

2021 Women and Pay: Driving Gender Balance in Schlumberger



Schlumberger

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“At Schlumberger, the diversity of our people is fundamental to our identity. Promoting diversity and inclusion is not only the right thing to do, it is imperative to the performance of our company.”



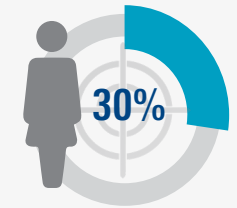
“Gender balance is a pillar of our Diversity and Inclusion strategy. Despite continued efforts, female participation levels in the energy sector remain low—below 25%.¹ Through strong collaboration with our business partners across the industry, we are uniquely positioned to play a role in driving change.”

“We know that simply attracting more women is not enough to address the issue. In addition to building a more inclusive environment, we believe it is vital to ensure that women are supported, positioned, and compensated for increasingly senior roles in the company.”

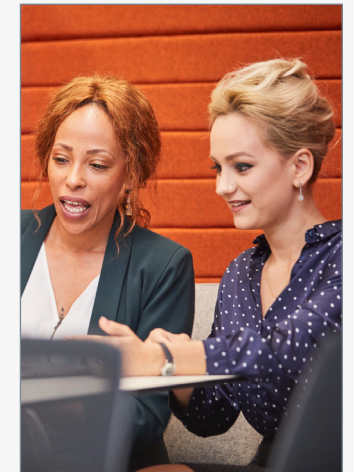
“Today, we are on track to reach our current milestone of 25% women in our salaried workforce by 2025. As we look forward, we have set our next milestone of 30% women by 2030.”

“To support this commitment, we have taken the decision to publish our global gender diversity benchmark report—including pay. We believe this is the first time this has been done in our industry. We hope that the transparency we provide in these findings will encourage others to do the same.”

Olivier Le Peuch
Chief Executive Officer, Schlumberger



Target to achieve **30% women** in our salaried workforce by 2030.



¹ Untapped Reserves 2.0: Driving Gender Balance in Oil and Gas, 2021, p 7



“Joining Schlumberger last year, I am impressed by the efforts taken by the company to recruit diverse talents and to provide equal opportunities for everyone to be successful. I believe this is truly unique to Schlumberger and is core to who we are as a company. This is one of the ways we are striving to play our part in contributing to equity between genders, under-represented groups and local talents across all the countries in which we operate.”

Katharina Beumelburg
Chief Strategy & Sustainability Officer,
Schlumberger



At Schlumberger, one of our greatest strengths is the diversity of our workforce. Exceptional people join us from around the world because of who we are—and then they make us what we are. We cultivate an atmosphere of inclusion, where every member of the Schlumberger team feels respected and valued for their work and is encouraged to share ideas and positively contribute to our organization.

To our knowledge, there is no global reporting standard for gender-based gaps, and existing country-specific variations do not allow us to have a consistent approach to measure pay equity for all our full-time employees.

For us, it is imperative that we have a global view as well as a detailed analysis by country to ensure fair and consistent pay practices.

The most commonly used gender pay metric is the “gender pay gap.” This is used, for example, in the United Kingdom. It is the difference between the average male salary and the average female salary (irrespective of role). This metric is indicative of the representation of men and women across all levels of the company.

Due to the higher representation of men in field roles, which carry a greater percentage of variable pay, this metric shows a 11% base salary gap favorable to women within the company.

However, this methodology does not provide us with actionable data. It does not distinguish pay equity from representation disparity. The methodology should also allow us to ensure that men and women performing similar roles have equal pay.

In this report, we refer to equal pay as the difference between men and women performing a similar role. Both of these metrics use a binary definition of men and women. We recognize that this does not reflect the gender spectrum represented in our company.

We currently have a differential in our equal pay metric of 2.68% in favor of men.

There is an historic imbalance of women in the energy sector and in our company. In 1994, for example, salaried women represented 5% of our workforce. Today, this translates to an imbalance in experience.

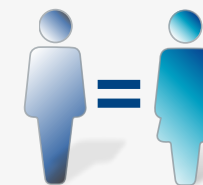
To drive gender balance, for the last few decades we have actively identified and placed women in assignments based on their successful performance and demonstrated potential. However, it is most likely that in a group of employees performing comparable roles, the most experienced will be men—with, on average, 2 years’ more experience.

We have a culture of promotion from within. Most of our employees join us early in their careers and progress with us. Our compensation practice of paying salary increments over time means that people with higher tenure typically have higher pay for similar roles.

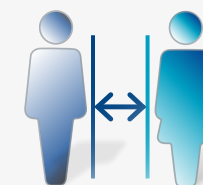
Our compensation practice, which has been in place for many decades, is anchored in our HR principles supporting diversity and promotion from within. We audit our pay data annually, and as part of this process we review our gender pay gap to identify and rectify bias.

However, we can do more to improve the representation of women in higher-paying positions—leadership, operations, and technical roles.

The following are the most commonly used metrics to measure the gender pay gap:



The difference in base salaries between men and women performing a similar role—this is **the equal pay gap**. This reflects the robustness and equity of our compensation practice.



The difference between the average male salary and the average female salary (irrespective of role)—this is commonly known as **the gender pay gap**. This is impacted by the relative positions of women to men in higher-paying positions, such as leadership and operations.



Gavin Rennick
Vice President
Human Resources,
Schlumberger

“For us, achieving gender balance is a long-term commitment that’s truly embedded in our HR practices, supported by senior leaders, and driven by data.

“Our actions going forward are articulated around four strategic areas:

- 1 Systematically address any bias through our talent management processes.
- 2 Do all we can to remove both physical and cultural barriers to access for women.
- 3 Ensure we provide both visible and inspirational role models—along with encouraging a network of supporters and advocates across the organization.
- 4 Increase the pool of exceptional female talent joining the company.”

Schlumberger as a global employer

At the end of 2021, Schlumberger employed more than **90,000 people** in more than 120 countries.

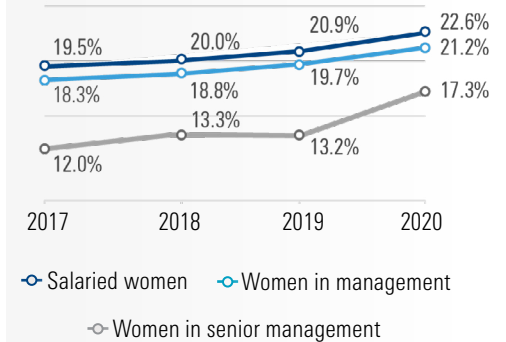
We have actively focused on gender balance for many decades as part of our wider commitment to diversity and inclusion. We have made considerable progress over time and have accelerated our efforts in the last few years. We know, however, there is more work to do.

We believe that transparency on this important topic is critical to ensuring accountability to our gender balance goals. While we already generate a gender equality index in France and a gender pay gap report in the United Kingdom, this is the first time to our knowledge that a global pay report has been published in our industry. Our global nature means that to provide meaningful data we need to consider the unique gender balance and landscape of each of our countries of operation.

There is currently no global reporting standard process in which to participate, so we have designed this report to deliver relevant details at the regional level while positioning the data within a global framework.

Establishing a global standard for the data we share will help us to identify areas of focus and to accelerate progress on our journey to achieving better gender balance and representation at all levels of the company. This report is intended to establish a reference point for base salaries for men and women worldwide in our organization and helps to demonstrate our stated aim to adhere to United Nations Sustainable Development Goals 5 and 10.

Representation of women over time



United Nations Sustainable Development Goals





“I feel that Schlumberger’s limitless career possibilities can be harnessed by anyone who is highly motivated and driven. This truly reflects meritocracy at its best, where recognition and reward are based on performance, regardless of gender.”

Anniza

*Sales and Commercial Manager,
Schlumberger*

Promote-from-within culture

Promote from within, based on demonstrated performance and potential, is a fundamental HR principle of Schlumberger. As such, the majority of our employees and leaders have joined us at entry level and progressed their careers with us. This provides us with an extensive view of assignment and pay history that we can use to compare career and pay progression for both men and women.

Achieving and maintaining equal pay

Our compensation policy is gender-blind and global compensation teams operate both in alignment with compensation markets in countries where we work and independently from local management. This provides them with the freedom to provide an unbiased assessment and review of salary proposals for every role. Gender is not a factor in determining individual employee salary or positioning within a pay scale. The compensation teams recommend pay scales based on performance, tenure, skills, mobility status, and market evaluation.

Pay scales are attached to a specific job. An annual audit by country and position is undertaken and immediately followed by a remedial action plan to rectify any identified gender-based gap and implement updates reflecting market changes.

Employee performance rewards are also audited to assess whether there is a proportional representation in the eligible population.

Equal pay for new hires

While variance in salary distribution linked to skills and experience can be explained, entry-level pay is directly linked to job market value and geographical assignment.

Our structured entry-level program links salary directly to progression—defining a unique salary level based on country of assignment and mobility status—to ensure equal pay.

Long-term incentives

We provide long-term incentive awards to high-performing employees in recognition of their achievements and to encourage retention of high-value individuals. These awards are individually recommended by managers and are centrally monitored to ensure that they are proportional to the representation of men and women in the company. Any discrepancies identified are investigated for potential bias.



The report analysis uses annual base salary as a common measure because it drives other elements of compensation and benefits.

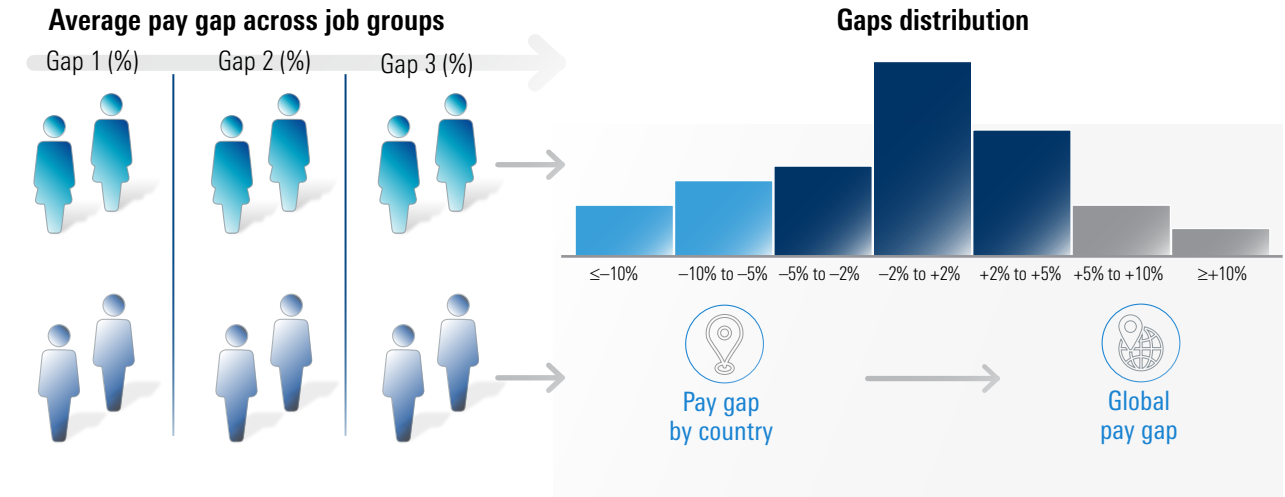
The report looks at two elements:

- 1 The distribution of women and men in the company in terms of base salary positioning.
- 2 The equal pay gap distribution for all pay groups.

A pay group is a group of employees with similar job level,² job market value,³ and identical country and mobility status.⁴

For each pay group, the difference between the average female annual base salary and the average male annual base salary is calculated. This number is then divided by the average male annual base salary in the same pay group to obtain the pay gap percentage. The average male salary is used as the reference point.

Pay groups where there are no men or no women are excluded from the analysis.



This method is used for all pay groups across the company and enables us to do the following:

- Remove the effect of currency—thereby enabling pay gap percentage comparison across multiple countries.
- Obtain the frequency of occurrence of gaps across the company and in specific entities such as country, division, or function—thereby identifying whether the distribution of our pay gap and its relative impact across the organization are balanced.
- Calculate the average pay gap across the company and in specific entities such as country, division, or function. For a specific country, the pay gap is calculated by taking the average of all pay groups for employees assigned to that country. This is averaged into a global pay gap percentage, based on the relative distribution of employees in each country. The analysis is weighted such that the pay gaps in countries where we have a strong presence have a greater impact on the global pay gap percentage.

² Similar job levels are defined as jobs with a similar level of responsibility.

³ Job market value is the external market value attributed to jobs that share the same level of required responsibilities, accountabilities, and skill sets.

⁴ Schlumberger classifies different levels of mobility to indicate the location of work for employees relative to their place of hire.

In this report, pay refers to the annual base salary of an employee. This is linked not only to the job level, mobility status, and salary structure of an employee but also their individual skill set, performance, and demonstrated potential.

Therefore, comparison of similar jobs provides a pay distribution that reflects individual employee contributions to their base salary calculation.



“At Schlumberger, I am surrounded by individuals who trust my judgment, respect my work, and encourage my development. I am constantly reminded that the bounds of my career will be defined by my own aspirations.”

Adele
Connectors Engineer,
Schlumberger

Equal pay

The difference in pay between men and women performing a similar role—this is **equal pay**. This reflects potential bias in the compensation process.



Anna is a Maintenance Engineer with a salary of **USD 78,000**. She left university 6 months ago with a master’s degree.

There is a pay gap in this example of **USD 2,000** or **2.5%** favorable to Boris.



Boris is a Maintenance Engineer. His salary is **USD 80,000**. He was at university with Anna, graduated, and was hired at the same time. He also has a master’s degree.

Gender pay gap

The difference between the average male salary and the average female salary (irrespective of role) is commonly known as **the gender pay gap**. This is mostly impacted by the relative position of women to men in high-paying roles, such as leadership and operations.

Across the company, gender pay gap is determined from the difference between the average pay of **all** women

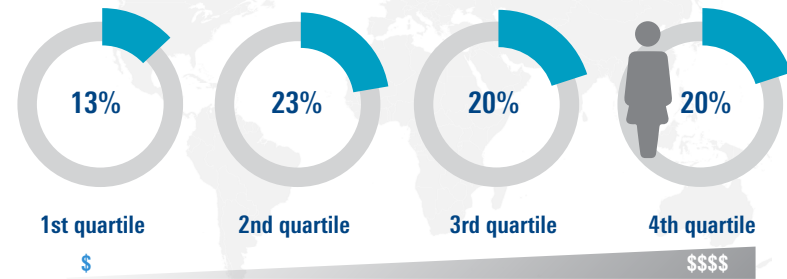


AND



the average pay of **all** men.

Gender balance by base salary quartile



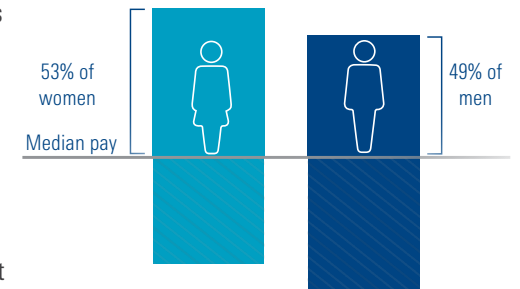
The four circles represent the four quartiles of base salary distribution. Those in the first quartile have the lowest base salaries and those in the fourth quartile have the highest.

Pay distribution

In the fourth quartile, the highest pay quartile, women represent 20% globally. When reviewing the distribution of women across all levels of the organization, women hold 17.3% of senior management roles.

In addition, there are a higher proportion of women above the median pay. There are **53% of women above median pay versus 49% of men**. This is due to the type of jobs men and women are performing. There is a much higher proportion of men in field-based and maintenance roles that have a lower base salary.

Median base salary



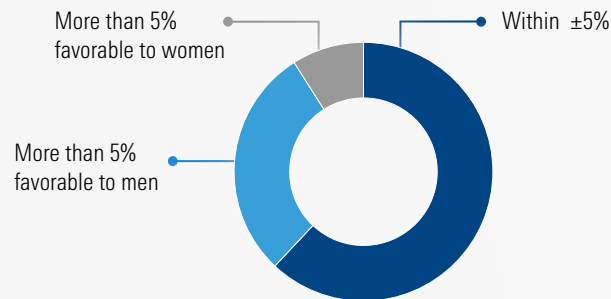
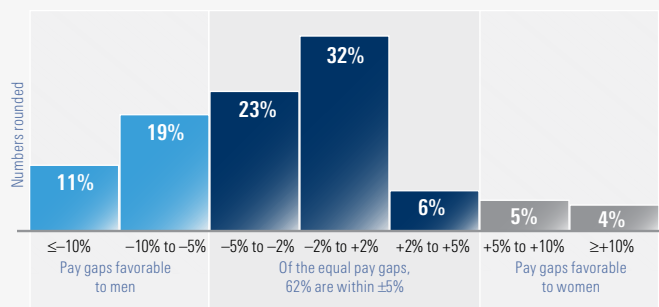
Equal pay gap distribution

Pay distribution is the number of times that a particular gap value is observed across the company, for example how often we see a gap of 5% for a comparable position between men and women.

The distribution of gaps is expected to be balanced with a similar number of employees on either side of equal pay.

Of the equal pay gaps, 62% are within ±5%, 29% are ≥5% favorable to men, and 9% are ≥5% favorable to women.

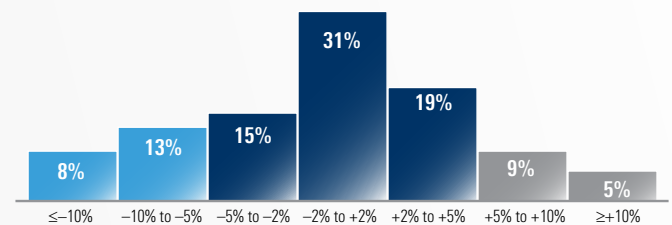
The equal pay gap distribution shows a higher proportion of negative gaps that are favorable to men.



Equal pay gap distribution—adjusted for experience differential

We know we have a 2 years' gap in experience between men and women. When simulating for an equivalent of 2 years' experience gap on average for similar roles, the equal pay gap distribution is more balanced.

This analysis does not reflect the current pay status but rather supports the hypothesis that the gap is due to longer tenure for men in similar jobs

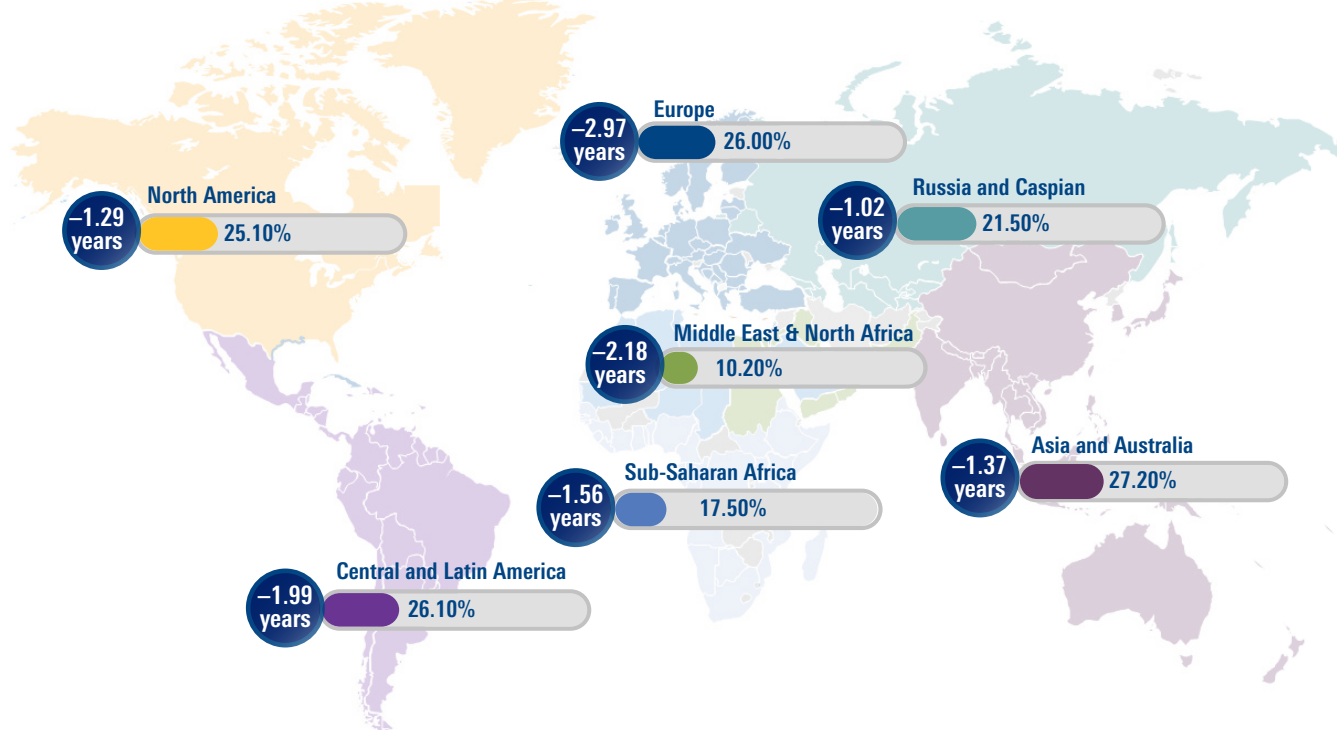


A positive number indicates a pay gap favorable to women, a negative number indicates a pay gap favorable to men.

The experience gap

Individual experience, exposure, and associated skills are factors in determining salary. Experience differentials can be linked to salary increments over time. Salary adjustments are done based on market and performance every calendar year. Men have—on average—**almost 2 years' more experience than women** and this leads to a differential in pay of **2.68%**. We have been working actively to improve the representation of women in senior levels across the countries in which we operate. The availability of talent and our history in the region, plus the variance in starting points—from a cultural perspective—means that the experience gap ranges **across all geographies** and there is no geography where both men and women have identical experience.

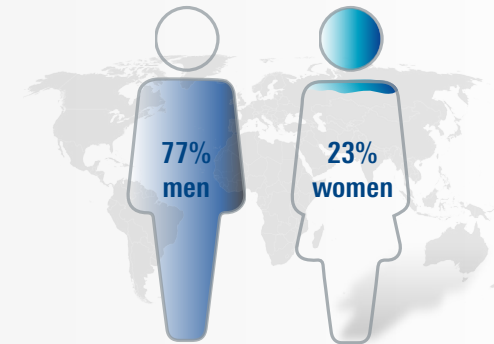
Experience gap (years) and gender balance (%) by geography



Regional differences

The proportion of women across our company differs by geography. The distribution of pay gaps is impacted by the geographies where we have higher representation of women. Due to historical factors in the energy sector and residual societal preferences, men in Schlumberger generally have more experience than women, as indicated by the numbers in the chart.

Women total 23% across the company, but there are regional differences. The Middle East & North Africa Area shows the least representation, and Asia, Europe, and Central and Latin America are all above 25% representation.



Our salaried workforce comprised in 2021 **77% men and 23% women.**

Base salary equal pay and gender pay gaps happen for different reasons.

Our equal pay gap is influenced by a differential in experience between men and women. The historical gender imbalance throughout the energy sector means that fewer women have been hired into junior field and technical roles, so, over time, there are fewer women with experience in some (mostly technical and leadership) job roles. This is supported by the fact that equal pay gaps are lower in job groups where the overall seniority is low. Because we promote from within, this enables us to take risks on employees based on demonstrated potential but accentuates this gap.

Strategies to address gender imbalance in leadership roles prioritize talent identification and succession planning based on successful performance and demonstrated potential rather than specific experience, removing potential gender bias. This means that for the time being, there may be more women with less experience than men in similar roles. It will take time to equalize the seniority levels between men and women.

While women and men may hold similar positions, it is standard practice to have a pay differential to account for experience and skills within a job role. Annual pay increments with time lead to higher salaries for those (both men and women) with more seniority in a position.

Our gender pay gap is influenced by women being less represented in field, maintenance, and manufacturing roles. This results in women participating less in the lowest base pay quartile, where **13% of women are represented.**



Despite men being more represented in the leadership and office-based roles, **the proportion of men who are above the median is 49% versus 53% of women.** This leads to the median pay for women being higher than for men. This does not take into consideration the variable elements of the pay, such as bonus and overtime.

Conclusion

Individual pay disparity within similar roles is statistically justified and linked to employees' skills, experience, and performance. When evaluating the pay gap between men and women, it is important to take all parameters that influence pay into account in an unbiased manner to understand and explain them. Unexplained gaps must be reviewed and addressed.

Our equal pay gap is 2.68%



in favor of men and is tied to the gap in experience. Our efforts to recruit more women and our culture of promotion from within lead to a positive momentum for gender balance that translates into an experience gap within similar roles.

Our main focus remains to increase representation of women at all levels of the organization.



Leila Hamza
Diversity and Inclusion Director,
Schlumberger

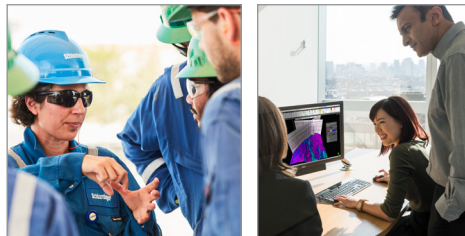
“Enabling an environment and culture in which our women are empowered to succeed is critical to closing the gender gap.”

To improve gender balance, we are addressing this across the three components of our People Strategy.



1 Culture

We help to promote a more inclusive workplace by providing our managers and employees with opportunities to build awareness and to develop their leadership and inclusion skills. This extends to promoting our culture of inclusion and diversity with our customers and suppliers.



2 Talent and Leadership

We encourage and empower our people to play a proactive role in driving improvements in gender balance. Our systems and processes help to rectify bias, and our leaders are trained and assessed on their inclusive leadership behaviors and their ability to drive gender balance improvement. These are critical skills for our leaders..



3 Environment

Enabling an environment and culture in which our women are empowered to succeed is critical to closing the gender gap. This includes providing relevant benefits and parental leave.

We continuously seek opportunities to work with our customers to develop innovative approaches to make the field environment more female friendly. Our commitment is to continue to remove barriers to access and growth for our women in the field.



“After 18 years, I consider myself fortunate to have had many experiences within one company: research, field operations, HR, and now software development. Due to my husband’s career (non-Schlumberger), we have stayed in the UK except when I worked for 18 months offshore Indonesia. Schlumberger has enabled me to time my career moves to complement his. Now with two young children, I can balance work and family flexibly.”

Miriam,
Energy Transition Lead and
Software Delivery Manager,
Schlumberger



“During my more than 25 years with Schlumberger, my career has taken me from Australia to Alaska, and from Western Canada to Kuala Lumpur. I started as a field engineer, and embraced diverse opportunities across operations and operations management, HR, and business transformation. I find it extremely motivating that the company has entrusted me with increasingly complex and strategic positions and offered flexibility around dual-career needs and life events. Our dynamic, promote-from-within culture has rewarded me with the confidence and skills to continually adapt both my career expectations and my ambition. What drives me is seeking out ways to improve our business, our culture, and our industry. But the most inspiring part of my work is knowing I have, no matter what role or location, the consistent support of a diverse, multicultural team of experts and talented colleagues to rely on.”

Aparna
President Reservoir Performance
Schlumberger



2021 Women and Pay: Driving Gender Balance in Schlumberger

This report uses pay data from September 2021.

Schlumberger (SLB: NYSE) is a technology company that partners with customers to access energy. Our people, representing over 160 nationalities, are providing leading digital solutions and deploying innovative technologies to enable performance and sustainability for the global energy industry. With expertise in more than 120 countries, we collaborate to create technology that unlocks access to energy for the benefit of all. Find out more at slb.com

The gender pay gap percentage and supporting calculations were independently verified by a third-party auditor.

The photographs used in this report were taken before the COVID-19 pandemic.

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