The Board continued to undertake employee engagement during 2021 through its participation in the Listening Group Network, which provided it with insights into the prevailing culture and enabled consideration of any improvement actions. By reviewing the results of our global employee engagement survey, the Board obtained an understanding of the effectiveness of Wood's approach to diversity, equity and inclusion. In addition, the survey gave insights into the success of actions overseen by the Board to manage the longer-term effects of Covid-19 on employee wellbeing, such as the implementation of our flexible hybrid working model to support employees as they return to the workplace.

Health, safety and sustainability

In 2021, the Board's oversight of the ongoing response to Covid-19 extended beyond the safety and wellbeing strategy emergency response and business continuity arrangements to include a focus on ongoing risk management; operational readiness and planning for a safe return to work. This approach ensured the safety of our people and minimised business disruption. The Safety, Sustainability, Assurance and Business Ethics Committee received regular updates throughout the year enabling it to continually monitor any changes in the pandemic risk assessment, travel or operational restrictions, vaccine policy and control measures. The Committee also provided oversight to the incident investigation into the fatality that regrettably occurred during the year. The purpose of this oversight was to ensure the investigation was independent, of high quality and fully identified the root causes and organisational learnings from this tragic event.

With responsibility for oversight of sustainability matters, the Committee endorsed the set of sustainability targets that underpin Wood's sustainability strategy. In response to the pace of change with regard to ESG risks and reporting requirements, the Board has increased its oversight for sustainability matters with detailed reviews by the Board now taking place on a bi-annual basis.

Diversity and Board composition

The Nomination Committee had focused on the continued implementation of Wood's inclusion and diversity strategy and succession planning. The Board recognises the importance of developing and maintaining an inclusive culture that promotes diversity of thought and perspective. During 2021, the Committee had oversight of Wood's commitment to improving gender balance with good progress being made towards our goal of female representation in at least 40% of senior leadership roles being made. At 31 December Wood had 33% female leaders compared to 31% in 2020. The Committee also oversaw a number of wider actions focused on creating an inclusive organisation including the roll-out of conscious inclusion training to all Wood employees, enhanced employee networks and the development of inclusion & diversity leadership champions. The Committee is mindful of the recommendations of the Hampton-Alexander and Parker reviews during Board succession planning and the recruitment process for new directors. Whilst the Committee continues to work towards stated goals of these reviews it is supporting initiatives to improve the reporting of industry progress, including those led by the FTSE Women Leaders Forum and the Parker Review Team at the Department for Business, Energy & Industrial Strategy.

On 21st February, the Company announced a delay was necessary to finalise the Company's reported results and to conclude the year-end process with the Company's auditor, KPMG LLP. The delay was required to allow an external investigation and review to be undertaken, principally in relation to the historical carrying value of the Aegis Poland project contract and the process by which this was determined. This review was concluded, and Wood's 2021 full year results will be announced on 20 April 2022. The Audit Committee will take account of the findings of the review in its continuing work on the effectiveness of the Company's internal control environment and the Chair of the Audit Committee and I will jointly review the Board oversight governance framework and make any recommendations for further refinement to the Board in due course. For further details see page 109.

Directors' remuneration

The Remuneration Committee has continued to closely monitor the external executive remuneration environment, alignment to the wider workforce, and the views of our shareholders whilst continuing to make remuneration decisions that reflect the needs of the business and in line with our remuneration principles. The Committee's priority is to balance fairly rewarding management performance with aligning to shareholder and wider stakeholder expectations. The Committee recognises the continued strength, resilience, courage and care demonstrated by the executive directors and the wider leadership team in leading the business throughout the year. The Committee continued its engagement activities with leadership and the wider workforce to ensure fair reward for all employees and alignment of executive director remuneration to that of the wider workforce.

Board evaluation

The Board participated in a Board evaluation process externally facilitated by Lintstock. The evaluation process enables the Board to ensure that the principles of the UK Corporate Governance Code on the role and effectiveness of the Board are satisfied. A number of actions were recommended including ensuring that the Board and senior management profile reflects the future direction of the organisation; devoting more time to discussion and greater focus on operational execution informed by appropriate metrics. The Board has undertaken activities throughout the year to address these areas including: reviewing senior management development and succession plans to ensure appointments reflected the appropriate expertise for the future direction of the Company; including additional time to the Board meeting timetable to allow for more in-depth discussion and refreshing the approach to business unit reporting to facilitate a deeper understanding of each business unit's operational performance and risk management.

Investigations

Through the Investigations Oversight Committee, the Board provided independent oversight of the risk analysis, mitigation and response of the business in connection with the investigations by the relevant

The directors submit their report together with the audited financial statements of the Group for the year ended 31 December 2021.

Information relevant to and forming part of the directors' report is to be found in the following sections of the Annual Report:

The Group consolidated income statement for the year is set out on page 150.

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Corporate governance statement

The Board is fully committed to maintaining high standards of corporate governance and, as a company with a premium listing on the London Stock Exchange, complies with the 2018 UK Corporate Governance Code issued by the Financial Reporting Council (the Governance Code). A copy of the Governance Code is available at www.frc.org.uk.

The Board reviews its governance procedures to maintain proper control and accountability and monitors its compliance with the Governance Code via a self-assessment verification process. Proper control, accountability and compliance with the Governance Code flows through the Group as a whole and the directors consider that the Group has fully complied with the provisions of the Governance Code throughout 2021.

The Board has applied the Governance Code Principles (A to R) as follows:

Board leadership and Company purpose

Effective Board – Principle A

Our Board is composed of highly skilled individuals who bring a range of skills and corporate experience to the boardroom (see pages 88 to 89).

The role of the Board is to lead and direct the Group, to promote its long-term sustainable success, generate value for shareholders and contribute to wider society.

The Board has a structured calendar for the year ensuring all relevant matters are considered and utilises its four principal committees to ensure sufficient time is allowed for discussion. At each Board meeting sufficient time is set aside for the committee chairs to report on the contents of their discussions, put forward any recommendations to the Board which require approval and the actions taken. Further information on the activities of the principal committees can be found on pages 90 to 91 and 103 to 114.

The Board continually assesses the flexibility and sustainability of our business model, monitoring and reviewing our strategy (including our purpose and strategic objectives), assessing and identifying changing or emerging risks that could impact on the Group in the short, medium and long-term. Further information on sustainability of the business model and principal and emerging risks can be found on pages 95 and 69 to 74.

Purposes, values and culture – Principle B

Our purpose, values and culture are set out in the Strategic Report on pages 6 and 7 which describes the basis upon which the Company generates and preserves value over the long-term.

The Board oversees the development of the Group's purpose, defining our values and strategy and monitoring and assessing culture, for the benefit of all stakeholders.

Our purpose informs the Group's strategic direction and how we deliver value for our stakeholders. Due to its importance, the Board periodically reassesses our purpose to ensure it continues to reflect the Board's strategy, values, and desired culture.

Our values reflect the qualities we embody and our underlying approach to doing business. Our values are embedded in our operational practices and the direct oversight and involvement of the executive directors.

Our culture has developed from our values and is considered a key strength of our business. The Board reinforces our culture and values through its decisions, strategy and conduct.

During the year, the Board assessed the effectiveness of Wood's culture, with particular emphasis on the effectiveness of Wood's approach to diversity, equity and inclusion and actions taken to manage the longer-term effects of Covid-19 on employee wellbeing. These activities, including discussions with management and employee surveys, are described in more detail on pages 58 to 63. The Board is satisfied that the culture is operating effectively.

Governance framework and Board resources – Principle C

The Board believes good corporate governance is essential to ensuring our business is run in the right way, creating value for all our stakeholders and is key to overall performance and integrity and is consistent with our shared values.

Corporate governance extends beyond regulatory compliance and the directors consistently monitor developments in best practice, including guidance published by investor groups.

The directors use an electronic Board paper system which provides secure access to papers. The information provided to Board members is of sufficient depth to facilitate debate and to fully understand the content whilst remaining clear and concise.

If any director has concerns about the running of the Group or any proposed course of action, they are encouraged to express those concerns which will then be minuted. No such concerns were raised during 2021.

All directors are entitled to take independent professional advice at the Group's expense and have access to the advice and services of the Company Secretary, who is responsible for ensuring that Board procedures are complied with.

Board leadership and Company purpose

Stakeholder engagement – Principle D

We recognise the importance of clear communication and proactive engagement with all of our stakeholders. The Governance section of the Annual Report explains how the Group has applied the principles of the Governance Code with its shareholders on page 95. Further information on engagement with stakeholders and the Board's application of s172 of the Companies Act 2006 can be found on pages 14 to 21 and page 85.

Employee engagement
We have an experienced, diverse and dedicated workforce which is recognised as a key asset of our business.

The Board recognises the importance of strong employee engagement and considers that meaningful, regular dialogue with employees provides it with greater insights into the culture, activities, and experiences of the people in our business. Rather than adopting one of the three methods of employee engagement set out in the Governance Code, the Board uses a combination of methods, including a bi-annual global employee survey, additional global employee pulse surveys to gather the views of employees, and the Listening Group Network (LGN), which involves employees from all our global locations, enabling the employee voice to be heard by the Board and Executive Leadership Team. The LGN has grown in membership by over 20% during 2021. The Board believes this is a more effective method of employee engagement and representative of Wood's global, diverse workforce. In 2021, our global employee engagement survey received c18,000 responses (a participation rate of around 50%) from 37 countries.

Established mentoring relationships have continued during 2021. However other examples of workforce engagement activities usually carried out by Board members, including hosting talent lunches and dinners and town halls and visiting regional and overseas sites were not possible due to continuing Covid-19 restrictions. It is intended these activities will recommence once it is safe to do so.

We discuss our workforce engagement activities on page 14 and pages 58 to 63. Details of the impact of employee engagement on principal decisions are set out on pages 19 to 21.

Shareholder engagement
Shareholders play a valuable role in safeguarding the Group's governance through, for example, the annual re-election of directors, monitoring and rewarding their performance and engagement and constructive dialogue with the Board.

To engage with our shareholders, the Board utilises the following engagement methods: shareholder consultation; investor meetings and presentations; annual general meeting; annual report and our corporate website. Further details of our engagement with shareholders are on pages 15 and 95.

Business relationships with suppliers and clients
Relationships with suppliers and clients are developed at all levels through daily business activities allowing us to gain an understanding of their views and priorities.

Executive and business unit leaders hold regular meetings with suppliers to discuss matters including performance issues, innovations and upcoming projects.

Wood is a founding member of the Building Responsibly initiative, a global, business-led coalition committed to promoting the rights and welfare of workers, specifically for those in the engineering and construction industry. The Building Responsibly Principles provide a framework for Wood's ongoing development of good practice and will assist in establishing a common, global baseline for the treatment of workers. Our Building Responsibly strategy has been developed in collaboration with Supply Chain and, through engagement with our suppliers, we aim to ensure 100% of Wood's labour suppliers sign up and comply with the Building Responsibly Principles by 2025 and ensure 100% of our suppliers have Building Responsibly Principles embedded into their supply chains by 2030.

Client engagement is managed through our structured Client Management Framework enabling active executive and business unit leadership participation in strategic level and key client meetings. The insight from these meetings helps to inform operational, business development and long-term strategic direction. In 2021, the continuing Covid-19 pandemic resulted in most meetings taking place virtually. Details of the Group's engagement activities with clients and suppliers during the year are provided on page 16.

Division of responsibilities

Workforce policies and practices – Principle E

The Board and/or Executive Leadership Team review and approve all key policies and practices which could impact on our workforce and drive their behaviours. All policies support the Group's purpose and reflect our values and are published on the Group intranet.

As a business, we seek to conduct ourselves with honesty and integrity and believe that it is our duty to take appropriate measures to identify and remedy any malpractice within or affecting the Company. Our employees embrace our high standards of conduct and are encouraged to "speak up" if they witness any behaviour which falls short of those standards.

Mandatory training programmes are used to reinforce key ethics and compliance messages in areas such as anti-bribery and corruption and conflicts of interest. All Board members and employees are required to notify the Company as soon as they become aware of a situation that could give rise to a conflict or potential conflict of interest. Further details are provided on pages 48 to 49 and page 92.

In 2021, the Board approved the Modern Slavery and Human Trafficking 2021 statement.

Division of responsibilities

Board roles – Principle F

There is clear division between executive and non-executive responsibilities which ensures accountability and oversight. The roles of Chair and Chief Executive are separately held and their responsibilities are well defined, set out in writing and regularly reviewed by the Board.

Further details on the roles of the Chair, Chief Executive, Senior Independent Director, non-executive directors and the Company Secretary is on page 92.

Independence – Principle G

The Board has reconfirmed that, at 31 December 2021, our non-executive directors remain independent from executive management and free from any business or other relationship which could materially interfere with the exercise of their judgement.

External commitments and conflicts of interest – Principle H

The Board takes into account other commitments when considering anyone for appointment to the Board to satisfy itself that the individual can devote sufficient time to the Company and also to assess any potential conflicts of interest.

Key activities of the Board – Principle I

The Board typically schedules four face to face meetings and three calls on an annual basis. During 2021 a total of eight board meetings took place: four "full" board meetings (one in-person meeting held in Glasgow and three via video conference) and four board calls (all held via video conference). The meeting in Glasgow was held to coincide with COP26 and local management and other employees were provided the opportunity to participate in our activities at the conference.

Committee meetings during the year were predominately held remotely by telephone or by video conference.

The Board and its committees routinely invite members of the management team to attend meetings to present on the matters being discussed, enabling their input into discussions.

The following are covered as standing agenda items at the majority of meetings:

- Review of Governance and reports from the Safety, Sustainability, Assurance & Business Ethics; Audit; and Remuneration Committees, and the Chief Executive report
- Operations updates and functional updates from HSSES, P&O, Strategy & Development and Finance & Administration (including Investor Relations, IT, Legal, Tax & Treasury and Commercial)

Further details on Board activity during the year is on pages 97 to 100.

Appointments to the Board – Principle J

We ensure that appointments to our Board are made solely on merit with the overriding objective of ensuring the Board maintains the correct balance of skills, length of service and knowledge to successfully determine the Group's strategy.

Appointments are made based on the recommendation of the Nomination Committee with due consideration given to the benefits of diversity in its widest sense, including gender, and social and ethnic backgrounds.

Risk management and internal control – Principle O

The Board has overall responsibility for the Group's systems of internal control and risk management which is fundamental to the achievement of the Group's strategic objectives.

Risk management
The Board has a well-established process for identifying, evaluating, and managing the principal and emerging risks faced by the Group and this process has been in place for the year under review and up to the date of approval of this Annual Report. The process is regularly reviewed by the Board and is in accordance with the Governance Code. The Group, for the purposes of applying the Governance Code, comprises John Wood Group PLC and its subsidiaries[1].

A Group risk management standard codifies existing risk management practice and drives consistency across the Group. For further details on the principal risks and uncertainties faced by the Group along with associated mitigations, monitoring, assurance and the approach to emerging risks, please refer to pages 68 to 74.

Any system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The key elements of the ongoing procedures, which the directors established to review the effectiveness of the system of internal control on an annual basis, are listed below.

As a result of these ongoing procedures, the Board's assessment was that the overall internal control environment was operating effectively, with some areas for improvement noted, please refer to pages 70 and 76.

- **Internal control structure**

The Group has a clear organisational structure for the control and monitoring of its businesses, including defined lines of responsibility through the organisation up to Board level and delegations of authority in place. The Group has issued policies which define the standards of business conduct and include Accounting; Contract Risk Management and Rt stTthese(t st)2.5i22.52 ( )9.5 (th

Remuneration

Linking remuneration with purpose and strategy – Principle P

Our Remuneration Policy is designed to be simple, balanced and transparent, aligning with strategy, culture and delivery of shareholder value. The Remuneration Policy and principles support the needs of our business over the next few years, our strategy and the creation of long-term value for our shareholders. We link pay to performance by ensuring there is a strong alignment with the organisation's short and long-term objectives, and the prevailing company culture.

Changes to policy and summary of process – Principle Q

The Remuneration Committee has an established, formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration. No director is involved in deciding their own remuneration outcome. In setting the Remuneration Policy, the Remuneration Committee considers the relevant provisions of the Governance Code, relevant regulations enacted under the Companies Act 2006 and shareholder views through consultation.

The current Remuneration Policy received shareholder approval at the 2020 AGM.

Strategic targets and performance outcomes – Principle R

The Remuneration Committee exercises independent judgement and discretion when recommending remuneration outcomes to the Board, taking account of company and individual performance and wider circumstances.

Further detail on the work of the Remuneration Committee is on pages 110 to 134.

Share capital and rights

As at the date of this report, the Company's issued share capital, quoted on the London Stock Exchange, consisted of 691,839,369 ordinary shares, each carrying one vote. The total voting rights at the date of this report are accordingly 691,839,369. No person has any special rights of control over the Company's share capital and there are no shares carrying special rights or restrictions on voting rights. All issued shares are fully paid.

There are no restrictions on the transfer of ordinary shares in the capital of the Company other than certain restrictions which may, from time to time, be imposed by law, for example, insider trading regulations. The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

Details of significant direct or indirect holders of securities in the Company can be found on page 97 of this report.

The John Wood Group PLC Employee Share Trust holds shares to meet its obligations under the Company's employee share plans and rights in respect of those shares are not directly

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The following statement, which

Roy A Franklin OBE

Chair

Appointed: 2017
Chair since September 2019

Contribution to the Company
Roy brings to the Board more than 48 years' experience as a senior executive in the oil and gas industry including strong

Nigel Mills

David Kemp

Chief Financial Of icer

Appointed: 2015

Contribution to the Company
David is an experienced Chief Financial Officer (CFO) with a significant track record of building financial discipline, driving growth and margin improvement and delivering excellence. His extensive knowledge of the debt and equity markets and the wider financial and service sectors is vital to the Company's objectives of resilience and a strong balance sheet.

Experience
David was appointed as CFO of Wood Group's PSN division in 2013 and as Group CFO in 2015. David is a non-executive director of Craneware plc and was a director of Albyn School Limited until the end of January 2022. Prior to joining Wood Group, he served in executive roles at Trap Oil Group, Technip, Simmons & Company International and Hess Corporation, working across Finance, M&A and Operations. He is a member of the Institute of Chartered Accountants of Scotland.

Jacqui Ferguson

A N R

Non-executive Director

Appointed: 2016

Contribution to the Company
Jacqui contributes to both strategic and operational matters with wide ranging managerial and equality, diversity and inclusion experience. Her diverse outlook and broad industry related technology expertise from multiple sectors including telecommunications, financial services, manufacturing, travel & transportation, energy and government is an important element enabling the Board to deliver its strategy and long-term growth.

Experience
Jacqui is a senior independent director of Tesco Bank and a non-executive director of Croda International plc. She is deputy chair of Engineering UK and a Fellow of the Institute of Engineering and Technology. Jacqui was previously a founding member of the Scottish First Minister's Advisory Board for Women and Girls, her 3 year term having ended during 2021, and Senior Vice President and General Manager of Hewlett Packard Enterprise Services in the UK and Ireland, Middle East, Mediterranean, Africa and Israel.

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Role of the Board and Committees

Board

The Board is collectively responsible for the governance of the Company on behalf of shareholders and is accountable to them for the long-term success of the Group. The Board focuses its time and energy on strategy, succession planning, significant acquisitions and divestments, deleveraging, the annual budget and performance against it, monitoring and assessment of culture, monitoring the performance of the management team, and risk management, specifically focusing on principal risks and the overall system of internal control.

The Board has delegated some of its responsibilities to its four main Board Committees – the Safety, Sustainability, Assurance & Business Ethics Committee, the Nomination Committee, the Audit Committee and the Remuneration Committee. The work of these Committees is supported by members of the Executive Leadership Team (ELT) and other senior management.

The Company Secretary provides advice and support to the Board.

Safety, Sustainability, Assurance & Business Ethics Committee

Oversees the Group's management of HSSE, Sustainability, Operations Assurance and the Business Ethics and Compliance programme, consistent with the Group's values.

Read more on page 101

Nomination Committee

Leads the process for Board appointments, ensuring formal, rigorous and transparent procedures and making recommendations to the Board to ensure plans are in place for an orderly succession to both the Board and senior management positions and oversees the development of a diverse pipeline for succession.

Audit Committee

Responsible for reviewing the effectiveness of the Group's internal financial controls, monitoring the integrity of the Group's financial statements and internal and external audit functions. The Audit Committee aims to promote high standards of corporate governance by ensuring robust and effective financial controls, reporting and audit.

Remuneration Committee

Oversees and is manage-0.6Commit

Executive Leadership Team

The ELT operates under the authority of the Chief Executive Officer and comprises the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, the Executive Presidents of our business units, the Executive Presidents of our Health, Safety, Security, Environment & Sustainability, People & Organisation and Strategy & Development functions and the Group General Counsel & Company Secretary. The Executive Presidents of our business units all report directly to the Chief Operating Officer. The other members of the ELT report directly to the Chief Executive Officer.

The ELT supports the Chief Executive with the development and implementation of Group strategy and with the management of the business operations of the Group.

Executive Leadership Team and business unit update

At the end of December 2021, Dave Stewart, formerly Chief Operating Officer (COO) and Sue MacDonald, Executive President – People & Organisation, retired and stepped down from their respective roles and from the ELT.

Dave Stewart had been with the Company in various roles for 25 years and his deep cross-industry experience has been a driving force, propelling our performance and navigating us through many changes. Most recently as our COO, he led the creation of our Operational Excellence model, our mark of excellence and a hallmark for the Wood way of working.

In September 2021, Wood welcomed Ken Gilmartin to the ELT and, after a hand-over period, he assumed the position of COO on 1 October 2021. Ken has significant experience in operational and project leadership roles across geographies and sectors which is valuable to his role as COO, with responsibility for execution excellence, operational assurance and optimising and digitalising the way Wood delivers work to its global client base. He also leads the Operating Committee with a focus on building on the strong momentum in the definition and execution of a global operational strategy.

Sue MacDonald joined the Company in 2010 and has been pivotal in navigating the Company through the strategic acquisitions and integrations that have brought our organisation, culture and people together to become the community we are today.

Lesley Birse succeeds Sue as Executive President – People & Organisation, having previously held the role of President, P&O for our Operations

Corporate governance arrangements

Details of how the Company has complied with each Principle of the 2018 UK Corporate Governance Code (the Governance Code) are set out on pages 79 to 84.

Board composition

The Board comprised ten directors for most of the year. Mary Shafer-Malicki resigned as a non-executive director with effect from 13 May 2021. Brenda Reichelderfer and Susan Steele were appointed as additional non-executive directors with effect from 31 March 2021.

The Board considers any recommendations made by the Nomination Committee with regard to board composition and proposed appointments.

Non-executive directors comprised a majority of the Board (excluding the Chair) as recommended by the Governance Code.

Board roles

As agreed by the Board and in compliance with the Governance Code there is a clear separation of the roles of the Chair and the Chief Executive.

The Chair is a non-executive director and is responsible for leadership of the Board, creating the conditions for overall Board and individual director effectiveness. The Chair's responsibilities include providing coherent leadership consistent with the Group's vision and values, running the Board and setting its agenda, taking full account of all concerns of Board members, and ensuring there is a clear structure for, and the effective running of, Board Committees with appropriate terms of reference. The Chair ensures effective communication with shareholders and other stakeholders and ensures that the members of the Board are made aware of the views of major investors.

The Chief Executive is an executive director and is responsible for running the business of the Group in close collaboration with and with the support of the Executive Leadership Team. The Chief Executive's responsibilities include developing group objectives and strategy for approval by the Board, effectively leading the Executive Leadership Team and senior leadership in the day-to-day running of the Group's business and setting out the Group's culture, values and behaviours.

The Senior Independent Director provides support to the Chair and to the Board in the delivery of its objectives. The Senior Independent Director is available to shareholders who have concerns that have not been resolved through discussion with the Chair or Chief Executive. The Senior Independent Director is responsible for leading the evaluation of the Chair on behalf of the other directors.

Non-executive directors have a responsibility to bring constructive, independent challenge and judgement to Board discussion. The Chair and the non-executive directors meet periodically without the executive directors present. Non-executive directors are required to be free from any relationships or circumstances which are likely to affect the independence of their judgement. The Nomination Committee regularly reviews the independence of non-executive directors.

The Company Secretary is responsible for advising the Board on all governance matters. The responsibilities of the Company Secretary include ensuring information flows within the Board and its Committees and between senior managementits C

The results of the evaluation conducted during late 2020 were reviewed by the Board and committees during the November 2020 Board meeting and the results of the evaluation conducted during 2021 were reviewed during the November 2021 Board meeting.

With regard to the evaluation conducted during 2020, the overall conclusion was that the performance of the Board of Directors is rated very highly and therefore the recommendations were characterised as points of potential further improvement rather than material changes of approach.

2020 evaluation

Particular areas of Board governance which were commended in the report included:

•

2021 evaluation

With regard to the evaluation conducted during 2021, it was noted that the Board composition has evolved purposefully and includes a wide range of relevant expertise and good gender diversity and the addition of another non-executive is not a matter of urgency. The standard of director and senior management induction was commended, particularly in the context of limited face-to-face engagement. Board meetings were generally well managed, however more concise management presentations to maximise the time available for discussion and more frequent one-to-one engagement between non-executive directors and members of the ELT would be beneficial.

The response of risk management arrangements to Covid-19 and the Board's oversight of recently concluded investigations, were rated extremely highly.

The Board's oversight of risk was rated highly.

When compared against the Lintstock Governance Index, which draws upon over 200 board reviews and helps put performance into context, monitoring of culture was rated considerably more positively than is typically the case.

The following were all rated positively overall: understanding of key stakeholder groups, current mechanisms for workforce engagement, organisational structure of the Group, oversight of project execution and understanding of various markets and geographies in which the Group operates.

Engagement with shareholders

Our investor relations (IR) activities are led by the Chief Executive and CFO, supported by the IR team and other members of senior management as appropriate. We provide the opportunity for significant shareholders to meet with the Chief Executive and CFO at least twice a year around the interim and full year results announcements. and with the Chair around the Annual General Meeting. The Chair also has regular calls with the Company's brokers to understand the views of shareholders and equity markets more broadly.

During 2021, in addition to periodical market updates and our interim and full year results, more than 100 shareholder engagements took place between investors and the IR team and/or the Chief Executive and CFO and these were carried out by call and video conference.

Continuing Covid-19 restrictions meant that we were unable to invite shareholders to attend our AGM, held on 13 May 2021, in person. In order to allow

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Update on investigations

The Investigations Oversight Committee (IOC), chaired by Thomas Botts, continued

Major shareholdings

The Company has been notified, in accordance with DTR 5, of the major shareholdings in the Company as of 31 December 2021, as shown in the table below:

Shareholders	No of shares	% of shares
Liontrust Investment Partners LLP		

Attendance at Board and Committee meetings is noted as the number of meetings attended/the maximum number of meetings possible for that director to attend, so accounting for appointments and resignations part way through the year.

During 2021, all directors attended all meetings they were entitled to attend.

* Brenda Reichelderfer was appointed 31 March 2021
** Susan Steele was appointed on 31 March 2021
*** Mary Shafer-Malicki resigned 13 May 2021

F Face to face
V Video conference

Activity

- Wood's strategy was reviewed and regularly discussed at Board meetings. Interim updates were provided to the Board during the year. A full day was set aside as part of the November board meeting to discuss strategy
- Individual strategy updates were received from each business unit
- The flexibility and sustainability of our business model, and Wood's role in addressing climate change including minimising its own environmental footprint, was reviewed and the Board discussed the risks, opportunities and impact of climate change on the sustainability of the business model
- The Board discussed the Company's approach to the type of projects it would undertake, and the approach to governance, having regard to its commitments on sustainability and the energy transition
- The Board considered how best to participate at the UN Climate Change (COP26) Conference held in Glasgow in November 2021

Outcome/progress:

- Regular updates were received from each business unit with additional overview presentations from the Executive President - Strategy & Development
- The Board Strategy Day held at the November 2021 meeting discussed strategic fundamentals: vision, values, purpose, strategic objectives and ESG commitments, especially with regard to the energy transition and industrial decarbonisation
- Risks to the sustainability of the business model could be mitigated by: responsible business assessment ensuring potential material ESG issues are identified and managed at an early stage, retraining and reskilling sections of the existing workforce and hiring external experts, accessing green hydrogen technology via partnership and/or research and development investments
- Proposed projects should be assessed from a sustainability perspective as well as from a commercial perspective
- Our Glasgow office was fitted out and became 'Wood House' for the duration of COP26 and hosted guests from across multiple energy transition and resilient city thought leadership events. This included partnering with AIG and the University of Strathclyde to explore how the city can integrate plans to effectively mitigate climate risk as part of its energy transition and resilience strategies
- Development of a five-year earnings plan linked to the Company's strategy
- The Board approved a strategic review of the built environment business to identify a range of options to best unlock value from that part of the business, to ensure this value is being recognised in its market capitalisation and assess how best to take advantage of the positive trends and investment opportunities in the energy transition and industrial decarbonisation spaces where the Company is already a global leader. In January 2022 the Board concluded that a full sale of the built environment business is the best option to deliver shareholder value and strengthen the Group

People and succession planning

Activity

- Reviewed succession plans in place for the Board, ELT and other senior management positions in the Group
- Reviewed the Company's various initiatives on inclusion and diversity
- Further employee engagement via an all-employee survey and review of an Organisational Health Index survey
- Review of future skills requirements
- Reviewed the Gender Pay Gap report

Outcome/progress:

- The Board noted the succession plans for senior executives and senior management. The Board also challenged the diversity of the succession pipeline
- Board participation in Listening Group Network calls on topics including Wood's strategic focus for 2021, mentoring initiatives, and the results of employee surveys
- Introduction of future skills initiatives to enhance skills, both in new sectors and in our more traditional oil & gas sector

Board engagement with shareholders and other stakeholders

Activity

- The Board seeks to understand the views of shareholders and other stakeholders and take these into account where appropriate
- Regular reports received from the CFO on Investor Relations activities, supplemented by analysis provided by our brokers
- The Chair, Senior Independent Director and the Chair of the Remuneration Committee make themselves available to meet with key shareholders
- The Board reviewed its obligations under the Governance Code for meaningful engagement with its stakeholders, including the workforce
- The Board engaged with its lenders with regards to its revolving credit facilities and UK Export Development Guarantee Facility

Outcome/progress:

- Significant shareholders have the opportunity to meet with the Chief Executive and CFO at least twice a year around the interim and final results announcements and with the Chair around the Annual General Meeting. During 2021, government restrictions on travel and on public gatherings in response to the Covid-19 pandemic meant that engagement was carried out by calls and video conference. The AGM was held on 13 May, however shareholders were unable to attend in person as restrictions on public gatherings were still in place. Shareholders were invited to submit questions in advance of the AGM through our website and we provided a simultaneous audio broadcast of the AGM so shareholders could follow proceedings and could also submit questions on the day
- Engagement with investor proxy agencies took place upon request
- Our established employee networks continued to meet, in line with our commitment to listen to our workforce, with a non-executive director actively participating in each session. Feedback was delivered to the Board
- Engagement with our lenders resulted in a new revolving credit facility and a successful application

The Safety, Sustainability, Assurance and Business Ethics Committee is responsible for overseeing the Group's management of Health, Safety, Security, Environmental (HSSE), Sustainability and regulatory compliance & Business Ethics matters, in line with the Group's policies and values commitment. The Committee changed its title during the year to include Sustainability, recognising the increasing importance and profile of Environmental, Social and Governance (ESG) risk and reflecting the expansion of the Committee's terms of reference in 2020 which formalised its responsibilities for overseeing the Group's approach to sustainability.

The primary focus of the Committee is to ensure that risks associated with issues relating to HSSE, Sustainability and Business Ethics are understood and managed and oversight is provided to systems and assurance activities in place to minimise the occurrence of major events.

Sustainability

Sustainability was a key focus for the Committee in 2021 as it exercised its responsibilities for overseeing the Group's effectiveness in its approach to sustainability management, responding to sustainability risks and positioning the Company with external stakeholders through engagement and

In 2021, the Committee reviewed and endorsed Wood's Sustainability Targets. The targets are in line with the Wood Sustainability Strategy that has been developed in response to the UN Global Compact principles and supporting actions identified by the UN Sustainable Development Goals (SGDs). The targets relate to Wood's key material sustainability development aspects significant to our success and relevant to our key stakeholders, linking Wood's journey into those of the SGD objectives. The key strategic targets include delivering:

- Top quartile ESG investment ratings
- Doubling of client support in energy transition and sustainable infrastructure
- An inclusive and diverse workforce through improving the senior leadership gender balance and rolling out conscious inclusion training to all Wood employees
- Managing our environmental impact through a reduction in carbon emissions and removing single use plastics from Wood offices
- Embedding fair working practices throughout the supply chain
- Positively impacting our communities by continued support to our Global Cause

The Committee endorsed both Wood's Annual Sustainability Report and the revised Modern Slavery & Human Trafficking Statement in pursuance of Wood's legal obligations under the Modern Slavery Act 2015.

Managing the ongoing impacts of Covid-19 and safety

Wood's management of the Covid 19 pandemic continued to be a primary focus for the Committee in 2021. This involved reviewing and providing oversight of the response strategy, and ongoing resilience of the organisation including operability status and safety and wellbeing; emergency response and business continuity arrangements; ongoing risk management; operational readiness and planning for a safe return to work. The ongoing Wood response to the pandemic was seen as both appropriate and effective in minimising business disruptions. The Committee received weekly briefings providing an overview of the current Wood and global pandemic status along with any changes in the pandemic risk assessment, travel or operational restrictions, vaccine policy and control measures.

The Committee also provided oversight to the incident investigation into the fatality that regrettably occurred during the year. The purpose of this oversight was to ensure the investigation was independent, of high quality and fully identified the root causes and organisational learnings from this tragic event.

Regulatory compliance and Business Ethics

With regards to matters of Ethics and Compliance, the Committee continued to provide oversight to the Ethics and Compliance Strategy and the effectiveness of the programme. In addition, the Investigation Oversight Committee (IOC), which was established in 2017, continued in place throughout 2021. The IOC was established to provide further independent oversight and governance with regard to any

Independence

The Nomination Committee also regularly reviews non-executive director independence. After careful consideration, the Board confirmed that, at 31 December 2021, it regarded each non-executive director as independent for the purposes of the 2018 UK Corporate Governance Code ("the Governance Code"). All non-executive directors are considered to be independent in character and judgement; with no relationships or circumstances

Inclusion and diversity
Wood is committed to its Inclusion and Diversity policy which encourages an inclusive environment where employees are involved, respected,

Membership

Adrian Marsh chaired the Audit Committee throughout 2021. Adrian has recent and relevant financial expertise and is currently Group Finance Director of DS Smith PLC.

Jacqui Ferguson and Nigel Mills served on the Audit Committee throughout the year. In May 2021, Mary Shafer-Malicki

March

- Review and recommendation to the Board for approval of the 2020 Group financial statements and related disclosures
- Review and recommendation to the Board for approval of the going concern and viabilital ofwww Review and recommend(w)9.9(f)ng
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The audit provided the results of the assessment that was carried out during 2021 and noted that the maturity level had increased against a landscape of increasing cyber risk.

Internal audit

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Remuneration Committee

Jacqui Ferguson
Chair, Remuneration Committee

Membership

During 2021, the Remuneration Committee comprised of the following independent non-executive directors; Jacqui Ferguson (Chair), Mary Shafer-Malicki, Nigel Mills and Brenda Reichelderfer. Mary retired from the Committee and Board as a non-executive after nine years of service on 13 May 2021, replaced by Brenda Reichelderfer who joined the Committee on 31 March 2021. All members of the Committee are considered independent and short biographies can be found on pages 88 to 89.

Main responsibilities:

The Remuneration Committee advises the Board on executive remuneration and sets the remuneration packages of each of the executive directors within the approved Directors' Remuneration Policy. The Committee has a written charter, which is reviewed annually and is publicly available on the Company website. The Committee monitors the ongoing appropriateness and relevance of the Policy and its application, ensuring alignment of incentives and rewards with the wider workforce, global remuneration trends, and culture at Wood.

The aim of the Committee is to establish an overall remuneration structure which:

- Promotes the long-term success of the Company and delivers the strategy
- Reflects a balance of fixed and variable pay, with the intent of creating a competitive total remuneration package that supports the attraction and retention of executive directors
- Ensures appropriate alignment between incentivised performance and the interests of shareholders

In setting the Remuneration Policy and its application, T (ed e a8n)1.it
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Read the Remuneration Committee Charter at:
woodplc.com/remcommittee

F Face to face
V Video conference

Stakeholder engagement
The Committee is mindful of shareholder and other stakeholder expectations in respect of executive pay and actively takes this into account when developing remuneration arrangements.

Simplicity and balance
Our remuneration should effectively support attraction and retention, as well as being easily understood by all stakeholders. We aim to provide an appropriate balance between fixed and variable pay, with the following main components: base pay; benefits and pension; annual bonus plan; long term incentive plan; and employee share plans. Our arrangements should be clear, transparent, and aligned to those of the wider workforce.

Internally fair, externally competitive
Ensuring executive directors' remuneration reflect wider workforce arrangements, including base salary increases. We use external data to inform our thinking and ensure remuneration decisions support attraction, retention, incentivisation and reward of our executive directors and broader leadership team.

Discretion in decision making

The Committee exercises discretion when determining the outcomes of short and long-term variable reward, in addition to the formulaic outcomes, considering any year-on-year changes, market conditions and relevant environmental, social and governance (ESG) matters. Such factors may include (but are not limited to); workplace fatalities and injuries, significant environmental incidents, large or serial fines or sanctions from regulatory bodies and/or significant legal judgements or settlements.

To enhance the rigour in which performance is reviewed the Committee utilises the discretionary matrix when assessing bonus and long-term incentive plan outcomes. As with all Committee decisions (in line with section 172 of the Companies Act 2006), we reflect on the experience of all stakeholders through the course of plan performance periods. A copy of the framework can be found at: **woodplc.com/discretionarymatrix**

Committee meetings in 2021

During 2021, the Committee met five times to discuss remuneration issues and the operation of the Directors' Remuneration Policy. Additional meetings were held in January & February to determine variable reward outcomes for 20rtings wers o detings w

Matters considered	Feb	Mar	May	Aug	Nov
Policy application for year ahead: annual salary review & retention – executive directors and Chair of Board, ensuring alignment with wider workforce		D			I
ABP: future year performance measures for all participant plans, team & personal objectives for executive directors and executive leadership team	I	D			I
Review projected outcomes for previous performance periods for ABP and LTIP	I	D			
LTIP: future year arrangements, risks, impact of windfall gains and performance measures for all participant plans & executive directors	D				I
Variable reward: ongoing review of performance against targets for executive directors and all participants			I	I	I
ABP & LTIP: Deferred and/or discretionary awards review and approval		D			
Wider workforce focus - overview on a range of matters including reporting (pay equity and UK gender pay gap reporting), UK real living wage, wellbeing focus, share plans, benefits, pensions, spot bonus, annual salary review, employee engagement and reward engagement framework	I	I	I	I	I
Incentive plans summary		I	I	I	I
Annual general meeting preparation			I		
Preparation of annual remuneration report and sign off; determine stakeholder engagement	I	D		I	D
Review ELT and Company Secretary remuneration including new appointments, discretionary awards, and annual review			I	I	D
External market update from advisors including update on investor guidelines; emerging legislation, best practices, current thinking			I	I	I
Review proposals for Long Term Incentives including introduction of restricted stock for the wider workforce			I	D	I
Committee performance, review effectiveness, charter, and objectives – review of current year and determination of following year	D				D
Share dilution and management: discussion and approval	I	D			

D Decision made
I Inform, discuss and planning

Remuneration Committee continued

Workforce engagement & remuneration

The Committee continues to increase its focus on workforce engagement and is committed to ensuring employees' views are considered in any decision-making process. The aim of workforce engagement is to ensure that the workforce is listened to and considered as part of the remuneration process ensuring that remuneration decisions are aligned with their experience and underpinned by feedback and supported by data on the composition, remuneration, engagement, retention, and diversity of the workforce.

In 2021, the Committee attended a Listening Group Network call with employees to gather feedback on how they feel about their own reward, shared how executive remuneration is aligned to wider workforce remuneration, and provided an update on wider workforce practices and improvements. In February 2022, the Committee are attending reward focus groups following feedback from the results of the annual employee engagement survey to directly hear from employees on their experiences of working at Wood. The Committee continued to receive regular updates from the President of Reward & Mobility and Executive President of People & Organisation (P&O) throughout the year on wider workforce remuneration matters, ensuring that broader reward practices are understood and aligned when setting executive remuneration. More information on wider workforce remuneration considered by the Committee can be found from page 116.

Advice provided (including internal teams)

During the year, the Committee took advice from Deloitte LLP, who was retained as external advisor to the Committee. Deloitte received £72,310 for the provision of services to the Committee during the year. These fees consisted of core services (where the cost was agreed in advance) and additional services (which were charged on a time and materials basis). The Committee has reviewed the remuneration advice provided by Deloitte during the year and is comfortable that it has been objective and independent. Deloitte is a member of the Remuneration Consultant Group and adheres to the Group's Code of Conduct. The Committee has reviewed the potential for conflicts of interest and judged that there were appropriate safeguards against such conflicts. As well as advising the Committee, Deloitte provided other services in 2021, predominately related to tax compliance and advisory, and immigration advice. Where appropriate, the Committee also receives input from the Chair of the Board, Chief Executive, Chief Financial Officer, Executive President of People & Organisation, and the President of Reward & Mobility, who also acts as Secretary to the Committee. These individuals may attend the Committee but do not take part in discussions regarding their own compensation.

Committee evaluation

As detailed on page 77, Lintstock undertook a review of the Committee during the year. The performance of the Committee continues to be positively rated overall. Going forward the committee will further focus on finding the right balance between UK investors remuneration requirements and the dynamics of the global talent market and the wider stakeholder experience. In addition, the Committee will focus on strengthening engagement with executive directors on remuneration matters and continuing to maintain effective target setting and ensuring effective planning ahead of the 2023 Policy renewal. The review concluded that the Committee is appropriately chaired and supported in fulfilling its role.

Shareholder consultation

As a minimum, the Committee engages annually with significant shareholders and voting agencies via written correspondence and offers the opportunity to meet with the Chair of the Committee. The Committee views these meetings as an opportunity to ensure the Directors' Remuneration Policy, and application, continues to be aligned with shareholder views, with feedback used to inform the Committee's decision-making process. The Committee ensures that appropriate and meaningful shareholder consultation takes place in advance of any material change being proposed to the Directors' Remuneration Policy.

A summary of any such consultation and the Committee's response to substantive points raised will be included in the relevant section of the remuneration report. In addition, the Committee receives input on broader market insights and shareholder expectations through Committee advisors.

We have continued to proactively engage with and listen to our shareholders during 2021 where appropriate and were appreciative of the level of support for our voting resolutions in 2021. The Committee, as always, is thankful for the time and considerations conveyed by our stakeholders and trusts that the proposed application of the Policy detailed in this report demonstrates we continue to listen and act on any feedback.

Statement of shareholder voting

The Committee encourages shareholder engagement. Where there are a substantial number of votes against any resolution on directors' remuneration, the Committee seeks to understand the reasons for any such vote and will detail here any actions in response to it. In line with the Corporate Governance Code, where there are 20% or more votes against remuneration resolutions, the Committee will support the Board in engaging with shareholders to understand their views regarding remuneration.

The following table sets out the 2021 AGM voting in respect of our remuneration matters and our voting outcome in respect of the 2020 Directors' Remuneration Policy.

Item	AGM date	Vote For (including Discretionary)	Vote Against	Votes Withheld*
Advisory vote on the 2020 Remuneration report	13 May 2021	544,291,523 (97.74%)	12,591,917 (2.26%)	2,530,912
Binding vote on the 2020 Directors' Remuneration Policy	29 June 2020	485,497,628 (90.14%)	53,097,415 (9.86%)	1,494,302

Notes to the statement of shareholding voting

* A vote withheld is not a vote in law and is not counted in the calculation of the percentage of votes 'For' or 'Against' a resolution.

Chair's Letter continued

Proposed policy application for 2022

Full details of our proposed implementation of the Directors' Remuneration Policy for 2022 can be found on pages 132 to 133. The Committee will consider the announcement of Robin Watson's decision to retire as Chief Executive and the impact on his remuneration arrangements. The Committee will ensure that decisions taken in relation to his exit arrangements are in line with the current Policy. Details of the exit arrangements will be disclosed at the appropriate time.

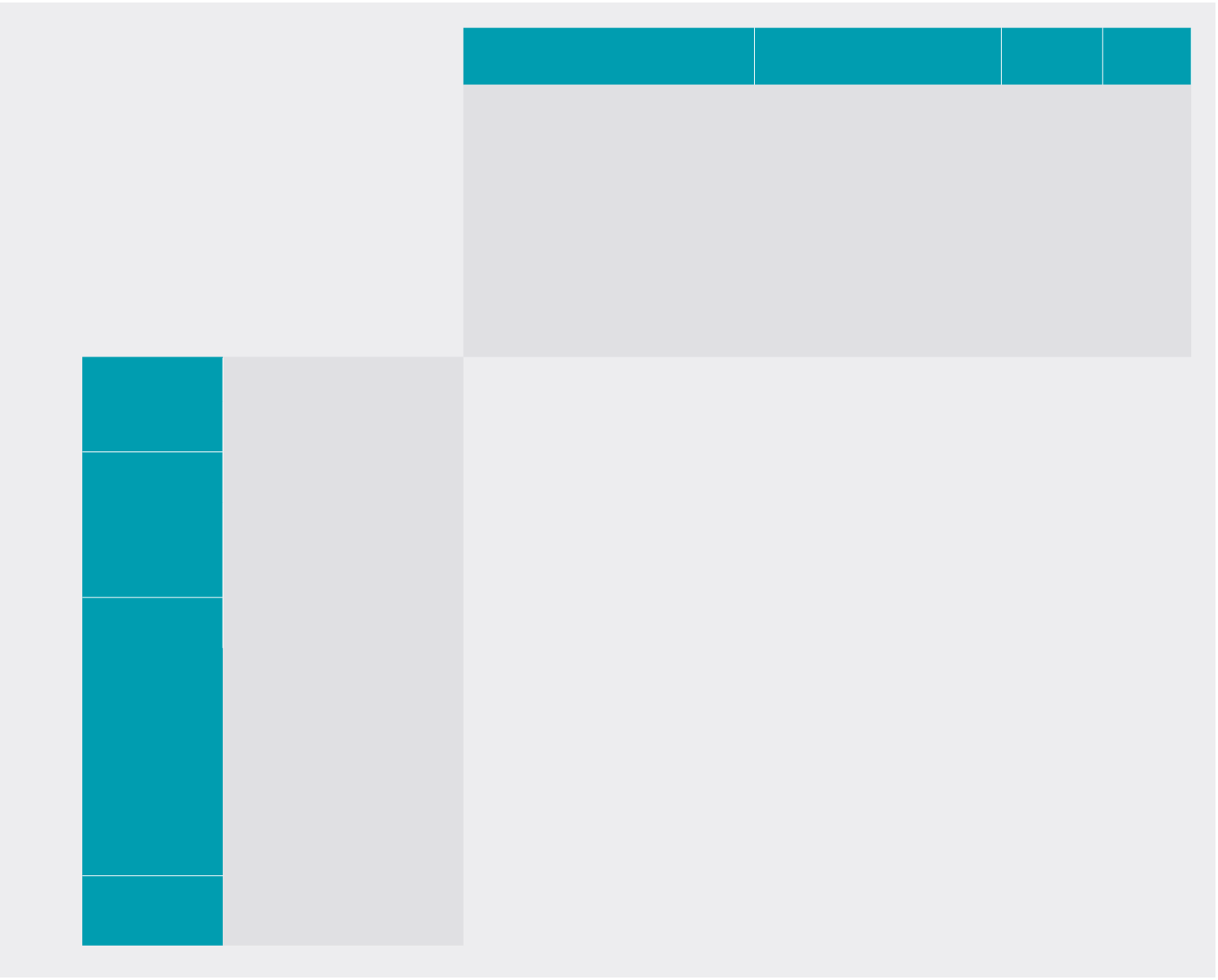
The Committee has continued to review remuneration with alignment to strategy, culture, and delivery of shareholder value. The table below shows how our proposed application aligns with our strategic value outputs for investors, our people, clients, and communities.

Salary and benefits

In January 2022 we increased the base salary for both executive directors by 2.5%, in line with the wider workforce in the UK. This increases Robin Watson's base salary to £806,880, from £787,200, and David Kemp's to £511,024 from £498,560. As a reminder, neither executive director received an increase to base salary in 2021, and both elected to take a voluntary 10% reduction in base salary for nine months in 2020. There is no change to benefits provided since our last report. As disclosed in our previous annual report and Policy, executive directors' pension contributions aligned to those of the wider workforce from 1 January 2022, ahead of the Investment Associations' target date of 31 December 2022; in the United Kingdom this is 9%.

Annual Bonus Plan

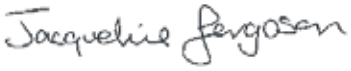
To incentivise executive directors to deliver in the year ahead, maximum bonus opportunity for the Chief Executive will remain at 175% of base salary, and 150% of base salary for the CFO, less than the Policy maximum of 200% of base salary. Full details of the corporate and personal objectives, which account for 30% of the annual bonus opportunity, are provided on page 133. In line with last year, other performance measures will be a measure of profit at 30%; cash generation at 30%; and an ESG framework at 10%.



Long Term Incentive Plan

The performance measures are proposed to remain the same as 2021 and be relative TSR, EBITDA margin percentage improvement, revenue growth, and an ESG framework, weighted 50%, 30%, 10% and 10% respectively. These measures remain key strategic priorities aligned with value generation for our shareholders, incentivise business growth through higher margin services, and support our sustainability plan. Although the Board has approved the commencement of a sales process for our built environment business, for the purposes of target setting we have assumed that this business remains part of the Company for the duration of the performance period, and we will adjust targets at a future date assuming the sale takes place. Full details, along with the threshold and maximum targets, can be found on page 132.

We determined to anchor participation levels on 200% of salary for the Chief Executive and 175% for the CFO. However. having carefully considered the material reduction in share price during 2021, and feedback received, the Committee believed it appropriate to reduce participation levels for 2022 by 20%. This results in a participation level of 160% of salary for the Chief Executive and 140% for the CFO. As in previous



Pay equity

Wood is committed to transparent, internally fair, and externally competitive reward. Our reward roadmap launched in 2020 set out the steps towards greater transparency and includes global pay equity reporting which was implemented in 2021. All line managers have access to pay equity reporting tools to facilitate individual pay assessments, carry out pay equity analysis by country, job family, department, grade, and gender, against our established reward frameworks. We continue to monitor the external market and continue to step ahead of emerging legislation and trends, whilst ensuring compliance with current legislation.

Pay ratio of the Chief Executive

The pay ratio of the Chief Executive continues to reflect the Company's internally fair approach to pay through

Alignment to the workforce

The Directors' Remuneration Policy was approved by shareholders at the 2020 AGM in June and took effect from that date. The objective of the Policy is to set all components of remuneration, maximum awards, and performance measurement, which provide a compensation package promoting the long-term success of the business and delivery of the strategy. The Policy with updated scenario charts can be found at **woodplc.com/rempolicy**

This table provides a summary of executive directors' remuneration outlined in our Policy and alignment to the wider workforce.

Element & purpose executive director remuneration	Alignment with workforce
Salary To provide an appropriate level of fixed salary to attract and retain executives with the qualities, skills and experience required to deliver our strategic objectives.	The process of setting and annually reviewing salaries against market information, mindful of individual contribution, is the same for all employees including executive directors. Salaries are paid either cumulatively by hours worked or on a fixed installment basis.

The Remuneration Policy was reviewed and approved by shareholders at the 2020 AGM and took effect from that date. Extensive shareholder consultation was undertaken by the Committee to ensure views were understood and listened to. The output of these meetings influenced the Committee's decisions, leading to a Policy which was overwhelmingly supported at the AGM. The objective of the Remuneration Policy is to set the paraments for all components of executive remuneration, including maximum award levels, and performance measurement, which provide a compensation package promoting the long-term success of the Company and supports the strategy. It does this through a balance of fixed and variable pay, with the intent of creating a competitive total remuneration package which attracts and retains executives while creating an appropriate alignment between incentivising executive performance and the interests of shareholders. In line with the usual cycle the Committee will put a revised Policy to shareholders again no later than the AGM in 2023.

In reviewing the application of the Remuneration Policy, the Committee ensures the following areas, as outlined in Section 40 of the UK Corporate Governance Code, have been fully considered and addressed as described below:

Clarity	We fully disclose our remuneration decision making, targets and outcomes in our annual report on directors' remuneration. We carry out regular shareholder engagement throughout the year, as necessary. Our wider workforce remuneration arrangements focus on ensuring we are internally fair, whilst remaining externally competitive. We are improving transparency of our remuneration and seek to gain feedback from our global workforce via our employee engagement surveys and Listening Group Network.
Simplicity	Our performance measures for our long and short-term incentives are simple and aligned to our stakeholders. The operation, targets and outcomes are fully disclosed in the annual report each year. Where possible we communicate future performance measures and targets, such as in our long-term incentive plan, but in certain areas, such as annual bonus, are unable to do so due to commercial sensitivity. Participants are provided with engaging supporting documentation to ensure understanding, with regular updates provided during each performance period, to drive positive behaviours and business performance.
Proportionality	As defined in our Remuneration Policy, total remuneration is more heavily weighted towards variable pay linked to Company-wide performance and stakeholder experience. Individual performance is aligned with delivering the long-term strategy. The Committee reserves the right to apply discretion to ensure that poor performance is not rewarded; outcomes may be adjusted to reflect stakeholders' experience.
Predictability	The Committee discloses and explains all relevant limits and discretions allowed under the terms of the Remuneration Policy. This is further demonstrated in the remuneration report each year.
Alignment to culture	Incentive plans are linked to business strategy, overall performance, and growth through a mix of financial and nonfinancial targets. They reward those who exemplify behaviours which align to our purpose, culture and values, aiding delivery our strategy.
Risk	Governance of our remuneration arrangements ensures that rewards are not excessive compared to Company results and stakeholder experience. We review our performance measures and targets used in our incentive plans to ensure they do not lead to excessive risks and poor behaviours. The Committee monitors the overall performance of executive directors and assesses the overall outcome of performance in the relevant financial year. Our enhanced malus and clawback provisions safeguard the Company against future risk in relation to our long and short-term incentive plans which applies to awards from 2020. Under this Policy if the Board decides to operate Malus in respect of a Policy Award, the Policy Award will lapse, be reduced, be cancelled and/or be forfeited to the extent determined by the Board. If the Board decides to apply Clawback in relation to a Policy Award, to recover amounts to which Clawback will apply, the Company has the right to (or to procure that another person will): • lapse, reduce, cancel, or forfeit cash or shares which may be or otherwise become due to the Participant under any Award; and/or • reduce the amount of any future Award to be granted to the Participant; and/or • forfeit in whole in or part cash or shares being held on behalf of the Participant in any retention arrangement in connection with any Plan; and/or • make a deduction from any payment otherwise due to the Participant, to the extent permitted by law; and/or • claim repayment of an amount directly from the Participant (in cash or shares) which the Participant must repay on receipt of a written request.

The Directors' Remuneration Policy with updated scenario charts to reflect our proposed application of the Policy for 2022 can be found at: **woodplc.com/rempolicy**

Remuneration

Financial measures and outcomes

Financial measures for the bonus year which ended 31 December 2021 consisted of:

- Profit target – we used EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) as our metric of success
- A cash generation target – this was based on pre-tax cash from operations before exceptional items

In response to the high degree of uncertainty around the shape and timing of the recovery in our markets post Covid-19 and oil price volatility, threshold performance for 2021 was 85% of the target set, with maximum bonus achieved when results exceed 115% of target. Threshold performance must be met before any of that element of the award is paid; if target performance is met, 50% of the potential bonus opportunity is paid; 100% is payable for reaching maximum performance. Performance between threshold and target and between target and maximum will result in a proportionate award calculated on a straight-line basis as illustrated in the following graph:

A summary of the financial targets and achievements are set out below:

ESG measures and outcomes

ESG measures were included in the bonus plan from 2021 to support Wood's transition away from our oilfield services heritage to a more enduring market position in energy transition and sustainable infrastructure, and to aid delivery of our longer-term sustainability goals. ESG measures accounted for a total 10% of the maximum bonus opportunity and comprised of three Key Performance Indicators, equally weighted. To provide assurance of achievement outcomes against targets, performance is considered and approved by the Safety, Sustainability, Assurance and Business Ethics Committee (SSABE).

Measure	Target & payment	Achieved
Total Recordable Incident Rate (TRIR - the total of lost work cases, restricted work case and medical treatment cases per 200,000 work hours).	Improve by 10% Performance between 0% and 10% results in a proportionate payment.	Not met - 0% payout Due to the tragic fatality during the year management proposed that this element of the bonus be waived regardless of outcome.
Successful delivery of Safety Intervention Programme	Success criteria: Cultural maturity assessment conducted to establish benchmark; Intervention to be conducted in selected low performing areas; 90-day improvement plans to be completed; and cultural maturity re-assessment to be conducted in Q4 2021, demonstrating improvement against benchmark. If this KPI is achieved, 3.33% will be paid; if it is not fully achieved, no payment will be made.	Fully achieved - 100% payout
Active, demonstrated leadership in educating and inspiring 100% of our colleagues to be inclusive every day, resulting in positive, sustainable change.	Conscious inclusion training to be completed for employees. Payment for this KPI is based on number of employees who have completed training between threshold and maximum (34,580 employees).	Fully achieved – 100% payout Additional inclusion and diversity activities can be found in the people report on pages 58 to 63.

Individual performance objectives		
Executive Director	**Objective**	**Achievement**
David Kemp		

Executive directors' remuneration continued

Bonus award achievement summary

The table below provides a summary of the formulaic overall bonus achievement for each of the executive directors:

	% achieved			
Name	Financial targets	ESG targets	Corporate and personal objectives	Total bonus % achieved
Robin Watson	5.81%	6.67%	23.4%	35.88%
David Kemp	5.81%	6.67%	23.4%	35.88%

2021 remained a challenging year. Using the discretionary decision matrix for guidance, the Committee consider the experience of all stakeholders during the performance period, including customers, investors, suppliers, and the wider workforce, supported by reports from audit and SSABE:

- Customer feedback remains positive with our order book up 19%; our overall win and sold gross margin improved
- The Board took the difficult decision not to pay a dividend and our share price reduced by 38% year on year, using the closing mid-market price on 31 December 2021.
- We continued to develop closer relationships with suppliers, including category agreements with key suppliers. We gained support and buy in with 2021 revisions to the Supplier Code of Conduct, the Modern Slavery and Human Trafficking Statement, and the implementation of the real living wage in the UK. We also supported our suppliers by implementing a method to help them gain access to payment earlier.
- In the wider workforce we increased gender split in our leadership levels to 33%, up from 31%, and increased our ranking to 100th, from 118th in the FTSE Leaders Review; we have also demonstrated that we have no gender bias in our pay equity reporting. We have continued growth in all inclusion and diversity activities, including training nearly 37,000 employees in conscious inclusion to demonstrate leadership in educating and inspiring 100% of our colleagues to be inclusive every day. The six listening group network meetings, hosted by members of the Board and executive leadership team, and detailed on page 61, ensured we listened to and acted on the feedback from our people.
- Due to the tragic fatality during the year, the Total Recordable Incident Rate measure was not achieved, but there was good delivery across the business in our safety intervention programme.
- Assurance of achievements against measures was carried out by internal audit, validated by the SSABE and Assurance Committees, with further external independent audit carried out by KPMG, following the end of the financial year.

Long term incentives – Long Term Incentive Plan (LTIP)

The figures set out in the single figure of remuneration table are related to awards under LTIP 2019-2021, the performance period for which ended on 31 December 2021. The participation level for Robin Watson was 200% and for David Kemp was 175%.

To provide assurance of achievement outcomes against targets within variable incentives, performance is considered and approved by the Safety, Sustainability, Assurance and Business Ethics Committee (SSABE), with a further external independent audit carried out following the end of the financial year as appropriate.

For each performance measure, upon reaching the threshold, 25% of the relevant measure becomes payable; and on reaching the maximum, 100% of the relevant measure becomes payable. For achievement between threshold and maximum, the allocation is on a straight-line basis. No award is made for less than threshold performance. The targets for LTIP 2019-2021, including the weightings of the performance measures and the extent to which they were achieved, are set out in the table below

Financial measures	Weighting	Threshold	Maximum	Achieved	Award %
TSR[a]	50%	50th percentile	75th percentile	Below 25th percentile	0%
Gross margin improvement (growth from 2018 to 2021)	25%	9%	19%	-30%	

Executive directors' remuneration continued

Share based interests awarded during the year*

The following table sets out the awards made to each of the executive directors under the Company's share based long term incentive arrangements during 2021. These related to 2021 LTIP awards which will be for the performance period 2021 – 2023 as detailed in our previous report. As disclosed in last year's report and in line with our Policy, performance measures are based on relative TSR (50% weighting), EBITDA margin percentage improvement (30% weighting), revenue growth (10% weighting) and an ESG framework (10% weighting). For TSR and ESG measures, 25% becomes payable on reaching threshold; for EBITDA, margin percentage improvement and revenue growth measures, 10% becomes payable on reaching threshold; and for all measures 100% becomes payable on reaching maximum.

These awards will continue to be monitored for windfall gains and the Committee can apply discretion as appropriate at the end of the performance cycle, informed by the discretionary decision matrix.

Executive director	Type of award	Participation level	Salary relevant to performance cycle	Face			

Statement of directors' shareholding and share interests*

Share interests

The table below sets out the total number of shares held by each executive director as at 31 December 2021, with and without performance conditions; the declaration includes shares held by connected persons as defined for the purposes of section 96B (2) of the Financial Services and Markets Act 2000. Where applicable the figures include interest in retained long term plan awards.

Changes in the shareholding of directors between 31 December 2021 and 19 April 2022 are related to permitted purchases under the Wood employee share plans. Robin Watson and David Kemp acquired an additional 9,568 and 6,099 shares respectively during this period.

None of the executive directors had a material interest in any contract, other than a service contract, with the Company or any of its subsidiary undertakings.

Executive directors' remuneration continued

Share interests

Details of executive directors' interests in long term incentive and bonus plans as at 31 December 2021; all interests are awarded as share options or conditional share awards:

	Date of award/ performance period	Performance conditions	Earliest exercise date	Exercise price per share	Market value at date of exercise per share	Number as at 1 Jan 2021	Granted in 2021	Exercised in 2021	Lapsed in 2021	Dividends awarded as additional share options	Number as at 31 December 2021
Robin Watson											
LTP	2018 - 2020	N	March 2023	0	–	206,865	–	–	103,433	10,632	114,064
LTP	2019 - 2021	Y	March 2024	0	–	263,611	–	–	–	–	263,611
LTP	2020 - 2022	Y	March 2025	0	–	367,310	–	–	–	–	367,310
LTP	2021 - 2023	Y	March 2026	0	–	0	496,350	–	–	–	496,350
ABP 2018	01 March 2019	N	March 2021	0	£2.48	46,922	–	49,976	–	3,054	0
ABP 2019	01 March 2020	N	March 2022	0	–	55,838	–	–	–	–	55,838
					Total	**940,546**	**496,350**	**49,976**	**103,433**	**13,686**	**1,297,173**
David Kemp											
LTP	2018 - 2020	N	March 2023	0	–	118,048	–	–	59,024	6,067	65,091
LTP	2019 - 2021	Y	March 2024	0	–	146,084	–	–	–	–	146,084
LTP	2020 - 2022	Y	March 2025	0	–	203,893	–	–	–	–	203,893
LTP	2021 - 2023	Y	March 2026	0	–	0	275,061	–	–	–	275,061
ABP 2018	01 March 2019	N	March 2021	0	£1.83	26,230	–	27,937	–	1,707	0
ABP 2019	01 March 2020	N	March 2022	0	–	30,312	–	–	–	–	30,312
					Total	**524,567**	**275,061**	**27,937**	**59,024**	**7,774**	**720,441**
Total for all executive directors						**1,465,113**	**771,411**	**77,913**	**162,457**	**21,460**	**2,017,614**

Notes to incentive plan interests table

For LTP 2018-2020, ABP 2018 and 2019, awards vest and are available to exercise after a two-year deferral period.
For all awards, dividends accrue on 100% of the final award.

The total remuneration for the Chief Executive over the same period as the TSR performance graph detailed is listed in the following table. This table includes details of the annual bonus received in each year as a percentage of the maximum opportunity that was available, as well as the long-term incentives which vested in each year as a percentage of the maximum number of shares that could have been received.

Chief Executive remuneration (£000)											
Year	**2012**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Chief Executive	Allister Langlands	Bob Keiller	Bob Keiller	Bob Keiller	Bob Keiller	Robin Watson	Robin Watson	Robin Watson	Robin Watson	Robin Watson	Robin Watson
CEO single figure of total remuneration (£'000)	£2,276	£199	£1,624	£1,330	£1,146	£1,179	£1,417	£1,875	£1,690	£1,214	£1,260
Annual bonus award as a % of maximum opportunity	76%	75%	60%	48%	37%	43%	59%	88%	62%	0%	15%
Long term incentive vesting rates as a % of maximum opportunity	100%	25%	79%	51%	16%	25%	11%	0%	0%	50%	25%

Notes to Chief Executive remuneration table

Allister Langlands was appointed Chair on 1 November 2012. His remuneration for 2012 related to his time as Group CEO only.

Bob Keiller was appointed Group CEO on 1 November 2012. His remuneration for 2012 reflected his remuneration from appointment as Group CEO only. Long term incentives vesting during the year were awarded during his time as Wood Group PSN CEO and vested based on performance targets linked to performance of that division.

Robin Watson was appointed as Chief Executive on 1 January 2016. Long term incentives vesting during the year were awarded during his time as Wood Group PSN CEO and vested based on performance targets linked to performance of that division.

Percentage change remuneration of all directors and all employees

In line with The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, the below table illustrates the percentage change in remuneration for the Chief Executive, Chief Financial Officer, and non-executive directors as per the single figures reported each year and all other employees within the group. This table will accumulate over a five-year rolling period.

Change in executive directors and employee remuneration reflects the reinstatement of the voluntary 10% pay reduction on 1 January 2021. There was no inflationary increase to pay applied across the workforce between 2020 and 2021. Change in employee benefits is impacted mainly by the operational nature of our self-funded medical plans in the US, which have returned to pre-pandemic claim levels and the increase in the global cost of healthcare provision; the dip in claim levels during the peak of the pandemic was due to our employees voluntarily putting some medical treatment and claims on hold. In addition, we continue to experience modest changes in premiums for our non-US employees, but there has been limited change to Company funded benefit provision in line with executive directors. No bonus was awarded for 2020, therefore a 100% change has been reported reflecting the reintroduction of bonus awards for executive directors and the wider workforce in 2021.

There was no change to fees for non-executive directors between 2020 and 2021 however the percentage increase in fees reported reflects the reinstatement of the voluntary 10% reduction with effect from 1 January 2021 and changes to the Board participants

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Executive directors' remuneration continued

Pay Ratio of Chief Executive

The Chief Executive pay ratio is calculated at the 25th, 50th and 75th percentiles for total pay and benefits for all UK employees for the relevant financial year on the same basis as the single figure table as stipulated by The Companies (Miscellaneous Reporting) Regulations 2018. Option B (utilising gender pay gap data as at 5th April 2021) is used to identify best equivalents for the calculation for simplicity, consistency and alignment across our external disclosures, and includes all UK employees. We believe that the best equivalents are representative P25, P50 and P75 employees and their remuneration is consistent with that of the wider workforce. Figures are adjusted accordingly (such as pension contributions) to ensure best representation of full time equivalent (FTE) employees for the purposes of calculation. Salary and total pay values are included for maximum clarity.

The Committee believes that the pay ratio results reflect the Company's internally fair approach to pay through aligned and consistent frameworks. The total pay across the wider workforce is consistent with externally competitive remuneration required for the professional workforce which Wood employs, assisting with an above average pay ratio. We continue to monitor year-on-year changes to the pay ratio as they continue to fluctuate with the evolution of our workforce through integration, divestment, and acquisitive growth. The value of salary and total pay reported between 2020 and 2021 has increased, reflecting reinstatement of voluntary pay reductions, and impacted by the exclusion of furlough employees, who typically had lower hourly earnings, and were not included in our gender pay gap data in line with guidance from the Government Equalities Office. We are confident the pay ratio remains relatively static reflective of aligned remuneration application between executive directors and our wider workforce.

			Ratio of Chief Executive pay to employee pay					
			25th percentile		Median		75th percentile	
Year	Method		Ratio	Value (000s)	Ratio	Value (000s)	Ratio	Value (000s)
2021	Option B	Salary	19:1	£41	13:1	£62	11:1	£70
		Total pay	28:1	£45	18:1	£68	15:1	£86
2020	Option B	Salary	19:1	£38	14:1	£54	11:1	£68
		Total pay	29:1	£42	18:1	£66	15:1	£80
2019	Option C	Salary	24:1	£32	18:1	£42	13:1	£59
		Total pay	48:1	£35	36:1	£46	25:1	£68
2018	Option C	Salary	20:1	£34	14:1	£49	11:1	£64
		Total pay	50:1	£38	35:1	£53	26:1	£71

Notes

We reported our Chief Executive pay ratio for the first time in our 2018 annual report using pay data for employees in our integrated systems which represented 64% of all UK employees. In 2019 our calculations included all full pay relevant UK employees in line with Gender Pay Gap calculations. From 2020, our calculations are based on only our Gender Pay Gap report data using the Option B calculation method.

Relative importance of spend on pay

The table below is provided to assist shareholders in assessing the relative importance of the Company's spend on pay. It contains details of the remuneration paid to or received by all employees of the Company as well as the value of distributions to shareholders by way of dividends and share buyback over the previous two years. The figures displayed in this table are impacted by movements in the number of employees each year.

Illustrations of future application of Remuneration Policy

As detailed in the Remuneration Policy, a signi icant proportion of remuneration for executive directors is linked to variable pay