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John Wood Group PLC
Published April 2022

Gender pay gap report 2021



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 which makes year on year comparison by entity challenging. However, does not impact year on year comparison of Wood overall.

Since the 2020 report, Wood has reduced UK employing entities by one following entity rationalisation. In 2021 we are reporting five entities of which Wood Group UK Ltd (WGUK) is mandatory, and the rest voluntary, (down from 6 in 2020; 2 mandatory and 4 voluntary). Overall reported headcount has also reduced, from 5,929 to 5,587.

WGUK 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.

Executive Summary

At Wood we remain focused on gender pay equity. We are committed to ensuring that all our employees, regardless of gender, are paid the same for equivalent work, aligned to competitive market rates. The nature of our business attracts a significantly higher percentage of males due to the predominantly technical focus of the roles in office, site and offshore locations. This means, notwithstanding our efforts, we still have a significantly higher percentage of male employees in technical, higher paid roles leading to a pay gap against the reporting criteria. We recognise the importance and value of all aspects of diversity in our workforce and have local action plans in all our locations to build the most equitable workplace we can. While we have made some good progress to date - with females now representing 33% of our global leadership population and an improvement in our position in the FTSE Women Leaders Review - we continue to strive for further improvement across our global business.

In 2021, the mean Gender Pay Gap (GPG) for hourly rate of pay is 26.1%, and for bonus pay 38.2%. This is a decrease on the hourly pay gap since 2020, but an increase in the bonus gap. In 2021 furlough continued to impact our GPG. Our analysis shows that including those who were on furlough on the snapshot date would reduce our mean hourly pay gap further to 25.2%. However, in line with the guidance from the Government Equalities Office employees on furlough were excluded.

Despite an increase in our bonus gap since 2020, we are confident it is free from bias. Eligibility to participate in our annual bonus plan is linked with the employee's position held, this ensures the bonus is free from gender bias. In addition for employees who did receive a bonus in the bonus reporting period 55% of these employees were offshore and site employees and all male. For the onshore population, a bonus was paid to 7.5% of females and 7.5% of males, therefore demonstrating our bonus schemes are free from gender bias.

A key strategy in addressing our GPG is an ongoing focus on diversity and inclusion. In particular, we have emphasised the need for employees throughout the company to increase their awareness of diversity and inclusion issues, taking personal responsibility for ensuring a fair and equitable working environment. We are proud that in 2021 we educated 36,000 employees, on conscious inclusion and increased our female representation in global leadership roles from 31% to 33%. We believe continued focus on diversity, inclusion, and talent activities, whilst applying policies and frameworks which are free from bias and applied consistency, will have the long-term positive impact in addressing the gender pay gap.

This report is for the snapshot date of 5th April 2021. The entities and headcount as at the snapshot date are:

Employing entity	Headcount
Wood Group UK Limited	5068

Voluntarily reported entities	Headcount
The Automated Technology Group Limited	157
Mustang Engineering Limited	154
Wood Transmission & Distribution Limited	181
PSJ Fabrications Limited	27

Accuracy statement

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

Lesley Birse
Executive President
People & Organisation

Reporting requirements

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

- Mean gross hourly rate of pay – the difference between the average gross hourly pay for male and female employees.
- Median gross hourly rate of pay – the difference between the median gross hourly pay for male and female employees.
- Proportion of male/female in hourly rate of pay quartiles (four bands).
- Mean bonus pay – the difference between the average annual bonus payments received by male and female employees.
- Median bonus pay – the difference between the median annual bonus payments received by male and female employees.
- 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 2021.

"Wood operates in more than 60 countries worldwide. We are committed to ensuring that our employees reflect the diverse communities where we live and work. We have a clear Diversity & Inclusion strategy with enterprise and local plans that focus on ensuring that we have a diverse, supportive and inclusive workplace."

Lesley Birse

Executive President People & Organisation

Gender pay gap results

Employees at snapshot date:

5,587

Gender balance:



Mean Gap/Median Gap Pay

Mean	Median
26.1%	34.6%

Mean Gap/Median Gap Bonus

Mean	Median
38.2%	67.4%

The Regulations require reporting on pay and bonuses by employing entity. The Gender Pay Gap Service defines the reporting pay gap figures as follows:

The mean (average) gender pay gap figure

The mean gender pay gap figure uses hourly/bonus pay of all employees to calculate the difference between the mean hourly/bonus pay of men, and the mean hourly/bonus pay of women.

The mean involves adding up all of the numbers and dividing the result by how many numbers were in the list.

Mean averages are useful because they place the same value on every number they use, giving a good overall indication of the gender pay gap. But very high or low hourly pay can 'dominate' and distort the figure.

The median gender pay gap figure

This is the difference between the hourly/bonus pay of the median man and the hourly/bonus pay of the median woman. The median for each is the man or woman who is in the middle of a list of "hourly/bonus" pay ordered from highest to lowest paid.

The median involves listing all of the numbers in numerical order. If there is an odd number of results, the median is the middle number. If there is an even number of results, the median will be the mean of the two central numbers.

Medians are useful to indicate what the 'typical' situation is. They are not distorted by very high or low hourly pay (or bonuses). However, this means that not all gender pay gap issues will be picked up. They could also fail to pick up as effectively where the gender pay gap issues are most pronounced in the lowest paid or highest paid employees.

Percentage of woman and men in each pay quarter

Pay quarters show the percentage of men and women employees in four equal sized groups based on their hourly pay. Pay quarters give an indication of women's representation at different levels of the organisation.

Our key findings

It is well reported that the reasons behind the gender pay gap are complex. 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. Due to the external labour market rates, technical roles are paid a premium compared to many functional roles. We believe our current GPG is heavily influenced by having more males in these higher paid technical and site-based roles. Our strategy around diversity and inclusion and the measures being taken in the business around talent, are designed to have a longer-term impact on reducing any real pay gap.

Key changes for 2021 reporting:

In 2021, the mean Gender Pay Gap (GPG) for hourly rate of pay is 26.1%, and for bonus pay 38.2%. This is a decrease of 6.3% on the hourly pay gap, but an increase in the bonus gap of 88% since 2020.

As reported, in 2020 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. 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 further reduction in our mean pay gap to 25.2%, a 9% reduction on 2020.



Pay:

In 2021, the overall mean pay gap for Wood was 26.1%; the median was 34.6%. In line with previous years reporting, the explanation for this gap continues to be related to gender distribution across occupations. In 2021, furlough continued to impact on the overall pay gap results. Furlough impacted 2% of the overall UK workforce as at the snapshot date, split 79% male and 21% female. Our analysis shows that including this group in the gender pay gap report would result in mean hourly pay gap of 25.2%, as typically those impacted by furlough were lower earners.

Due to the volume of employees undertaking site rotation work, Wood Group UK Limited (WGUK) continues to have a broad variety of pay structures and working patterns (including payment for time off). This makes application of the regulations particularly complex. 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.

Wood uses salary sacrifice for employee pension contributions and flexible benefit deductions. The government regulations state that the GPG must be calculated after salary sacrifice deductions. Consequently, it is important to consider that salary sacrifice arrangements may impact our GPG. For part-time employees, of which a majority are female, salary sacrifice deductions for flexible benefits have a greater impact on their salary than it does for full time employees. This is because costs for flexible benefits are not pro-rated. If a full-time and part-time employee on the same full time equivalent salary select identical benefit options, the salary sacrifice deductions will take a larger percentage of the part-time employee's salary compared to the full-time employee.

Bonus:

Wood's main bonus plan is applied consistently across the business with eligibility to participate linked with the position level 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.

Calculation of the bonus gap for GPG reporting uses the 12 months prior to the snapshot date of 05 April 2021. Wood's bonus gap for 2021 has been significantly impacted as there were no payments of the Annual Bonus plan (ABP) to those who were eligible for the 2020 financial year in March 2021.

Outwith WGUK, only 76 females are employed by Wood's four other employment entities, which is 6% of our female population. These four entities employ 10% of our male population, with 11% receiving a bonus in the bonus period. Only 9% of our total UK population is employed by these four entities, therefore any differences in pay can be exaggerated by smaller headcounts.

Within WGUK, bonus payments for the calculation period were paid to 12% of employees. 55% of these employees were offshore and site employees and all male. For these employee groups, bonuses are part of client and collective agreements. For the onshore population a bonus was paid to 7.5% of females and 7.5% of males, therefore demonstrating our bonus schemes are free from gender bias.

Addressing the gap

In 2021 we launched a programme called Myriad (My Role in Inclusion And Diversity) aimed increasing D&I through a culture of education, empathy and action, Key focus areas include:

- Building a network of D&I allies, supported by leadership sponsors responsible for driving D&I activities and championing underrepresented groups.
- Ensuring equal opportunities for growth and development for all our people.
- Fostering a work environment and culture where inclusion is delivered structurally and behaviourally, through policies, training and communication plans.
- Attracting and retaining key talent from the full spectrum of the global talent pool, unlocking diverse talent and matching people to the best growth opportunities
- Monitoring and measuring progress using effective and reliable methods, including key demographic data, setting targets to improve representation in key areas and engagement outcomes.

We are focussed on making Wood a great place to work and are committed to building a culture where employees feel they belong, are empowered and supported to succeed.

Whilst embracing diversity and creating an inclusive working environment is implicit in our values and behaviours, we recognise that we are still on a journey to truly achieving this. This is a shared responsibility of all of us which will take positive intention and conscious action to achieve and sustain.

In support of one of our nine sustainability goals, we are particularly proud of having trained 36,000 employees on conscious inclusion in 2021.

Wood has a number of employee networks that provide a platform for our employees to connect, learn, and share views to allow employees to have a voice to tell Wood what it is doing well and what it can do better. Our networks are open and inclusive to all. One such network is Equal Footing, focused on gender equity, which supports Wood to achieve a gender balanced workforce by educating, emphasising, engaging and working to implement systematic change.

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

- In the latest FTSE Women Leaders Review Wood has improved to 100th position in the FTSE 250, from 118th last year. The 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. Wood was also commended for being 1 of 92 companies in the FTSE250 that met the target for 40% woman on boards.
- Driven by our desire to ensure we have a diverse range of backgrounds, experience and thoughts across our leadership population, we continue to review the gender balance of our leadership and management teams. In particular, we have ensured that balanced succession plans are in place, particularly covering the technical areas of Wood. At December 2020, we had 31% female representation in global leadership roles, which increased to 33% by December 2021. 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 2022 our focus will be on the following key diversity and inclusion actions:

- Deliver on our enterprise and local Diversity & Inclusion plans.
- Further expanding and embedding our employee networks globally.
- Continue our commitment to improve gender balance to 40% female representation by 2030.
- Ensure consistent tracking and analysis of diversity statistics to allow informed decision making across the business.

We believe continued focus on diversity, inclusion, 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 2020 to 5th April 2021, and the difference between mean and median bonus pay for male and female employees.





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:

5,068 **90.7%**
of overall employees reported

Gender balance:



Base pay:

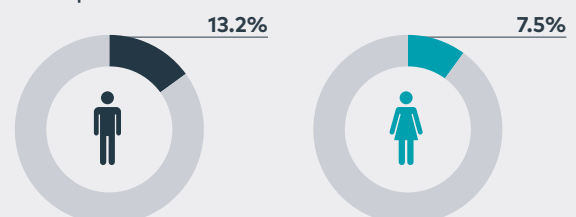
	% gap
Mean	26.3%
Median	34.9%

Quartiles	Male	Female
Pay Band A	58%	42%
Pay Band B	72%	28%
Pay Band C	85%	15%
Pay Band D	89%	11%

Bonus:

	% gap
Mean	39.9%
Median	62.5%

% in receipt of bonus



The Automated Technology Group Limited

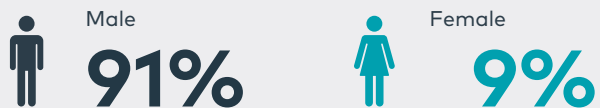
Business overview

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:



Gender balance:



Base pay:

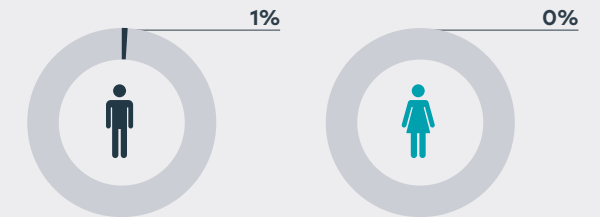
	% gap
Mean	42.1%
Median	46.2%

Quartiles	Male	Female
Pay Band A	72%	28%
Pay Band B	97%	3%
Pay Band C	N/A	N/A
Pay Band D	97%	3%

Bonus:

	% gap
Mean	100%
Median	100%

% in receipt of bonus

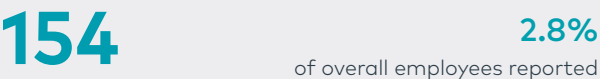


Mustang Engineering Ltd

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:



Gender balance:



Base pay:

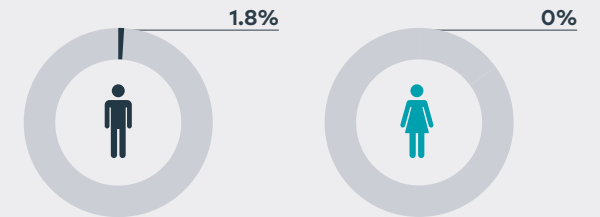
	% gap
Mean	25.8%
Median	26.9%

Quartiles	Male	Female
Pay Band A	51%	49%
Pay Band B	65%	35%
Pay Band C	89%	11%
Pay Band D	89%	11%

Bonus:

	% gap
Mean	100%
Median	100%

% 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:

181 **3.2%**
of overall employees reported

Gender balance:



Base pay:

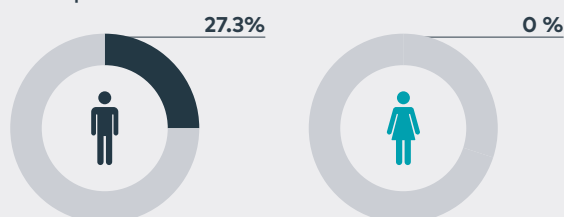
	% gap
Mean	43.6%
Median	43%

Quartiles	Male	Female
Pay Band A	N/A	N/A
Pay Band B	68%	32%
Pay Band C	83%	17%
Pay Band D	N/A	N/A

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:

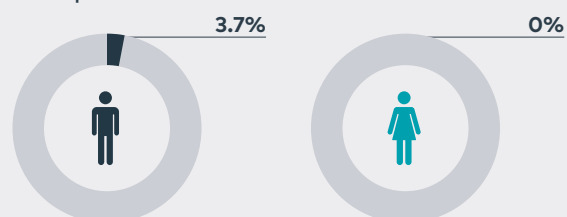
	% gap
Mean	N/A
Median	N/A

Quartiles	Male	Female
Pay Band A	N/A	N/A
Pay Band B	N/A	N/A
Pay Band C	N/A	N/A
Pay Band D	N/A	N/A

Bonus:

	% gap
Mean	N/A
Median	N/A

% in receipt of bonus



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