

Petrofac Facilities Management Ltd (PFML) 2017 Gender Pay Gap Report

This report sets out the results of our first gender pay gap analysis calculated in line with the new UK disclosure regulations. This relates to 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 in recognition of the gap.

Petrofac is committed to building and developing our female talent pipeline in a predominantly male-dominated industry. Through our Diversity and Inclusion Policy, we aim to ensure equality of opportunity and fairness in all areas of employment.

Pay

The following table sets out our mean and median hourly gender pay gap based on hourly rates from a snapshot date of 5 April 2017.

	Mean	Median
Hourly rate of pay	35.5%	41.4%

Bonus pay

The following table sets out our mean and median bonus pay gap based on all incentive pay in the 12 months previous to 5 April 2017.

	Mean	Median
Bonus pay	46.9%	51.7%

Pay quartiles

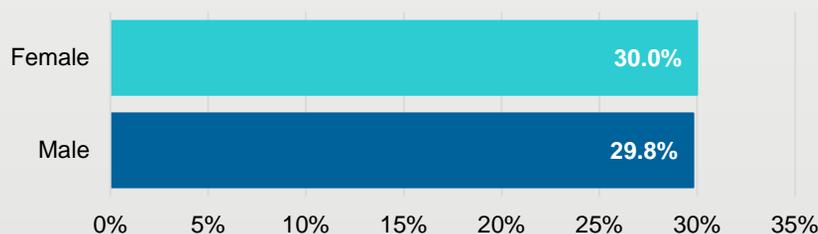
The following charts illustrate the distribution of genders across four equally sized pay quartiles.



	Lower	Lower middle	Upper middle	Upper
Male	53.2%	89.6%	96.1%	94.3%
Female	46.8%	10.4%	3.9%	5.7%

Proportion receiving bonus pay

The following chart illustrates the proportion of male and female employees who received bonus pay in the 12 months to 5 April 2017.



The data set out here is a snapshot of our UK workforce, making up around 19% 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.

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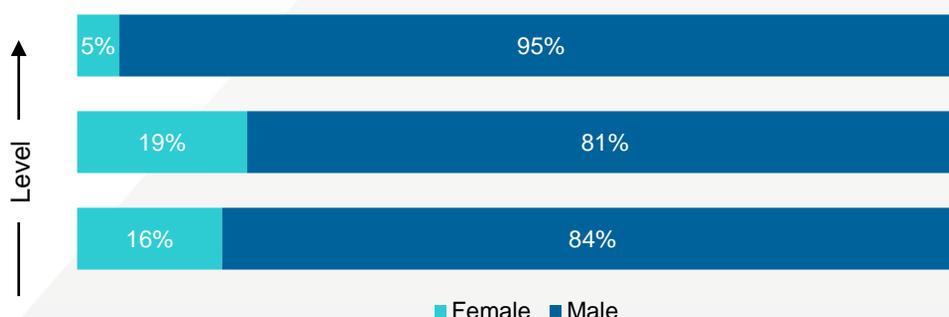
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Understanding our gender pay gap

Distribution by seniority

The Company has undertaken some additional analysis in order to help understand the reasons for our gender pay gap. Petrofac is a leading service provider to the oil and gas industry. We design, build, operate and maintain oil and gas facilities, in what is widely acknowledged to be a male-dominated industry.

In April 2017 PFML had 2535 employees, of which 424 (17%) are female. Our analysis has identified that the gender pay gap at Petrofac is due to the distribution of men and women throughout the organisation. As set out below, the majority of the senior positions within the business are filled by men. As salary and bonus levels are higher for more senior grades, the average pay for men is higher than for women.



Onshore and offshore populations

In addition, our gender pay gap is further impacted by the composition of our offshore workforce. 59% of our workforce is based offshore/onsite and 2% of these roles are filled by females. Industry wide, offshore/onsite roles receive higher pay on average, and the workforce is overwhelmingly male. The separate gender pay gaps for onshore and offshore/ on-site are both lower than when combined into the final figure.

Functional populations

In reviewing pay across our internal functions, it is clear that women are most heavily represented within those functions that tend to have lower average rates of pay. Conversely, functions that tend to have higher average rates of pay, such as offshore and engineering, generally have much higher male representation.

Bonus pay

The rationale for our bonus pay gap is very similar to that outlined above, with the key cause being the distribution of men and women throughout the organisation, which is a reflection of the wider industry dynamics. With bonuses being higher at more senior grades, and most employees at these grades being male, the average bonus received by male employees is higher than for female employees.

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Addressing the gender pay gap

We are committed to promoting diversity and inclusion in the workplace, and ensuring that due regard is given to the balance of existing skills, knowledge, experience and diversity for all appointments, irrespective of gender. Our Diversity and Inclusion Policy is integral to our Code of Conduct, and is supported by robust local policies.

Engineering has traditionally been a male-dominated industry, and encouraging females into engineering careers is not solely an issue for Petrofac: in 2017, only 11% of the UK professional engineering workforce was female. ^[1] The distribution of male and female employees within the company is consistent with our industry peers.

Although it will take years for industries such as ours to make the fundamental changes that will close this gap, we are totally committed to addressing the issue. A more diverse business is a stronger business.

We are involved in activities that encourage greater female participation in Science, Technology, Engineering and Maths (STEM) subjects at schools through our partnership with the Royal Academy of Engineering's STEM Teacher Connectors project. This programme provides STEM teachers with training, resources and networking opportunities to help them engage a greater number and wider spectrum of pupils in STEM and in turn to increase the national network of support for all STEM teachers. In the relevant academic year, more than half of students reached by this programme were female.

Internally, our Board Nominations Committee works in collaboration with our Group HR function to conduct annual reviews of both senior management and emerging talent. As part of this process, we also review the gender mix of our high potential employees.

In 2017, 16% of students enrolled in our graduate recruitment programme through the Petrofac Academy were female and we are committed to increasing this number in subsequent years.

Declaration

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



John Pearson
Chief Development Officer & Group Managing Director of Western Hemisphere