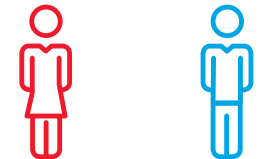
Female change from 2017  
+1% increase



**21%** **79%**

### Manager/Supervisor

No change from 2017



**31%** **69%**

### Total

No change from 2017

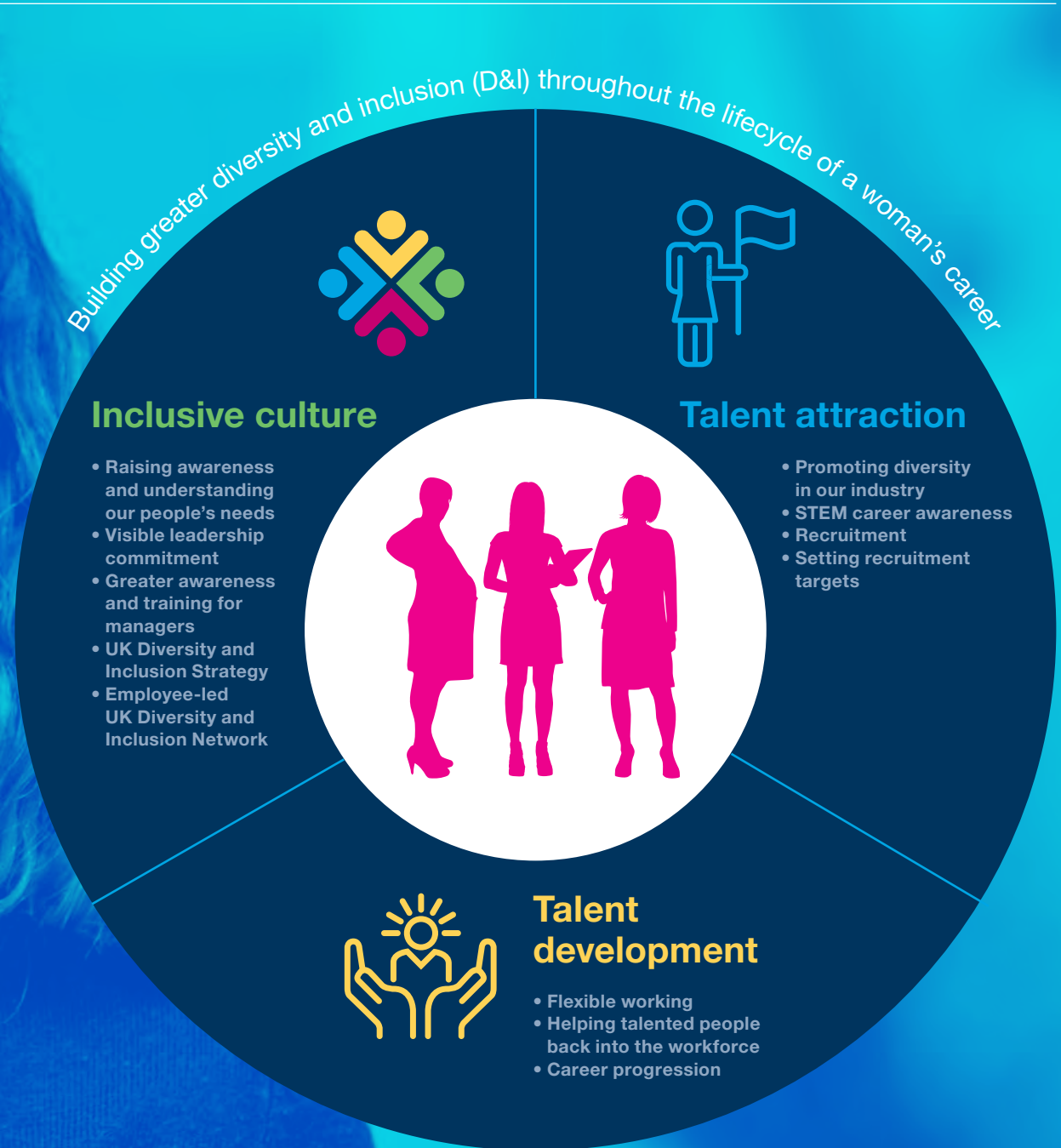
## More men than women in the energy industry and in specialist roles

Attracting more women into STEM (science, technology, engineering and mathematics) careers is a goal for the entire energy industry.

We're committed to playing a part in broadening the talent pool and influencing the choices young women make, with a UK-wide approach to greater STEM engagement, gender-balanced recruitment and flexible working.

# Taking action to close our gap

We are addressing our gender pay gap by improving our approach to **inclusive culture, talent attraction and talent development**. Driving progress in each of these areas has benefits for everyone, it ensures both genders have equal access to the right information, opportunities and a supportive environment at every stage of their career. Progress is managed by a new UK Diversity and Inclusion Steering Group. It is their responsibility to drive cultural change, monitor implementation and lead by example to ensure we meet our targets and ambitions in the UK. More information on the Steering Group and an employee-led network is covered later in this report.





# Inclusive culture

## Raising awareness and understanding our people's needs

### UK diversity and inclusion audit

Since our last gender pay gap report, we have carried out a detailed UK diversity and inclusion audit, involving focus groups of a wide cross-section of our people to understand their needs and experiences. We spoke to 125 people (52% female / 48% male), representing 13 nationalities, parents and non-parents, from all functions and all levels. We also held one-to-one interviews with vice presidents based in the UK and 12 senior managers. The feedback from the focus groups, shaped our diversity strategy.

### Visible leadership commitment

The diversity and inclusion audit, led to the formation of a **UK Diversity and Inclusion Steering Group** of UK senior management, to monitor the implementation of our Diversity and Inclusion Strategy and ensure we meet our diversity targets.

### Greater awareness and training for all UK managers

We will continue our inclusion and unconscious bias training for managers, to raise awareness and counter workplace inequalities.



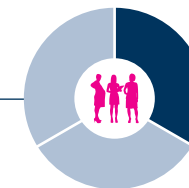
### UK Diversity and Inclusion Strategy

We initially began by focusing on leadership commitment; increasing the understanding of diversity and inclusion; increasing diversity in the talent pipeline; establishing diversity and inclusion targets and forming an employee network. This has been expanded further to include multiple actions beyond those highlighted in our 2017 report, some of which are featured under our Diversity and Inclusion Strategy focus areas of: **inclusive culture, talent attraction and talent development.**

### Employee-led UK Diversity and Inclusion Network

An important recommendation to come out of the focus groups was the need to create a people network. To make this happen, we invited our UK-based people to form a network that would identify challenges and drive visible progress. We now have a network of 21 core members, plus others throughout the business to ensure our people feel represented, informed and involved.





# Talent attraction

## Promoting diversity in our industry

We are actively looking at how we promote our business and our industry as a positive career choice for both men and women, and how we inspire and attract the next generation.

### STEM career awareness

To strengthen our STEM engagement and encourage more young women into engineering and technology, we have joined the **Women in Science and Engineering (WISE)** business network and committed to The Ten Step initiative.



We will continue to support our graduates, engineers and managers who, as STEM ambassadors, generously provide their time and energy to engage with young people at a number of schools and universities. Students can also apply to undertake summer placements.

### Setting recruitment targets

The UK Diversity and Inclusion Steering Group has set recruitment targets and will be monitoring these going forward. They include, year on year improvement in the number of females recruited and ensuring a **50/50 gender target for graduate recruitment**.



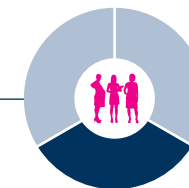
### Recruitment

In 2018, UK human resources managers held workshops to review our recruitment and graduate engineering hiring processes.

This has led to a **number of recommendations**, including: identifying gender neutralising software for recruitment advertising; promoting flexible working arrangements; ensuring a minimum of two women are on all shortlists and reviewing external/internal recruitment advertising.

The measures already in place to increase our UK female graduates numbers are making a difference. Since 2014 we have seen a steady increase from 18% in 2014 to 23% in 2018, and we will continue to build on this approach going forward.

We are also monitoring roles that are less appealing to females, and looking at further ways to recruit, for example our pioneering Conversion Programme, which integrates talent from other markets into the energy sector.



# Talent development

Helping our people fulfill their goals

## Flexible working

We have reviewed our flexible working policies, to make certain everyone has access to working arrangements that **support work-life balance** needs. We will continue to positively promote these and will regularly measure uptake.



## Helping talented people back into the workforce

We have partnered with **Equate Scotland** to support and manage the needs of women returning to the workplace, through a programme of colleague introductions and activities that will enable them to utilise their experience.



## Career progression

We are giving our people access to **tools that can help them develop their career**, with senior role models, coaching and mentoring, and access to tools for further development.

We regularly review, monitor and measure recruitment, promotion and succession plans, to track progress relating to our female representation at senior levels, and have a goal to increase this year-on-year.

All promotions are awarded based on merit.

In 2019, we will continue our **'Women in Business' female development support programme**. This looks at focused coaching, engagement styles, networking and self-driven learning, and will offer face to face events and **female development support webinars** to help women reach their potential.



# UK Diversity and Inclusion Steering Group and Employee Network

## UK Diversity and Inclusion Steering Group

Our strategy is to be an employer of choice by offering a fully inclusive workplace that attracts, retains and develops the best diverse talent.

The role of the UK Diversity and Inclusion Steering Group in achieving this aim, is to make diversity and inclusion an intuitive part of everything everyone does every day.

They have a responsibility to embed an inclusive culture in the UK through strategic leadership, review and monitoring of all diversity and inclusion activities, including those that focus on gender balance and equality.

For gender balance and equality to be embedded throughout our UK business it also needs to be embraced and believed by our people, which is why the Steering Group will work closely with the Diversity and Inclusion Network to build stronger engagement with our diverse workforce.



## UK Diversity and Inclusion Network

Our employee-led network, of which there are 21 core members, has a vital role in representing the diversity that exists within our UK business.

The network provides strategic advice to the UK Diversity and Inclusion Steering Group to ensure the Diversity and Inclusion Strategy remains relevant and progressive.

The 21 core members are supported by a further 16 people, and together they represent five business areas in the UK. They all share a passion for diversity and inclusion, having volunteered to proactively identify challenges, find recommendations and drive change to build a more inclusive culture.



**Nicola Cowe**  
Network Co-Chair  
Senior Controls  
Engineer



**Qingjing Meng**  
Network Co-Chair  
Senior SCM  
Specialist



[View the 2017 Gender Pay Gap Report](#)

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