



Gender Pay Gap Report 2018



INTRODUCTION

Since acquiring its first North Sea interests in 2007, TAQA has created a business which is now ranked among the top exploration and production companies in the UK. TAQA operates five offshore oil and gas platforms and it also owns equity in fields which are operated by others.

We recognise the value a balanced workforce brings to our company's success and remain fully committed to continually improving this, alongside wider industry efforts.

Gender pay gap legislation is a government initiative to ensure everyone is given a fair opportunity to succeed, regardless of their gender. In accordance with UK government regulation and as an employer of more than 250 staff in the UK, we must publish our annual gender pay gap by 4th April each year.

It's important to recognise that gender pay gap is not the same as equal pay, although this could be one of the reasons for a gender pay gap. TAQA does not have an equal pay issue. TAQA's approach to compensation and benefits is gender neutral by design. We use a market leading tool for job evaluation where each job description is scored and placed in our grading structure. We continually monitor pay levels for all employees using a fair and consistent process based on market data and an individual's experience and performance.

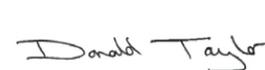
Results show that TAQA has a gender pay gap, driven by a significantly higher proportion of men than women in our workforce, particularly in the offshore population which attracts offshore allowances included in the calculations. Historically in the UK, primarily as a result of societal and cultural influences, offshore personnel and engineering-based roles have been male dominated and that continues to be the case. Our gap is therefore a reflection of the industry and candidates available to TAQA, rather than pointing to an underlying equality issue.

The challenge in every organisation and society across the UK is to eliminate any gender pay gap. This is not something that will happen overnight and it will take a huge effort from everyone to ensure we do everything within our means to address the gap.

TAQA will continue to take steps to address its gender pay gap over time. Through our Corporate Social Responsibility portfolio we are involved in a wide range of initiatives to educate and engage school children about our business and promote STEM subjects. In 2018 alone, we reached over 2,000 local primary and secondary pupils with STEM messages across 50 schools.

This report explains further about what the gender pay gap is, TAQA's results and what we are currently doing and plan to do to with the aim of addressing the gender pay gap in our business.

Declaration:
We confirm the information and data reported is accurate as of the snapshot date of 5 April 2018.



Donald Taylor
Managing Director



Helen Stuart
HR Director

“

TAQA has a gender pay gap, driven by a significantly higher proportion of men than women in our workforce, particularly in the offshore population

”



WHAT IS THE GENDER PAY GAP?

The government introduced the gender pay gap legislation as an initiative to ensure everyone is given a fair opportunity to succeed, regardless of their gender.

From the opportunities women are given in school, to the ability to move up the executive pipeline, the aim is to break down the barriers that stop women achieving.

Gender pay gap is not the same as equal pay, although this could be one of the reasons for the gap. An organisation could have no pay discrimination but still have a gender pay gap and vice versa.

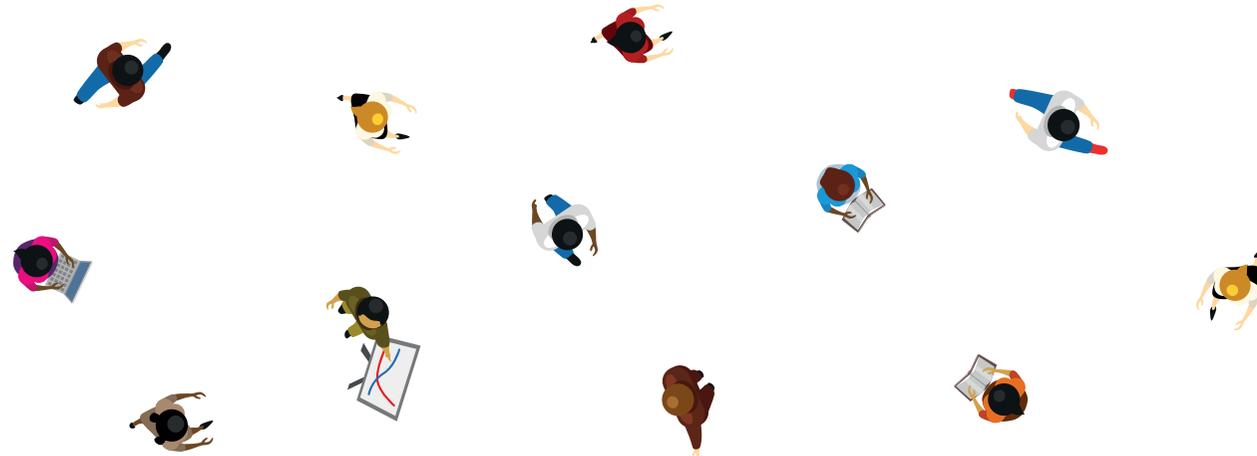
Reasons why a gap may exist in some organisations include:

- Pay discrimination – men being paid higher than women doing the same job;
- Caring responsibilities – more women are involved in caring responsibilities;
- Occupational segregation – women clustered in different industries and in less senior roles;
- Career expectations – women traditionally don't have high expectations of progressing to higher levels of the organisation;
- High proportion of women working in lower paid professions.

“

[the aim is to break down the barriers that stop women achieving.](#)

”



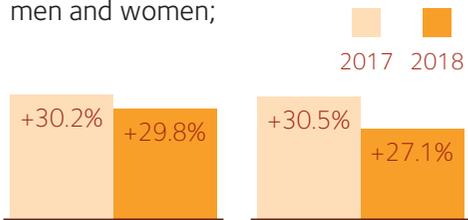
TAQA'S RESULTS

The method for calculating gender pay gap statistics has been outlined in detail by the UK government and the results from every organisation are published on a UK government website.

Using the snapshot data, the UK government gender pay gap regulations have four key reporting requirements. These are shown below, along with TAQA's results:

1.

The differences in mean and median average hourly rate pay between men and women;



Mean Gap (average) Median Gap (mid point)

2.

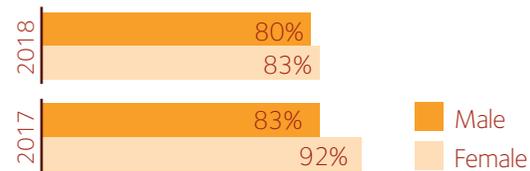
The differences in mean and median bonus pay between men and women;



Mean Gap (average) Median Gap (mid point)

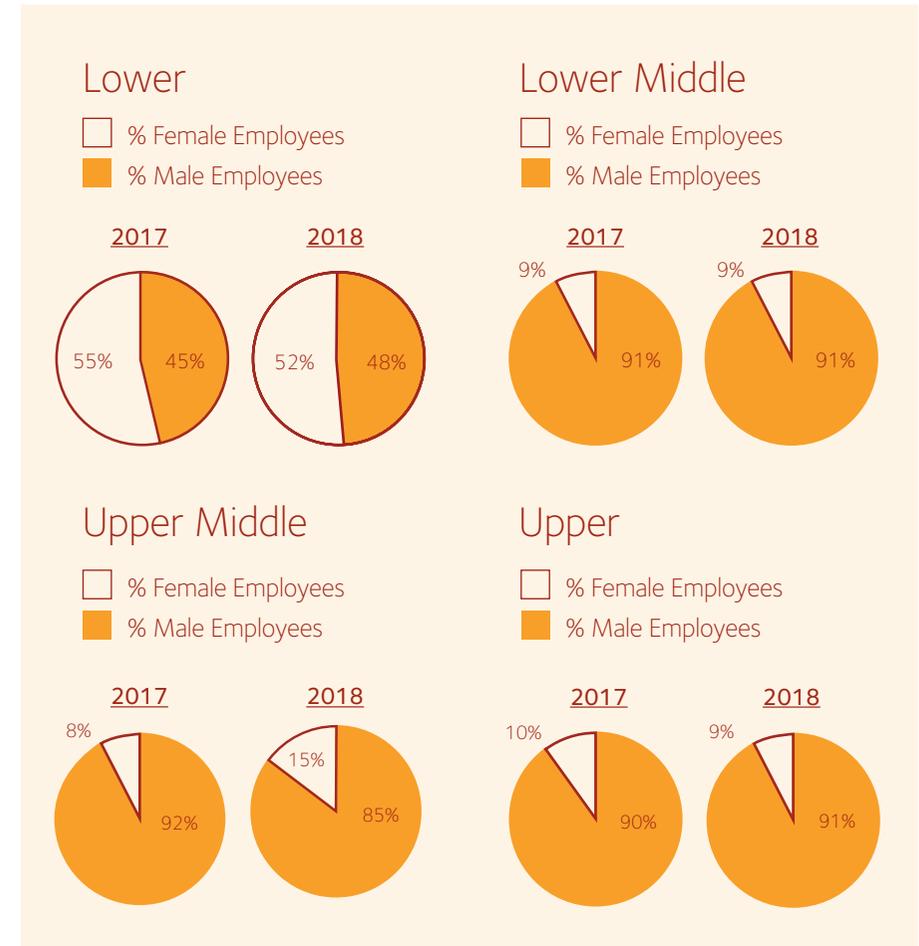
3.

The proportion of men and women receiving bonus pay in a year;



4.

The distribution of men and women between pay band quartiles, calculated using the range of average hourly pay rates.



UNDERSTANDING OUR GENDER PAY GAP

Our results show that the main reason for our gender pay gap is driven by:

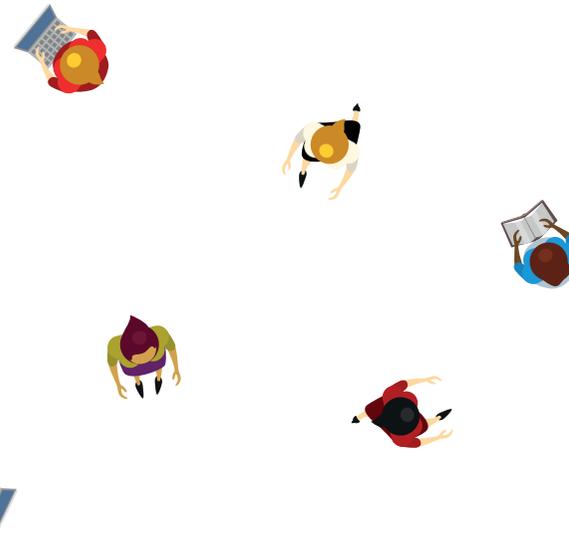
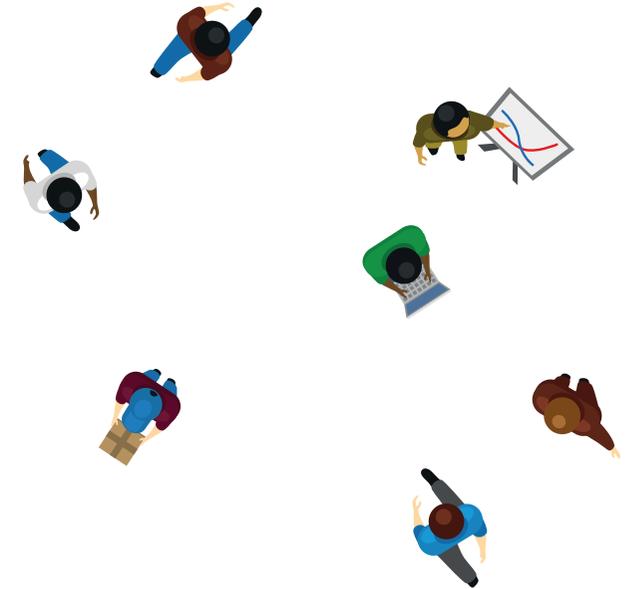
- A significantly higher proportion of men than women in our workforce, particularly in the offshore population which attracts offshore allowances that are included in the calculations; more than 50% of TAQA's employees work offshore, with 98% of them being male.
- A higher number of men in senior professional engineering-based and management roles, primarily because of historical societal and cultural influences which have resulted in these roles traditionally attracting more males.

Our gap is therefore a reflection of the industry and candidates available to TAQA, rather than pointing to an underlying equality issue.

As a comparison, we calculated the **mean difference in gender pay minus all offshore allowances** to compare base salary and allowances common to both onshore and offshore employees. This reduced the gap considerably:

+15.4% Mean Gap
hourly pay (average)
+3.8% Median Gap
hourly pay (mid point)

One of the initiatives to help reduce our mean average hourly rate of pay was to review our recruitment practices – this is a key focus area and one that we would like to sustain. Further, this approach enabled us to increase our candidate pool and resulted in more female applicants being available for senior roles within the organisation.

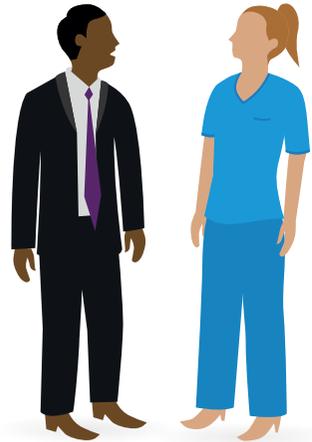


UNDERSTANDING OUR GENDER PAY GAP

FACTS:

According to a Women in Engineering report in Jan 2016 - men and women receive completely different careers advice at school.

According to a 2014 survey of 2000 young professionals by City & Guilds, the top three career choices recommended to girls are nursing & care, teaching and medical. For boys it is IT, engineering and finance.

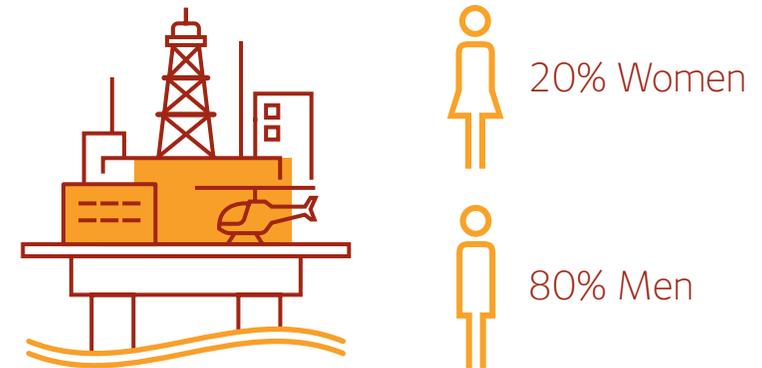


TAQA does not have an equal pay issue. Equal pay for equal work is part of the Equality Act 2010 and is to ensure that a male and female doing the same job receive the same level of pay. TAQA's approach to compensation and benefits is gender neutral by design. We use a market leading tool for job evaluation where each job description is scored and placed in our grading structure.

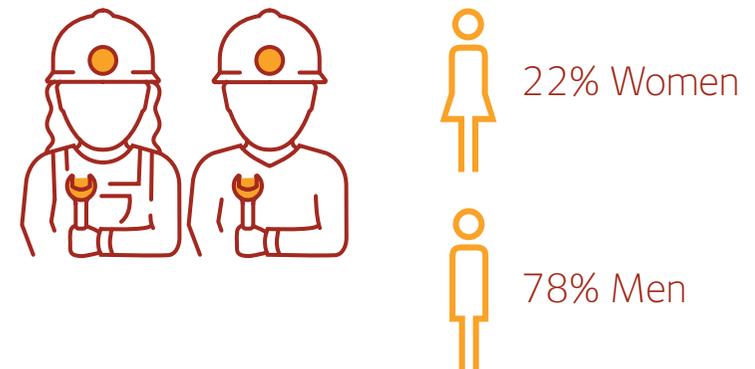
We continually monitor pay levels for all employees using a fair and consistent process based on market data and an individual's experience and performance.

There is more that companies can do, and while we don't have an equal pay issue, TAQA will continue to take steps to address its gender pay gap over time.

Oil & Gas Industry



TAQA



Source: Boston Consulting Group, Untapped Reserves: Promoting Gender Balance in Oil and Gas, July 2017

REDUCING OUR GAP

The challenge in every organisation and society across the UK is to eliminate any gender pay gap.

This is not something that will happen overnight and it will take a huge effort from everyone, not just employers, to address the gap.

In order to address our gap, TAQA is focussed on a wide-range of initiatives, including:

Corporate Social Responsibility- Education

We have a wide range of initiatives to educate and engage school children about our business and promote STEM subjects. In 2018 alone we reached over 2000 local primary and secondary pupils with STEM messages across 50 schools; over 40 TAQA volunteers participated at CSR events; and industry promotion took place at 9 community and industry events.

Society of Petroleum Engineers (SPE) Offshore Achievement Awards

TAQA is a key supporter of the SPE Offshore Achievement Awards (OAAs), which annually celebrate company successes and individual accomplishments. The Society of Petroleum Engineer's work in nurturing young people's interest in STEM subjects is key to why we continue to support the OAAs.

Greenpower – inspiring engineers

A national engineering competition which challenges school pupils to design, construct and race electric cars. TAQA sponsors the Grampian Heat and in 2018 approximately 40 schools participated.

NASA in Aberdeen – inspiring the next generation

Funding for a NASA Astronaut and Robotics Engineer to visit Aberdeen and deliver a STEM based programme to schools and the public across the North-East of Scotland.

Young Engineers & Science Clubs

TAQA funds the purchase of materials for several local schools to build cars and participate in the Greenpower Challenge.

Aberdeen Science Centre

TAQA sponsors the Engineering Club at Aberdeen Science Centre. The Engineering Club is a great opportunity for children aged 9-12 years to discover more about the world of engineering.

Maritime Museum

In 2018 TAQA funded upgraded equipment for the 3D film of our Tern platform, which is part of the oil and gas exhibition. The film has run in the museum since 2011.

Northsound Schools Energy Quiz

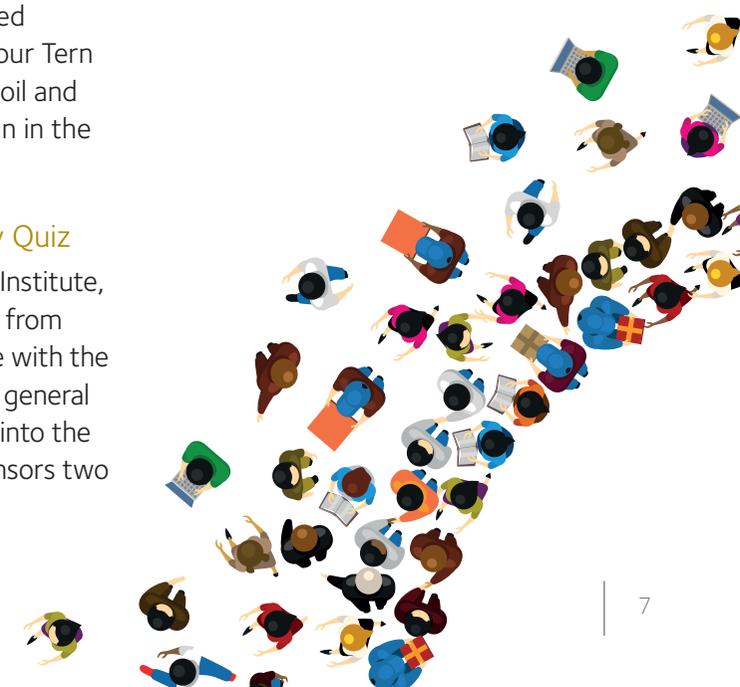
In association with the Energy Institute, the quiz provides school pupils from across Aberdeen City and Shire with the opportunity to showcase their general knowledge and gain an insight into the oil and gas industry. TAQA sponsors two of the heats.

Energy Institute Schools Outreach Programme

TAQA provides funding to support the schools outreach activities encouraging STEM subjects.

Engineering Development Trust – Go4Set school project

Go4SET is a 10 week STEM programme pairing teams of 6 S2 pupils with expert mentors from science and industry. TAQA sponsored and mentored two teams from local schools, and over 50% of the participants were female.



REDUCING OUR GAP

Promoting a Positive Work-Life Balance

Flexible Working

We have a flexible working policy, available to all employees, with a high proportion of females utilising this policy when they return from maternity leave.

Compressed Working Week

Encouraging good work life balance for everyone.

Annual Leave Purchase Scheme

Option to buy or sell up to one week of annual leave.

Shared Parental Leave

We promote shared parental leave, with partners receiving the same payment as maternity leave.

Encouraging and Supporting Our Workforce – Ensuring they have the skills to progress

Leadership and Management Development

In-house leadership and management development programme ensuring all leaders within the business have the right

skills, tools and support to enable them to be successful leader.

Mentoring

Our mentorship programme focuses on managing careers, improving skills, meeting individual goals and expanding employees network.

Succession Planning

Any moves are aligned with business needs and are a result of a continual review of current and future skills, capability and behavioural needs. Succession is a key component of workforce planning, providing for development of the organisation as well as personal development for individuals.

Parental Transition Scheme

Returning to the business after taking extended leave can be daunting for some. We will be introducing this scheme to support employees return to the workplace and ensure continued commitment and engagement to benefit the business, whilst minimising the impact of time out of the office on their delivery and career aspirations.

Recruitment

Refresh Recruitment Processes

Utilise the specialist market and discipline knowledge of our resourcing providers, with the aim of attracting a diverse pool of candidates.

When an opportunity arises, e.g. when we have to backfill, create or redesign any role, a review will be undertaken to determine suitability for flexible working patterns.

Refresh training and management development programmes to include unconscious bias training.

Work Across the Industry

Continue to participate in industry working groups to establish what we can do together to implement initiatives which promote oil and gas roles to both males and females.



