

A large sunburst graphic composed of numerous thin, light blue lines radiating from a central point, filling the background of the page.

**GENDER
PAY GAP
REPORT
2021**

INTRODUCTION

TAQA's UK business is focussed on safely and effectively maximising assets until the end of economic production while undertaking decommissioning activity. We operate eight platforms which produce from 17 fields spread across the northern and central North Sea. TAQA acquired operatorship of the Brae field in October 2020, therefore the data included in the 2021 report is inclusive of the transitioning workforce.

We recognise the value a balanced workforce brings to our company's success and remain committed to continually improving this, alongside wider industry efforts.

Gender pay gap legislation is a government initiative to help raise awareness, to incentivise employers to analyse the drivers behind their gender pay gap and to explore the extent to which their own policies and practices may have contributed to that gap.

In accordance with UK government regulations and as an employer of more than 250 staff in the UK, we must publish our annual gender pay gap each year.

It's important to recognise that gender pay gap is not the same as equal pay, although this could be one of the reasons for a gender pay gap. TAQA does not have an equal pay issue.

TAQA's approach to compensation and benefits is gender neutral by design. We use a market leading tool for job evaluation where each job description is scored and placed in our grading structure. We continually monitor pay levels for all employees using a fair and consistent process based on market data and an individual's experience and performance.

Results show that TAQA has a gender pay gap, driven by a significantly higher proportion of men than women in our workforce, particularly in the offshore population which attracts offshore allowances included in the calculations. Historically in the UK, primarily as a result of societal and cultural influences, offshore personnel and engineering-based roles have been male dominated and that continues to be the case. Our gap is therefore a reflection of the industry and candidates available to TAQA, rather than pointing to an underlying equality issue.

TAQA will continue to create opportunities for STEM learning in the community. Through our Corporate Social Responsibility portfolio we are involved in a wide range of initiatives to educate and engage school children about our business and promote STEM subjects.

In 2021, we reached over 1,000 local primary and secondary pupils with STEM messages.

TAQA provides a number of benefits and programmes to all employees which we believe has the potential to positively impact our gender pay gap by providing equality of opportunity.

This report explains further about what the gender pay gap is, TAQA's results and what we are currently doing and plan to do, with the aim of addressing the gender pay gap over time in our business.

Declaration:

I confirm the information and data reported is accurate as of the snapshot date of 5th April 2021.



Donald Taylor
Managing Director



WHAT IS THE GENDER PAY GAP

The government introduced the gender pay gap legislation as an initiative to ensure everyone is given a fair opportunity to succeed, regardless of their gender.



From the opportunities women are given in school, to the ability to move up the executive pipeline, the aim is to break down the barriers that stop women achieving.

Gender pay gap is not the same as equal pay, although this could be one of the reasons for the gap. An organisation could have no pay discrimination but still have a gender pay gap and vice versa.

Reasons why a gap may exist in some organisations include:

- Pay discrimination – men being paid higher than women doing the same job;
- Caring responsibilities – more women are involved in caring responsibilities;
- Occupational segregation - women clustered in different industries and in less senior roles;

- Career expectations – women traditionally don't have high expectations of progressing to higher levels of the organisation;
- High proportion of women working in lower paid professions.



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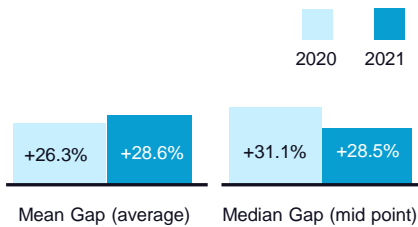


TAQA RESULTS

The method for calculating gender pay gap statistics has been outlined in detail by the UK government and the results from every organisation are published on a UK government website. Using the snapshot data, the UK government gender pay gap regulations have four key reporting requirements. These are shown below, along with TAQA's results:

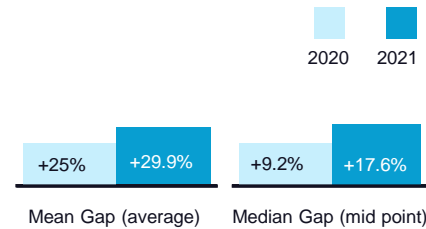
1.

The differences in mean and median average hourly rate pay between men and women;



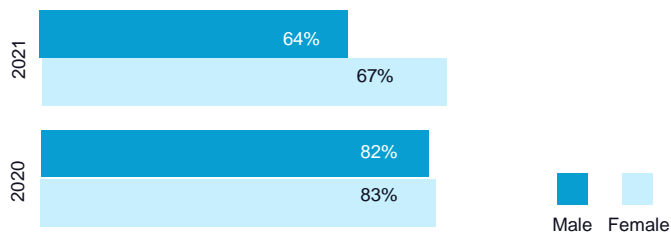
2.

The differences in mean and median bonus pay between men and women;



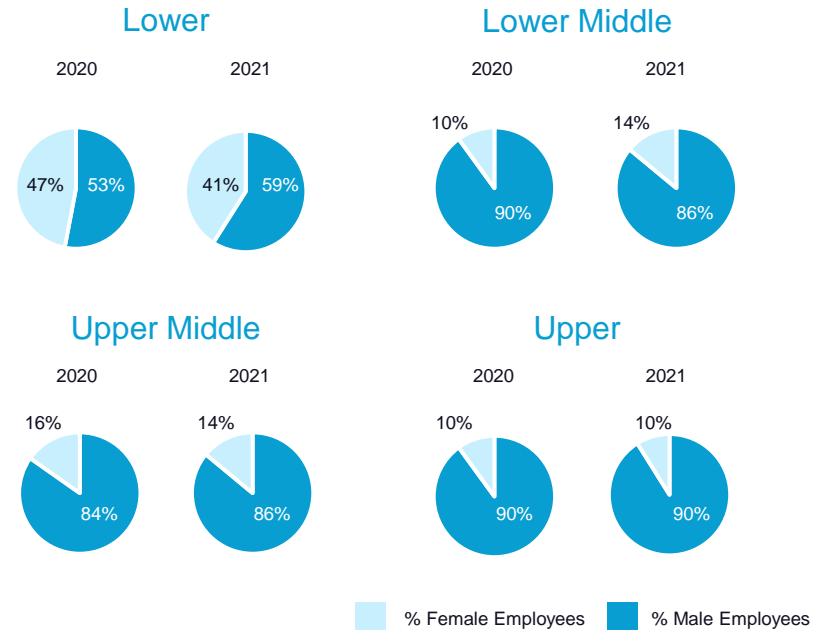
3.

The proportion of men and women receiving bonus pay in a year;



4.

The distribution of men and women between pay band quartiles, calculated using the range of average hourly pay rates.



UNDERSTANDING OUR GENDER PAY GAP

Our results show that the main reason for our gender pay gap is driven by:

- A significantly higher proportion of men than women in our workforce, particularly in the offshore population which attracts offshore allowances that are included in the calculations; 45% of TAQA's employees work offshore, with 97% of them being male.
- A higher number of men in senior professional engineering-based and management roles, primarily because of historical societal and cultural influences which have resulted in these roles traditionally attracting more males.
- Our gap is therefore a reflection of the industry and candidates available to TAQA, rather than pointing to an underlying equality issue.
- All employees at TAQA are eligible for an annual bonus payment. The difference in percentages between male and female is purely down to when new starts join the business and their eligibility for a bonus payment eg a new start from October 2019 will not be eligible for a bonus payment relating to 2019 performance which is paid in April 2020. Therefore they will not be included in the 2021 report bonus calculation as we report any bonuses paid from 6th April 2020 – 5th April 2021.
- TAQA acquired operatorship of the Brae Field in October 2020, therefore the data included in the 2021 report is inclusive of the transitioning workforce (81% male and 19% female). Almost 50% of transferred employees work offshore, with 98% of them being male.
- This, along with a larger number of males being recruited into vacant positions due to less female applicants available for selection, resulted in a 45% increase of male employees, and a 29% increase of female employees, ultimately increasing the difference in mean average hourly rate pay between men and women by 2.3%. The median average hourly rate pay reduced by 2.6% compared to last year.
- Lack of bonus data for the Brae transferring workforce for the period between 6th April 2020 – 31st September 2020 (pre-transition) appears in the data as a reduction in the overall proportion of men and women receiving bonus pay in a year.



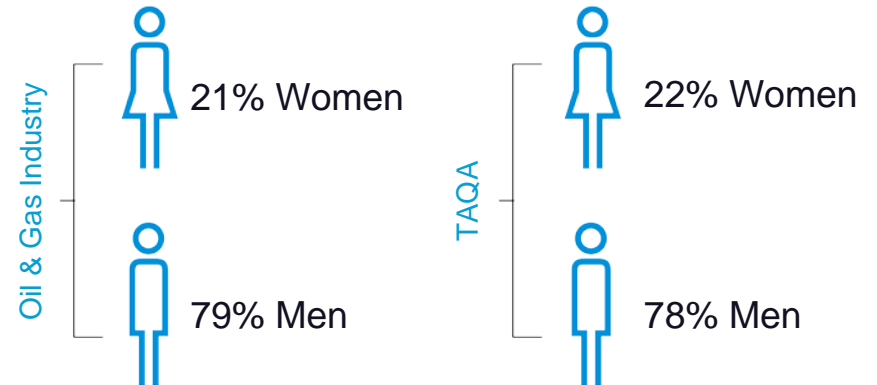
UNDESTANDING OUR GENDER PAY GAP

FACTS: According to research by the Women’s Engineering Society in 2018 - 25.4% of girls 16-18 would consider a career in engineering compared to 51.9% of boys.

In a review conducted by Engineering UK, only 23.5% of 11 to 19 year olds had heard about engineering careers from careers advisors in 2019 and among primary school pupils, boys were four times more likely to want to become an engineer than girls.

TAQA does not have an equal pay issue. Equal pay for equal work is part of the Equality Act 2010 and is to ensure that a male and female doing the same job receive the same level of pay. TAQA’s approach to compensation and benefits is gender neutral by design. We use a market leading tool for job evaluation where each job description is scored and placed in our grading structure. We continually monitor pay levels for all employees using a fair and consistent process based on market data and an individual’s experience and performance.

There is more that companies can do, and while we don’t have an equal pay issue, TAQA will continue to take steps to address its gender pay gap over time.



Source: Boston Consulting Group, Untapped Reserves: Promoting Gender Balance in Oil and Gas, July 2017

ADDRESSING OUR GAP

In order to address our gap, TAQA is focussed on a wide-range of initiatives which look to promote equality of opportunity and access to STEM subjects, through our Corporate Social Responsibility programme.

This has been made more difficult due to COVID-19. Full lockdown or restrictions in the UK & NL from March 2020 to present has meant that many CSR and commercial sponsorships events were either cancelled or postponed.

Some events were able to run virtually and TAQA continued to lend its support where possible.

Programmes continued to create long term goodwill and visibility in our communities and help achieve our business goals.

Corporate Social Responsibility – Education

We have a wide range of initiatives to educate and engage school children about our business and promote STEM subjects.

In 2021, we reached over 1,000 pupils with STEM/environmental messaging through the River Dee Trust Education Programme (held online and outdoors) and the Aberdeen Science Centre's Engineering Club.

This number will increase when the following TAQA sponsored activities are complete:

- The MacDuff Marine Aquarium launches its first Children's Sea Savers Club which has been enabled by TAQA funding.
- TechFest's STEM in the Park programme 2022 - this aims to encourage people of all ages to take part in science activities within local parks.
- The Go4SET 10-week STEM challenge – this pairs teams of 6 S2 pupils with expert mentors from science and industry.

Industry Digital Conferences

TAQA supported five industry hybrid conferences in 2021. This meant information about TAQA and the oil and gas industry was shared with around 5,800 individuals across Europe.

Society of Petroleum Engineers (SPE) Offshore Achievement Awards

TAQA is a key supporter of the SPE Offshore Achievement Awards (OAAs), which annually celebrate company successes and individual accomplishments. The Society of Petroleum Engineer's work in nurturing young people's interest in STEM subjects is key to why we continue to support the OAAs.



ADDRESSING OUR GAP

TAQA provides a number of benefits and programmes to all employees which we believe has the potential to positively impact our Gender Pay Gap and provide equality of opportunity.

Promoting a Positive Work-Life Balance

Due to COVID-19, we temporarily updated our policies and procedures to support working from home. In addition, we undertook an office move which now enables the onshore workforce to work in one building.

Flexible and Agile Working

We have a flexible working policy, available to all employees, with a high proportion of females utilising this policy when they return from maternity leave. We have also introduced agile working allowing employees to find an optimum balance between home / office working and flexibility on when and where contracted hours are worked.

Compressed Working Week

Encouraging good work life balance for everyone, which was even more prevalent during pandemic.

Shared Parental Leave

We promote shared parental leave, with partners receiving the same payment as maternity leave.

Annual Leave Purchase Scheme

Encouraging good work life balance for everyone.

Fertility Leave

TAQA recognises the emotional and physical challenges which may arise from undergoing fertility treatments and aims to support employees with the emotional and logistical challenges of undertaking fertility treatment.

Encouraging and Supporting Our Workforce

Ensuring they have the skills to progress

Leadership and Management Development

In-house leadership and management development programme ensuring all leaders within the business have the right skills, tools and support to enable them to be successful leader.

Mentoring

Our mentorship programme focuses on managing careers, improving skills, meeting individual goals and expanding employees network.

Succession Planning

Any moves are aligned with business needs and are a result of a continual review of current and future skills, capability and behavioural needs. Succession is a key component of workforce planning, providing for development of the organisation as well as personal development for individuals.

Parental Transition Scheme

Returning to the business after taking extended leave can be daunting for some. This scheme aims to support employees return to the workplace engagement to benefit the business, whilst minimising the impact of time out of the office on their delivery and career aspirations.

Menopause Plan

We aim to raise awareness of the menopause and normalise menopause discussions in the workplace to support individuals' wellbeing. The Menopause Plan supports employees who are struggling with symptoms or need help with navigating this natural change in life.

Educational Sponsorship

We recognise the value of further education in personal, career and professional development and the subsequent employee engagement, motivation and retention benefits to the organisation.

Recruitment

Refresh Recruitment Processes

We utilise the specialist market and discipline knowledge of our resourcing providers, with the aim of attracting a diverse pool of candidates. When an opportunity arises, e.g. when we have to backfill, create or redesign any role, a review will be undertaken to determine suitability for flexible working patterns.

We also refresh training and management development programmes to include unconscious bias training.

Work Across the Industry

Continuing to participate in industry working groups to establish what we can do together to to implement initiatives which promote oil and gas roles to both males and females.

Students in the Workplace

Work experience opportunities allows students to gain valuable hands-on work experience, whilst also learning about a career in the oil and gas industry. Due to COVID we have had limited options to support work experience but we are keen to keep this on the agenda for 2021 and beyond.

Careers Fairs

Attending careers fairs provides an opportunity for employees to connect with the next generation of workers and allows students to gain an understanding of the variety of roles available in the oil and gas industry.

Diversity and Inclusion

Working across the industry and organisation to understand where we can improve inclusivity and unlock the potential that diversity provides.

AXIS Pledge

We have made a commitment, with other companies operating in the Aberdeen energy sector, to encourage equal opportunities for women and men.



taqa.com