



EnQuest Gender Pay Gap Reporting

Introduction

Prepared following legislation that came into force in April 2017, the gender pay gap shows the difference in the average hourly rate of pay between women and men in the Company, expressed as a percentage of the average male earnings using a snapshot date of 5 April 2022. Effectively, it is a high-level overview of EnQuest's gender pay balance.

Our gender pay gap

Since reporting commenced in 2017, there has been a significant narrowing of the Company's gender pay gap statistics, with the gap related to the average rate of total pay for women reducing from 38.7% in 2017 to 17.8% in 2022. Although it was disappointing that between 2020 and 2021 the pay gap widened slightly, from 20.8% to 22.0%, this has been attributed to the business and workforce transformation undertaken at that time.

The reduction in the pay gap is primarily driven by a gradual rebalancing of more female employees moving to higher pay levels compared to the whole population. In 2021 the upper pay quarter consisted of 91.9% male and 8.1% female, whereas in 2022 this distribution has shifted to 89% male and 11% female. Concurrently the lowest paid quarter has a mix in 2022 of 73.8% male and 26.2% female (in 2021 this was 72.4% male and 27.6% female).

Putting it into context

We are pleased to see our gender pay gap continue to narrow, but as we still have a gender pay gap that favours men, we know we have more work to do. There continues to be two principal reasons why we have a pay gap:

- We operate in an industry that historically has been heavily dominated by male workers. Although in recent years we have increased female representation across the Company, only 14% of our UK workforce are female (up from 13% in 2019-20), with no female representation at all in our offshore population.
- In addition, the more senior and consequently higher paid roles in the Company, are typically occupied by men. Although improving female representation in the industry and the Company will take time to filter through, within EnQuest, we aim to recruit the best candidates for roles while keeping in view our commitment to building a culture of inclusion and ensuring equality of opportunity

Our bonus pay gap continues to show broad volatility between reporting years, with the median skewed towards females and the average towards men, this is due to the timing and nature of one-off payments that fall with the reporting period rather than an indicator of potential gender bias in making bonus awards. The Company continues to monitor the decisions behind the distribution of performance bonuses to ensure fairness.

Our ongoing action and goals

EnQuest continues to be committed to improving workforce diversity across the company. During 2022 we have further embedded our Diversity and Inclusion Policy after it was launched in 2021, by surveying all employees specifically on their views in relation to Diversity and Inclusion as well as successfully rolled out a comprehensive two-part training program for all people leaders. The feedback received from the employee survey helps inform our continued commitment to ensuring that diversity balance is a core driver of our recruitment, employment and training policies and that we attract, retain and develop a wide range of talent in our organisation.

Separately, an employee led diversity and inclusion group "EnQclusion" has continued to provide a platform for a broad spectrum of the workforce to feedback and make suggestions on this important subject.

Although not bound by FTSE Women Leaders recommendations (building on the Hampton-Alexander and Davies Reviews), the business aspires to improve representation at senior management level and has set itself a target of 30% by 2025 (set to be reviewed in early 2023 and aligned to 40% by 2025). Board composition is currently 33.3% female, and female representation on the Executive Committee is currently 16.7% (1 out of 6). To ensure that this is achieved against a culture of continuous improvement and a diverse pipeline of talent, the 30% representation target by 2025 has also been applied to all management level grades. Globally female representation in these grades (EQ3 and above) is 18%.

We are committed to continuing the trend of narrowing our gender pay gap further in 2023. We will do this through continued focus on diversity and inclusion in all aspects of our business, fair and balanced recruitment and promotion processes and regular assessment of skills and capability to ensure we have the right people in the right roles regardless of gender, ethnicity or socio-economic background.

In 2023, we will maintain focus on:

- Improving gender balance in leadership roles across EnQuest, and ensuring pathways to career progression are open to all employees
- Taking appropriate action on the feedback received from our Employee Forum, EnQclusion group, and the global employee engagement and diversity and inclusion survey results
- Maintaining focus on diversity and inclusion in our recruitment strategies to ensure we attract talent from diverse backgrounds and continue to build a balanced workforce in the future
- Continuing to measure our progress in relation to employee engagement and diversity and inclusion formally via the Company Performance Contract

Signed:



Amjad Bseisu
Chief Executive Officer



Howard Paver
**Chair of the Remuneration & Social
Responsibility Committee**