

UK Gender Pay Data 2018

KBR is a global provider of differentiated professional services and technologies across the asset and program life cycle within the Government Services and Hydrocarbons sectors. KBR employs over 34,000 people worldwide, with customers in more than 80 countries, and operations in 40 countries, across three synergistic global businesses:

- Government Services, serving government customers globally, including capabilities that cover the full life-cycle of defence, space, aviation and other government programs and missions from research and development, through systems engineering, test and evaluation, program management, to operations, maintenance, and field logistics
- Technology & Consulting, including proprietary technology focused on the monetization of hydrocarbons (especially natural gas and natural gas liquids) in ethylene and petrochemicals; ammonia, nitric acid and fertilizers; oil refining; gasification; oil and gas consulting; integrity management; naval architecture and proprietary hulls; and downstream consulting
- Engineering & Construction, including onshore oil and gas; LNG (liquefaction and regasification)/GTL; oil refining; petrochemicals; chemicals; fertilizers; differentiated EPC; maintenance services (Brown & Root Industrial Services); offshore oil and gas (shallow-water, deep-water, subsea); floating solutions (FPU, FPSO, FLNG & FSRU) and program management

KBR is proud to work with its customers across the globe to provide technology, value-added services, integrated EPC delivery and long term operations and maintenance services to ensure consistent delivery with predictable results.

By law, KBR UK Limited (KBRUKL), is required to publish an annual gender pay gap report. This report details the reporting requirements detailed in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. The regulations require companies with more than 250 employees to publish this information.

The gender pay gap data does not reflect the relative salary position in each level and job within the organisation (i.e. Equal Pay). KBR is fully 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).

These principles are reinforced by our Code of Business Conduct which is embedded in everything we do.

At the snapshot date, the relevant employee population was 79% male and 21% female. The findings of the report for the snapshot date of 5 April 2017 are as follows:

- The mean gender pay gap for KBRUKL is 32.0%.
- The median gender pay gap for KBRUKL is 32.5%.
- The mean gender bonus gap for KBRUKL is 54.6%.
- The median gender bonus gap for KBRUKL is 71.6%.
- The proportion of male employees in KBRUKL receiving a bonus is 22.3% and the proportion of female employees receiving a bonus is 13.5%.

The below chart shows the proportion of males and females in each quartile pay band:

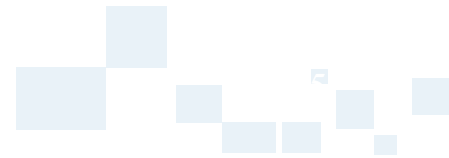
	Males	Females
Lower Quartile	65.1%	34.9%
Lower Middle Quartile	70.6%	29.4%
Upper Middle Quartile	84.9%	15.1%
Upper Quartile	94.1%	5.9%

Causes of KBR UK's gender pay gap

There have been a number of key findings in this report which result in a gender pay gap:

- Currently, there is a larger population of males who make up the workforce: 79% male to 21% female. A significant proportion of our roles are technical in nature and the pay for technical roles is typically higher than for non-technical roles. The gender disparity in the STEM education pipeline is widely acknowledged and women represent just 14% of graduates in engineering and technology subjects at university (source: <https://www.wisecampaign.org.uk/resources/tag/statistics>). As a consequence, this under-representation feeds through all levels of the organisation.
- In accordance with guidelines, this report includes both domestic and international pay-rolled employees under the KBRUKL employment company. Therefore the calculation of hourly pay includes all basic and additional payments. A higher number of males than females are working in overseas locations where allowances are paid based on international assignment agreements. There are 79% of males in the overall sample, but 93% of the overseas expatriates are males in receipt of location specific allowances.
- KBR operates a number of different bonus arrangements across the UK which are typically individual or team performance based. These include management short and long term incentive plans, recruitment bonus plans, project specific incentives and spot bonuses. The short and long term incentive plan eligibility is limited to the most senior leadership roles. Bonuses available to a wider number of employees are usually of smaller values. As shown in page 1, the proportion of females who were in receipt of bonuses on the spot date was 13.5%. The combination of these factors leads to the bonus gap reported.
- Across the UK economy as a whole, men are more likely than women to be in senior roles which attract higher rates of pay (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.

KBR UK pays men and women comparable salaries for the same or equivalent work. The gender pay gap is a result of a higher ratio of men to women in the organisation, particularly in senior roles.



What are we doing to improve the gender pay gap?

Early Engagement and Influence in Education

KBR UK is committed to reducing the gap.

We are taking positive action in working with schools and colleges to actively encourage male and female students to pursue STEM and other subjects relevant to KBR. We are doing this through open days at our campus, attendance at careers fairs, encouraging early career employees to assist in interschool competitions and science projects, work experience, student and teacher familiarisation visits to our offices, charitable donations for STEM organisations where appropriate, university guest lecturing, and careers fairs, together with participation in industry day roadshows to all the major universities.

We work closely with the Engineering Construction Industry Training Board and the British Chemical Engineering Contractors Association to promote the industry to schools, colleges and universities throughout the country.

We have a robust graduate and apprenticeship recruitment and training programme supporting further education and career progression. We are committed to improving the gender balance in our graduate and apprenticeship recruitment.

Promoting Diversity

We are committed to erasing gender stereotypes through ongoing training programmes to remove bias in recruitment and other employee processes.

We are very proud of our Aspire group formed in 2016, its vision to make KBR an employer of choice where women are influencing, leading and learning. KBR fully supports Aspire UK's mission to be committed to the development of women and the promotion of gender diversity through a collaborative community for the benefit of employees. Focus areas include:

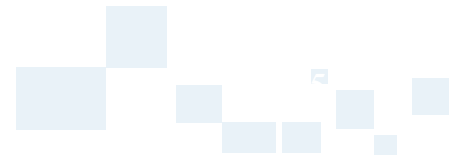
Development: inspiring and supporting women to achieve their full potential by identifying challenges unique to women in advancing their careers and providing an environment to help overcome those challenges.

Retention: improve retention of women by continuing to ensure inclusion, recognition, and valuing their contribution through regular events and training.

Employer of choice: Making KBR an employer of choice through creating a supportive community to help attract, retain and advance women.

Events are held regularly on a range of topics. Recent examples have included: unconscious bias, CEO of your career and psychological safety. Current projects being undertaken include a study of return to work and mentoring.





Performance Measurement and Compensation

KBR UK utilises robust performance management and compensation tools to ensure compensation is appropriate and fair. We have a common performance appraisal process, applied consistently and equally to both women and men, that includes quarterly conversations on performance and achievement of goals. Pay audits are undertaken annually to identify and challenge anomalies.

Career Management

We have well established processes to assess and deliver the development needs of our employees. Our talent management process ensures we identify talent and create succession and development plans that enable individuals to maximise their potential, irrespective of gender.

Flexible Working

Whilst we have a campus standard work pattern, there are a number of possible working patterns designed around balancing career and life, added to which are flexible start and finish times, options for part-time working, sabbaticals, and different employment options all centred around flexibility to attract and retain a diverse workforce.

Mentoring and role models

We have a mentoring scheme for our graduate, apprentice and early career employees which is to be extended further. We are in the fortunate position of having some key strategic positions held by women who will be at the forefront of this initiative.

KBR UK is committed to reporting annually on what it is doing to reduce the gender pay gap and the progress that it is making.

