

John Wood Group PLC
Published April 2023

Gender pay gap report 2022



Wood is a global leader in consulting and engineering, helping to unlock solutions to critical challenges in energy and materials markets. We provide consulting, projects and operations solutions in 60 countries, employing around 35,000 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.

As a commitment to transparency Wood has reported all UK employing entities, including those with less than 250 employees at the snapshot date, 05 April 2022.

In previous reporting years our business and resulting entity structure meant that year on year comparison by entity was challenging. However, between the 2021 and 2022 reporting years they have remained relatively consistent, apart from 2021 still being impacted by COVID-19. Wood is reporting the same five entities which were reported in 2021. Of these five only one is mandatory, Wood Group UK Ltd (WGUK). The rest are reported voluntarily. Our overall reported headcount has reduced by 99 employees to 5,488.

Executive Summary

Wood is committed to gender pay equity, our diversity and inclusion (D&I) strategy is devised to reduce any real pay gap in the longer term. The industries in which Wood operate attract significantly higher percentage of males due to the predominantly technical focus of the roles in office, site, and offshore locations. As a result, we have a higher percentage of males in our workforce.

In previous reporting years it had been difficult to compare the evolution of our gender pay gap, due to changes within our business caused by divestments, impacts of COVID-19 and reorganization of our employment entity structure. Between 2021 and 2022 our mean Gender Pay Gap (GPG) for hourly rate of pay has reduced to 26%, from 26.1%, but our mean bonus gap has increased to 44.2%, from 38.2%.

Whilst the mean bonus gap has increased, the median bonus gap reduced by 51.7% to 32.5%. The main reason for the increase to our mean bonus gap is due to the bonus paid to managerial and leadership levels in 2022, for the 2021 performance year, of which females make up a higher percentage, not being paid until May 2022; it is therefore not included in the analysis. For those employees who did receive a bonus, 47% were offshore and site employees. For the limited number of onshore employees who received a bonus 11% were female and 9.3% male.

Our D&I strategy aims to make Wood a great place to work,

where all our employees feel they belong and are supported to succeed. In 2022 Wood achieved this through ensuring equal growth and development opportunities for all our employees and putting measures in place to monitor key demographic data, that allows us to set targets to improve representation in key areas. We will continue to deliver our D&I strategy in 2023 by refreshing and expanding our employee networks, continuing to work towards a gender balance of 40% female representation in leadership by 2030, and tracking diversity statistics to ensure informed decision making across our business. We believe these actions, as well as 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 2022. The entities and headcount as at the snapshot date are:

Mandatory employing entity	Headcount
Wood Group UK Limited	5169

Voluntarily reported entities	Headcount
Wood Transmission & Distribution Limited	180
The Automated Control Group Limited	58
Mustang Engineering Limited	52
PSJ Fabrications Limited	29

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 minimum period of three years. The report is for the snapshot date of 5th April 2022.

"Building an inspired culture is core to our strategy and therefore critical to the success of our business overall. With an inspired culture, we can ensure performance excellence and deliver profitable growth, together."

Lesley Birse
Executive President People & Organisation

Gender pay gap results

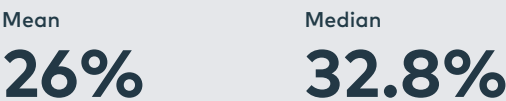
Employees at snapshot date:

5,488

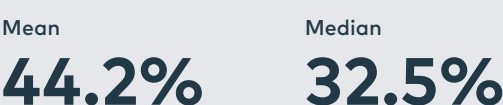
Gender balance:



Mean Gap/Median Gap Pay



Mean Gap/Median Gap Bonus



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. Our GPG at Wood is heavily influenced by having a higher percentage of males in technical and site-based roles than females. 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 2022 reporting:

In 2022, the mean Gender Pay Gap (GPG) for hourly rate of pay is 26%, and for bonus pay 44.2%. This is a decrease of 0.3% on the hourly pay gap, but an increase in the bonus gap of 15.7% since 2021. The median GPG for hourly rate of pay is 32.8%, and for bonus pay is 32.5%. This is a decrease of 5.2% on the hourly pay gap, and a decrease in the bonus gap of 51.7%

Hourly Pay Gap:

In 2022, the overall mean pay gap for Wood was 26%; the median was 32.8%. Wood continues to have a pay gap related to gender distribution across occupations. In April 2022, 30% of our employees undertook site rotation work (2.3% of which are female), which have a broad variety of pay structures and working patterns. For this employee population we use average working weekly hours, which include rotational time off for GPG calculation practices.



Government regulations require that GPG is calculated after salary sacrifice deductions. At Wood we use salary sacrifice deductions for employee pension contributions and our range of flexible benefits that we offer our employees. As a result, this impacts our GPG at Wood. Our flexible benefits allow our employees to tailor their reward package to their lifestyle and needs. The impact of this is that employees with identical salaries who select a different benefit offering and pension contribution percentage can have different hourly rates of pay under the calculations. As the 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. If salary sacrifice deductions are removed from the GPG calculations it reduces our mean gender pay gap to 25.7%.

Bonus Pay Gap:

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.

In 2022 the overall mean bonus gap was 44.2%, and the median bonus gap was 32.5%. During the same time female representation has remained the same across our UK business at 23%. The increase in the bonus gap is driven by the fact that the bonus paid to managerial and leadership levels in 2022, for the 2021 performance year, of which females make up a higher percentage, was not paid until May 2022, and is therefore not included in the analysis; this was due to a delay in the announcement of the Group's financial results. Bonus payments included in the analysis were predominantly to offshore and site employees, who were majority male, and are driven by our clients and collective agreements. For the limited number of our onshore, office-based employee population paid a bonus, 11% were female and 9.30% were male.

Outside of Wood Group UK Ltd, only 45 females are employed by Wood's four other employment entities, which is 3% of our female population. These four entities employ 6.5% of our male population, with 24% of which, receiving a bonus in the bonus period. Only 5.8% of our total UK population is employed by these four entities, therefore any differences in pay can be exaggerated by smaller headcounts.

Within Wood Group UK Ltd, bonus payments for the calculation period were paid to 12% of employees. 47% of those paid a bonus were offshore and site employees of which 2% were female, which is consistent with percentage of females undertaking offshore and site work. For these employee groups, bonuses are part of client and collective agreements.

Addressing the gap

In 2022 we continued to roll out Myriad (My Role in Inclusion And Diversity) aimed at increasing D&I through a culture of education, empathy and action, Key focus areas included:

- Shining a spotlight on our D&I employee networks which create a space to drive D&I activities and champion under-represented groups: Equal Footing, WREN, Pride, Developing Professionals, Armed Forces and STEM. Each network had leadership support through an executive president sponsor.
- Ensuring equal opportunities for growth and development for all our people.
- Fostering a work environment and culture where inclusion is delivered structurally and behaviorally, through policies, training, and communication & engagement 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 focused 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. In November 2022, our new Wood Strategy was launched, including 'Inspired Culture' as one of our strategic pillars.

In 2023 our D&I activities fully support our strategy to create a workplace where every employee feels a sense of belonging.

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

Driven by our desire to ensure we have a diverse range of backgrounds, experience and thought across our leadership population, we continue to review the gender balance of our leadership and management teams. We have ensured that balanced succession plans are in place, particularly covering our technical areas. 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 2023 our focus will be on the following key diversity and inclusion actions:

- Deliver and regularly track global and local D&I action plans to align with our new strategy.
- Refresh and expand our D&I employee networks
- Continue our commitment to improve gender balance to 40% female representation in leadership by 2030.
- Ensure consistent tracking and analysis of diversity statistics to allow informed decision making across the business.
- Quarterly pay equity reporting by gender to enable leaders to ensure fairness of pay.
- Empower our employees to self-report on their ethnicity, where legally able to do so.

We remain committed to gender equality at Wood and want to be a workplace of choice. We will continue to shine a strong spotlight on diversity, inclusion, belonging and talent, whilst ensuring our policies, recruitment and frameworks are free from bias.

The following pages provide the gender pay gap reporting requirements by entity. The pay tables outline a summary of the percentage difference in mean and median hourly pay and bonus pay of male and female employees as well as a summary of the proportion of males and females who received bonus pay from 6th April 2021 to 5th April 2022.





Wood Group UK Limited

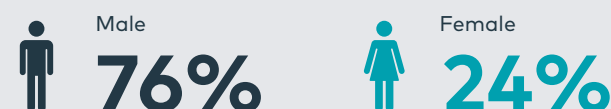
Business overview

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:

5,169 **94.2%**
of overall employees reported

Gender balance:



Base pay:

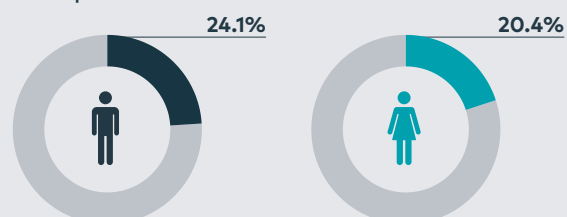
	% gap
Mean	26.3%
Median	33.4%

Quartiles	Male	Female
Pay Band A	59%	41%
Pay Band B	70%	30%
Pay Band C	85%	15%
Pay Band D	89%	11%

Bonus:

	% gap
Mean	38.2%
Median	25.0%

% 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:

58 **1.1%**
of overall employees reported

Gender balance:



Base pay:

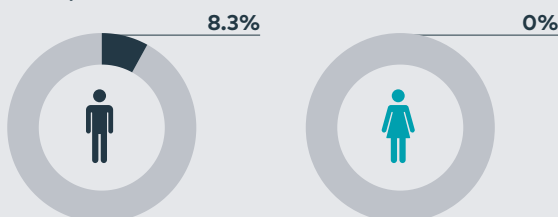
	% gap
Mean	35.3%
Median	42.8%

Quartiles	Male	Female
Pay Band A	53%	47%
Pay Band B	86%	14%
Pay Band C	N/A	N/A
Pay Band D	93%	7%

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:

52 **0.9%**
of overall employees reported

Gender balance:



Base pay:

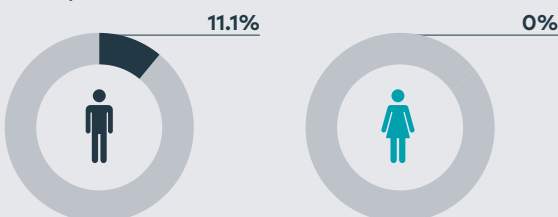
	% gap
Mean	26.3%
Median	33.4%

Quartiles	Male	Female
Pay Band A	31%	69%
Pay Band B	62%	38%
Pay Band C	85%	15%
Pay Band D	N/A	N/A

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:

180 **3.3%**
of overall employees reported

Gender balance:



Base pay:

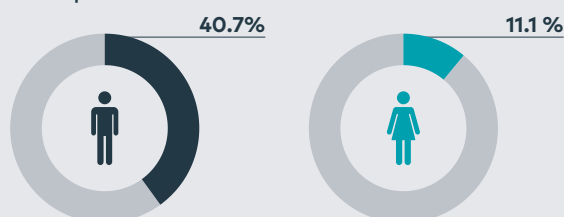
	% gap
Mean	31.8%
Median	27.7%

Quartiles	Male	Female
Pay Band A	80%	20%
Pay Band B	87%	13%
Pay Band C	95%	5%
Pay Band D	98%	2%

Bonus:

	% gap
Mean	73.4%
Median	69%

% 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:

29 **0.5%**
of overall employees reported

Gender balance:



Base pay:

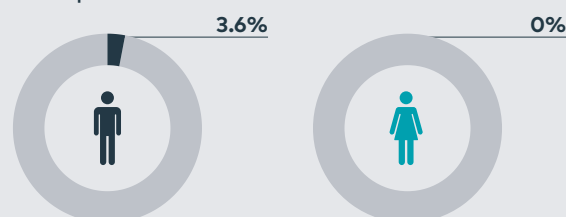
	% gap
Mean	15.6%
Median	17.5%

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



John Wood Group PLC

15 Justice Mill Lane
Aberdeen
AB11 6EQ
UK

Tel +44 1224 851000

woodplc.com