

UK Gender Pay Gap reporting legislation requires Companies with 250 or more employees to publish statutory calculations each year showing the pay gap between their male and female employees.

At ConocoPhillips, we are committed to playing our part in ensuring that men and women are paid fairly for the work that they do, and to focus on eliminating barriers that prevent our people from fulfilling their potential. It is within our culture to continuously strive to promote and create a diverse and inclusive environment where opportunities for progression are available to all employees.

## Introduction

Following the restructuring of the UK business in 2019, this is the first Gender Pay Report for the new employing entity **ConocoPhillips (U.K.) Holdings Ltd**, and the information used to compile this report is based on a 'snapshot' of the workforce headcount (320 employees) and pay data as at 5<sup>th</sup> April 2020. Our overall workforce profile changed dramatically as a result of the sale of the upstream UK assets, and our population is made up of three main demographic groups: Teesside, London and our Expatriate employees.



The table above shows that our workforce gender profile is predominantly men, which is typical for the industry that we are in, especially within the Teesside facility and the Expat group, as the technical, engineering and operational roles are generally taken up by employees who come through the Engineering Degree route, which is still largely male dominated in our region.

Our results show that despite our global and domestic initiatives and the corporate drive to create a more diverse and inclusive workforce, we face the continual challenge of trying to encourage women to take up employment in our male dominated industry. Supporting the advancement of our female staff is paramount for us to have equality within our business, and we will continue with our best efforts to address regional and industry issues behind this.

### Declaration

I confirm that the information and data provided in this report is accurate and in line with mandatory requirements.



**Rosemary Dick, UK HR Manager**

## Legislative Requirements

The specific information we are required to publish needs to include:

- Mean and median gender pay gap (based on an hourly rate of pay at 5<sup>th</sup> April 2020)
- Mean and median bonus gender pay gap (considers bonus pay received in the 12 months leading up to 5<sup>th</sup> April 2020)
- Proportion of men and women receiving a bonus payment
- Proportion of men and women in each quartile pay band (looking at the data when we divide our workforce in four equal parts). The gender pay gap is expressed as a percentage of male earnings (e.g. women earn x% less than men).



**Leigh Watson, FEL Lead, Teesside Operations**

Since joining ConocoPhillips just over six years ago I have always sought out roles to progress my career, most recently being appointed as FEL Lead. I believe that I am a valued member of the Teesside team regardless of my gender. With the current focus on diversity and inclusion, I look forward to seeing more diverse people throughout our workforce – including more women in Engineering roles, which could contribute towards closing the gender pay gap.

## Gender Pay Gap v Equal Pay

A '**Gender Pay Gap**' is a measure of the difference between the average earnings of men and women, irrespective of their roles or seniority. '**Equal Pay**' is our legal obligation as an employer to give men and women equal pay for equal work.

Within our Company, we have robust pay grading structures which provides a framework to ensure we have fairness and internal equity in pay between men and women, which supports our legal obligations too.

## Our Results for 2020

Gender Pay Gap	Apr 2020
Mean	5.4%
Median	-0.4%

Bonus Pay Gap	
Mean	10.9%
Median	0.3%

% of Employees Receiving a Bonus	
Male	99%
Female	100%

## Pay Quartiles

This table shows the % of men and women in each hourly pay quartile, from the lowest paid quarter of staff (Lower) to the highest paid quarter of staff (Upper):

Pay Quartile	Male	Female	Median GPG (Hourly Pay)
Upper	88.6%	11.4%	9%
Upper Middle	88.7%	11.3%	-3.2%
Lower Middle	96.2%	3.8%	2.2%
Lower	82.5%	17.5%	8.2%

## What Does Our Data Show About Our Gender Pay Gap?

### Key Points on our data for 2020:

- Proportion of males and females in upper and upper-middle quartiles is within overall gender distribution of our workforce
- Men earn more than women in the highest and the lowest quartiles, with a proportionate spread in the two middle quartiles
- Expatriate employees are predominantly males, in higher grade specialist roles thus impacting the upper quartile
- Men receive a higher bonus
- Higher % of women in lower grade roles

It is clear from our data analysis that we have a pay and bonus gap which is primarily due to uneven gender representation across different roles, specifically within the Senior engineering and technical roles which are predominantly male dominated.

## Are There Any Action We Need To Take To Address Our Gender Pay Gap?

Within the UK, and our industry in particular which is well known to be male dominated, we continue to experience under-representation of women in STEM subjects during their education. Despite ConocoPhillips UK's participation in a range of campaigns and activities to support and encourage young women to take up these subjects, take up remains low and continues to impact our recruitment of women into our workforce.

Our Company has excellent career and development support programmes in place which includes individual development plans, further education and professional development, career maps, and mentorship schemes. We will continue to actively encourage Supervisors and Leaders to engage with their employees through our company performance review process to identify any development opportunities that would support all employees with their career progression.

## Further Analysis

We further analysed the UK data (see the tables below), removing employees on expatriate assignment (UK payroll employees working overseas) out of the calculations to see how this data impacted the overall statistics. This resulted in a positive result in both the upper and upper middle quartiles with a 'negative' pay gap showing women on average earn more, with a significant difference in the average bonus, also with a positive result. It is worth noting that the data includes all bonuses paid in the 12 months to the snap-shot date, which may include ad-hoc or one-off spot bonus payments.

This shows that overall, where we do have women employed in the higher-grade roles employed and resident in the UK, those in higher grades are relatively strong performers, and that is reflected in the pay and the bonuses they receive.

Gender Pay Gap	Apr 2020
Mean	-2.0%
Median	10.4%

Bonus Pay Gap	
Mean	-25.8%
Median	4.7%

% of Employees Receiving a Bonus	
Male	99%
Female	100%

Pay Quartile	Male	Female	Median GPG (Hourly Pay)
Upper	87.9%	12.1%	-10.1%
Upper Middle	92.4%	7.6%	-3.2%
Lower Middle	97%	3%	2.1%
Lower	78.8%	21.2%	6.9%



**Paul Robinson,**  
Human  
Performance  
Lead,  
Teesside  
Operations

Spanning 35 years with the company, I have had a number of development opportunities enabling me to have a rewarding career. Over this time, I have both seen and been involved in a number of positive changes in support of creating equal opportunities and ensuring fair treatment. This is further enhanced across the organisation as we continue to develop our understanding around diversity and inclusion and psychological safety. The company values an inclusive workplace, fostering an environment for the business to thrive and draw on a wide range of ideas from a workforce of different skills, experiences, resources, talents who can come together and achieve success.