In 2017 the UK Government introduced the requirement for companies, with over 250 employees in Great Britain, to calculate and report their gender pay gap for salary and bonuses on an annual basis.

In compliance with this regulation, Tullow has calculated, for all UK permanent employees, the percentage difference in hourly pay for males and females for the month of April 2017 and the bonus paid over a 12 month period to April 2017. This shows a mean and median pay gap of 44% and 49% respectively. Women’s bonus pay was 53% (mean) and 52% (median) lower than men.

Tullow’s permanent UK workforce is 26% female with only 14% of senior technical or managerial positions filled by women. This gender imbalance is the principal reason for Tullow’s gender pay gap.

This is a different concept from equal pay, which is about men and women doing the same job for the same pay.

In terms of how we address the low representation of women going forward, we are challenged with not only a smaller female talent pool within the organisation, but lower levels of female participation (20%) in the oil and gas industry as a whole.

Nevertheless, we are committed to improving our performance and are working harder at developing female talent within Tullow.

We have already started to take action in support of our diversity goals:

- A project team has been established, concentrating on careers and employee development within Tullow;
- Our recruitment process is focused on ensuring that there is no bias and that a more diverse candidate pool is provided for the interview selection. We only contract with Executive Search companies that are committed to diversity; and
- HR policies are being reviewed to make sure that they support inclusion and diversity. Tullow continues to strive for an inclusive culture where everyone is treated fairly and equally.

Claire Hawkings
Executive Vice President
Organisation Strategy & Company Performance
GENDER PAY GAP REPORT
TULLOW GENDER PAY GAP DATA

Gender Pay Gap

The gender pay gap is a measure of the difference in the average pay and bonuses of men compared with women across an organisation. As per the regulations, this calculation is based on UK employees.

We are confident that we have equal pay for equal work. However, we do have a significant gender pay gap when we compare the overall average pay and bonuses for women and men.

This gap exists due to the unequal distribution of men and women and in particular because of the higher proportion of men in senior technical and managerial roles.

Tullow recognises a large gender imbalance exists and is taking action to address this and improve performance. We acknowledge that it will take time until a balance is found, but Tullow is committed to addressing the imbalance.

Our bonus pay figures are distorted by the bonus paid to the Executive and affected by the timing of when employees sell their vested shares. (Bonus shares are awarded and vest after 3 years. The shares are recognised as a bonus when exercised).

Reducing our gender pay gap is a KPI on Tullow’s company scorecard which determines the senior management bonus, therefore showing Tullow is taking this issue seriously.

Key Expressions

Mean and Median: The gender pay gap shows the difference between the mean (average) and the median (mid-point) pay and bonus earnings of male and female employees, expressed as a percentage of male employee’s earnings.

Proportion of males and females receiving a bonus: The proportion of male and female employees who were paid any amount of bonus pay.

Proportion of males and females in each pay quantile band: The proportion of male and female employees in four quartile hourly rate pay bands ranked from lowest hourly rate to the highest hourly rate. Each quartile band has the same number of employees.
**Equal Pay**

Tullow Oil is committed to providing equal pay for equal work, not just because it is a legal requirement but because it is the right thing to do.

During 2017 Tullow took several steps to ensure fairness and transparency in pay. We undertook a project to review all 14 employment levels in the organisation to ensure consistency of reward for roles at each level, comparing men and women’s reward at each level.

As part of preparing for the gender pay gap regulation reporting, we have significantly improved our employee data management and decision making tools used in making salary and bonus decisions. Such tools are important to ensure there is no unequal pay or unconscious bias and, when combined with job level frameworks and competency tools, provide a more robust approach to managing talent.
Tullow’s Inclusion & Diversity Plan is currently focused on nationalities and gender with the intention to broaden the scope. We recognise the value that an inclusive and diverse workforce brings to our business and how it enhances our reputation and the employee value proposition.

We aim to have a diverse employee population with a nationality mix that is representative of the countries where our assets are. In particular, we want to improve the numbers of Africans and women in senior technical and leadership roles.

We monitor and track progress against our aspirations and leading and lagging indicators were introduced in 2017 to analyse a series of categories to ensure we are managing staff development and reward.

We introduced an improved approach to ensuring the we consider a wider and diverse talent pool when recruiting. This has been challenging to implement due to the low levels of recruitment in the current environment but we are extending this practice to our internal moves and promotions. We always strive to make sure the best person will get the job.