



2018  
**Report**

**Apache North Sea  
Production Limited**

*pursuant to*  
**Equality Act 2010  
(Gender Pay Information)  
Regulations 2017**



## About Apache

Apache North Sea Production Limited (Apache North Sea) is an indirect wholly owned subsidiary of Apache Corporation, an oil and gas exploration and production company with operations in the United States, Egypt and the United Kingdom. Apache entered the North Sea in 2003 after acquiring an approximate 97 percent working interest in the Forties Field. Since then, Apache has invested more than USD\$13.2 billion in the North Sea, inclusive of capital and operating expenditures. Apache North Sea plays a strategic role in Apache's portfolio by providing competitive investment opportunities and potential reserve upside with high-impact exploration potential.

Our employees represent a dynamic diversity of races, religions and cultures, reflecting the communities in which we operate. The company's diverse workforce provides us with a competitive advantage by ensuring we have a full range of ideas, viewpoints and approaches to solving business challenges.



# Apache North Sea

At Apache North Sea, we believe in investing in our greatest asset: our people. We expect top performance and innovation and foster a culture where the best answers win. We believe in creating an organization with exciting and challenging career paths available equally to all of our employees. We provide equal pay for equal work, with a pay for performance compensation philosophy that is fair and achievement oriented. We offer premier family-friendly benefits, and all of our employees are eligible to apply for flexible working arrangements designed to encourage employees with caring responsibilities to remain in the workplace.



## New Gender Pay Gap Legislation

### How does it differ from Equal Pay for Equal Work?

Under current legislation, Apache North Sea, along with all other UK employers with 250+ employees, must publish gender pay gap figures. Gender pay gap reporting shows the difference between the average male's hourly pay against average female's hourly pay in an organisation. The regulations also require employers to establish whether there is a difference between the average bonuses paid to the genders and looks at the distribution of the genders over the pay quartiles.

It is vital to note the distinction between gender pay gap reporting and equal pay issues. Equal pay legislation has been in place since 1970, and employers are required to provide the same rewards to male and female workers for equal work or work of equal value. Analysis has been undertaken to confirm that Apache North Sea continues to ensure we comply with this legislation.

***Apache North Sea provides equal pay for equal work and would do so regardless of any legislative requirement.***

# Demographics

## North Sea oil and gas industry demographics

In the North Sea and global oil and gas industry:

- ▶ The workforce is predominantly male.
- ▶ There is a prevalence of males in the technical roles that typically attract relatively higher rewards. Females make up 24 percent of the UK science, technology, engineering and mathematics (STEM) workforce, but hold only 14 percent of the STEM roles in the mining, energy, water, electricity, gas and air supply group of industries. And because many senior management positions relate to the STEM disciplines, the proportion of males in senior management positions is higher than females.
- ▶ The offshore workforce, which is heavily male dominated, attracts additional premiums and allowances compared with onshore based work due to the nature of the work, including the extended periods of time away from home and family.
- ▶ A greater proportion of females perform support roles than the higher compensated STEM and offshore jobs.
- ▶ Females also hold the majority of part-time positions, impacting on the gap between the genders in average bonuses which are typically based on a percentage of earnings.



## Apache North Sea Gender Pay

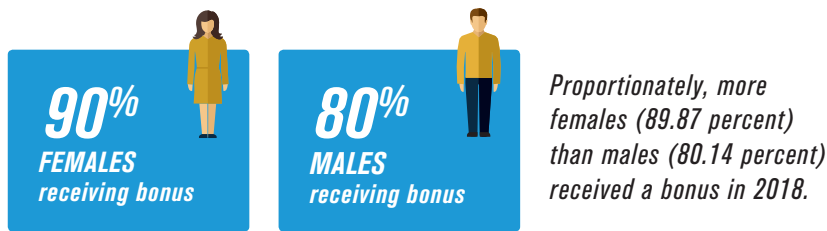
With respect to the Gender Pay Gap Legislation, in 2018 Apache North Sea closed the mean gender pay gap by 12.30 percent relative to 2017, and reports overall improvement in respect of all metrics as shown in the following table:

### APACHE NORTH SEA GENDER PAY GAP REPORT 2018 vs 2017

	2018	2017
Mean Gender Pay Gap	34.37%	39.19%
Median Gender Pay Gap	38.72%	39.19%
Females Receiving Bonus	89.87%	91.14%
Males Receiving Bonus	80.14%	89.46%
Mean Bonus Gender Pay Gap	27.81%	28.79%
Median Bonus Gender Pay Gap	7.95%	24.20%

In 2018, proportionately females accounted for 43 percent of the lower pay quartile, six percent of the middle pay quartile, three percent of the upper middle pay quartile and five percent of the upper pay quartile.

## APACHE NORTH SEA GENDER PAY GAP RESULTS AS OF 5TH APRIL 2018



The data is comprised of base salary, regular allowances and shift premium payments, while overtime payments are excluded from the calculations as per the regulations. Pay is calculated on an hourly basis as the regulations take account of the fact that more men than women work full time. Bonus pay is comprised of 2018 paid incentive compensation bonus, plus any ad-hoc bonus payments and the gross value of equity vested over the 12 month period to 5th April 2018.



## Understanding the Gap

Within Apache, we recognise that along with most of our industry peers, a gender pay gap exists as defined in current legislation. There are a number of trends, both apparent at the local level and globally, within the oil and gas industry which contribute to the gap:

- ▶ A predominantly male workforce;
- ▶ The prevalence of males in technical professions which typically attract high rewards;
- ▶ The majority of females performing support roles which are less highly rewarded than technical jobs;
- ▶ The proportion of males in senior management positions is higher than females;
- ▶ Females hold the majority of part time positions, impacting on the gap between the genders in average bonuses, which are typically based on a percentage of earnings;
- ▶ The prevalence of males in offshore roles, which attract additional premiums and allowances compared with onshore based work.

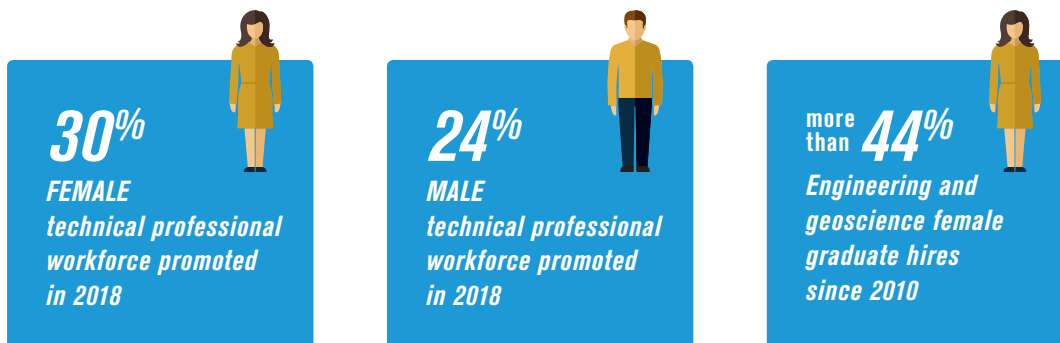
## Bridging the Gap

In 2019, Apache Corporation will continue to promote its strategic goal of recognising the value of a diverse and inclusive work environment and will strategically build on the progress made in the science, technology, engineering and math disciplines. The Apache Global Community initiative has been launched to advance this strategic objective which we hope will positively impact the advancement of women as well as diversity and inclusion in our corporation.

Going forward, Apache North Sea will continue to employ our philosophy of rewarding high performance and hiring the best candidate for the role irrespective of their gender. We aim to attract more female talent into the oil and gas industry and particularly to STEM roles by continuing to participate in opportunities to promote exciting and challenging careers to students. We do this through outreach programmes, partnerships with local council work experience coordinators, and offering meaningful internships providing developmental experiences.

Over the past ten years, Apache North Sea has provided financial support to TechFest, an innovative charity which provides quality STEM events and promotion to young people and the wider community throughout Scotland. The support provided by Apache has enabled TechFest's annual STEM festival to include an early years and primary age outreach programme.

Apache North Sea is also committed to continuing to provide flexible working patterns, where possible, in order for employees to balance their careers and caring responsibilities. This is demonstrated by the 81 percent of female staff who have had maternity leave since 2011 and have returned to work thereafter.



Females have accounted for 44.44 percent of Apache North Sea's engineering and geoscience graduate hires in the North Sea region since 2010. This contrasts with the fact that only 15.1 percent of engineering undergraduates in the UK in 2017 were female<sup>1</sup>. Apache North Sea is committed to promoting talented females in technical positions and in the past 12 months, 30 percent of the female technical professional workforce were promoted compared with 23.61 percent of males. Breezi Province was recently promoted to vice president, North Sea Region Exploitation (Resource Development) as one of three officers on our leadership team in Aberdeen, joining Mark Hobbs, newly promoted to vice president, North Sea Region Operations. Both report to Jon Graham, region vice president and managing director, Apache North Sea.

<sup>1</sup>Women's Engineering Society Statistics document, January 2018

## Declaration

Apache North Sea is an exciting and rewarding place to work, with premier opportunities, compensation and benefits. We provide equal pay for equal work and, as we have shown, we are determined to continue to advance women in the oil and gas industry through STEM careers, promotion to leadership roles and flexible working arrangements.

***We confirm that the Apache North Sea gender pay gap calculations are accurate and meet the requirements of the regulations.***



**JON GRAHAM**

*Managing Director  
Apache North Sea Production Limited*

A handwritten signature in black ink that reads "Jon Graham".



**KAREN WILLIAMSON**

*Senior Manager Human Resources  
Apache North Sea Production Limited*

A handwritten signature in black ink that reads "K Williamson".

