



Archer UK Limited Gender Pay Gap Report 2018

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Archer

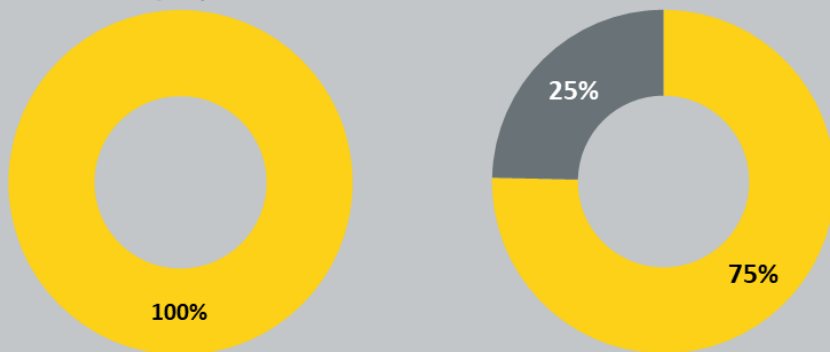
Introduction

Archer presents its Gender Pay Gap Report in the UK for 2018, the second year we have published such a report.

In common with other companies operating in the oil and gas sector and with a significant presence in offshore environments, our pay statistics show some significant gaps and discrepancies in pay and between genders. This is a reflection of an industry wide dominance of male employees in offshore and onshore operational positions, both of which attract higher salaries compared with the average across all industries, and we firmly believe is not a reflection of any unfair pay practices or gender bias. There has been little movement in our key measures compared with the 2017 report; we have analysed the reasons for this later in the report and outlined the steps we are taking to try to address the gap.



Relevant employees:



■ Offshore - male ■ Offshore - female ■ Onshore - male ■ Onshore - female

We take pride in our work and our global workforce of 5,000 skilled personnel who are at the heart of our business. We are committed to equality across all aspects of our business, and to build a working environment which fosters inclusion and opportunities for all employees.

2018 Gender Pay Gap Report

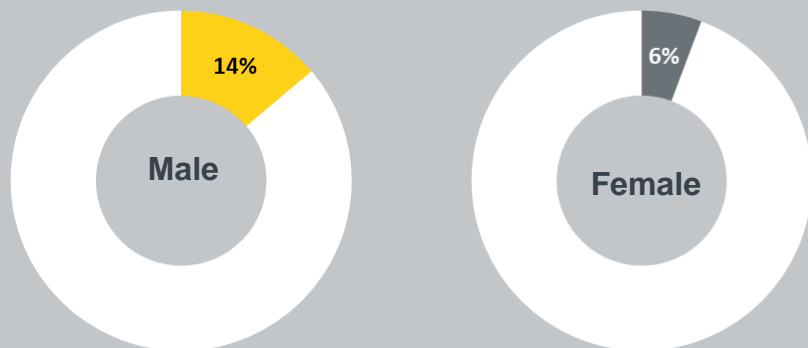
The UK government's Gender Pay Gap Reporting requires all companies with more than 250 employees to publish details of its gender pay gap – the difference between the average amount men and women are paid across the company. As in 2017, the following information is required to be published:

- 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
- Proportion of males and females in each pay quartile

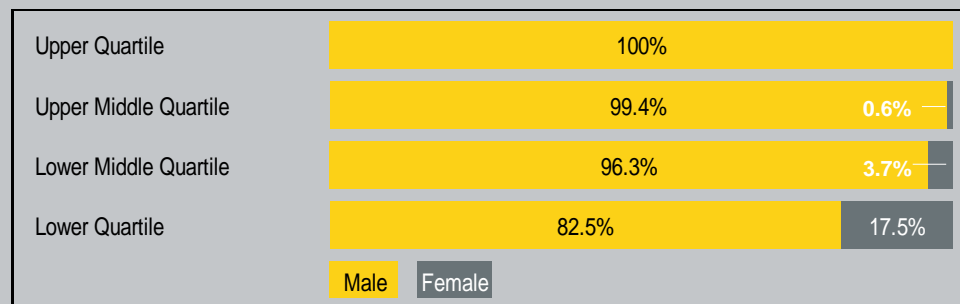
Pay Gaps:

	Hourly Base Pay	Bonus Pay
Mean Pay Gap %	46.7%	84.1%
Median Pay Gap %	44.9%	43.1%

Proportion of employees in receipt of a bonus:



Quartile distribution:



Analysis

Overview

Archer UK Limited is an oil services company operating in a male dominated industry. As at April 2018, the company had 79.1% (2017 – 79.3%) of its workforce working on offshore platforms in the North Sea and Aegean Sea on a regular shift pattern of either 3 or 4 weeks on the platform followed by the same period on shore leave. Whilst offshore, our employees typically work 12 hour shifts, either 06.00 to 18.00 or 18.00 to 06.00.

We have a number of other field engineers who work a similar shift pattern whilst on assignment offshore; these can last for periods up to 6 weeks.



The remaining staff work onshore in management, operational and administrative roles.

It is worth noting that Archer has a number of senior positions with responsibility for the UK based in its corporate base in Stavanger. A number of these positions are

filled by females (notably our IT Director, QHSE Director and Corporate Lawyer) but are out with the scope of this report as they are employed by a Norwegian entity.

Gender Split and Pay Gap

The harsh environment and required shift patterns for offshore workers means that typical salaries in this sector are higher than the UK average. While our recruitment process has a focus on equal opportunities we find that the vast majority of applicants looking to work in such environments are male. The company currently has no female employees working offshore in the UK, or UK based field engineers.

A dominance of males in these positions therefore leads to a higher gender pay gap than may be found in other industry sectors in the UK.

Quartile Distribution

In the UK, it is recognised that in the oil and gas industry it is common for employees to progress from operational to management roles, which explains why our upper quartiles are predominantly male.

All recruitment and promotion opportunities are advertised gender neutral.

Bonus Payments

Small bonus payments are often awarded to our offshore personnel in recognition for meeting operational or safety targets. Larger annual bonuses are awarded to those in onshore management roles.

As noted above, the predominance of males in operational roles onshore leads to a significant gap in the report bonus averages.

Conclusion

Archer is committed to diversity and equality and following our core values. Our talented people solve customer problems and deal with their challenges on a daily basis. We are committed to continually investing in training and educational opportunities and providing our employees with the right tools to do their job in all circumstances. We pay equal remuneration for the same roles regardless of gender. The gender pay gap reported in these statistics is significantly influenced by the following factors:

- The offshore industry continues to be dominated by male applicants and male employees in offshore and field engineer positions.
- As detailed above, a common career path is to progress from a senior position offshore to a management position onshore; these roles tend to be filled by males, having come from an offshore environment.
- A higher proportion of technical and engineering positions are filled by males.
- We have a higher proportion of females in lower paid administrative roles.



Closing the Gap

We are confident our gender pay gap results are driven by the oil industry being male dominated and not due to any equal pay issues. We are committed to our employees and ensuring opportunities are available to everyone, as well as investing in our future talent to ensure we hire the right people for the job. We already have a number of policies and processes in place to aid work life-balance for parents, equal opportunities and training and development opportunities, and we will continue to review and update these as required.



However we do recognise that there are ways we can reduce our gender pay gap. We are committed to the following policies and actions in the short and medium term:

- Work with universities and schools to raise awareness of opportunities for everyone in our industry;
- Consider ways to broaden our recruitment opportunities including apprenticeships;
- Continually review our flexible working arrangements to allow women to remain in the workplace and support a work life balance;
- Encourage males in the workplace to consider flexible working arrangements, including part-time working;



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.

Angela Halliday

UK Human Resources Manager

- Raising awareness of the use of family friendly leave;
- Having carried out a review of our succession planning within the business we will continue to ensure females are considered for opportunities;
- Although we are confident our pay scales are not impacting our pay gap, we will carry out a review during 2019 to assess this;
- Monitor our recruitment processes to guard against any potential bias as far as is possible;
- Encourage development and promotion opportunities to employees of both genders.