

# UK GENDER PAY GAP REPORT 2022



# INTRODUCTION

Judith Anderson, Chair of the UK Diversity and Inclusion Steering Group, and UK and Global IRM Human Resources Director.

**For Subsea7 to continue to hold a world-leading position in making energy transition possible, we need to attract, recruit, retain and support a wider network of diverse talent that truly represents the communities we live in and support.**

Now more than ever our rapidly changing energy sector needs different viewpoints and ways of thinking to make sure we can quickly find the best solutions for the future – women are an essential part of that.

The multifaceted challenges we face in closing our gender pay gap are echoed throughout our sector. After five years of proactive initiatives and investment that saw a continual decrease in our hourly pay gap, it is disappointing to see an increase in 2022. The increase is a result of the pause and restart of our formal performance plan during the reporting time frame, and when targeted pay reviews took place and bonus targets were increased. More information on these factors can be found on page four.

I am immensely proud of the work we've done so far and very grateful to the many people who are dedicated to building inclusion at Subsea7. Together we have implemented a wide range of successful initiatives, actions and policies, which have improved diversity and inclusion (D&I) and wellbeing at Subsea7. The gender pay gap will take time to tackle, but we remain fully committed to reducing it and to investing in greater inclusion of under-represented people in the energy sector.



**“Together we must play our part in strengthening the inclusion of under-represented people in the energy sector.”**

## Declaration:

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

# ABOUT THE REPORT

**The gender pay gap does not measure equal pay, it is the difference in the average pay and bonuses of all women and all men across an organisation. At Subsea7, we are confident that we provide equal pay to women and men in the same roles, because we closely monitor and review all recruitment and pay decisions we make.**

Our mission to foster an inclusive environment that welcomes diversity, creativity and innovation where everyone can thrive, is well-established. An inclusive environment also supports the principles set out in our Human Rights Policy, Equal Opportunities Policy, Diversity Employment Policy and our annual Sustainability Report.

The motivation to create and publish this gender pay gap report goes beyond our legal obligations. To guide and drive our internal focus on equity, diversity and inclusion, we need to recognise and review our gender pay gap.

We are using this as an opportunity to reflect on our efforts to attract, recruit, retain and promote more women, investigate the narrative and motivations involved in why candidates for higher paying roles have historically been men, and ultimately bring greater gender balance to Subsea7.



# OUR GENDER PAY GAP

In line with UK Government regulations for gender pay gap reporting, we have made the following mean and median hourly gender pay gap calculations based on data at the snapshot date of 5 April 2022, and for our bonus gap figures the 12 months preceding this date.

## Breaking it down

In 2022, our mean (average) gender pay gap was **39.1%**, an increase of **9.2%** from **29.9%** in 2021. Our median (mid-point) gender pay gap in hourly pay was **35.5%**, an increase of **0.3%**. On 5 April 2022, Subsea7 (UK Service Co) employed 1,353 people, of which **31%** were women and **69%** were men. This group includes our company's most senior positions based in our corporate headquarters, who are at the higher end of the pay and bonus scale.

The Short-Term Incentive Plan (STIP), our formal performance plan, is paid out in April and this has a year-on-year impact on the mean pay gap fluctuation.

In April 2021, no STIP payments were awarded for 2020. However, as the market improved, a subsequent increase in the bonus target levels (i.e. the minimum percentage of base salary that could be achieved when targets are met), led to an increase in our mean gender pay gap, with hourly rates for senior roles increased due to STIP payments in April 2022. If our April 2022 calculations excluded STIP, our mean pay gap would have increased by 0.8% to 30.7%.



## Contributing factors:

The factors that persistently impact the gender pay gap across the energy industry, can start long before recruitment. With fewer female science, technology, engineering and maths (STEM) role models influencing subject choices at school and university, limited diverse career role models in organisations, and an unequal balance of family responsibilities or expectations, a repeat cycle of societal situations compound progress. In turn, this produces a male-dominated talent pipeline for higher paid roles.

The factors with the greatest impact on our gender pay gap are:

- **Uneven gender representation** in all disciplines and at every level, especially in technical roles and senior roles that are typically higher paid.
- **Unequal distribution of women to men in senior roles**, where larger value bonus payments make up part of the remuneration. In 2022, 39% of our new hires were women. However, the largest portion of these were in roles within our lower middle quartile. Our 2022 figures did show a 5% increase in the representation of women in the upper quartile, but with also a 5% decrease in the upper middle quartile, our data clearly shows that we still have much to do to achieve a positive and sustainable representation of women in all senior roles.
- **Fewer women engineers in the current UK talent pipeline** (around 16% in 2022), meaning eliminating gender disparity in engineering is particularly difficult. In 2021/2022 we recruited 37 UK graduate engineers, of which 10 were women. Over time we aim to improve our gender balance by working diligently to encourage more women to apply for technical and engineering roles. At universities and schools, our STEM champions and early career role models challenge stereotypes with inspiring career stories that aim to encourage more young women to join (and to remain with) the energy sector.
- **The slow pace of progress in achieving** gender parity is hindering the creation of a more diverse talent pipeline for the future.

We are committed to closing our gender pay gap, because it is the right thing to do and a fundamental part of our long-term success and security. We will continue to look at ways to encourage, attract and upskill more women into our industry, and our higher paying roles, as well as continue to recruit and promote using an inclusive process based on merit.

With the actions we take in Subsea7 and the collaborations we have with our clients and the wider energy industry, we hope to demonstrate that we can play a part in building a more gender balanced and inclusive society.



	Mean gender pay gap (%)	Median gender pay gap (%)		Mean gender bonus gap (%)	Median gender bonus gap (%)	Proportion of females receiving a bonus (%)	Proportion of males receiving a bonus (%)
<b>2022</b>	<b>39.1%</b>	<b>35.5%</b>	<b>2022</b>	<b>54.2%</b>	<b>0.0%</b>	<b>28.8%</b>	<b>25.8%</b>
<b>2021</b>	29.9%	35.2%	<b>2021</b>	49.6%	84.1%	28.9%	34.3%
<b>2020</b>	33.6%	35.0%	<b>2020</b>	52.6%	75.1%	20.5%	32.3%
<b>2019</b>	36.5%	37.0%	<b>2019</b>	65.3%	89.7%	33.2%	40.8%

Our overall mean bonus gap is **54.2%**, an increase of **4.6%** from **49.6%** in 2021, and the median is **0%**. The unequal distribution of women to men, especially in senior roles where bonus payments make up a large part of remuneration, influences the mean (average) bonus pay gap.

The fluctuation in the bonus gap data reflects the cumulative pay out of many one-off lower value bonus payments. The reason why the median bonus

gap for 2022 is 0% compared to previous years, is that there were no formal annual performance bonuses paid to senior management in 2021. This was in response to the magnitude of pressures and uncertainties experienced during the COVID-19 pandemic, the economic downturn and the global oil price drop. Rather than awarding high-value formal performance bonuses, Subsea7 awarded lower-value one-off recognition awards.

This brought the mid-point (median) value of recognition awards across a larger population of men, to the same mid-point value of the awards given to a smaller population of women, resulting in a 0% median bonus gap. We expect as formal performance bonuses are reintroduced (to a largely male senior management population), future bonus median gap figures will show a similar fluctuation to that seen in previous years.



## Proportion of women and men by pay quartile (%)

	Upper quartile		Upper middle quartile		Lower middle quartile		Lower quartile	
	Females	Males	Females	Males	Females	Males	Females	Males
<b>2022</b>	<b>16%</b>	<b>84%</b>	<b>18%</b>	<b>82%</b>	<b>38%</b>	<b>62%</b>	<b>51%</b>	<b>49%</b>
2021	11%	89%	23%	77%	37%	63%	50%	50%
2020	12%	88%	21%	79%	36%	64%	51%	49%
2019	11%	89%	18%	82%	36%	64%	50%	50%

	Headcount	Headcount	
		Females	Males
<b>2022</b>	1353	<b>416</b>	<b>937</b>
2021	1301	<b>386</b>	<b>884</b>
2020	1490	<b>426</b>	<b>981</b>
2019	1347	<b>367</b>	<b>909</b>



# OUR D&I PILLARS

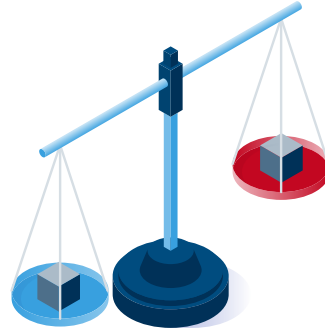
While it is disappointing to see a pay gap increase for 2022, there has been positive and significant progress made to strengthen our D&I approach that we can now develop further.

In 2022 we launched a company-wide D&I framework that is focused on four pillars.

Our D&I pillars are driven forward by our regional and business D&I plans. The implementation of these plans are supported by our various UK-based D&I employee-led groups, whilst being guided and regularly reviewed by the Global Diversity and Inclusion Steering Committee. This committee is chaired by a member of the Executive Management Team and has representatives from different regions. Senior leadership in the UK also sponsor and oversee activities to reinforce Subsea7's commitment to inclusion and support colleagues with appropriate actions whenever barriers are identified.

Our aspiration to close our gender pay gap intersects with all four pillars – delivering on each of them is essential. Let's begin by taking a closer look at gender balance.

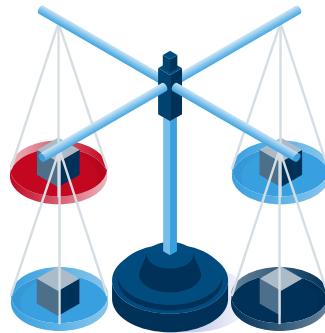
## GENDER BALANCE



## INCLUSIVE CULTURE



## NATIONALITY BALANCE



## RECRUITMENT PIPELINE







# OUR D&I PILLARS

## GENDER BALANCE

### Our ambition:

- To increase the representation of women in our leadership on and offshore.
- To support societal and educational initiatives to increase gender balance within our sector.

### Our target:

- Currently globally, **28%** of our onshore workforce and only **15%** of our leadership are women. Our aspiration is that by 2030, **25%** of our onshore leadership will be women.

### Our actions:

- We launched a successful six-month pilot of a UK Mentoring Circle development programme.
- We increased internal advertising of senior roles to ensure all employees have access to career communications.
- We introduced talent assessments in advance of succession plans to remove potential bias.
- We globally celebrate International Women's Day (IWD) and the United Nations' World Day for Cultural Diversity.
- We supported the IWD #BreakTheBias campaign and roundtable discussions, with personal insights from offshore women.
- We launched a second UK Women in Business development programme.
- To drive greater gender balance in the energy sector, we have an active role in annual energy sector reports and champion STEM outreach with POWERful Women and the Energy Leaders Coalition (ELC).
- We hold lunch and learn sessions for new starters.
- We continue to be committed to our Aberdeen Industry Support Network (AXIS) pledge, which focuses on how to attract, retain and develop a diverse workforce.





# OUR D&I PILLARS

## INCLUSIVE CULTURE



### Our ambition:

- To create, maintain and promote an inclusive work environment enabling diversity of thought to thrive.



### Our target:

- To review every year the D&I plans from each UK-based business, to measure effectiveness and identify challenges.
- To better understand how our people feel about D&I and to measure the impact of our initiatives and activities moving forward.



### Our actions:

- Our annual month-long Festival of Learning included Jessa de la Morena from TLC Lions and Helen Sharman CMG OBE HonFRSC (the first British astronaut) inspiring Subsea7 people with their career and life stories.
- Our Group-wide Sonar employee opinion survey includes four D&I questions, enabling us to track trends and learnings from 2021 and 2022.
- As part of our partnership with the Association for Black and Minority Ethnic Engineers (AFBE-UK) to create greater ethnic diversity awareness, we proudly sponsored AFBE-UK Live 2022 - The Future of Engineering.
- AFBE-UK have also reviewed Subsea7's UK recruitment processes and messaging to ensure it has inclusive language and is attractive to under-represented groups, and have given feedback on the UK D&I network's activities.
- We championed mental health awareness with themed events based on our Mind, Body, Thrive and Connect wellbeing strategy, including: Mind Fit, Paws in Work / Therapets, Mental Health Awareness Week and Beat the Blues January wellbeing focus.
- During International Men's Day we highlighted the topic of men's mental health and featured the career journeys of inspirational team members.
- We are rolling out an inclusive writing platform that is designed to ensure recruitment language is unbiased and inclusive across job adverts and employer branding materials.



# OUR D&I PILLARS

## INCLUSIVE CULTURE



### Our actions:

- We regularly offer Mental Health First Aiders training and now have over 100 in the UK.
- We hold regular Coffee and Connect sessions to discuss women in business, cultural awareness and allyship, and have held LGBTQ+ awareness sessions with organisations such as Four Pillars, to support mental, emotional, physical and sexual health and wellbeing.
- We launched the Primary School Outreach Initiative to break engineering stereotypes.
- We repeated Subsea7's Women in Business development programmes and took part in AFBE's mentoring scheme.
- We placed a spotlight on hidden disability, with a presentation by blind water skiing world champion, Daniele Cassioli.
- We appointed senior leadership as UK D&I senior sponsors for each D&I pillar.
- We are reviewing our UK D&I employee-led groups, to identify how these can be further supported in 2023.
- We continue to encourage the use of flexible, agile and remote working (including part-time arrangements) and various types of family leave, to men and women. This ensures that men and women can have an equal approach to family and work-life priorities.





# OUR D&I PILLARS

## NATIONALITY BALANCE

### Our ambition:

- To increase under-represented nationalities in our leadership on and offshore.

### Our target:

- Currently globally, **36%** of our onshore workforce is from Asia and the Pacific, and the Americas and Africa, whilst only **17%** of our leadership are from these locations. By 2030 we aspire to have **25%** of our onshore leadership from these locations.
- Our long-term aim is to create management teams across the globe that fairly reflect the ethnicities and cultures they represent.

### Our actions:

- We will be holding a series of impactful career conversations to improve our understanding of different aspirations and challenges.
- We will complete succession planning for offshore management teams.
- We celebrated the United Nations' World Day for Cultural Diversity, to recognise our global community of 80 nationalities across 36 countries.





# OUR D&I PILLARS

## RECRUITMENT PIPELINE



### Our ambition:

- To ensure our recruitment approach supports our diversity and inclusion ambitions.



### Our target:

- 50:50 gender balance in annual onshore graduates.
- By 2030, **50%** of permanent hires onshore will be women.
- To play our role in the societal shift needed to encourage more women to join the energy industry.



### Our actions:






- We have increased the internal advertising of senior roles.
- We continue to support our STEM champions as they showcase energy careers to girls and women at schools and universities.
- With POWERful Women, we are committed to promoting the energy sector as a rewarding career for women.
- We marked International Women in Engineering Day.
- We will review progress in current and future application cycles.
- We continue to award appointments based on merit following an inclusive recruitment process.

In addition to the actions that specifically focus on improving gender and leadership representation, all our 2023 activities aim to strengthen our inclusive working environment for an even greater diverse workforce.



Subsea7 is a global leader in the delivery of offshore projects and services for the energy industry. Subsea7 makes offshore energy transition possible through the continuous evolution of lower-carbon oil and gas and by enabling the growth of renewables and emerging energy.

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