

John Wood Group PLC
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Gender pay gap report 2020



Wood is a global leader in consulting and engineering across energy and the built environment, helping to unlock solutions to some of the world's most critical challenges. We provide consulting, projects and operations solutions in more than 60 countries, employing around 40,000 people.



Introduction

This report details the gender pay gap reporting requirements in the United Kingdom covered under The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The regulations require companies with more than 250 employees to publish information on their gender pay gap.

In line with previous years, Wood has reported all UK employing entities, including those with less than 250 employees as at the snapshot date.

Consistent with previous reports, our business and resulting entity structure continues to evolve through integration, divestment and acquisitive growth which makes year on year comparison by entity challenging.

Since the 2019 report, Wood has significantly reduced UK employing entities as a result of entity rationalisation and divestment. For 2020 we are reporting 6 entities, 2 of which are mandatory and 4 voluntary, (down from 12 in 2019; 5 mandatory, 7 voluntary); employee headcount is as at the snapshot date of 5th April 2020, as detailed.

Wood Group UK Limited is the main UK employing entity. Roles in this entity cover the full Wood service offering and include the Wood Executive Leadership Team. Other entities have their own service offering which is summarised in the entity specific sections of this report.

Overall reported headcount has reduced from 7,698 to 5,929, mainly due to portfolio rationalisation divestment.

Despite the extension provided by UK government, Wood has continued to report the gender pay gap in 2019 and in 2020 in line with requirements to publish results within 12 months of the snapshot date. This is part of our strategy on transparency in all aspects of reward and commitment to inclusion and diversity. We continue to focus on those areas which we can control and positively impact across our global organisation.

This report is for the snapshot date of 5th April 2020. The entities and headcount as at the snapshot date are:

Employing entity	Headcount
Wood Group UK Limited	4579
Wood Environment & Infrastructure Solutions (UK) Limited	720

Voluntarily reported entities	Headcount
The Automated Technology Group Limited	227
Mustang Engineering Limited	165
Wood Transmission & Distribution Limited	207
PSJ Fabrications Limited	31

Accuracy statement

I confirm the gender pay gap data contained in this report is accurate and has been produced in accordance with the regulations.

Sue MacDonald
Executive President
People & Organisation



Reporting requirements

The regulations require reporting on pay and bonuses by employing entity as follows:

- Mean (average) gross hourly rate of pay
- Median gross hourly rate of pay
- Proportion of male/female in hourly rate of pay quartiles (four bands)
- Mean bonus pay
- Median bonus pay
- Proportion of male/female in receipt of bonuses, in the 12 months before the snapshot date

Results are published on the Government website, categorised by industry sector, and are held on the company website for a period of three years. The report is for the snapshot date of 5th April 2020.

"We're committed that our Wood community of 40,000 colleagues across 60 countries, should reflect the communities where we live and work. Bringing together rich differences in thought, expertise, and experience across our global team is what will power our success now, and long into the future. We are committed to improving gender balance and building a supportive and inclusive workplace. We have a clear Inclusion and Diversity strategy and enterprise level plan to achieve this."

Sue MacDonald
Executive President People & Organisation

Gender pay gap results

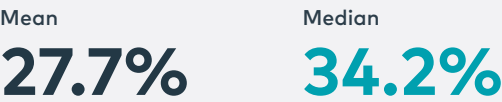
Employees at snapshot date:

5,929

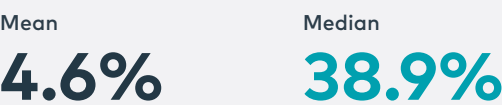
Gender balance:



Mean Gap/Median Gap Pay



Mean Gap/Median Gap Bonus



Our key findings

It is well reported that the reasons behind the gender pay gap is a complex issue. We are confident that our gender pay gap does not reflect an equal pay issue nor is it related to paying males and females differently. We believe it is a result of more males in technical and senior roles which are typically paid more. At Wood we have policies and practices which are fair and free from bias. We are committed to inclusion, diversity and equality across our wider organisation and continue to focus on actions that promote a culture of inclusion.

Key changes for 2020 reporting:

2020 reporting shows the overall Wood pay gap has increased from 23.3% to 27.7%, whilst the mean bonus gap has reduced from 8.8% to 4.6%; during the same time female representation has increased across our UK business from 23% to 25%.

In 2020, Wood and the markets in which we operate, experienced an unprecedented impact because of the Covid-19 pandemic and the volatility in oil prices. In common with many other organisations, Wood used the Coronavirus Job Retention Scheme, where appropriate, to protect our people until it was safe for them to return to their normal duties. In line with the guidance from the Government Equalities Office we excluded employees on furlough for calculating our pay gap, but included them for calculating our bonus gap. The analysis has found that excluding this group from the calculations, as per reporting guidelines, has resulted in an overall increase in the mean pay gap. In Wood, furloughed employees had typically lower hourly earnings. Analysis including furloughed employees, as a fairer representation of the overall picture at Wood, results in a mean pay gap largely unchanged from 2019 of 23.2% overall, 0.1% reduction on 2019 (23.3%).

Since the 2019 report, Wood has significantly reduced UK employing entities as a result of entity rationalisation and divestment with entities reported reducing from twelve (12) to six (6). Overall reported headcount has also reduced, from 7,698 to 5,929, as a result of portfolio rationalisation divestment.

Pay:

In 2020, the overall mean pay gap for Wood is **27.7%**; the median is 34.2%. In line with previous years reporting, the explanation for this gap continues to be related to gender distribution across occupations and job level. In 2020, the reporting guidelines excluding employees on furlough has had the biggest impact on the overall pay gap results. Furlough impacted 7% of the overall UK workforce as at the snapshot date, split 75% male and 25% female. Our analysis shows that including this group in the gender pay gap report would result in mean hourly pay gap of 23.2%, as typically those impacted by furlough were lower earners.

Wood Group UK Limited continues to have groups of employees with a pay structure and working patterns, including payment for time off, which are particularly complex in the application of the regulations. We have used average working weekly hours and included rotational time off in the calculations as this is a more accurate reflection of working practice and the pay structure. Our calculation for this group is consistent year on year.

Bonus:

Wood's main bonus plan is applied consistently across the business with eligibility to participate linked with the position held ensuring the application of the bonus is free from gender bias. Other types of bonus arrangements included in the calculations are typically smaller value spot awards; client specific performance bonuses; senior leader long-term incentive plans; employee share plans; spot recognition; and retention awards.

The overall mean bonus gap, calculated for the 12 months previous to the snapshot date, is **4.6%**; a reduction from 8.8% in 2019. This reduction is attributed to the close out of legacy bonus plans in the UK and reflects the consistent application of the recognised global bonus plan in accordance with position held. The median is 38.9%.

Our analysis shows:

- Males continue make up a significant majority of the workforce, which is consistent across the industries in which we operate
- A higher proportion of males are in technical occupations and senior leadership roles which are typically higher paid
- Females are more predominant in functional support roles, which are typically lower paid than technical occupations
- The number of females employed has increased from 23% to 25%
- Females make up the largest proportion of part time workers (77%); this has no impact on full time equivalent pay but does mean pro rata payments for some pay elements
- Gender pay gap is calculated after salary sacrifice deductions and in 2019 we expanded our flexible benefits program to all eligible UK employees, which impacts our hourly pay calculations
- The reporting guidelines excluding furloughed employees from reporting in 2020, has negatively impacted the pay gap however, there has been an increase in female headcount across most entities which has had a positive impact.

Addressing the gap



At Wood our focus on diversity and inclusion is fundamental to our efforts in creating a great working environment and culture where:

- Our people feel involved, respected, valued, trusted, connected, and empowered
- All our people have opportunities for growth and development
- We create relationships of mutual trust and respect
- We respect and celebrate the variety of local cultures, people, and ideas in Wood
- We support our people to be themselves and bring their ideas, backgrounds, values, and perspectives to the team, to our customers and to the business
- We leverage our differences and seek inclusive participation by individuals from different backgrounds and organisational levels to achieve better business results

Wood's commitment to inclusion is of strategic imperative, and fundamental to our efforts in creating a great working environment and culture, where we respect the many different backgrounds, and perspectives in Wood. We want our people to feel involved, respected, valued, trusted, connected, cared for, and empowered.

Wood's reward strategy continues to be transparency and equality, ensuring the frameworks that are designed to underpin fairness and equity in reward decisions are effective. The implementation of a global remote working policy, developed with the future of work in mind, goes further to embed our inclusive culture creating opportunities for talent which enables attraction, engagement, and retention of employees; improves diversity and inclusion through access to a wider talent pool and enables development opportunities less limited by geographic location and mobility for certain roles.

Wood can report demonstrable impact of actions designed to impact women in leadership.

- In the latest Hampton-Alexander review Wood has improved to 118th position in the FTSE 250, from 177 last year. The Hampton-Alexander review is an independent, voluntary, and business-led initiative supported by Government to increase the representation of women in senior leadership positions and on boards of FTSE 350 companies covering the board and two leadership layers below the board.
- We continue to review the gender balance of our leadership and management teams, enabling our focus on ensuring we have broader succession plans in place, particularly in the technical areas of Wood, reflecting our desire to ensure a diverse range of backgrounds, experience and thought leadership. At December 2019, we had 31% female representation in global leadership roles. As part of our global sustainability targets, we are committed to continuing to improve gender balance with a goal of 40% female representation in senior leadership roles, by 2030.

In 2021 our focus will be on the following key diversity and inclusion actions:

- Deliver our enterprise action plan focusing on 5 key pillars of change: leadership & allies; culture & inclusion; employee networks, employee life cycle and measurement & evaluation.
- Continue to celebrate our people. In 2020 we encouraged our people to celebrate International Woman's Day, International Woman in Engineering Day and many other events which celebrate the diverse make-up of our business. By doing so we aim to raise the profile of woman and focus attention on the amazing career opportunities available in Wood.
- Launched our 'We belong' campaign, enabling our employees to share their story of belonging at Wood.
- In 2020, we celebrated International Men's Day, recognising that we need allyship in our journey towards gender balance.
- Utilising people systems to increase our capability to collect, (on a voluntary basis) diversity data whilst also complying with legal requirements to improve our overall understanding of the diversity profile in Wood and how representative it is.
- Further expanding and embedding our employee networks globally ensuring each is sponsored by a member of our Executive Leadership Team.
- Follow our vow to the Aberdeen X-Industry Support Network (AXIS) pledge on gender balance across our organisation.
- Champion diversity and inclusion in the energy sector by continuing our commitment to the Diversity & Inclusion task group set-up by Oil & Gas UK (OGUK) and the Energy Leaders Coalition (ELC).
- Commit that by 2030 we shall improve gender balance with 40% female representation in senior leadership roles.
- Educate and inspire 100% of our colleagues to be inclusive every day, by end of 2021.

In addition, while not directly associated with addressing the gender pay gap, there are number of local and global initiatives which we believe will have a positive and sustainable effect in the long term. Examples of other relevant activities that are ongoing across our business which aim to encourage a diverse, balanced workforce and inclusive working environment are:

- Return to work mentor schemes
- Flexible working policies for all employees
- Global job grading and evaluation implementation
- Consistent salary structures linked with job levels
- Local partnerships with education establishments
- Representation at industry wide STEM forums
- Early careers engagement to inspire next generation
- Targeted engagement with employee groups on inclusion and diversity
- Focus groups to explore career experiences of our female employees

We believe continued focus on inclusion, diversity, and talent, whilst applying policies and frameworks which are free from bias and ensure fairness and consistency across Wood, will have the long-term impact of addressing the gender pay gap. We will continue to review the success of our strategies as our organisation evolves.

The following pages provide a business overview and the gender pay gap reporting requirements by entity. The pay tables outline a summary of the percentage difference in mean and median pay of male and female employees and the hourly rate pay quartiles and proportion of males and females in each quartile. The bonus table outlines a summary of the proportion of males and females who received bonus pay from 6th April 2018 to 5th April 2019, and the difference between mean and median bonus pay for male and female employees.



By 2030 we shall improve gender balance with:



40% female representation in senior leadership positions

Educating and inspiring

100%

of our colleagues to be inclusive every day, by end of 2021

Wood Group UK Limited

Business overview

This is our main UK employment entity. It employs our North Sea offshore and site workforce as well as UK based senior management and the Executive Leadership Team. 33% of the workforce are offshore and site roles (the majority of which are trade and craft positions) and 67% onshore roles).

Employees at snapshot date:

4,579 **77%**
of overall employees reported

Gender balance:



Base pay:

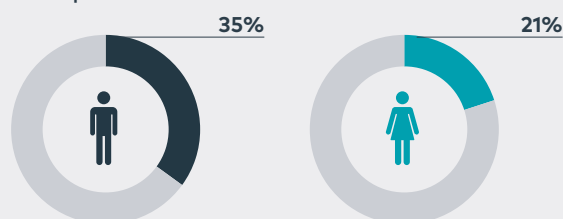
	% gap
Mean	28.3%
Median	36.2%

Quartiles	Male	Female
Pay Band A	90%	10%
Pay Band B	51%	49%
Pay Band C	69%	31%
Pay Band D	84%	16%

Bonus:

	% gap
Mean	-3.5%
Median	-54.4%

% in receipt of bonus



Wood Environment & Infrastructure Solutions UK Ltd

Business overview

Our Environment & Infrastructure business provide a full range of services to clients related to environmental remediation, geotechnical and materials; engineering and construction; environmental studies, permitting and compliance; and public infrastructure services.

Employees at snapshot date:

720 **12%**
of overall employees reported

Gender balance:



Base pay:

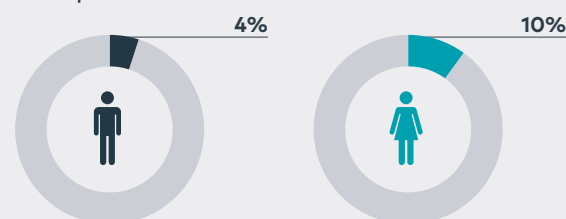
	% gap
Mean	12.4%
Median	16.2%

Quartiles	Male	Female
Pay Band A	82%	18%
Pay Band B	56%	44%
Pay Band C	72%	28%
Pay Band D	72%	28%

Bonus:

	% gap
Mean	52.4%
Median	0.45%

% in receipt of bonus



The Automated Technology Group Limited

Business overview

This entity has been reported voluntarily. The Automated Technology Group ("TATGL") is a leading supplier of control, systems, and power solutions for industrial automation. TATGL design, install and support dynamic solutions for power, automation, and process control, delivering complex projects

Employees at snapshot date:

227 **12%**
of overall employees reported

Gender balance:



Base pay:

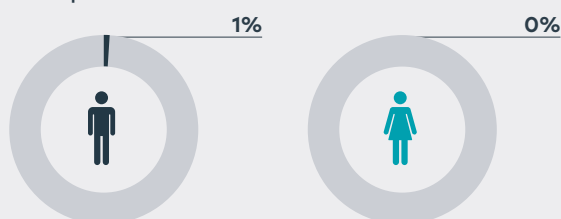
	% gap
Mean	31.6%
Median	36.3%

Quartiles	Male	Female
Pay Band A	100%	0%
Pay Band B	83%	17%
Pay Band C	96%	4%
Pay Band D	100%	0%

Bonus:

	% gap
Mean	100%
Median	100%

% in receipt of bonus



Mustang Engineering Ltd

Business overview

This entity has been reported voluntarily. Mustang Engineering provides project management, engineering, and construction operations to the oil & gas, industrial, automation & control and refining & chemicals industries.

Employees at snapshot date:

165 **3%**
of overall employees reported

Gender balance:



Base pay:

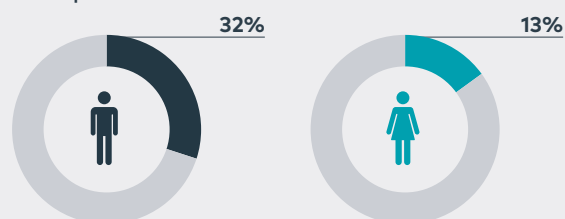
	% gap
Mean	30.2%
Median	33.5%

Quartiles	Male	Female
Pay Band A	90%	10%
Pay Band B	32%	68%
Pay Band C	58%	42%
Pay Band D	77%	23%

Bonus:

	% gap
Mean	36.9%
Median	74.6%

% in receipt of bonus



Wood Transmission & Distribution Limited

Business overview

This entity has been reported voluntarily and supports projects in the transmission and distribution of electric power from conventional and renewable sources. 43% of the workforce are site roles (the majority of which are trade and craft)

Employees at snapshot date:

207 **3%**
of overall employees reported

Gender balance:



Base pay:

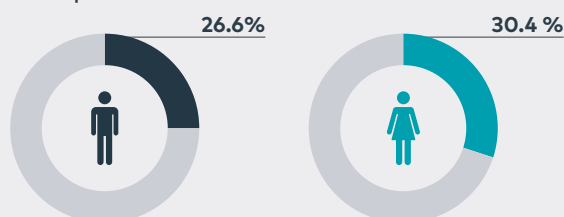
	% gap
Mean	43.8%
Median	39.2%

Quartiles	Male	Female
Pay Band A	100%	0%
Pay Band B	100%	0%
Pay Band C	100%	0%
Pay Band D	97%	3%

Bonus:

	% gap
Mean	62.6%
Median	91.3%

% in receipt of bonus



PSJ Fabrications Limited

Business overview

This entity has been reported voluntarily. PSJ Fabrications is an established leading specialist supplying high quality sheet metalwork for a diverse range of industries, including automotive, defence, pharmaceutical and oil and gas.

Employees at snapshot date:

31 **1%**
of overall employees reported

Gender balance:



Base pay:

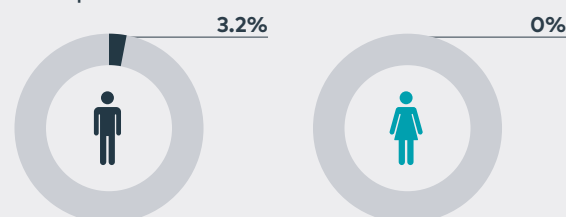
	% gap
Mean	100%
Median	100%

Quartiles	Male	Female
Pay Band A	100%	0%
Pay Band B	100%	0%
Pay Band C	100%	0%
Pay Band D	100%	0%

Bonus:

	% gap
Mean	100%
Median	100%

% in receipt of bonus



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