



ODFJELL DRILLING UK LTD

GENDER PAY GAP REPORT 2020

Introduction

This is the third year of Gender Pay Gap reporting for Odfjell Drilling UK Ltd, in line with the Government's reporting requirements for all companies with more than 250 employees to publish details of its gender pay gap Under the Equality Act 2010 (Gender Pay Gap information) Regulations 2017.

This year we can report that our mean gender pay gap has reduced by 0.61% to 22.70%. We are delighted to see a continuing reduction in the gap.



The gender pay gap is the difference between the average amount men and women are paid across the Company, and the following figures are required to be published:

- Mean gender pay gap in hourly pay
- Median gender pay gap in hourly pay
- Mean bonus gender pay gap
- Median bonus gender pay gap
- Proportion of males and females receiving a bonus payment
- Proportion of males and females in each pay quartile

Odfjell Drilling

Odfjell Drilling's vision is; "Chosen for experience and expertise". This is supported by our five core corporate values that define and instruct our business, these are Committed, Safety Conscious, Creative, Competent and Result Oriented. These shared values form the foundations of the company – allowing us to grow, meet fresh challenges, continually develop technology, and work with new people in a manner that supports our culture, objectives and high organisational standards.

By staying true to these values we believe we can continue to meet requirements, delivering on promises and surpassing expectations. The company vision and core values demonstrate our commitment in ensuring we employ the right people for the right job at the right time.

As a drilling company operating in the oil and gas sector, the majority of our employees work in the offshore environment. As a result, our pay statistics are reflective of the predominance of male employees in offshore and senior onshore operational positions, which are paid at higher rates than traditional onshore positions.

Difference between Equal Pay and Gender Pay Gap

Whilst both equal pay and the gender gap deal with the difference (disparity) in pay women receive in the workplace, they are two different issues¹:

Equal pay:

Means that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010.

Gender pay gap:

Is a measure of the difference between men's and women's average earnings across an organisation or the labour market. It is expressed as a percentage of the higher earnings.

Among full-time employees in the total UK employment market, the gender pay gap in April 2020 was 7.4%, down from 9.0% in April 2019. The gender pay gap among all employees, including part time was 15.5% in 2020, down from 17.4% in 2019. The gender pay gap remained close to zero for full-time employees aged under 40 years but was over 10% for older age groups².



Gender Pay Gap Results

Calculations explained:

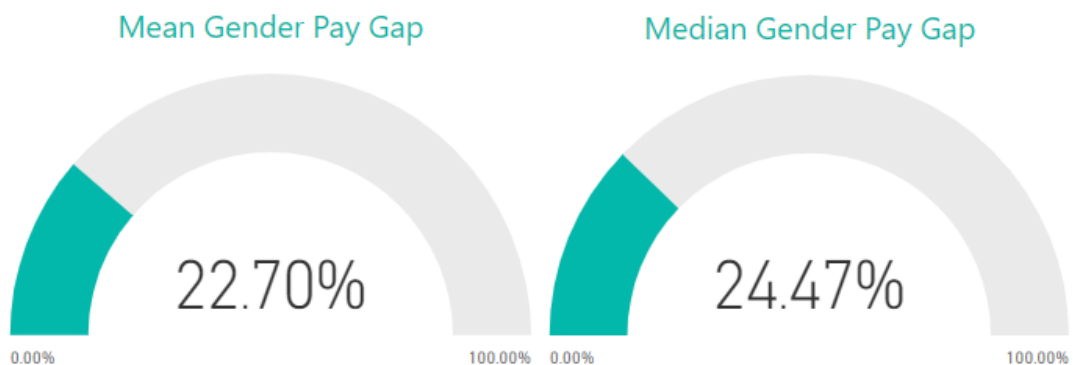
The **mean** (or average) is calculated by adding up the wages of all employees and dividing the figures by the number of employees.

The **mean gender pay gap** is the difference between mean male pay and mean female pay.

The **median** is the figure that falls in the middle of a range when everyone's wages are lined up from the smallest to the largest.

The **median gap** is the difference between the employee in the middle of the range of male wages and the middle employee in the range of female wages.

Mean and median pay



Average Hourly Pay by Gender

● Mean Hourly Pay (Male) ● Mean Hourly Pay (Female)

Based on hourly rates from a snapshot date of 5 April 2020

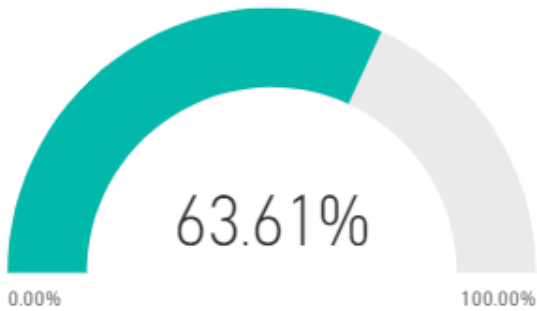
Mean Hourly Pay Gap – 22.70%

Employee Count (Female) – 22 employees

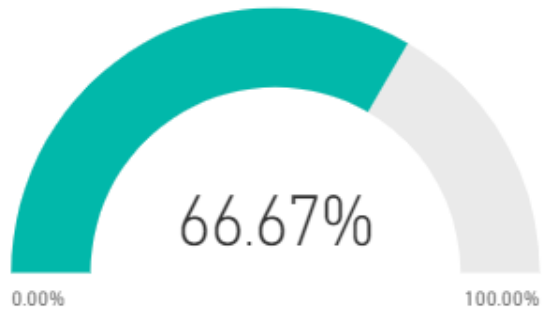
Employee Count (Male) – 357 employees

Gender Pay Gap – Bonuses

Mean Gender Pay Gap (Bonuses)



Median Gender Pay Gap (Bonuses)



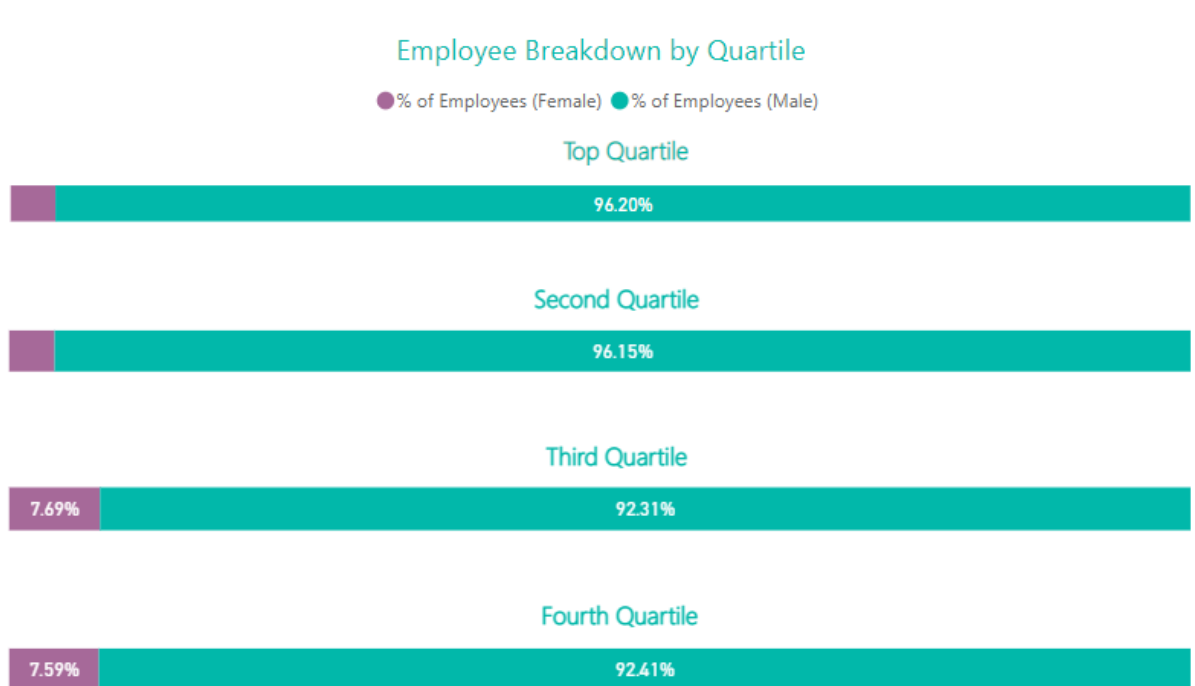
Based on all incentive pay in the 12 months period to 5 April 2020

Proportion of females and males receiving a bonus

	Male	Female
Receiving Bonus	3.1%	4.5%



Proportion of females and males in each quartile band



Calculations explained:

Employees are ranked from the highest to the lowest paid. This is then divided into four equal parts (quartiles) and then percentage of the men and women is worked out for each of the quartiles.

What has caused our Gender Pay Gap?

Our recruitment process is gender neutral; however for the offshore vacancies we advertise, the majority of applicants are male. This is reinforced by the fact that in April 2020, 93.84% of the Odfjell Drilling UK Ltd employees were male and 6.16% female. This imbalance, combined with the higher salaries paid due to the offshore working environment and shift patterns, is the main reason for the higher gender pay gap when compared to other industry sectors. This is a long term challenge across the wider oil and gas industry.

As a drilling company, we do rely on employing individuals who are highly skilled in a variety of specialist STEM (Science, Technical, Engineering and Management) related fields. Globally, women represent around one fifth of employees in the oil and gas sector. Furthermore, as has been acknowledged across both the oil and gas industry and more widely in the UK, there is an issue with the under-representation of women in these specialist areas.



Addressing the Gender Pay Gap

While we acknowledge that there is still a significant gender pay gap, this is for the reasons affecting the wider oil and gas industry as discussed above. It is going to take a significant period of time for the oil and gas industry to reduce and then to close the gender pay gap and we are totally committed to addressing the key issues that have caused the gap.

Odfjell Drilling Group globally are committed to recruiting and developing staff based on merit and equal opportunities, regardless of ethnicity, religion, national origin, gender, age, sexual orientation, marital status or disability.

Equality is an integral part of the Group's Personnel Policy that ensures that all employees are given the same opportunities for employment and pay, as well as professional development in terms of training and promotion. The Group works actively and systematically through internal governing documents, employee training and various other measures to prevent any form of discrimination. Such measures include recruitment policies and practice, salary and working conditions, personal development opportunities, promotions and shelter against harassment.

We completed our first Your Expanding Talent (YET) program which identifies and develops high performing personnel. The program is designed to reach discipline specialists and future leaders alike, in both onshore and offshore positions and whilst paused during Covid-19 this will be revisited again in 2021.

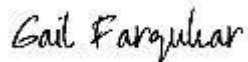
A network has been set up to improve the support system available to women in the Odfjell Drilling group, particularly offshore which is male dominated. This Odfjell Women's Network (OWN) will work to understand the challenges faced by women and identify measures for improvement.

We will continue to identify employees with high potential to focus on active career management and ensure progression to senior leadership roles.

As an organisation, we will engage with employees to progress on gender equality across Odfjell Drilling UK Ltd.

Statutory Disclosure

I confirm that the gender pay calculations are accurate and meet the requirements of the Equality Act 2010 (Gender Pay Gap information) Regulations 2017.



Gail Farquhar
Human Resources Business Partner (Offshore)

References

1. <https://www.equalityhumanrights.com/en/advice-and-guidance/what-difference-between-gender-pay-gap-and-equal-pay>
2. [Gender pay gap in the UK - Office for National Statistics \(ons.gov.uk\)](#)