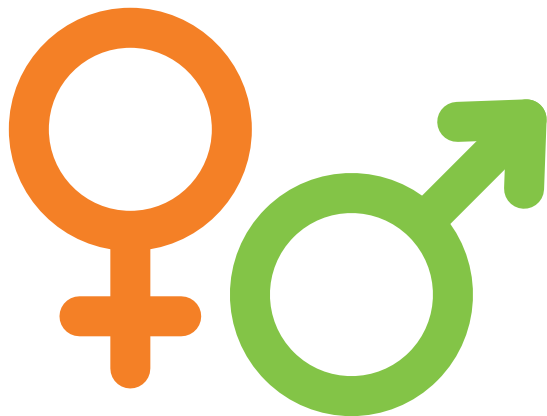


Wales & West Utilities

Our Gender Pay Gap Report

Gender pay gap and equal pay

The gender pay gap is the difference in the average pay between men and women. This is not the same as equal pay. Equal pay is the right for men and women to be paid the same for doing the same work, or work of equal value. We have clear job profiles and a well-established pay structure so what a colleague earns is based on their job and our pay structure, and is in no way affected by their gender.



Introduction

While most of the gas network is underground and out of sight, it plays a central role in the daily lives of people from Wrexham to Redruth. Whether it's heating your home, making the family dinner or having a hot bath, we understand how important it is for your gas supply to be safe and reliable and there when you need it. And the only way we can deliver what our customers want and need is to put people at the heart of everything we do – be they colleagues or customers.

We're incredibly proud to deliver an essential public service. But we know that we need to mirror the communities we serve. Historically, the gas industry has been a male dominated one, but we're making good progress in promoting diversity. In 2018, 17% of our colleagues were female and, after targeted recruitment campaigns, 119 women applied for our award-winning apprenticeship scheme this year – the highest number ever.

For our 1,400 colleagues throughout Wales and the south west of England, our values-based culture and our inclusive and ethical approach to business helps them feel like they belong. While our well-defined development programmes make the most of their potential, irrespective of gender, age, race, disability or sexual orientation.

So, while we're proud of the progress we've made since 2005, and particularly in the last few years, we know there is always more we can do. We are committed to helping all our colleagues meet their potential – and continue to make Wales & West Utilities a great place to work.

Sarah Hopkins

People & Engagement Director

Graham Edwards

Chief Executive



Our Gender Pay Gap Report

Last year, we published our first Gender Pay Gap Report. It showed the differences in average pay and the differences in average bonus between our male and female colleagues, and set out what we were doing to reduce our gender pay gap and encourage more women to choose the gas industry – and Wales & West Utilities – as a career. This year, we're showing the progress we've made in the last 12 months.

Our Gender Pay Gap Report covers:

- 1 The gender make-up of our team
- 2 What's our gender pay and bonus gap?
- 3 Our pay distribution
- 4 What's causing our gender pay and bonus gap – and what are we doing about it?

1 The gender make-up of our team

2018 Overall Male 83% Female 17%



(2017 comparison – Male 83% Female 17%)

2018 Operational Male 93% Female 7%



(2017 comparison – Male 90% Female 10%)

2018 Office Male 58% Female 42%



(2017 comparison – Male 59% Female 41%)

These figures are accurate as of 1 April 2018.

We remain a male dominated company, particularly operationally, but we are working hard on increasing the diversity of our team. A large intake of experienced Gas Engineering Operatives in Cornwall, required for our gas pipe upgrade programme, increased the percentage of male operational colleagues this year.

2 What's our gender pay and bonus gap?

The gender pay gap shows the difference in average pay between men and women who work at Wales & West Utilities in April 2018. It is worked out in two ways.

→ **The mean** adds up all salaries and divides the result by the number of men and women respectively. We report the percentage difference.

→ **The median** lists all male and female salaries in numerical order and is the respective middle numbers. We report the percentage difference.

Using two different types of average gives a more balanced overview of the gender pay gap and removes the influence of high and low pay, giving a fair assessment of what male and female colleagues earn.

What does this show?

Our mean gender pay gap of **8%** is significantly lower than the current national mean gender pay gap of 18%, and has reduced by 20% since 2017.

Our median gender pay gap is **-8%**, an increase of 100%, driven by the number of women in middle management roles both operationally and in the office.

Our low mean gender pay gap and negative median pay gap is driven by our structured, grade based approach to pay, built on clear job profiles, and the women we have in our senior leadership and management teams.

There is more we can do to increase female representation in certain roles – particularly operationally. Increasing female representation and decreasing our mean gender pay gap go hand in hand.

Gender pay gap

	2018	2017
Mean gender pay gap	8%	10%
Median gender pay gap	-8%	-4%



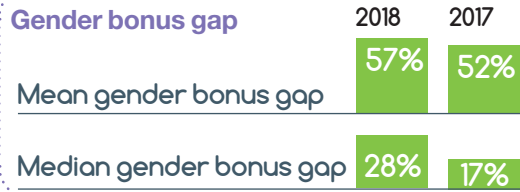
LOREN PEBERDY

Build & Repair First Line Manager, Cornwall

After completing her engineering apprenticeship, Loren worked as an Emergency Gas Engineer and a Control Engineer at the national gas control room before relocating to the south west of England. She is a manager leading teams who maintain the gas network and connect new homes and businesses.

"I am so pleased I completed my apprenticeship and had several years working on the tools. I am really excited about what the future holds. My career has allowed me to get involved in so many aspects of a career and industry I love."

The gender bonus gap shows the difference between the average bonus received by men and women across Wales & West Utilities from April 2017 to April 2018.



Like our gender pay gap, this is worked out in two ways, and you can read more details on mean and median averages on the previous page.

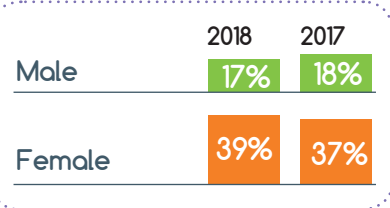
What proportions of colleagues receive a bonus?

We have two types of bonus at Wales & West Utilities.

→ **Colleagues within our grade based structure** are eligible for a bonus based on a percentage of their salary dependent on their performance.

→ **Senior colleagues and our leadership team**

receive a bonus based on their personal performance and their contribution to the success of our business.



Colleagues on industrial contracts who work operationally are not incentivised by a bonus. They make up a significant percentage of our team and are overwhelmingly male, which is reflected in the low proportion of male colleagues who receive bonuses.

What does this show?

Our mean gender bonus gap is driven by the number of male colleagues we have in senior positions, while we have only one female member of our nine-strong leadership team. Our median gender bonus gap is significantly smaller. This reflects the female colleagues in administrative and middle management roles who receive bonuses and are a larger percentage of our team with colleagues on industrial contracts removed.

3 Our pay distribution

The distribution of males and females across our pay structure is shown by calculating the proportions of males and females in four quartile pay bands. This is done by dividing our team into four equal parts. The percentage of men and women for each quartile is:

2018 Lower quartile Male 73% Female 27%



(2017 comparison - Male 75% Female 25%)

2018 Lower middle quartile Male 85% Female 15%



(2017 comparison - Male 93% Female 7%)

2018 Upper middle quartile Male 87% Female 13%



(2017 comparison - Male 89% Female 11%)

2018 Upper quartile Male 87% Female 13%



(2017 comparison - Male 76% Female 24%)

Our pay distribution shows that:

↓ Female colleagues have their largest representation in lower quartile roles such as administrative and customer service, and this has increased in the last year.

↓ While management and specialist positions that fall in the lower middle quartile are still dominated by male colleagues, the number of female colleagues in this band has nearly tripled.

→ While the upper middle quartile and upper quartile remain dominated by men, female colleagues are leading the way in preparing our business for the future.



PAISLEY HENDERSON

Stakeholder Engagement Assistant

Paisley works with our customers and stakeholders to make sure their views are reflected in our day-to-day operations and our long-term plans. Previously working in the care sector, she joined us because she wanted to make a difference.

"Working in care homes gave me a real insight into the lives of the most vulnerable so I value the opportunity to be working with charities and organisations to make sure our services reach those who need them most."



RHIANNON WILLIAMS

Training Co-ordinator

Rhiannon is part of the team that makes sure all our engineers have all the skills and competencies they need to work safely. She joined us as an administrator and worked in a series of planning roles before taking her current job.

"I joined Wales & West Utilities instead of going to university and it never crossed my mind that my gender mattered. I'm lucky enough to work with great people all with the same commitment – delivering outstanding service for the customers and communities that rely on us."



SARAH WILLIAMS

Head of Regulation

Sarah leads the team that is co-creating our business plan with customers and other stakeholders for the 2021-2026 regulatory period. After starting her career in the electricity industry, she joined us in 2005.

"Even in a male dominated industry, gender is irrelevant. If you want to succeed, roll your sleeves up and work hard. Be tenacious, resilient and the best you can be."



SARAH HOPKINS

People & Engagement Director

Sarah is responsible for all our people related functions, including our award winning apprenticeship and graduate programmes. A fellow of the Chartered Institute of Personnel and Development, she joined the gas industry in 1999.

"I think that as a woman in a senior leadership role it's important to set an example – it says to our younger female colleagues that as long as they work hard and do things the right way, there's nothing they can't do."

4 What's causing our gender pay and bonus gap – and what are we doing about it?

The key drivers of our gender pay gap are the male dominated team we inherited when we were set up in 2005, and wider societal issues such as the lack of girls choosing STEM subjects in school, college and university. It's those drivers that mean when we needed to recruit experienced gas engineers in Cornwall we had no female applicants.



KATIE JELBERT

Gas Engineering Apprentice

Katie Jelbert joined Wales & West Utilities after seeing her father develop and build a career with us. A rising star, she won Apprentice of the Year at our 2018 Celebrating Excellence Awards.

"I had always been impressed by the company's culture and the way they did things, and after coming back from travelling around the world I took the opportunity of an apprenticeship – and it's great fun! I'm proud to be a gas engineer."

However, we're addressing that through our recruitment and development programmes, and have a promising pipeline of engineers, with an increasing number of women interested in joining us. **Encouragingly, after targeted recruitment campaigns in 2019, including on social media, 119 women applied for our award-winning apprenticeships this year – the highest number ever.**

The progress we have made so far has been recognised by the Chartered Institute of Personnel and Development (CIPD) who commended our strategic approach to workforce planning and **Investors In People, who awarded us with their Silver award on our first attempt – an accolade only 5% of companies achieve.**

But we know there's still more to do, so our plan to continue to increase the diversity of our team includes:

- Growing our strong, **values-based culture** and our inclusive and ethical approach to business.
- **Recruiting based on our business values** has removed the requirement for academic qualifications unless strictly necessary, a significant barrier to employment. We believe strongly that if you do things the right way, we can teach you all you need to know.
- **A focus on wellbeing**, which recognises responsibilities both at home and in work and supports all our colleagues in living healthier, happier lives.
- **Continuing apprentice and graduate recruitment campaigns** that include not

only direct engagement with schools and colleges to raise awareness of the careers Wales & West Utilities can offer, but also social media advertising directly targeted at girls.

- **Promoting diverse role models** with recruitment driven by case studies of male and female colleagues from a diverse background, demonstrating the breadth of careers on offer at Wales & West Utilities.
- **Taking part in media campaigns and initiatives to promote women in engineering** including International Women's Day and National Women in Engineering Day.
- Our **STEM Ambassadors**, experienced female engineers, visit schools and clubs to talk about their experiences and what opportunities there are for girls who are interested in science and engineering.
- **Generous family friendly policies** including enhanced maternity leave, shared parental leave, flexible working and a Carers Policy (the first for a gas network) helping women with caring roles remain in work.



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