Section 6: Employees

Production and Maintenance Team’s Tool Box Meeting prior to commencing work, Anoa-AGX facility, offshore Indonesia

We are committed to providing a working experience for our staff that offers equal opportunities, safe working conditions, competitive terms of employment and quality learning and development experiences. In doing so, we seek to attract, develop and retain the kind of high-quality talent that will support our productivity, efficiency and profitability over the long-term.

2. Workforce profile

At the end of 2019, Premier had 770 employees (2018: 767 employees) and 208 contractor personnel (2018: 200 contractor personnel).

In 2019:

- A total of 37 new employees joined our workforce (2018: 43 new employees)
- A total of 37 employees exited our workforce on either a voluntary or involuntary basis, representing a turnover rate of 0 per cent (2018: 43/6 per cent)
- A total of four employees that left the Company were subject to redundancy, representing a redundancy rate of 0.51 per cent (2017: 4/1 per cent)

The size of our employee and contractor personnel workforce remained relatively stable in 2019. This reflects:

- The ongoing financial stability provided by the Group’s continued progress in reducing its external debt position
- Our continued efforts to protect jobs in the context of challenging economic conditions. These efforts have included:
  - Continued focus on sustainable cost reduction efforts within our supply chains, and contractor personnel workforce
  - Transfer of staff to new roles where possible, in order to avoid redundancy

In addition, we continue to work to ensure that we retain high-performing employees through our appraisal and reward framework (‘Performance and reward’, below).

The small number of employees who were subject to redundancy during the year, all received enhanced redundancy packages that exceeded statutory requirements. Furthermore, they were offered career transition support, financial counselling and/or additional training.

Figure 1: Number of employees by business unit
Local employment

We prioritise the employment of suitably qualified nationals whenever possible, and support this aim through investment in their skills, knowledge and experience. We also aim to ensure that the nationals we employ can access opportunities across our organisation, helping support their professional development as well as the success of our business.

Nationals continue to hold senior roles throughout our business. For example, the majority of the senior management team within our Indonesia business unit are Indonesian nationals.

When we employ expatriate managers (i.e. those employed on foreign contracts) at a senior level, we do so because of:

- The need for highly qualified expatriate managers with appropriate industry experience for specific roles, in the absence of such experience at local-level
- Greater geographical mobility amongst senior managers within the business
- The need for Group oversight of international operations
- The value of international exposure to support Group succession planning

In 2019, we implemented a new Global Mobility Policy to better define and standardise the circumstances in which we employ expatriate managers. We continue to seek opportunities to transfer positions occupied by expatriate managers to nationals, where possible.

Nationals make up 94 per cent of our employee workforce (2018: 99 per cent) and 89 per cent of our senior management (2018: 93 per cent). At the end of 2019, we employed 12 expatriate employees (2018: 10).

Diversity and inclusion

We treat people fairly, equally and without prejudice, irrespective of gender, race, nationality, age, disability, sexual orientation or any other discriminatory attributes. This is reflected in our People Policy which applies to all permanent and temporary staff, contractors and job applicants.

Employee obligations in this respect are set out in our Employee Handbook. This prohibits employees from carrying out discrimination (whether direct or indirect), harassment and victimisation.

Figure 3: Employee gender balance (%)
Figure 4: Gender balance at senior management level (%)

Figure 5: Gender balance at Board level (%)

Figure 6: Ratio of male to female salaries by job role at business units
Women are typically under-represented in the oil and gas sector. Recognising this, we aim to ensure that our own management systems, practices and working culture support female access to – and success within – our workforce. A significant factor behind the difference in the overall ratio of male to female salaries is the higher level of representation of males in senior management roles. We seek to ensure that those in equivalent roles who are achieving equivalent performance receive equivalent pay, irrespective of personal characteristics such as gender.5

Focus area: Our new Diversity and Inclusion Road Map

The development of a diverse and inclusive working environment supports our ability to recruit, motivate and retain the talent we need to achieve our business objectives. Premier places particular emphasis on improving the gender balance of our workforce, in the context of the historic underrepresentation of women in the oil and gas industry.

During the year, we rolled out the first phase of a new Diversity and Inclusion (D&I) Road Map. This included, among other initiatives:

- **Policy and procedure:** We revised and updated our People Policy to further strengthen our Group-wide approach to D&I. The updated policy helps clarify the responsibilities of our workforce with respect to D&I; sets out the organisation’s commitment and approach to D&I; and details the procedure to address any identified breaches.

  In addition, we implemented a new Flexible Working Policy for our UK workforce to support the application of a consistent approach across our UK business units. This provides increased flexibility in relation to core working hours, occasional remote working and time off in lieu. The new policy was implemented in response to feedback gathered via our Employee Engagement Survey as well as our new ‘Staff Forum’ initiative (see Focus area: Staff Forum).

- **Training:** We continued to roll out our global D&I training programme, which we launched in 2018. Under the programme, all employees and contractor personnel complete an interactive e-Learning module – while face-to-face training is provided to all managers.

  In addition, we ran a one-day D&I training workshop for a contractor drilling crew. We identified a requirement for additional training to ensure the crew’s behaviours and performance are aligned with our Group policies. Following the workshop, the crew were invited to complete our employee e-Learning module to help reinforce the key training messages. This provided an opportunity to clearly communicate that all crews representing Premier must demonstrate inclusive and respectful behavior at all times. Separately, we collaborated with one of our main operating partners to help promote D&I beyond our own operations. This involved co-hosting a one-day Equality, Diversity and Inclusion training workshop at the partner’s offices. The workshop was attended by onshore and offshore employees from both Premier and the partner company.

- **Recruitment:** We implemented a range of measures to improve gender diversity within our talent pipeline. This included adapting our hiring approach to allow external recruiters to put forward additional candidates in instances where this improves the gender balance of our application pool. We also continued to monitor gender diversity across our recruitment processes to identify opportunities to further improve the gender balance of our workforce. The outputs from this are reported to our Executive Committee on a quarterly basis.

  In November, Premier’s ongoing progress in this area was recognised when we were named as one of the three finalists in the Diversity and Inclusion category of the 2019 OGUK Awards. The award category focuses on companies that drive improved business results through recognising and promoting the value of diverse teams and inclusive behaviours.

  We plan to evolve our D&I Road Map further in 2020 through the implementation a range of new initiatives. These will include, for example, the launch of our new Culture Project, which will build on our existing corporate values, behaviours and employee survey results to help establish our future ‘target’ culture; the launch of our Leadership Development Programme (see Focus area: Strategic response to our organisational review); and the revision of our Performance Management approach, including the introduction of an employee-focused leadership target for all managers.

We provide our employees with flexible working options, to enable them to manage their work and home life. In 2019, we strengthened this commitment through the implementation of a new Flexible Working Policy for our UK workforce (see Focus area: Our new Diversity and Inclusion Road Map). A total of 18 employees took parental leave during the reporting period (11 women and 7 men), representing 100 per cent of those entitled to take such leave. 100 per cent of these individuals either returned to work in 2019 or indicated plans to do so.
in 2020 (i.e. none exited the company). One employee was also given extended parental leave to manage their caring responsibilities.

2 This excludes the 12 employees that were working at the Pakistan business unit, which was sold in March 2019.

3 Senior management refers to Grade 5 and above.

4 Where ‘n/a’ is displayed, a meaningful comparison cannot be made between males and females. This is because men or women were not employed in these roles.

5 For information on our gender pay gap in the UK, see Premier Oil Plc Gender pay gap report 2019.