

**SAIPEM LTD**  
**GENDER PAY GAP REPORT**  
**2017**

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## GENDER PAY GAP REPORT 2017

Saipem Ltd is required by law to publish an annual gender pay gap report.

This is its report for the snapshot date of April 5, 2017.

- The mean gender pay gap for Saipem Ltd is 38%.
- The median gender pay gap for Saipem Ltd is 42%.
- The mean gender bonus gap for Saipem Ltd is 83%.
- The median gender bonus gap for Saipem Ltd is 6%.
- The proportion of male employees in Saipem Ltd receiving a bonus is 7% and the proportion of female employees receiving a bonus is 5%.

The figures set out above have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

### What are the underlying causes of Saipem Ltd gender pay gap?

Saipem Ltd is confident that its gender pay gap does not stem from paying men and women differently for the same or equivalent work. Rather its gender pay gap is the result of the roles in which men and women work within the organisation and the salaries that these roles attract and the industry that Saipem Ltd works within. According to the World Economic Forum, the participation of women in the Oil & Gas industry remains at below 20% and only 3.6% in the Offshore sector. Ernst & Young reported that only 11% of global Oil & Gas senior executives are women.

Saipem Ltd is committed to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. It has a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or any other characteristic set out above). As such, it:

- carries out pay and benefits audits at regular intervals; and
- evaluates job roles and pay grades as necessary to ensure a fair structure.

Across the UK economy as a whole, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations), while women are more likely than men to be in front-line roles at the lower end of the organisation. In addition, men are more likely to be in technical roles, which attract higher rates of pay than other roles at similar levels of seniority. Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid. This pattern from the UK economy as a whole is reflected in the make-up of Saipem Ltd's workforce.

This can be seen in the table below depicting pay quartiles by gender. This shows Saipem Ltd's workforce divided into four equal-sized groups based on hourly pay rates, with Band A including the lowest-paid 25% of employees (the lower quartile) and Band D covering the highest-paid 25% (the upper quartile). In order for there to be no gender pay gap, there would need to be an equal ratio of men to women in each Band. However, within Saipem Ltd, only 19% of employees are women.

Pay quartiles by gender			
Band	Males	Females	Description
A	60%	40%	Includes all employees whose standard hourly rate places them at or below the lower quartile.
B	85%	15%	Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median.
C	93%	7%	Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile.
D	98%	2%	Includes all employees whose standard hourly rate places them above the upper quartile.

### What is Saipem Ltd doing to address its gender pay gap?

While Saipem Ltd's gender pay gap is comparable with that of similar organisations within the Oil & Gas sector, this is not a subject about which Saipem Ltd is complacent, and it is committed to doing everything that it can to reduce the gap.

At the beginning of 2017, the World Economic Forum published a Call to Action for the Oil & Gas industry to come together and work toward closing the gender pay gap. CEO's from 22 global Oil

& Gas companies including those from our current clients and ultimate shareholder agreed to take action. To support this, Saipem Ltd has joined the government website Think. Act. Report, pledging its commitment to gender equality at work, particularly in relation to recruitment, retention, promotion and pay. This must be the long term objective for the industry as a whole. In conjunction with the Women and Equalities Minister announcing the commitment to encourage thousands of more girls to study STEM (science, technology, engineering and maths) subjects at schools, Saipem Ltd has presented and assisted with careers days at local schools including the all-girls grammar school. In 2018, Saipem Ltd hopes to expand this to other girls schools and to offer advice and work experience to those interested in expanding their knowledge of the industry. However, Saipem Ltd also recognises that its scope to act is limited in some areas – it has, for example, no direct control over the subjects that individuals choose to study or the career choices that they make. Whilst neither of these solutions are going to offer an immediate impact, Saipem Ltd is dedicated to reducing its gender pay gap and developing its existing and future workforce.

I, Paolo Formica, Managing Director of Saipem Ltd, confirm that the information in this statement is accurate.

Date 4/4/2018



Signature



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