



GENDER PAY REPORT 2018



Marathon Oil[®]

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Why it matters

At Marathon Oil, we value people for the unique contribution they can make, regardless of their gender, race or background. We rely on diverse, inclusive teams to help us achieve our ambitions.

With the UK government requiring that companies with more than 250 employees publish their gender pay gap data, Marathon Oil UK welcomes the opportunity to share our findings as well as the tangible action we are taking to close the gap.

Gender pay disparity is measured in two ways:

- Equal pay – a legal requirement – is about ensuring that men and women who do the same or similar work receive equal pay.
- Gender pay gap is a measure of the difference between men and women’s average earnings across the employee base.

This report addresses the gender pay gap.

Gender pay at Marathon Oil UK – a snapshot

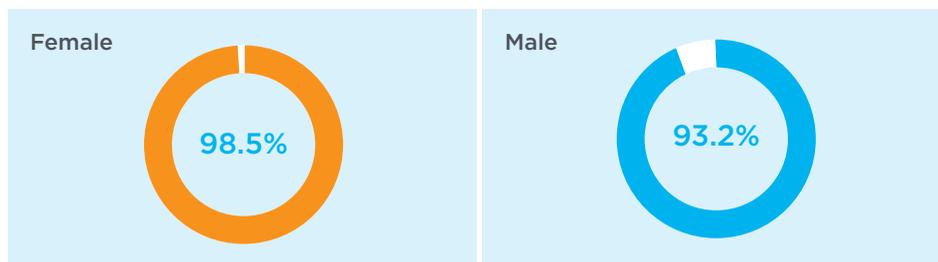
Mean and median pay and bonus gap

	Mean	Median
Pay*	22.5%	15.2%
Bonus**	21.8%	-8.0%

* based on hourly rates from a snapshot date of 5 April 2018

** based on all incentive pay in the 12 months previous to 5 April 2018

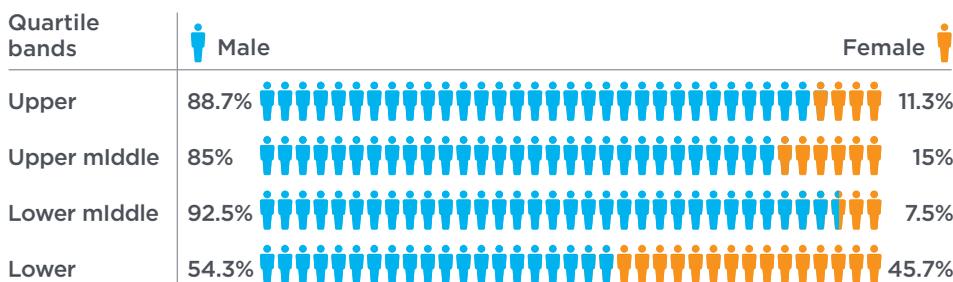
Proportion of females and males receiving a bonus



Calculations explained:

- The **mean** (or average) is calculated by adding up the wages of all employees and dividing the figure by the number of employees.
- The **mean gender pay gap** is the difference between mean male pay and mean female pay.
- The **median** is the figure that falls in the middle of a range when everyone’s wages are lined up from smallest to largest.
- The **median gap** is the difference between the employee in the middle of the range of male wages and the middle employee in the range of female wages.

Proportion of females and males in each quartile band



Calculations explained:

Employees are ranked from highest to lowest paid. This is then divided into four equal parts (quartiles) and the percentage of men and women is worked out for each of the quartiles.

What the numbers tell us:

- While we do have a gender pay gap, our equal pay review, policies and processes, help us ensure that any pay differences are not gender-specific.
- The proportion of women receiving bonus in 2018 was higher than men.

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What's behind the gap?

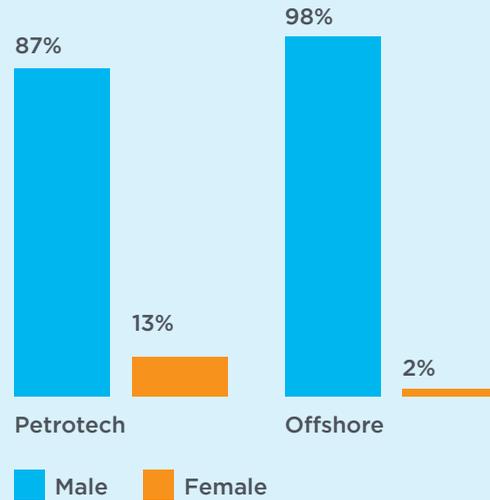
This gap is due to:

- Fewer women in engineering, geoscience and offshore roles. These roles generally attract higher remuneration from salary and allowances.
- Fewer women in higher-salary leadership roles. Many of our leadership roles require engineering and geoscience backgrounds.

Our gender pay gap also reflects wider issues. The Oil and Gas industry's average pay gap is 24.4% which is 6% higher than the national average. Females represent only 3% of the overall offshore workforce.

Source - OGUK workforce report 2018

Marathon Oil UK
Engineering, Geoscience and Offshore skill pool



We are committed to closing the gap

We recognize that we need to build on our current wide-ranging initiatives to address our gender pay gap. To this end, we are actively focusing on three key areas.

1. Flexible and home working policies

We already have a number of policies in place to aid work life-balance for parents, and we will continue to review and update these as required.

- Flexible and home working policies
- Enhanced maternity, adoption, surrogacy policies
- Paternity leave
- Parental leave

2. Promotion and career progression

- We will continue to review succession plans to ensure balanced talent pipelines.
- We will continue to identify employees with high potential to focus on active career management and ensure progression to senior leadership roles.

3. Training

- In 2018 we formed a Gender pay gap focus group to help the company focus on key areas to help improve the gap. A key action from this was to revamp the mentoring programme.
- In 2019 we intend to build on this by running training programmes with a focus on ensuring inclusion and recognizing unconscious bias.
- In 2018 we introduced a new workshop 'Improving Women's Financial Wellbeing'.

Declaration

We're committed to fostering an inclusive environment where people are valued, respected and are highly motivated to contribute their best talents to achieve business success.

We confirm that the information and data provided in this report is accurate and in line with mandatory requirements.

Deanna Jones
VP Human Resources and Administrative Services

