



# Tullow Oil plc GENDER PAY GAP REPORT

MARCH 2020



# GENDER PAY GAP REPORT

## INTRODUCTION



In accordance with the Gender Pay Reporting set by the UK Government, Tullow has calculated for its UK permanent employees, the percentage difference in hourly pay for males and females for the month of April 2019 and the bonus paid over a 12-month period to April 2019. This shows a mean and median pay gap of 35% (2018: 39%) and 43% (2018: 46%) respectively. Women's mean and median bonus pay was lower than men by 44% and 46% respectively. (2018 mean and median: 48%). This shows an improvement; however, we acknowledge there is more work to be done to further reduce the gap.

Tullow's permanent UK workforce is 30% female with only 17% of senior management positions filled by women. This gender imbalance is the principal reason for Tullow's gender pay gap.

It is important to note that, this is a different concept from equal pay, which is about men and women doing the same job for the same pay (please see page 4).

Tullow remains committed to increasing and developing female talent across the organisation and in leadership positions, despite being challenged with fewer females in the oil and gas industry as a whole.

We continue to take action to support our diversity goals and have been actively working to attract more diverse candidates when recruiting new employees. This included changing the way we advertise, checking that the language used is gender neutral and developing more robust interview processes (e.g. diverse panel interviews). In addition, we have worked to ensure our interview processes avoid any potential forms of bias. Diversity targets have also been introduced, as what gets measured, gets managed.

### **Joanne Rich**

Group Head of HR

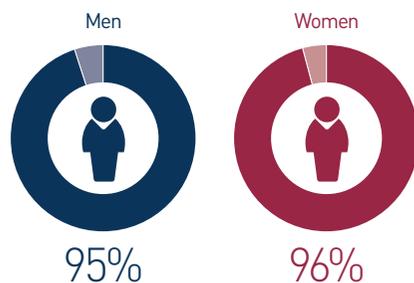
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## TULLOW GENDER PAY GAP DATA

### Tullow Oil - UK Payroll (April 2019)

#### PAY AND BONUS GAPS

	Women's hourly rate		Women's bonus pay	
	2018	2019	2018	2019
Lower (Mean)	39%	35%	48%	44%
Lower (Median)	46%	43%	48%	46%



#### PROPORTIONS RECEIVING A BONUS

#### PAY QUANTILES

	Men		Women	
	2018	2019	2018	2019
Top	90%	89%	10%	11%
Upper Middle	88%	83%	12%	17%
Lower Middle	62%	62%	38%	38%
Lower	51%	52%	49%	48%

### 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 recognise that, despite seeing a reduction in our gender pay gap when compared to 2018, we do still 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 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).

Tullow's culture and ambitions are in the right place to deliver good results in our programmes to achieve wider diversity across the company.

### 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 quartile 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.

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## EQUAL PAY

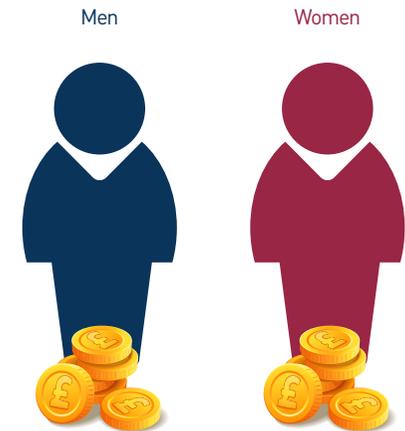


### Equal Pay

Tullow 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.

We continue to ensure fairness and transparency in pay. Annually Tullow reviews 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.

We have significantly improved our employee data management and decision-making tools which are used in formulating 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



# GENDER PAY GAP REPORT INCLUSION & DIVERSITY



Tullow's Inclusion & Diversity Plan is currently focused on nationalities and gender with the intention to broaden the scope over time. 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.

'SMART working' was introduced in 2019, which offers employees the option to be more flexible with their working hours.

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 management roles.

We are committed to improving our Inclusion and Diversity statistics and have set gender and nationality targets for 2025 and 2030. By 2030 we aim to equal male and female representation across Tullow and at senior levels.

**Tullow Oil plc**

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