



**2017**  
**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\$12 billion in the North Sea.

In 2011, Apache acquired Mobil North Sea Limited, providing the region with additional exploration and development opportunities across numerous fields, including operated interests in the Beryl, Nevis, Nevis South, Skene and Buckland fields, and nonoperated interests in the Maclure field. 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. This 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

Apache North Sea invests in our greatest asset, our people, by providing exciting and challenging careers and premier compensation and benefits. As a team of teams, we expect top performance and innovation and seek relentless improvement in all facets. We provide equal pay for equal work, with a pay for performance compensation philosophy that is fair and achievement oriented. All of our employees are eligible to apply for flexible working arrangements designed to encourage employees with caring responsibilities to remain in the workplace.

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

# New Gender Pay Gap Legislation

All UK employers with 250+ employees must publish gender pay gap figures under new legislation. For purposes of the new legislation, a *gender pay gap* is the difference between the average male's hourly pay against the average female's hourly pay in an organisation without reference to role, post or responsibilities. In other words, to determine gender pay gap, all jobs are rolled up in the aggregate so that male and female average hourly pay can be calculated in the aggregate.

In the UK oil and gas industry and in numerous other industries and organisations, a gender pay gap exists as defined in the new legislation. The UK government has committed to reducing the gender pay gap within a generation as it estimates that bridging the gap will add £150 billion to the UK economy by 2025. The government has compelled employers to play a part in achieving this in the belief that bridging the gender pay gap at the workplace level will help to narrow the overall gap at the national level.

The new legislation also requires employers to establish whether there is a difference between the average bonuses paid to males and females as well as distribution over pay quartiles by gender.



## Gender Pay Gap *versus* Equal Pay for Equal Work

Gender pay gap under the new legislation is quite different from the concept of equal pay for equal work. Equal pay legislation has been in place since 1970, requiring employers to provide the same rewards to male and female workers for equal work (or work of equal value). A gender pay gap under the new legislation does not imply an equal pay problem under the 1970s legislation.

Apache North Sea provides equal pay for equal work and would do so regardless of any legislative requirement. The company is committed to ensuring equal pay for equal work.

# 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 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.

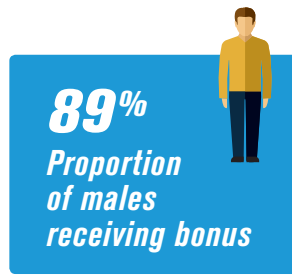
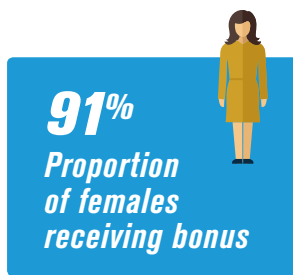


## Apache North Sea demographics

On the snapshot date of 5 April 2017, Apache North Sea's workforce of relevant employees consisted of 587 full-time employees, with 40 percent working onshore and 60 percent working offshore. With respect to gender representation in 2017, females accounted for:

- ▶ 12 percent of the total workforce, including 29 percent of the onshore workforce and less than 1 percent of the offshore workforce
- ▶ 15 percent of the technical professional roles, which exceeds the female representation in the industry's STEM workforce at large (14 percent female)
- ▶ 55 percent of the professional support roles
- ▶ 14 percent of the leadership posts, although female representation in senior leadership posts has increased to 21 percent since the start of 2018





*Proportionately, more females (91.14 percent) than males (89.46 percent) received a bonus in 2017.*



## Apache North Sea gender pay

With respect to *gender pay gap* as defined in the new legislation, for Apache North Sea as of 5 April 2017:

The gender pay gap data is comprised of base salary, regular allowances and shift premium payments. 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 2017 paid incentive compensation bonus, plus any ad hoc bonus payments and the gross value of equity vested over the 12 month period to 5 April 2017.

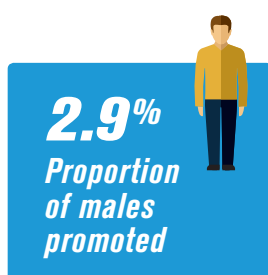
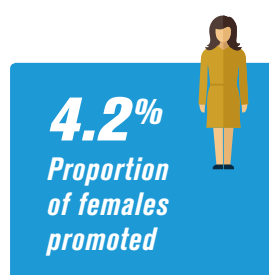
The mean bonus gender pay gap is 28.79 percent, and the median bonus gender pay gap is 24.20 percent. The mean gender pay gap is 37.73 percent, and the median gender pay gap is 39.19 percent. Proportionately, females accounted for 37.59 percent of the lower pay quartile, 4.76 percent of the lower middle pay quartile, 2.74 percent of the upper middle pay quartile and 3.40 percent of the upper pay quartile.



## Bridging the Gap

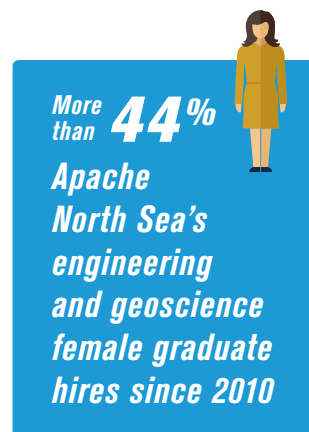
While Apache North Sea will continue to provide equal pay for equal work, we are undertaking a variety of initiatives to do our part in bridging the gender pay gap in the UK as defined in the new legislation.

- ▶ Females have accounted for more than 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 percent of engineering undergraduates in the UK in 2017 were female.
- ▶ Apache North Sea is committed to promoting talented females in technical positions. In the past 12 months, 4.2 percent of the female workforce were promoted compared with 2.9 percent of males.



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- ▶ We are doing our part to influence the choices made by young people which will shape their future STEM careers. We continue to participate in opportunities to promote exciting and challenging STEM careers to school pupils and students through outreach programmes, partnerships with local council Work Experience Coordinators and offering meaningful internships providing developmental experiences. For example, over the past nine 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 North Sea has enabled TechFest's annual STEM festival to include an early years and primary age outreach programme.
- ▶ We are encouraging women to remain in the workplace through family friendly HR policies and practices. Apache North Sea is committed to continuing to provide flexible working patterns, when possible, in order for employees to balance their careers and caring responsibilities. These efforts have been successful, as more than 77 percent of female staff who have had maternity leave since 2011 have returned to work thereafter.
- ▶ Since the start of 2018, two additional female managers have been appointed to the senior leadership team, which demonstrates the equality of opportunity for the best candidates.



## Declaration

Apache North Sea is an exciting and challenging place to work, with premier 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, appearing to read 'Jon Graham'.



**KAREN WILLIAMSON**  
*Senior Manager Human Resources*  
*Apache North Sea Production Limited*

A handwritten signature in black ink, appearing to read 'K Williamson'.

