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# GENDER PAY REPORT

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MARCH 2019

# WHO WE ARE

## Northumbrian Water Limited provides:

- Water and sewerage services to 2.7 million people in the north east of England trading as Northumbrian Water.
- Water services to 1.8 million people in the south east of England trading as Essex & Suffolk Water.

From April 2017 the government introduced annual gender pay gap reporting for all companies with more than 250 employees. In our second Gender Pay Report we set out the gender pay gap as at 5 April 2018, the causes of our pay gap and the steps we are taking to reduce the pay gap.

We are committed to making sure we are inclusive to everybody and the company reflects the communities we serve. Not only is this the right thing to do; it has clear business benefits and will enable us to deliver an unrivalled service to all of our customers, as well as having innovation and creativity within the business, to help us achieve our vision of being the national leader in sustainable water and wastewater services.

One of our five company values is to be ethical in everything we do, and this sits at the very heart of our business. We make sure we pay men and women equally for doing the same role with the same level of experience. However, as with many organisations, we have more men in our senior, operational and engineering roles and this is driving our gender pay gap.

Since our first Gender Pay Report we have established the areas of focus that will make the biggest difference and have made some changes to our recruitment process on the back of this. We're working hard to improve the gender balance at all levels of our business and are influencing the workforce of the future through our NWG Academy work in schools, colleges and the community; highlighting female role models and ensuring gender balance shortlists for apprentice and graduate roles, as well as for senior roles in the business. We know we have more to do and are committed to continue to take action to reduce our gender pay gap.

*Heidi Mottram*

**Heidi Mottram**

Chief Executive Officer



# WHAT IS THE GENDER PAY GAP?

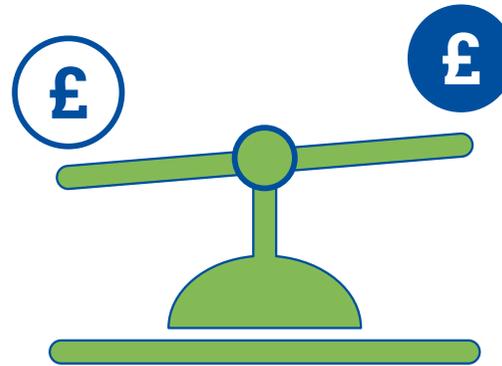
**The gender pay gap is the difference between the average hourly pay for men and women working for an organisation.**

It is not the same as equal pay which is about a man and woman receiving equal pay for the same or similar job or work of equal value.

We are confident we comply with our legal obligations in relation to Equal Pay.

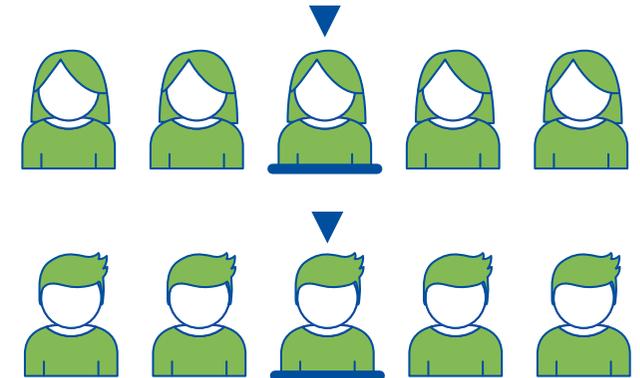
## Mean pay gap

The mean gender pay gap is the percentage difference in the average hourly pay for women compared to men.



## Median pay gap

The median represents the middle point of a population. If you separately lined up all the women in the company and all the men, the median pay gap is the difference between the hourly pay rate for the middle woman compared to the middle man.



# OUR GENDER PAY GAP

We have set out our gender pay gap as at 5 April 2018, with a comparison to our 2017 figures and the ONS (Office for National Statistics) provisional 2018 figures reported in October 2018.

Our data represents 3,096 employees who work in various roles in the North East and South East of England.

The figures have been calculated in line with statutory definitions and exclude some employees who are employed on a NWG Group contract, outside the 'relevant employer', but who substantially support Northumbrian Water Ltd. If we included these people, our mean pay gap falls to 10.3% and the mean Bonus Gap to -39%.

	Mean		
	2017	2018	ONS
<b>Pay Gap</b>	11.5%	12%	17.1%
<b>Bonus Gap</b>	13.93%	36.2%	N/A

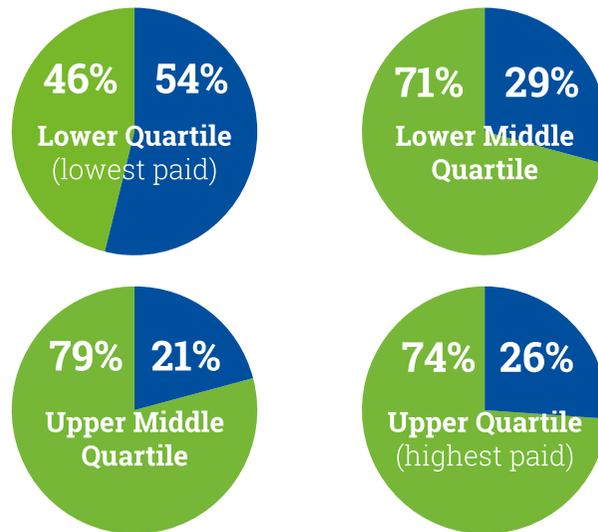
  

	Median		
	2017	2018	ONS
<b>Pay Gap</b>	17.2%	17.6%	17.9%
<b>Bonus Gap</b>	0%	0%	N/A

## Proportion of men and women by pay quartiles:

Quartiles represent the pay rates for our employees from the lowest to highest hourly rate of pay, split into four equal sized groups, with the percentage of men and women shown in each quartile.

The proportion of women employed by Northumbrian Water Ltd is 33% with the majority of females being employed in our lower quartile.



Male  
Female

Figures are based on 774 employees in each quartile.

## Proportion of men and women paid a bonus:

<b>Proportion of females</b>	20%
<b>Proportion of males</b>	22%

Our mean and median pay gaps have increased slightly from 2017, however overall since 2010 there is a downward trend in our gender pay gap with our mean pay gap reducing by 7% over this time. We are confident that we will continue to make progress in this area with the activities set out in our action plan.

# WHY IS THERE A GENDER PAY GAP?

## Key influencers on our gender pay gap include:



- **More men than women work for the company** - the water industry has historically attracted more men than women and with a low employee turnover, we have a legacy of males with long service. While this means we have people with a great deal of skills and knowledge, it reduces the opportunity for new recruits, including women, to move into more senior roles. Recent research indicates that 20% of the water sector workforce is female, compared to 47% for all sectors. (Source: [www.euskills.co.uk](http://www.euskills.co.uk)). We are ahead of the sector with 33% of our workforce being female, and 36% of managerial roles filled by females. Nevertheless, there is more to do, as we have more males than females within our operational areas of the business (water and wastewater) and within specialist engineering and technical roles.
- **There are still fewer females than males studying STEM (science, technology, engineering and maths) at school** with currently 22% of the UK STEM workforce being female and changing this will take time. However, we are taking a lead in STEM education in our local communities and our social media strategy and

continuing our focus on encouraging girls into the water industry and making sure our job roles at all levels are attractive to women as well as men.

- **We have more women than men in our lower pay quartile** - this includes our contact centre operation where we employ more females.
- **We have more men than women in our senior and middle management population that attract higher salaries.** This excludes our Executive Leadership Team where we have a 50:50 split, including a female Chief Executive Officer. In the year 2017 we had a shift in the gender balance of our top team and from the end of 2018 this returned to 50:50 following the appointment of a female Water Director. We continue to work hard to attract and develop more females to these senior roles and have increased the number of females in our senior management roles by 13% over the past ten years.

# KEY ACTIONS DRIVING CHANGE

## How are we addressing our gender pay gap?

Over the past year we have continued to develop and embed our actions to improve gender balance at all levels of our business and reduce our gender pay gap. At our May 2018 Leadership Conference, we asked our senior leaders to share their suggestions too. We have set clear areas of focus to further improve and will continue to build on this year on year.

### Recruitment

We are taking positive steps to make sure our roles are attractive to women as well as men. This includes reviewing the language, imagery and job titles we use when we recruit, and highlighting our female role models in operational roles where we traditionally receive lower levels of applications from women. We have seen our applications from females increase by 4% in 12 months. In 2018 we introduced a requirement for gender-balanced shortlists for senior roles and for all apprentice and graduate recruitment, and gender-balanced interview panels for senior roles and for all other roles where possible, to minimise the impact of unconscious bias. We have adjusted our adverts for senior roles to encourage candidates to talk to us about how the role can be worked flexibly.

We predominantly focus our selection process on behavioural, rather than technical elements of the role, aligning our recruitment process to our behavioural framework.

### Attracting girls into STEM careers

Research tells us that not enough girls are studying STEM subjects at school. Through our NWG Academy we are taking a structured approach to encourage and influence young people to consider the water industry as a career option. Working with the Women in Science and Engineering (WISE) Campaign we have trained a number of our employees to deliver their 'People like Me' programme to schools, to inspire girls aged 11-19 to consider rewarding careers in STEM subjects.

At our 2018 Innovation Festival we involved more than 750 young people in a fun and meaningful experience of STEM skills in action, including building vehicles from scratch, programming robots and designing solutions to address the problem of single use plastics in our oceans.

We continue to make sure all of our apprentice opportunities are attractive to girls as well as boys and ensure we have gender balanced shortlists for these opportunities.

# KEY ACTIONS DRIVING CHANGE

(continued)

## Leadership development

Our managers take part in inclusion and unconscious bias training as part of our Leadership and Management Development Programme. This raises awareness of the importance of an inclusive culture and how unconscious bias can affect our decision making. Our senior leaders in the business have carried out an Extraordinary Leaders Programme that has included coaching to develop emotional intelligence skills and how these can impact on creating an inclusive team. All of our new employees receive inclusion awareness as part of our corporate induction process and we plan to look for opportunities to enhance this programme over the next year.

## Highlighting role models - #waterwomen

Over the past year we have highlighted a number of our female role models, both internally and across our external media channels, to demonstrate the water industry as a place where females are adding real value. Our #waterwomen campaign focusses on the themes we know from research are important to women such as the opportunity to make a difference, flexibility and the potential for personal growth. Videos of some of our female role models at all levels of the business have been shared through our communications channels including Facebook, Twitter and LinkedIn. We are proud to have a female Chief Executive Officer who has been recently named as one of the Top 100 influential women in the Northern Power Women list and champions gender diversity both regionally and nationally.

## Fostering collaborative relationships

We have continued to build relationships with external partners over the past year such as the WISE (Women in Science and Engineering) campaign and Energy and Utility Skills Partnership. We're proud to be signatories of the WISE 10-steps and most recently the Tech Talent Charter which supports females in technology. Taking the lead regionally on the WISE North East Hub enables us to promote networking opportunities and highlight some of our female role models to aspiring females in the region, through collaboration with other local businesses.

In February 2019 we were one of 32 organisations who launched the Energy and Utility Skills Partnership inclusion commitment and worked with other regional businesses - Northern PowerGrid and Northern Gas Networks - to commit to driving change regionally.

# OUR ACTION PLAN 2019/20

## We will continue to review our progress over the next twelve months. Our specific commitments looking forward to 2019/20 are to:

- Roll-out a female talent development programme with a cohort of our high-potential females.
- Expand the activity and reach of the WISE North East Hub with new steering group members and encourage greater networking to support aspiring females across the region.
- Launch an NWG women's network.
- Conduct a diversity and inclusion audit to understand the experiences of both our men and women and identify areas of focus and actions.
- Ensure all people managers have had training in unconscious bias to educate and raise awareness of the impact of bias on decision-making.
- Extend the requirement for gender-balanced shortlists in our recruitment process.
- Maximise the opportunity of our 2019 NWG Innovation Festival to challenge gender stereotypes by:
  - Interactive, fun, engineering workshops for 7 – 13 year olds led by female presenters.
  - Creating opportunities for young people to meet and talk to people in STEM careers, including women.
  - Hosting a mothers and daughters career workshop, introducing people in STEM careers.
  - Running a 'People Like Me' training event.

