Essar Oil UK is a leading UK-focussed downstream energy company whose main asset is the Stanlow Manufacturing Complex, one of the most advanced refineries in Europe and situated close to the major cities of Liverpool and Manchester. Stanlow is a key strategic national asset, annually producing over 16% of the UK’s road transport fuels, while playing an important part in Britain’s petrochemical industry by providing key feedstocks.

The business is a major supplier in the North West and beyond with customers including most of the major retail brands operated by international oil companies and supermarkets, Manchester Airport, leading commercial airlines and the region’s trains and buses.

The business covers crude and product trading, refinery operations, HSE implementation, maintenance support and technological services, together with marketing and retail activities. Our commitment to maintaining safe and healthy working conditions and following the best operating practices to protect the environment underpins everything we do.

We aim to provide a work environment in which everyone is treated fairly and with respect. Monitoring our gender pay data and understanding the factors that contribute to the differences is one way we can do more to build an inclusive and diverse culture. This in turn fosters innovation and creativity and helps to deliver better business performance.

We are confident men and women are paid equally for doing the same job at Essar Oil UK. However, as part of an industry that has historically attracted more men and with a greater proportion of men than women in more senior roles, this has resulted in a median gender pay gap of 17.2%. The national median gender pay gap is 18.4%. This report is based on our people data as at 5th April 2018.

Closing the gender pay gap is a challenge for many organisations and we are committed to addressing this imbalance. This will include maintaining and, where necessary, enhancing our diverse and inclusive recruitment procedures. We will also ensure we offer flexible working patterns to suit career and lifestyle choices, providing coaching and support from our leaders and working with local schools and colleges through our CSR activities to encourage females into STEM subjects. The disparity in gender representation is an ongoing and industry-wide issue and we will play our part in helping to meet this challenge.

Gender pay gap reporting regulations came into effect in April 2017 as part of the UK Government’s strategy to tackle the gender pay gap. We welcome and support this initiative to promote greater transparency on gender pay. As a company, we remain committed to addressing gender representation and supporting women in the workplace.

S.Thangapandian
Chief Executive Officer
Essar Oil (UK) Ltd.
The Gender Pay Gap is different from equal pay

Equal pay is about men and women receiving equal pay for the same or similar job. We are confident that men and women working for Essar Oil UK are paid equally when doing the same job. However, the greater proportion of men than women in more senior roles and being part of an industry that has historically attracted more men results in us having a gender pay gap when we compare the overall average pay and bonuses for women and men. This gap reflects the unequal distribution of men and women across the business. It is not because of the pay policies and practices we have in place and is entirely comparable with our industry.

What is the Gender Pay Gap?

The gender pay gap measures the earning difference between men and women across an organisation by expressing women’s pay as a percentage of men’s pay. When calculating the difference in average earnings, the gender pay gap takes into account all jobs, at all levels and all salaries within a business. This means the gender pay gap can be influenced by many different factors, including the demographics of a company’s workforce. Together with Government, we believe that collecting and reporting data on gender pay will help inform businesses and wider society in tackling the issue.

Mean Pay Gap

The mean gender pay gap is the difference in the average hourly pay for women, compared to men, within an organisation.

Median Pay Gap

The median represents the middle point of a group of people. If the company’s workforce was arranged in a separate list of female and male employees, in order of pay from highest to lowest, the median pay gap is the difference between the hourly pay rate for the middle woman compared to that of the middle man.
Proportion of employees receiving a bonus for performance year 2016/17

This is calculated according to the number of males and females who received a bonus in the 12 months ending on 5th April 2018. Levels are less than 100% as company eligibility criteria requires a minimum level of service to be completed in the bonus year and therefore some new starters within the business may not be eligible.

Gender Pay Gap

Mean (average) 17.9%
Median (middle) 17.2%

Gender Bonus Gap

Mean (average) 23.9%
Median (middle) 14%

*National UK median gender pay gap is 18.4% source: Office for National Statistics

Proportion of employees in each pay quartile band

The figures in the following charts are derived by ranking all male and female employees from the highest hourly rates of pay to lowest hourly rate of pay and then dividing them into four sections (quartiles) with an equal number of employees in each section (ensuring that those with the same hourly rate of pay are distributed evenly by gender where they cross the quartile boundaries).

Pay Quartiles
According to the Office for National Statistics, the gender pay gap is defined as the difference in median pay between men and women.

Essar Oil UK’s median gender pay gap of 17.2% is slightly lower than the UK national figure of 18.4%. The company is committed to taking steps which positively addresses the median gender pay gap and this will be reviewed on a continual basis.

The company operates in the oil refining sector which is traditionally a male-dominated industry and this is reflected in our workforce where 87% are male and 13% female.

Essar’s analysis supports the view that underrepresentation of women in highly skilled and highly paid roles is the key reason for its gender pay gap.

The challenges faced by Essar Oil UK and similar organisations in attracting women from a limited engineering talent pool will need to be supported by many industries and include educational establishments (such as schools, colleges and universities) and this combined approach will benefit the UK economy.

As such, encouraging more women to pursue careers in the engineering and technology sectors is a significant challenge across industry in the UK.

Our experience shows there is a significant shortage of women with STEM skills, with the UK having the lowest percentage of female engineering professionals in Europe, at less than 10% (Source: Women’s Engineering Society - January 2018).

We remain committed to improving our gender balance. However, with a long service workforce, we recognise that this will take time to change.
The further actions we intend to take to close the gender pay gap

- To retain female talent, we plan to make strides in the way we approach flexible working and will tackle the culture, organisational design, communication, process and policy application to support greater flexible working within our organisation
- We will continue to review the way in which we recruit, utilising enhanced training modules around unconscious bias and ensuring our interview skills training is values based
- We will analyse further when and why women drop out through the application process
- We will review our career development offering
- We will identify and develop strategic partnerships with networking groups that focus specifically on women in business

Statutory Declaration

We confirm that the information and data provided in this report is accurate and in line with mandatory requirements. The methodology used in arriving at the outcomes in this report is consistent with the Acas Managing gender pay reporting guidance of February 2018.

In line with reporting guidelines, the data for pay in this report refers to payments made in April 2018. For bonus data, this is based on payments in the year ending 5th April 2018.

The figures for each relevant employee (as defined by the legislation) are the hourly rate of pay. This covers base salary and other allowances, together with bonus payments received over the previous 12 months.

S. Thangapandian
Chief Executive Officer
Essar Oil (UK) Ltd.