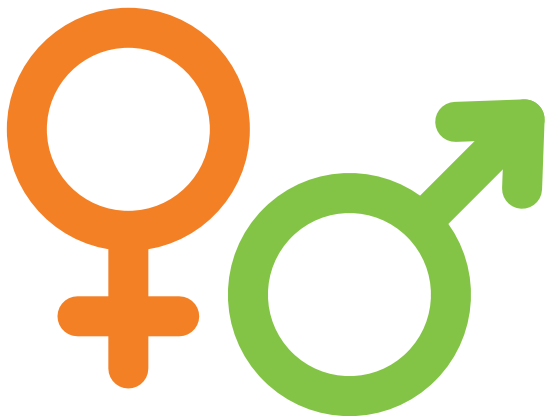


# Wales & West Utilities

## 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

At Wales & West Utilities it is our ambition to be trusted and valued by the millions of people we serve every day. The only way we can do this is to put people at the heart of everything we do – be they colleagues or customers.

So it's important that our colleagues are representative of the communities we serve. And while our industry has been traditionally perceived as a male-dominated one, we've made good progress in promoting diversity. In 2017, 17% of our colleagues were female, while women make up 22% of apprentices and graduates recruited since 2005.

We employ more than 1,300 colleagues from Wrexham to Redruth. Our values-based company culture, supported by our inclusive and ethical approach to business, as well as our well defined colleague development programmes, helps all our colleagues feel like they belong and can make the most of their potential, irrespective of their gender, age, race, disability or sexual orientation.

While we are proud of the progress we have made since we started operations in 2005, we're working hard to help 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

In April 2017 the government introduced gender pay reporting for all employers with more than 250 employees. This report shows the differences in average pay and the differences in average bonus between our male and female colleagues.

## It 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

Overall Male 83% Female 17%



Operational Male 90% Female 10%



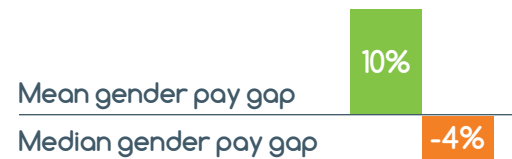
Back office Male 59% Female 41%



These figures are accurate as of April 1 2017. While the gas industry remains a male dominated one, we are pleased to report that we're making good progress on increasing the diversity of our workforce. This is apparent when looking at the gender make-up of colleagues recruited since Wales & West Utilities started operations in 2005. Females have made up 22% of our new recruits since then.

## 2 What's our gender pay and bonus gap?

### Gender pay gap



### What's included in our hourly pay?

Hourly pay includes basic pay, car allowances, shift pay and stand-by allowances.

The gender pay gap shows the difference in average pay between men and women who work at Wales & West Utilities in April 2017. 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.

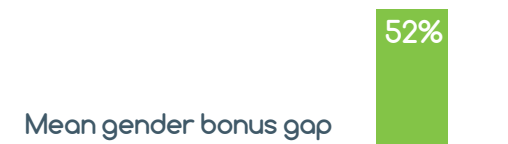
Using two different types of average gives a more balanced overview of the gender pay gap and removes the influence of high and low pay, giving a fair assessment of what male and female colleagues earn.

### What does this show?

Our mean gender pay gap of **10%** is significantly lower than the current national mean gender pay gap of 18%. This is due to our structured, grade based approach to pay, based on clear job profiles. However, we recognise that there is still more we can do to improve female representation in certain roles – particularly operationally.

Our median gender pay gap is **-4%**, and is driven by the number of women in middle management roles.

## Gender bonus gap



### What's our gender bonus gap?

The gender bonus gap shows the difference between the average bonus received by men and women across Wales & West Utilities from April 2016 to April 2017.

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?



### Female

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

Colleagues on 'Industrial' contracts, that is, those working operationally in non-management roles, are rewarded in different ways. 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. Additionally, our executive team of nine currently includes only one woman.

Our median gender bonus gap is significantly smaller. This reflects the significant number of 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:

Lower quartile Male 75% Female 25%



Lower middle quartile Male 93% Female 7%



Upper middle quartile Male 89% Female 11%



Upper quartile Male 76% Female 24%



### This table shows that:

- Female colleagues have their largest representation in lower quartile roles such as administrative and customer service.
- Operational management positions that fall in the lower middle quartile are overwhelmingly held by male colleagues.
- The upper middle quartile has more female representation – including office-based managers, but is still dominated by male colleagues.
- The second largest representation of female colleagues is in the upper quartile, in senior management and leadership roles.

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

This issue does have its roots in wider societal issues, including the lack of female choice of STEM subjects in education and related careers. And while fundamental change will be a long process, we're working hard to reduce our gender pay gap, encourage more women to choose the gas industry – and Wales & West Utilities – as a career. The progress we have made so far has been recognised by the Chartered Institute of Personnel and Development (CIPD) Wales who commended our strategic approach to workforce planning and our efforts to increase diversity and inclusion. Additionally, Investors In People gave us their silver award, demonstrating our commitment to good people management - an accolade only 5% of companies achieve.

When we set up Wales & West Utilities in 2005 we inherited a male-dominated team that had been neglected in terms of development and training, while succession planning was non-existent. The lack of female colleagues in operational and operational management roles is a legacy of this and is a significant influence on our gender pay gap.

### Our initiatives include:

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 Ada Lovelace Day and National Women in Engineering Day

Recruiting based on our business values has removed the requirement for academic qualifications unless strictly necessary, which has removed 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

Generous family friendly policies including enhanced maternity and paternity leave, flexible working, a Carers Policy (the first for a gas network) and the promotion of a "Wellbeing Culture" which recognises responsibilities both at home and in work



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