

UK GENDER PAY GAP REPORT 2020



BEING 7
UNDER THE SURFACE

INTRODUCTION FROM KATE LYNE, EXECUTIVE VICE PRESIDENT HUMAN RESOURCES



2020 has been one of the most challenging years many of us have ever experienced. Like the rest of the world Subsea 7 has lived through the COVID-19 pandemic and managed its way through the oil price crash. Our offshore and onshore operational site-based employees continued to go to work, adapting quickly to new protocols, testing regimes and quarantining requirements. As did our onshore employees who transitioned rapidly to working from home, ensuring we could continue to safely deliver world-class projects for our clients.

At Subsea 7, we recognise that our people are at the core of our success. There are many aspects of who we are as individuals and as teams, both onshore and offshore, that make our global business what it is today – we call this Being 7. Underpinned by our core values and behaviours, Being 7 is about celebrating a diverse mix of culture, knowledge and perspectives from all walks of life that, taken together, maintain our company’s resilience, competitive advantage and position us for continued success.

As an employer of choice, our focus is to attract and develop our talented people, to create an inclusive culture, and provide a safe, supportive and diverse workplace where they can thrive. This has always been fundamental to our approach, but is even more so today, where we are not only faced with the challenges of the pandemic but also with the opportunities of how we emerge from it.

With the growing focus on energy transition, developing an agile workforce that celebrates new ideas and new thinking is even more important.

A diverse workforce is fundamental to our future growth, as we embark on a new strategy that is focused on the Subsea Field of the Future and Energy Transition. To help us achieve this, each of our regional business units have created a diversity and inclusion action plan for 2021, which bring to life the strategy set by the Group D&I Steering Committee. Each plan will address gender equality, but also build on the wider inclusion aims we have identified across our industry since before the COVID-19 pandemic began.

I am pleased to see that progress has been made in developing and promoting our people and reducing the gender pay gap, but recognise there is still much more that needs to be done – especially after such a challenging 2020 for our employees and those around them.

DECLARATION

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

FOREWORD BY JUDITH ANDERSON, CHAIR OF THE UK DIVERSITY & INCLUSION STEERING GROUP, UK & GLOBAL IRM HUMAN RESOURCES DIRECTOR



This is the fourth year we have published our UK gender pay gap, and I am pleased to report that we continue to see a year-on-year improvement, taking the average (mean) pay gap of 39.4% in 2017 down to 33.6% in 2020. Whilst our actions are making steady progress, we know that there remains challenges at both an industry and business level. This report not only shares our UK data for 2020, but also some of the initiatives we will use to drive greater diversity and awareness across our business and bring our gender pay gap down in the years to come.

Since the emergence of COVID-19, there has been an even stronger focus on gender equality, diversity and inclusion. In many cases, the consequences of health concerns, worksite restrictions and the rapid digital shift to home-working, all alongside balancing family, care and work responsibilities, have disproportionately affected people depending on their role and personal circumstances. It's clear that as an industry we must do more, not less, following the pandemic to retain our **'strength in difference' and increase the pace of change.**

The pandemic, and in particular working from home, highlighted how important day-to-day human connection and cultural representation and inclusion are. We will continue to discuss how we will live and work post-pandemic, and will ensure diversity is at the forefront of our activities as the world recovers and rebuilds. Part of this promise will include the **introduction of Subsea 7's Global Wellbeing Framework.** It reiterates the importance we place on supporting our people to have a healthy work-life balance, and inclusion and gender equality has a critical part to play in this.

Looking ahead to the rest of 2021, UK diversity and inclusion (D&I) activities will build on the cultural and career initiatives already in place, and we will look for new opportunities where we can make a significant difference to the diversity of our business.

Putting people first is our 'Being 7' priority. We are committed to developing a fair and inclusive company, where equal opportunity to thrive leads to careers our people can be proud of.

OUR GENDER PAY GAP

Since 2017 all UK organisations employing 250 or more employees have been required to prepare an annual report on their gender pay gap. We have published our results every year since. On 5 April 2020, 1,490 Subsea 7 (UK Service Co) people fell into this criteria, of which 31% were women and 69% were men.

The gender pay gap does not measure equal pay, it is the difference in the average pay and bonuses of all men and all women across an organisation. At Subsea 7, we provide equal pay to men and women in the same roles and we closely monitor and review all recruitment and pay decisions we make against key policies, including our Remuneration Policy and our Equal Opportunities and Diversity Policy.

In line with UK Government Regulations, we have made the following mean and median hourly gender pay gap calculations based on data at the snapshot date of 5 April 2020, and our bonus gap from bonuses paid over the preceding 12 months to 5 April 2020. This data shows that the average female employee's hourly pay and bonus remains lower than the average male employee's hourly pay and bonus (figures exclude our third-party and limited company population).

For 2020, our mean (average) gender pay gap is 33.6%, a reduction of 2.9% from 36.5% in 2019.

As in previous years, our gender pay gap continues to be driven by having fewer women than men in leadership positions, which receive higher pay. Women represent 33% of our combined upper and upper-middle quartile of earners (up 4% from 2019).

Achieving gender and diversity balance in technical roles will remain a complex and significant challenge across our industry, as far fewer female engineering graduates, and therefore fewer applicants, come from science, technology, engineering and maths (STEM) subjects. Our extensive and successful school and university engagement programmes, which have been in place for over 10 years, aim to inspire female students by connecting them with female engineers and project managers. We are looking forward to restarting this popular roadshow of presentations post-COVID-19.

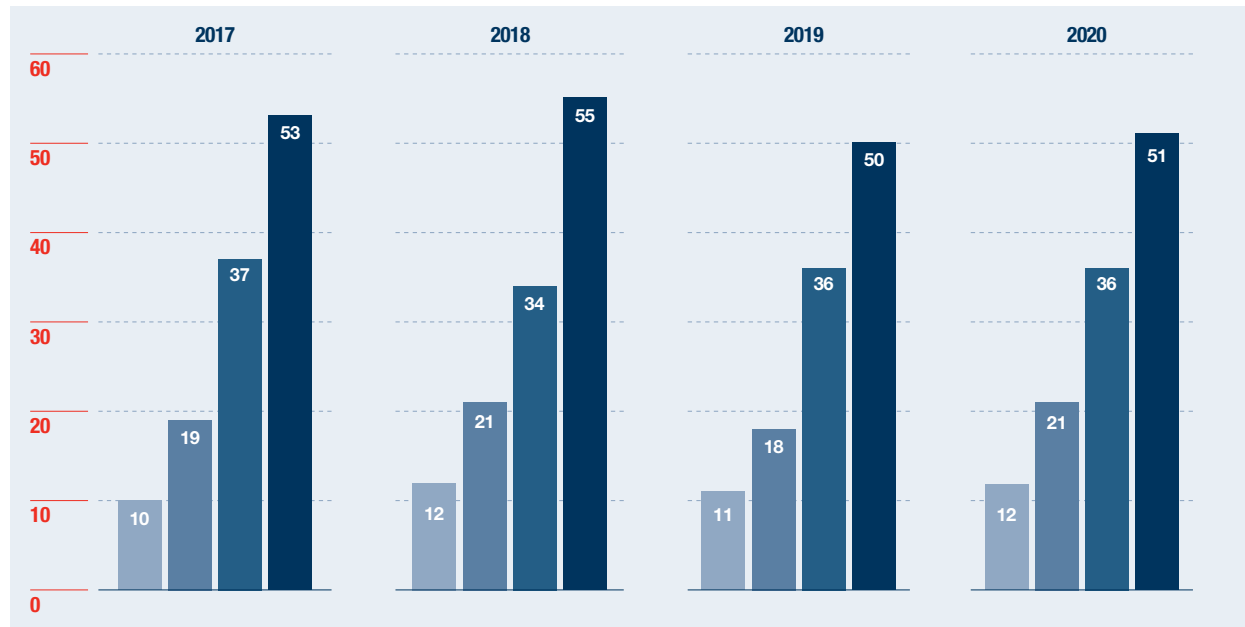
A further contributing factor to our pay and bonus gaps is that our principle executive office is based in the UK. Many of the company's most senior positions, which are at the higher end of the pay and bonus scale, are included within the gap figures.

“ACHIEVING GENDER AND DIVERSITY BALANCE IN TECHNICAL ROLES WILL REMAIN A COMPLEX AND SIGNIFICANT CHALLENGE ACROSS OUR INDUSTRY”

OUR GENDER PAY GAP

continued

PERCENTAGE OF WOMEN IN THE UK IN EACH PAY QUARTILE



	2017	2018	2019	2020	Change
HEADCOUNT	1,114	1,144	1,276	1,407	
WOMEN	333	347	367	426	+59
MEN	781	797	909	981	+72

■ Upper ■ Upper middle ■ Lower middle ■ Lower

Figures are based on the full-pay relevant employees at the snapshot date of 5 April 2020.

PERCENTAGE IN PAY QUARTILES

The graphic below shows the gender distribution across our UK employees based upon hourly pay. By closely monitoring the proportion of women across these four quartiles we can better understand a key driver of our gender pay gap, and also strive to have better female representation across all levels of our business.

UPPER



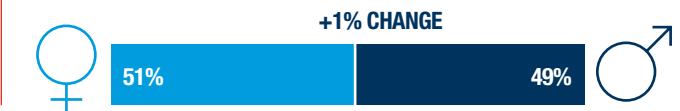
UPPER MIDDLE



LOWER MIDDLE



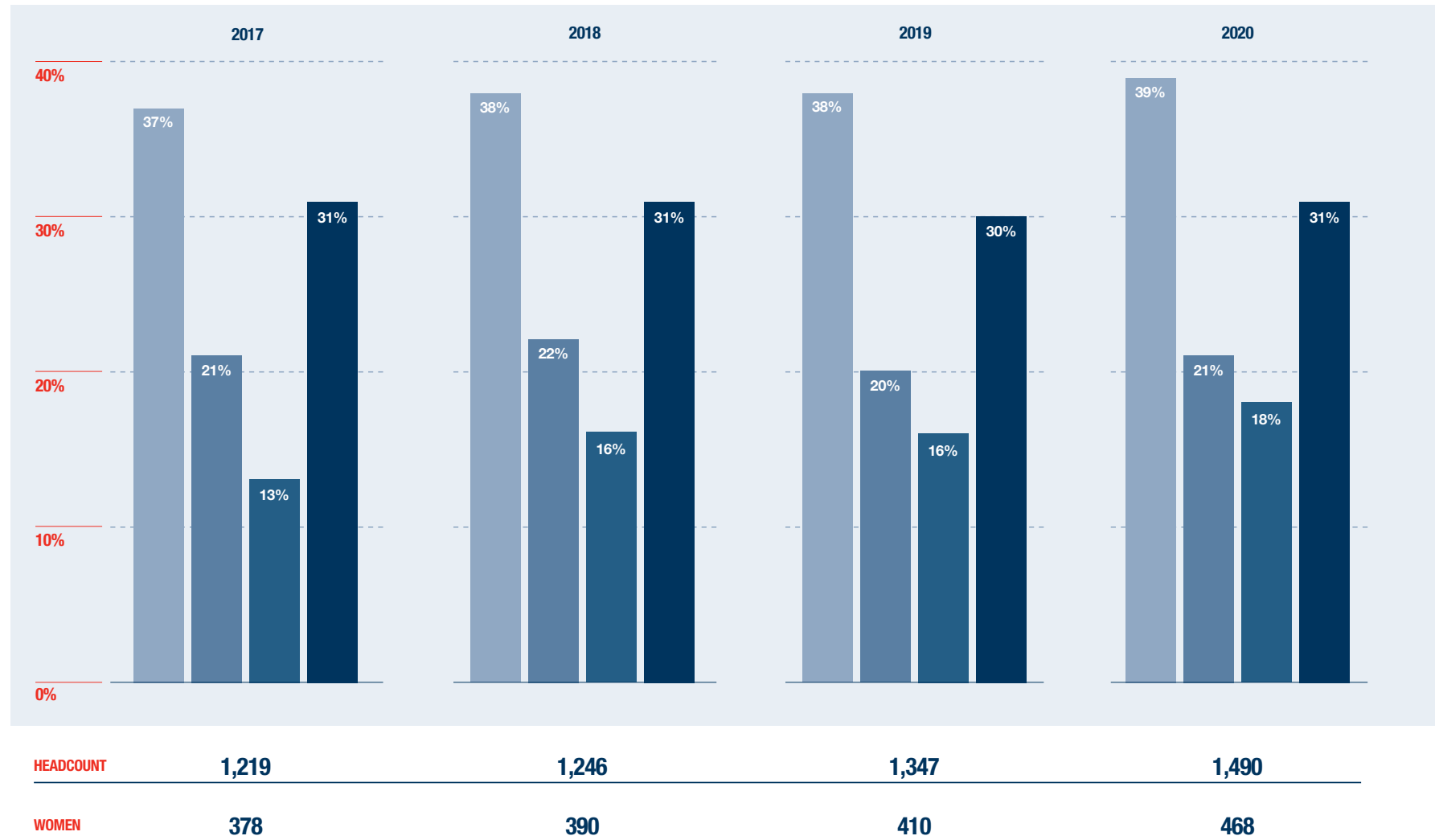
LOWER



OUR GENDER PAY GAP

continued

PERCENTAGE OF FEMALE REPRESENTATION



■ Operational ■ Manager/Supervisor ■ Leadership ■ Total

Figures are based on all relevant employees at the snapshot date of 5 April 2020.

OUR GENDER BONUS PAY GAP

MEAN AND MEDIAN PAY AND BONUS GAP

	MEAN				MEDIAN			
	2017	2018	2019	2020	2017	2018	2019	2020
Gender Pay Gap	39.4%	38.9%	36.5%	33.6%	39.8%	38.6%	37.0%	35.0%
Gender Bonus Gap	59.4%	67.6%	65.3%	52.6%	91.1%	52.2%	89.7%	75.1%

The reduction in our pay gap is a reflection of the fair recruitment process we have in place and our D&I and career development initiatives that, together, ensure talent development and progression is supported.

We are committed to building a diverse talent pipeline and succession programme for future leaders, ensuring women and other underrepresented groups have meaningful career opportunities – however, we know there is much more still to do.

“WE ARE COMMITTED TO BUILDING A DIVERSE TALENT PIPELINE AND SUCCESSION PROGRAMME FOR FUTURE LEADERS, ENSURING WOMEN AND OTHER UNDERREPRESENTED GROUPS HAVE MEANINGFUL CAREER OPPORTUNITIES”

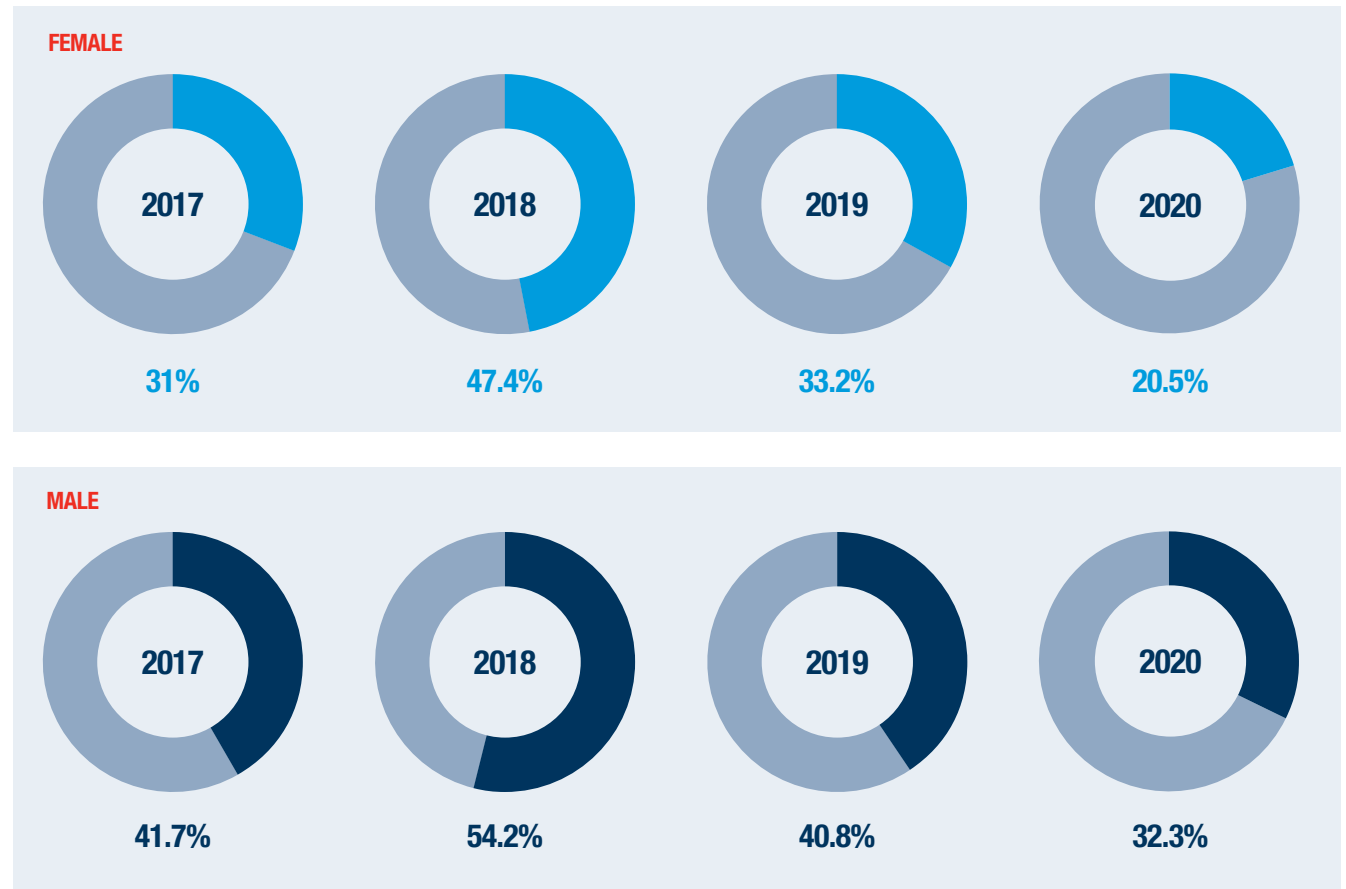
OUR GENDER BONUS GAP

Our overall mean bonus gap is **52.6%** and the median is **75.1%**. The unequal distribution of men to women especially in senior roles, where bonus payments make up a large part of remuneration, continues to influence the bonus pay gap.

The fluctuation in the bonus data reflects many one-off lower value bonus payments such as long-service awards and innovation awards. The cumulative pay out impact of the formal annual performance and share-based bonus plans to a largely male population, also cause an annual fluctuation in the bonus gap figures. Fluctuations are affected by the size of the payments and the number that are awarded.

As we seek to introduce further development initiatives alongside the resources we already offer, we envisage that these (over time) will drive increased female representation at all levels.

2017-2020 PERCENTAGE RECEIVING BONUS PAY



For transparency, this tables shows the fluctuations over the last four years.

UNDERSTANDING WHY THERE IS A GAP

This is the fourth year in which we have reported a reduction in our average (mean) gender pay gap. We have made progress in building a more diverse, supportive and inclusive workplace, however we still have a gender pay gap and the main reasons for this have not significantly changed since we last reported.

WOMEN ARE UNDERREPRESENTED IN SPECIALIST, TECHNICAL AND ENGINEERING ROLES ACROSS OUR INDUSTRY

We still have an unequal distribution of men and women in technical and senior roles, which is a challenge experienced across the energy industry. Graduates from STEM disciplines are still predominantly male which is therefore reflected in more men being in these highly sought-after roles, which typically receive higher remuneration. Recruiting young women at the start of their career will have clear long-term benefits for Subsea 7. It will bring diverse and innovative problem-solving into both our onshore and offshore teams and reduce our pay gap in the long term. We will continue to work with a range of organisations, schools and universities to promote the many rewarding technical careers there are in our industry for all underrepresented groups, including women.

FEWER WOMEN THAN MEN IN SENIOR POSITIONS

The unequal distribution is at every level of our UK business, with female representation decreasing as seniority increases. Supporting women's career progression at all levels is an important aspect of delivering our diversity and commercial priorities, and it remains a primary focus to support women's development into more technical or senior roles. By implementing initiatives that support female development, such as the UK's 'Women in Business' programme, we believe more women will progress into senior roles producing a wider pool of knowledge that our business can only benefit from.

PERFORMANCE RELATED BONUSES

Subsea 7 has a number of bonus arrangements reflecting individual, team or business performance. Bonus eligibility is linked to position only, not gender. With bonus plans representing a large part of senior remuneration, and unequal distribution of men to women in these roles, the cumulative pay out affects both our pay gap and the annual fluctuation (based on individual and business performance) in our bonus gap figures.

“WE WILL CONTINUE TO WORK WITH A RANGE OF ORGANISATIONS, SCHOOLS AND UNIVERSITIES TO PROMOTE THE MANY REWARDING TECHNICAL CAREERS THERE ARE IN OUR INDUSTRY FOR ALL UNDERREPRESENTED GROUPS, INCLUDING WOMEN.”

OUR INCLUSION JOURNEY

2018

D&I PRIORITIES IDENTIFIED AND UK D&I STRATEGY AND STEERING GROUP FORMED

- Commissioned a D&I consultancy to perform 9 confidential focus groups and 17 in-depth interviews with 120 men and women from different functions and different levels of the business.
- Building on the focus groups' feedback, we laid the foundations of our D&I agenda. Our first focus areas were: promoting STEM careers; setting a target percentage for female graduates; increasing the number of female leaders; highlighting flexible working; supporting female development; and building on our inclusive culture.
- A UK-wide HR workshop looked at our UK approach to improving our gender pay gap, and identified recommendations for monitoring data on recruitment and promotion.
- Formed the UK D&I Steering Group of VP and senior management to act as advocates for inclusion and drive change.
- Began regular employee communication with the introduction of the steering group and D&I priorities.
- Issued our first Gender Pay Gap Report.
- Expanded the workstreams to form the UK's D&I strategy with three key pillars to go beyond gender.
- Formed an employee-led D&I Network to ensure the D&I strategy remains relevant and progressive.
- Reviewed recruitment, talent and performance management processes to mitigate against unconscious bias.
- Reviewed online and printed messaging and documentation e.g. job descriptions/person specifications, to ensure it meets our D&I commitments.
- Increased the number of female supervisors and managers, and set 50/50 gender targets for graduates and early careers recruitment.
- Celebrated the achievements of our female talent on social media by taking part in the annual International Women's Day global campaign.

2019

EMPLOYEE-LED D&I NETWORK ESTABLISHED, TOGETHER WITH AN INCREASED FOCUS ON RETENTION / DEVELOPMENT, AND ENHANCED WORK-LIFE SUPPORT

- Issued our second Gender Pay Gap Report.
- Achieved and maintained 50% female graduate recruitment.
- Strengthened D&I awareness for all leadership/management populations to increase their understanding of the issues.
- Started partnerships with a number of organisations, including Energy Industry STEM Action Group and Women in Engineering.
- Sponsored a 'Careers in STEM' networking event at the University of Strathclyde as part of Equate Scotland.
- Continued our roadshow engagement at eight universities to create a better understanding of career opportunities and increase future female representation in the energy sector.
- Introduced conscious inclusion training to raise awareness of unconscious bias.
- Introduced our female development programme – Women in Business; a self-driven online programme to support women to realise their full potential.
- Participated in leadership and network opportunities at energy industry hosted D&I events.
- Continued our five year participation of TechFest, Aberdeen's annual STEM festival, to help school children and families learn how people dive and work subsea.
- Signed a pledge developed by the Aberdeen X-Industry Support Network (AXIS), which asks signatories to: analyse reasons for gender imbalance, develop a strategic plan with clear targets and communicate progress to employees.
- Dedicated a week to Mental Health Awareness, to remove stigma and raise awareness of the support available. Over 200 employees also received mental health first aider training.
- Enhanced our UK Agile Flexible Working Policy with options to support all work-life balance needs. This is a further step towards greater levels of blended working for both men and women.
- Enhanced our family leave policy and our maternity and paternity leave to further balance the demands of parenting for both parents.
- Increased female representation in technical roles with two female Assistant Project Manager appointments.

2020

INCREASED FOCUS ON MENTAL HEALTH, WORK-LIFE BALANCE AND WELLBEING

- Issued our third Gender Pay Gap Report.
- Joined POWERful Women's Energy Leaders' Coalition, with a public commitment to improve diversity and inclusion at senior level.
- Included a wellbeing and mental health focus in all leadership engagement to raise awareness of the impact of COVID-19 and working from home.
- For the third year, and during the COVID-19 pandemic, our annual UK-wide Festival of Learning became a remote learning event for employees to access development advice and resources.
- In recognition of COVID-19's impact on wellbeing, we expanded a regional Wellness Wednesday email to all of Scotland, to share advice on keeping mind and body healthy.
- Championed gender equality and female achievements by taking part in International Women's Day.



OUR APPROACH TO DIVERSITY AND INCLUSION

In 2019, we established the Group D&I Steering Committee to understand and develop global priorities, and support the development of regional action plans.

THERE ARE THREE PILLARS TO OUR UK D&I STRATEGY:

INCLUSIVE CULTURE



TALENT ATTRACTION



TALENT DEVELOPMENT

- In 2020, the UK activities, led by the UK D&I Steering Group, were temporarily suspended as we focused on responding to the COVID-19 pandemic.
- Set to restart in Q1 2021, our UK-based businesses will implement revised D&I plans that will reflect the business and cultural priorities following the pandemic.
- Members of the UK D&I Steering Group, together with UK-based management teams, will expand and sponsor key activities delivered by the UK's employee-led D&I Network.

Picture taken before the COVID-19 pandemic

STRENGTHENING OUR INCLUSIVE CULTURE

The first pillar of our UK D&I strategy is focused on building our inclusive culture.

ENCOURAGING FLEXIBLE WORKING

In response to a growing need to work more flexibly to both support our employees and to deliver on our business objectives, we rolled out **an enhanced UK Flexible & Agile Working policy** at the end of 2019. The COVID-19 pandemic has only further reinforced its importance. As we evolve our ways of work in line with digital progress, we expect to see more men and women choose flexible ways of working to support their life priorities. We believe this will also be a contributing factor to strengthening our female representation across all levels of our business.

OPENNESS ABOUT MENTAL HEALTH

The health and safety of our people has always been a priority at Subsea 7 with 'Safety' as a core value, but the pandemic has also generated a stronger focus on **mental health** and work-life wellbeing. Leadership engagement at all levels will encourage transparency about mental health, to motivate open conversations that break down stigma and encourage positive change. These will be complemented by our existing support tools, which include the **UK Employee Assistance Programme** and over 50 trained **UK employee mental health first aiders**, with each business also rolling out initiatives to provide care and support.

ENSURING OUR PEOPLE HAVE A SAY

It is important for all our people to have opportunities to influence and shape the future of our business. From 2021 we are evolving our employee listening programme to have a more regular cadence of six months.

This will enable our employees to have a more immediate influence over how they work. The technology platform we will use simplifies our whole approach and supports our managers and the wider business to understand employee feelings, with clear guidance and training on how it can be improved.

INTERNATIONAL WOMEN'S DAY

Our annual participation in International Women's Day is an opportunity to **showcase and celebrate our talented women** along with our commitment to gender equality and increased female representation. In 2020, as part of our International Women's Day campaign, Subsea 7 and a major client joined forces to donate essential personal hygiene products to women in crisis.

WORKING WITH INDUSTRY PARTNERS

Ensuring that gender equality can progress further and is not impacted by the pandemic is a priority shared with all businesses across our sector.

We will join a leading industry diversity and inclusion taskforce, to drive action across the energy industry to improve gender, race and ethnicity diversity and inspire the next generation of talent needed to take businesses through the energy transition.

On a more local level, as members of the **Aberdeen X-Industry Support Network (AXIS)**, we remain committed to the AXIS Pledge, demonstrating progress towards gender balance and greater inclusive working in the energy industry.



Over 11 years, Subsea 7 has supported my progress from project cost controller to senior project accountant, with training opportunities including my ACCA qualification, secondments and internal moves. Working on challenging projects has helped me become the accountant that I am today. I can be a mum of two young children and at the same time be a career driven female, because of the flexibility Subsea 7 offers. There are female role models here which proves to me you just need to work hard enough to achieve your goals.

SAMANTHA TAYLOR

Senior Project Accountant

TALENT ATTRACTION AS AN EMPLOYER OF CHOICE

The second pillar of our UK D&I strategy focuses on attracting diverse talent to the business.

DELIVERING OUR ENERGY TRANSITION COMMITMENT

Achieving our future commitments and supporting those of our clients in the years that follow COVID-19, will require a concentrated effort by our entire industry to value difference and increase diverse thinking at all levels. In the UK we have a wide range of initiatives listed here, that aim to attract and develop diverse talent as our industry reflects, recovers and rebuilds following the economic impact of the pandemic.

BROADENING OUR TALENT PIPELINE

In our industry approximately 23% of UK STEM occupations are held by women. At Subsea 7 we are actively engaging with schools and universities to highlight the range of rewarding careers there are for women in the energy industry. Encouraging young girls to undertake STEM subjects remains a key focus and we will promote internship opportunities and work placement programmes, post COVID-19.

As a member of the **POWERful Women's Energy Leaders' Coalition (ELC)**, we have an active role in the STEM Evaluation Project. The purpose of this project is to review, measure, and shape the most effective STEM outreach activities targeting gender and other under-represented groups.

Collaborating **with STEM organisations, schools, universities and D&I groups**, remains a vital part of building inclusivity. Although 2020 temporarily halted a number of our annual STEM workshops, we hope that in 2021 we will once again participate in events that **build interest and excitement about engineering** and a career in the energy industry.

We have held school career fairs, parent education sessions, and sponsored events and awards at over 20 primary and secondary schools in Aberdeen, Glasgow and Sutton, London. Our **qualified team of STEM Ambassadors** have taken part in Women in Engineering, the Subsea UK STEM Challenge, Engineering Development Trust Scotland, Developing Young Workforce and the Marine Advanced Technology Education (MATE) ROV competition.

We have also showcased STEM, graduate and internship opportunities to women and other underrepresented groups, through a **series of roadshows with eight UK universities** including the University of Strathclyde. These typically reach over 1,000 students enrolled on engineering courses.

Another popular activity we have used since 2015 to inspire children and young adults, is Aberdeen's annual STEM festival – TechFest. This five-day event includes **a Subsea 7 workshop that offers schools and families fun ways to interact with STEM**, whilst also learning how people work subsea.

INCLUSION TRAINING AND RECRUITMENT

The challenges of engrained preconceptions and unconscious bias are complex. To combat the risk of unconscious bias, we provide recruiting line managers with essential conscious inclusion training.

We remain dedicated to always appointing and promoting people based on merit.



“

I've been part of the team specialising in Pipeline Bundles for the past 6 years, working on design, research and development but also fabrication, installation and towing marine operations. Every day is an opportunity to gain new experience and work with great people. Whether you are a graduate planning for the future or a senior engineer looking for more technical challenges or managerial roles, it is up to each of us to show interest and persevere for the career we love.

JESSICA RASMUSSEN

Senior Bundle Design Engineer

TALENT DEVELOPMENT FOR BUILDING TOMORROW'S LEADERS

The third pillar of our UK D&I strategy focuses on developing our diverse talent to help our business grow.

TRAINING AND SKILLS DEVELOPMENT

With the widely discussed challenges around talent attraction, we know that a key focus should be on training and developing the skills of our existing talented people.

Whilst the pandemic has made training more difficult in a face-to-face environment, our investment in our digital learning platform 'Horizon' has enabled our people to continue to grow their knowledge and expertise. We regularly add new content of differing complexity and duration with some modules only taking minutes, to enable all our people to develop whenever they can and wherever they are based. The learning modules help develop personal, business, management and leadership skills and give guidance on how to build relationships. They also have an important role in looking at wellbeing, work habits, managing work and how to avoid taking on too much.

Employees also have access to a number of **mentoring** resources that can support both mentors and mentees across many disciplines. Each focus on organisational experience, knowledge, network building, career options, life experience and technical expertise. Resources range from local mentoring networks, various internal Competency Development Schemes, a mentoring framework, a mentoring toolkit and, for project managers and assistant project managers, the Engineering Construction Industry Training Board (ECITB) Project Management mentoring programme.

Our annual **UK Festival of Learning** has offered an exciting mix of professional and personal development

since 2018. The programme was moved online in 2020 and continues to be a valuable resource for training and development, providing live events, webinars and wellbeing support.

RECOGNISING AND PROMOTING FEMALE TALENT

In 2020, Subsea 7 led by our CEO John Evans, joined **the POWERful Women's ELC**, with the purpose and a public commitment to improve diversity, inclusion and gender balance at the senior management level. In the statement John Evans said: "We work hard to make our workplace fair, respectful, diverse, and inclusive for everyone... we still have work to do to improve female representation and we believe that a diverse workforce is not only good for business, but more importantly, is the right thing to do."

In the same year, we also started our first cohort of the UK's annual **'Women in Business'** female development programme as a collaborative and supportive method of accelerating and fulfilling career and personal goals. The programme offers practical exercises and networking opportunities, and this has turned into a way of connecting people and sharing ideas during a difficult year. We had 110 women take part, which is approximately 25% of our UK female workforce.

Measuring performance at Subsea 7 is about improving and developing all our people through good conversations and feedback, using a process called 'Compass'. Different to a formal rating system, Compass is designed to support managers and employees to share feedback connected to work, personal goals and learning.



The Company's strive to empower its workforce, irrespective of gender, age or ethnicity is evident. I have had the chance to gain experience through great opportunities, such as the ECITB Active Cup 2020.

As I progress my own career, I will also provide support and encouragement to my peers, to help the next generation of women within the business realise their potential. From my own experience, I am confident that at Subsea 7 gender does not define your ability to succeed.

JENNIFER FULTON

Business Unit Cost & Finance Supervisor

Subsea 7 is a global leader in the delivery of offshore projects and services for the evolving energy industry, creating sustainable value by being the industry's partner and employer of choice in delivering the efficient offshore solutions the world needs.

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