



Gender Pay Gap Report 2024

McDermott Energy Solutions (UK) Limited

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Introducing our Gender Pay Gap Report 2024

This report presents details on Gender Pay Gap Reporting for McDermott Energy Solutions (UK) Limited for year 2024.

Employers with a workforce of over 250 individuals are required to annually disclose their gender pay gap information on the Government's Gender Pay Gap Service and our official website. The report aims to demonstrate the variation in mean earnings between men and women, relative to the earnings of men. It is important to note that this disparity does not necessarily indicate that women are being paid less for the same work, but rather that men tend to hold higher-paying positions on average.

This year, McDermott Energy Solutions (UK) have a workforce of slightly less than 250 employees and as such there is no statutory requirement for us to disclose our gender pay gap. However, in the spirit of transparency we believe that it is important to share our progress with our employees and peers and to continue to disclose our gender pay gap information. As previous years, we will provide a comprehensive analysis to clarify the factors contributing to our gender pay gap and the actions being taken to address it. This exercise enables us to monitor our progress compared to previous years and our peers.

Our 2024 gender pay gap report shows that we have seen a slight increase in both mean and median pay gap. We have made reassuring progress with a 62% reduction in our median gender pay gap and a 38% in our mean gender pay gap since our initial report in 2017. Our journey continues as we understand that narrowing the gender pay gap will require considerable effort, and progress may not always be linear.

We have now released our latest report based on data collected in April 2024.

Our 2023 Results for the 12 months ending 5th April 2024

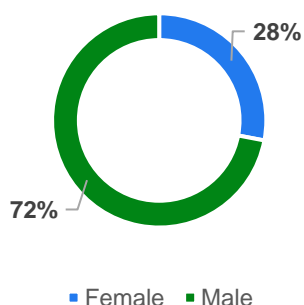
Statutory reporting: McDermott Energy Solutions (UK) Limited pay data for 2024

Measure	%						
	2017	2018	2020	2021	2022	2023	2024
Mean Gender Pay Gap	33.8	32.1	28.3	25.8	20.4	16.1	20.7
Median Gender Pay Gap	38.8	40.6	20.8	28.0	16.9	11.6	14.7
% of women in each pay quarter							
	2017	2018	2020	2021	2022	2023	2024
Lower hourly paid quarter	42.9	54.9	50.0	50.0	46.9	42.6	45.9
Lower middle hourly paid quarter	27.2	21.6	24.2	30.2	18.8	22.2	21.3
Upper middle hourly paid quarter	8.6	9.8	20.9	22.2	27.1	24.1	24.6
Upper hourly paid quarter	7.3	9.8	11.9	14.8	26.4	26.4	28.0
Who received a bonus?							
	2017	2018	2020	2021	2022	2023	2024
Female	20.0	15.9	24.3	7.9	15.7	29.8	16.2
Male	32.4	19.4	34.9	16.3	19.7	32.7	21.7
Mean Gender Bonus Gap	75.1	73.2	80.2	1.2	48.8	34.9	17.5
Median Gender Bonus Gap	53.6	79.1	70.9	-66.7	13.5	88.1	-41.1

What our results show

McDermott Energy Solutions (UK)'s gender pay gap data was collected on the snapshot date of 5 April 2024. At this time, there were 243 people within our workforce: 68 (28%) women and 175 (72%) men. Since our last report, covering 2023 data, we have improved our gender split from 26.4% female representation to 28% female representation.

Overall Gender split



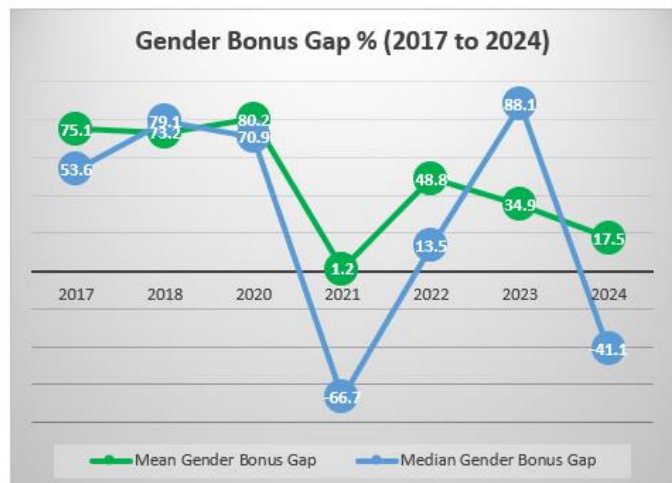
The structure of our workforce remains similar year on year. The workforce in our industry has been mostly men. This is because, in the past, our industry has employed significantly more men than women. However, we are seeing a higher proportion of women joining the workforce compared to previous years.

The findings of our analysis indicate that we have seen a slight increase in our mean & median gender pay gap in 2024 vs 2023. There are two main factors for this increase:

1. Strategic long-term intention to focus global leadership presence for Low Carbon Solutions business line in the UK.
2. Promotions that affected gender representation at senior leadership level.

As mentioned in the introduction, we recognize that closing the gender pay gap will take considerable effort and that progress may not always be linear. As such, focus will remain on long-term sustainable strategies to support improved female gender representation and further closing the pay gap over time. Having closed our mean pay gap with 13.1 percentage points and our median pay gap with 24.1 percentage points since our initial report based on 2017 data we are on good track.

The average (mean) bonus gap continues to decrease significantly from 34.9% in 2023 to 17.5% in 2024.

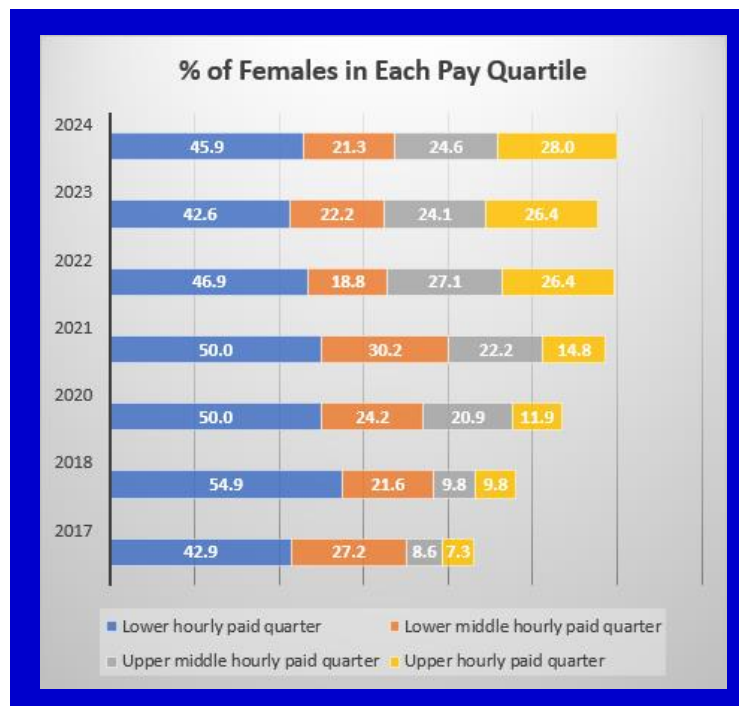
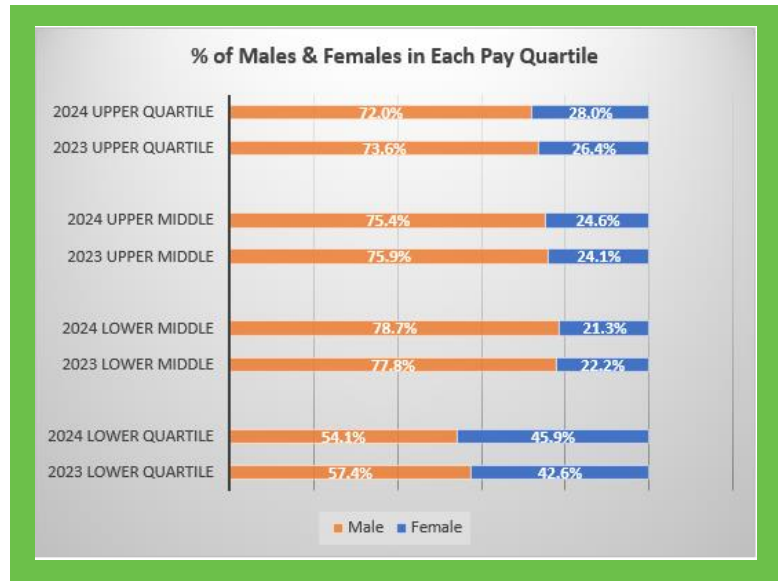


The gender pay gap looks at the distribution of men and women across all job levels of the organisation, and how this translates into the average salary and bonus payments made as a result of gender distribution across job levels. As expected, larger representation of men at higher grades is influencing the gap. The business has been consistent in its efforts to promote more women into higher-paid positions with a high percentage of 28% of women in upper hourly paid quarter where we have seen an increase for the third year in a row. This is an increase of 20.7 point of percentage since 2017.

Percentage of women in the upper quarter has been increasing consistently since 2017.

In 2022, 2023 and 2024 we have observed a shift in the composition of each quarter, with a greater number of women in the upper-middle and upper quarter.

An increase of 1.6 points of percentage compared to 2023.



Our Gender Pay Gap data from 2017 to present illustrates that closing the gender pay gap is a complex issue that requires long-term commitment. Numerous societal factors contribute to the over-representation of men in higher paying positions, particularly in our industry.

Why we have a gender pay gap

Our gender pay and bonus gaps exist primarily because we employ different numbers of men compared to women at different levels in our workforce; especially in roles that attract higher pay, bonuses or allowances.

There are three main reasons we continue to have a pay & bonus gap:

Uneven gender representation -

28% of

McDermott Energy Solutions (UK) population are women with 28.2% of female representation at Senior Manager (grade 10 and above) positions. Industry (Engineering Construction) average shows 17.5% female representation (ONS labour force Survey, 2023). Although we sit above the industry average, this imbalance in gender representation is the main driver for our identified gender pay gaps across both mean and median pay and bonuses.

Roles with higher pay and bonus are male dominated – At McDermott Energy Solutions (UK) women have larger representation in Communications, Finance, General Services, HR, and Legal. However, in functions such as Engineering, Project Controls and Project management, (which make up the largest portion of our population) we identify female underrepresentation. Although, we have made progress in this area, with women accounting for 24 % of our Engineers (an increase of 1.8 percentage points since 2023) and related disciplines, surpassing the UK average of 15.5% by June 2023, as reported by the Women’s Engineering Society, there is a requirement to focus our efforts to build sustainable diverse talent pipelines with focus on these underrepresented functions.

Fluctuations in bonus gaps - We see a noticeable decrease of 17.5 points of percentage for the mean gender bonus gap from 2023 to 2024. Although there are more males that received bonuses, the median has significantly reversed where females received 41.1% more bonuses than males for the period covering May 2023 to Apr 2024. We saw more polarised bonus amounts for males whereas female bonuses, although a smaller number of recipients, were more evenly distributed.



Our actions

At the local level, the Global Women's Network (GWN) is committed to improving the professional and leadership skills of female employees through various programs and events and activities. The GWN, which has country ambassadors in eight offices, including ten representatives based in the UK, has organised panel discussions recognising women's achievements on International Women's Day, celebrated Women Breaking Barriers by showcasing case studies of female employees in more traditional male dominated areas of the energy industry, and provided opportunities to enhance leadership skills.

McDermott Energy Solution (UK) have clear, externally benchmarked salary ranges in place for all job roles, which ensures that everyone is paid fairly for undertaking the same or similar roles.

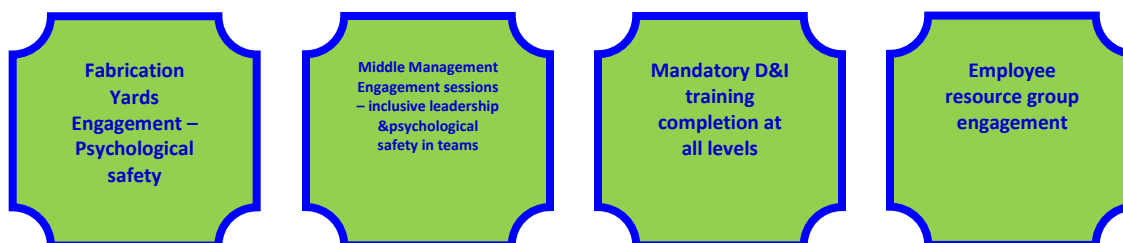
Hybrid working model in the UK - Implementing a hybrid working model can contribute to better work life balance and support employees juggling responsibilities outside of work. Hybrid working can create a more inclusive environment by providing equal opportunities as well as flexibility for our employees. This helps to create a level playing field across all genders.

We are implementing new policies and improving existing ones - By implementing policies that support gender diversity, our company can create a more equal and fair work environment for female employees. In 2024 we further enhanced the maternity pay and paternity pay offering for our employees in the UK.

Implementation of female leadership development program - At McDermott, we must constantly attract, develop and retain strong leaders to achieve our business goals. Therefore, we are committed to advancing diversity, equity and inclusion and building a strong female leadership pipeline to fill future roles.

We continue to take action to improve gender representation and support women across our business. McDermott continues to elevate its focus on Diversity, Equity, and Inclusion (DE&I) since our previous report. The business has integrated clear and measurable DE&I goals into our Area Performance Goals (APGs) through the Leadership Diversity Council which is led by our CEO.

This includes strengthening engagement and training on psychological safety for fabrication yards and management populations, inclusive leadership and mandatory DE&I training and ERG engagement in the business.



We would like to conclude this report by sharing our DE&I Purpose for 2024 which represents our long-term commitment to continue our journey in improving Diversity, Equity and Inclusion at McDermott Energy Solutions (UK) and McDermott Globally.

“We proudly create opportunities to increase the demographic diversity of our workforce and business partnerships, and leverage our diversity, through increased equity and workplace inclusion, to improve organisational performance and deliver positive business results.”