

Schlumberger UK Gender Pay Gap Report 2018



Schlumberger

Introduction

What is our gender pay gap?

Analysing the gap

Gender pay gap by UK legal entity



Gender Diversity

Globally, as of 31 December, 2018 women comprised **16.2%** of the Schlumberger workforce:



16.7% women reporting to the Chairman and CEO

13.3% women in top management positions

18.8% women in management positions

20.0% women in junior management positions

Gender Pay Gap versus Equal Pay

The gender pay gap measures the difference in average hourly earnings between women and men in an organization, regardless of their roles. It gives an indication of the positions women hold in the company.

It is not the same as equal pay, which is the legal requirement to pay men and women the same salary for performing comparable jobs.

Schlumberger takes equal pay very seriously and employs dedicated compensation teams to ensure that salaries for all employees are fair and consistent.

Schlumberger is the world’s leading provider of technology for reservoir characterization, drilling, production, and processing to the oil and gas industry. We work in more than 85 countries and employ approximately 100,000 people representing more than 140 nationalities.

In our UK population, the gender pay gap we had in 2017 continued in 2018, and for the same reasons: there are more men than women in the company, particularly at senior levels and in highly remunerated field roles. Our inaugural 2017 UK Pay Gap Report showed that our pay gap was comparatively low compared to many in the O&G industry, but it is still not what we’d like it to be.

In 2018, our UK mean pay gap decreased slightly from 2017 but our median pay gap had a small increase, and we are committed to addressing this.

There are encouraging developments. In our European HQ based in Aberdeen, women held three of the four top management positions at the end of 2018. This has massive benefits for the organisation as well as providing excellent role models for young female engineers and technical experts both in the UK and the company worldwide.

Recruiting remains a focus area. In 2018, Schlumberger had a recruitment target of 40% women in engineering and petrotechnical expert (PTE) roles worldwide. We met that goal for the second year in a row – and exceeded it in the UK with 44% of recruits being women. We also rely on a global talent pipeline being available, but we are aware that STEM subjects are still less attractive to school-age girls than they are to boys.

However, recruiting women alone is not enough to address the causes of gender imbalance across the organisation. We also must ensure that women are positioned for opportunities to reach top levels in the company. Another focus area is greater flexibility in the way we work. The nature of many operational roles can limit the scope for flexibility, but we will make changes wherever possible. A relevant UK initiative is already underway, encouraging managers and employees to consider flexibility in how roles are performed.

In 2011, Schlumberger set an ambitious goal to have women comprise 25% of our population at all levels by 2020. We will achieve that in some parts of the company by next year, but there remains work to be done to achieve it across the board.

Actions that we take now will help us see positive changes in the longer term to realize greater gender balance. There are no quick fixes but we remain confident that the company, and the industry as a whole, can achieve these aims.



Patrick Schorn
Executive Vice President - Wells
March 2019



As of 5 April, 2018

- The mean gender pay gap for all consolidated Schlumberger entities in the UK was **18.4%**, and the median was **16.6%**.
- The mean gender bonus gap was **39.1%** with a median of **54.5%**.

These numbers exclude employees in Northern Ireland.

The table on **page 7** shows the gender pay gap data for our five largest legal entities. Four of these employed more than 250 employees as of 5 April 2018. WesternGeco Limited employed 245 and is published here to maintain consistency with 2017. It will not be included in future reports unless its relevant headcount increases to more than 250.

Schlumberger continues to monitor equality in compensation for men and women at all levels of the organisation globally, with the goal of maintaining equity.

Mean versus Median

Mean is the 'average', derived from the sum of the numbers divided by the quantity of numbers.

Median is the 'middle' number in the sequence of numbers, listed from lowest to highest.

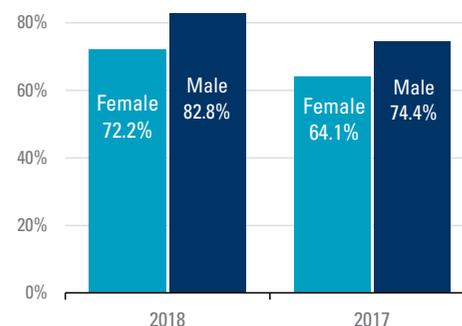
Overall Schlumberger UK results. The combined numbers of the 10 legal entities of Schlumberger UK provide a consolidated view of the gender pay gap.

Difference between men and women	2018		2017	
	Mean	Median	Mean	Median
Gender Pay Gap*	18.4%	16.6%	19.8%	14.0%
Gender Bonus Gap*	39.1%	54.5%	44.9%	56.0%

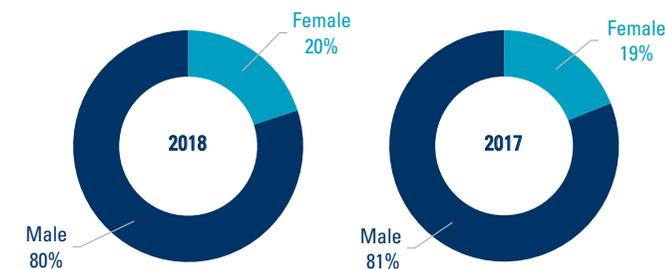
*Women lower than men

Proportion of employees in pay quartiles	Female	Male	Female	Male
Quartile D (highest)	12.5%	87.5%	12.5%	87.5%
Quartile C	17.5%	82.5%	17.7%	82.3%
Quartile B	18.1%	81.9%	16.0%	84.0%
Quartile A (lowest)	28.3%	71.7%	28.4%	71.6%

Proportion of employees who received a bonus



Composition of female vs male



Total UK headcount **4,134**



Why is there a gap?

The oil and gas industry continues to attract more men than women. Decades of male dominance in the industry have led to a disproportionate number of male executives and senior managers. This will change but it will take time.

The Schlumberger UK population as of April 2018 comprised 20% women – roughly the same as 2017. However, only 12.5% of employees in the top pay quartile were female, which means the distribution of women across the workforce is skewed away from the most senior positions, and this has a large impact on the pay gap.

How do we recruit women into the company?

In Schlumberger we recruit where we work and target the best students from the best universities worldwide. **Once again, in 2018 our global recruiting target was 40% women in engineering and petrotechnical roles. We exceeded that goal in the UK with 44% of recruits being women.**

To achieve our recruiting targets, we rely on there being a sizeable pool of female graduates with degrees in subjects relevant for the O&G industry. Despite a small increase in the number of girls studying STEM subjects at A-level, **only 22%** of 2018 A-level physics students were female.

This raises serious concerns regarding the future pipeline of girls and women studying relevant subjects at school and university.

We continue to offer one to two scholarships each year for women studying for a bachelor’s or master’s degree in engineering or science at Heriot Watt University, providing financial assistance and a summer internship. We currently also have two sponsorships for female mechanical engineers at the University of Bath, which include a 12-month internship at a Technology Centre.

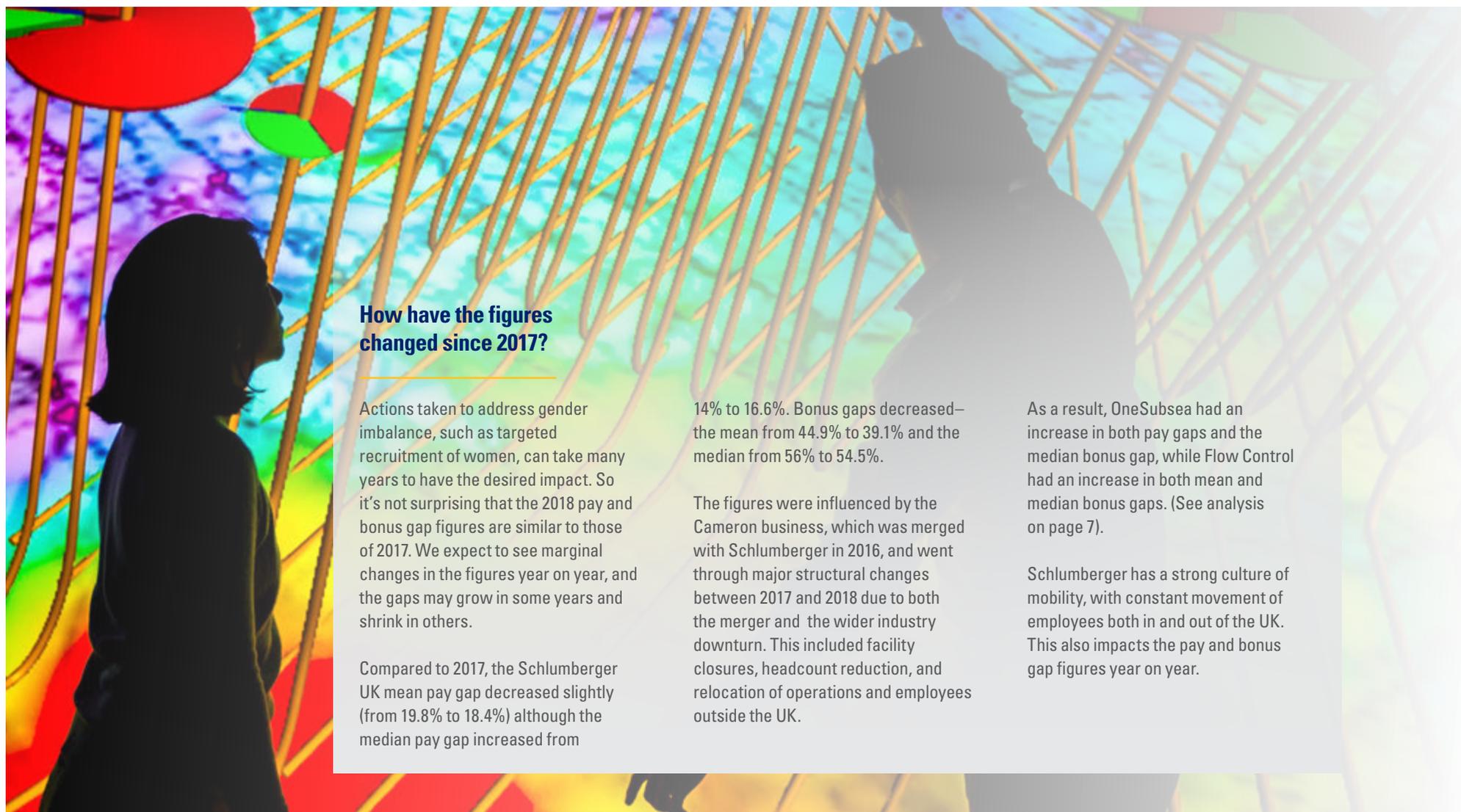
How does workforce composition affect the pay gap?

Recruiting women ensures that top female talent enters the company, but it will be some years before these graduates reach senior management levels. Today, we have several Schlumberger headquarters in the UK, where most of the senior positions are held by men.

These global executive positions attract commensurate levels of pay and bonus, including stock awards, and have a large impact on both the pay and bonus gaps. Encouragingly, women hold three of the four top management positions in our Europe operations HQ in Aberdeen.

Field-based positions continue to be filled mainly by men. **In 2018, 5.4% of the field roles in Schlumberger, including field service roles in Cameron, were held by women. The number is 8.2%** when we consider just operational offshore roles within the legacy Schlumberger businesses, excluding Cameron.

These positions attract high levels of variable pay, which is included in both the pay and bonus calculations and greatly affects the figures.



How have the figures changed since 2017?

Actions taken to address gender imbalance, such as targeted recruitment of women, can take many years to have the desired impact. So it's not surprising that the 2018 pay and bonus gap figures are similar to those of 2017. We expect to see marginal changes in the figures year on year, and the gaps may grow in some years and shrink in others.

Compared to 2017, the Schlumberger UK mean pay gap decreased slightly (from 19.8% to 18.4%) although the median pay gap increased from

14% to 16.6%. Bonus gaps decreased—the mean from 44.9% to 39.1% and the median from 56% to 54.5%.

The figures were influenced by the Cameron business, which was merged with Schlumberger in 2016, and went through major structural changes between 2017 and 2018 due to both the merger and the wider industry downturn. This included facility closures, headcount reduction, and relocation of operations and employees outside the UK.

As a result, OneSubsea had an increase in both pay gaps and the median bonus gap, while Flow Control had an increase in both mean and median bonus gaps. (See analysis on page 7).

Schlumberger has a strong culture of mobility, with constant movement of employees both in and out of the UK. This also impacts the pay and bonus gap figures year on year.

What actions have we taken so far and what do we plan to do?

In April 2018 we rolled out Schlumberger’s existing generous Family Friendly policy to Cameron employees in the UK, harmonising their entitlements with the legacy Schlumberger population. The benefits offered include an attractive bonus to encourage employees to return to the workforce after maternity or adoption leave.

In early 2019, Schlumberger will expand the policy to align shared parental pay with the existing enhanced maternity pay. We hope that enhancing the rates of pay for mothers and fathers who choose to take shared parental leave will encourage childcare responsibilities to be shared more evenly between working parents.

Research shows that a contributory factor to the gender pay gap is the role of women as the primary carer. Enhancing shared parental pay will incentivise both parents to take time off and is part of our long-term strategy to help reduce the gender pay gap.



Senior managers have annual objectives to promote women into all levels of line management, and we continue to monitor the progression of top female talent. It is critical that women are given the chance to gain the experience needed to reach top-level management roles.

To focus on gender balance in the Sales and Commercial function, we will launch a mentoring programme in 2019, following a successful pilot last year. Although not exclusively for women, one of the aims is to encourage female participation in the S&C professional recognition programme.

Schlumberger is also a founder member of the Permits Foundation –an independent, not-for-profit organisation campaigning globally to improve work permit regulations for partners of mobile employees.

In 2019, we have already launched an enhanced flexible working policy across the UK to encourage both formal and informal flexible working practices. Although some locations already had well-established practices in place, such as part-time and remote working and compressed hours, this was not consistent across all locations.

Workshops for managers were held in 2018, and in 2019 we will raise awareness, encourage dialogue, and make flexibility more available and acceptable for the UK population. We hope that these opportunities will be embraced by both men and women.



International mobility is extremely important for the career development of our employees, particularly to provide women with the experience needed to prepare them for top levels in the company.



Connect Women, the Schlumberger global internal inclusion network, held networking and development sessions in 2018 and these are continuing in 2019. Workshops also are held to guide technical employees through the process of achieving recognition in Schlumberger’s internal technical career ladder.

A Women in Leadership workshop was held in London in May 2018, bringing together a cross-section of high-potential women from across the UK to participate in round tables with senior management, and discuss topics such as female leadership and role models.

Schlumberger also sponsored the Society of Petroleum Engineers ‘Women in Energy Seminar’ in 2018 and participated in a panel discussion on “Unconscious Bias”.

	Schlumberger Oilfield UK PLC		M-I Drilling Fluids UK Ltd		WesternGeco Ltd		Cameron Flow Control Technology (UK) Ltd		OneSubsea UK Ltd	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Gender Pay Gap*	17.4%	16.7%	25.4%	31.7%	22.3%	17.3%	37.1%	35.0%	37.9%	26.4%
Gender Bonus Gap*	40.8%	46.1%	52.9%	62.3%	45.5%	23.0%	60.0%	75.8%	57.4%	67.9%
Proportion of employees in pay quartiles										
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Quartile D (highest)	15.2%	84.8%	3.5%	96.5%	16.7%	83.3%	5.2%	94.8%	4.2%	95.8%
Quartile C	19.6%	80.4%	12.8%	87.2%	31.7%	68.3%	3.1%	96.9%	8.5%	91.5%
Quartile B	23.2%	76.8%	15.1%	84.9%	40.0%	60.0%	17.3%	82.7%	8.9%	91.1%
Quartile A (lowest)	29.1%	70.9%	19.8%	80.2%	48.3%	51.7%	30.9%	69.1%	28.6%	71.4%
Proportion of employees who received a bonus										
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
	89.1%	93.2%	42.6%	67.7%	95.3%	95.6%	31.0%	79.1%	26.8%	71.6%
Total headcount (M+F)	1,991		347		245		393		859	
Proportion female	22%		14%		35%		15%		13%	

*Women lower than men

2018 Schlumberger UK Gender Pay Gap Report

Accuracy of the data

We confirm that the data in this statement is accurate and that calculations have been done in accordance with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 and the ACAS Managing Gender Pay Reporting Guidance.

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