

GENDER PAY REPORT

April 2023

NWG
living water



WELCOME

Welcome to Northumbrian Water Group's gender pay report for 2023.

This sets out our progress in one important element of our holistic approach to champion diversity and inclusion in our own business and beyond.

Last year we launched our new TIDE (Together for Inclusion, Diversity and Equity) strategy, which outlines our commitment to developing a workforce that fully represents the different cultures, backgrounds and viewpoints of the communities we serve.

This signalled an updated and ambitious approach to these issues, rather than a change of focus, with many important elements of continuity including from actions set out in previous editions of this report. Gender is one of the important areas where we seek to make positive change, and pay is one measure of this.

I am therefore pleased to see that the actions we have been taking have continued to have an impact in bringing down our gender pay gap further in the period covered by this report.

However, we recognise our gender pay gap is still there and still needs to be tackled. One of the key reasons behind it is that operational roles, that often include additional premiums because they require working in antisocial hours, are primarily held by males; while support roles, which largely don't attract these premiums as work is more typically in normal daytime hours, are more commonly held by females.

I and my Executive Leadership Team – which itself has a 50:50 balance – have taken personal leadership responsibility for our TIDE strategy and are directly involved in a number of these actions.

This includes engaging in a reverse mentoring programme with black and female engineering students who have taken part in our Innovate Futures programme, with the aim of sharing experiences and broadening awareness, understanding and knowledge for both parties.

Our Let's Talk About sessions for senior leaders and wider colleagues have started important new conversations, bringing fresh insights to the business on important topics in the field of diversity and inclusion.

Executive Leadership Team members have also stepped up to become active sponsors of our colleague networks, covering areas including Women in Science, Technology, Engineering and Maths (WiSTEM Network); Race, Ethnicity And Cultural Heritage (REACH Network); Disability (ThisAbility Network) and LGBTQ (Rainbow Network).

All of this is crucial in supporting us to fulfil our Purpose of caring for the essential needs of our communities and environment, now and for generations to come. Attracting and retaining the best talent from all parts of our communities enables us to do this, and makes sure we maintain a sustainable and resilient business into the future.

This report sets out the actions we are taking to continue to address this difference and close the gap. I hope you enjoy reading about our approach and progress to date, and would always welcome engagement on how we make further inroads on this important agenda.



Heidi Mottram
Chief Executive CBE



OUR JOURNEY

Our TIDE (Together for Inclusion Diversity and Equity) strategy was launched in October 2022.

The strategy sets out our ambitious targets that will see us become a more diverse organisation, which truly represents the communities we serve.

Our targets for 2022-25 include:

Diversity

1. > **35%** of colleagues are Female
2. > **4.3%** of colleagues are non-white
3. > **6%** of colleagues with a reported disability

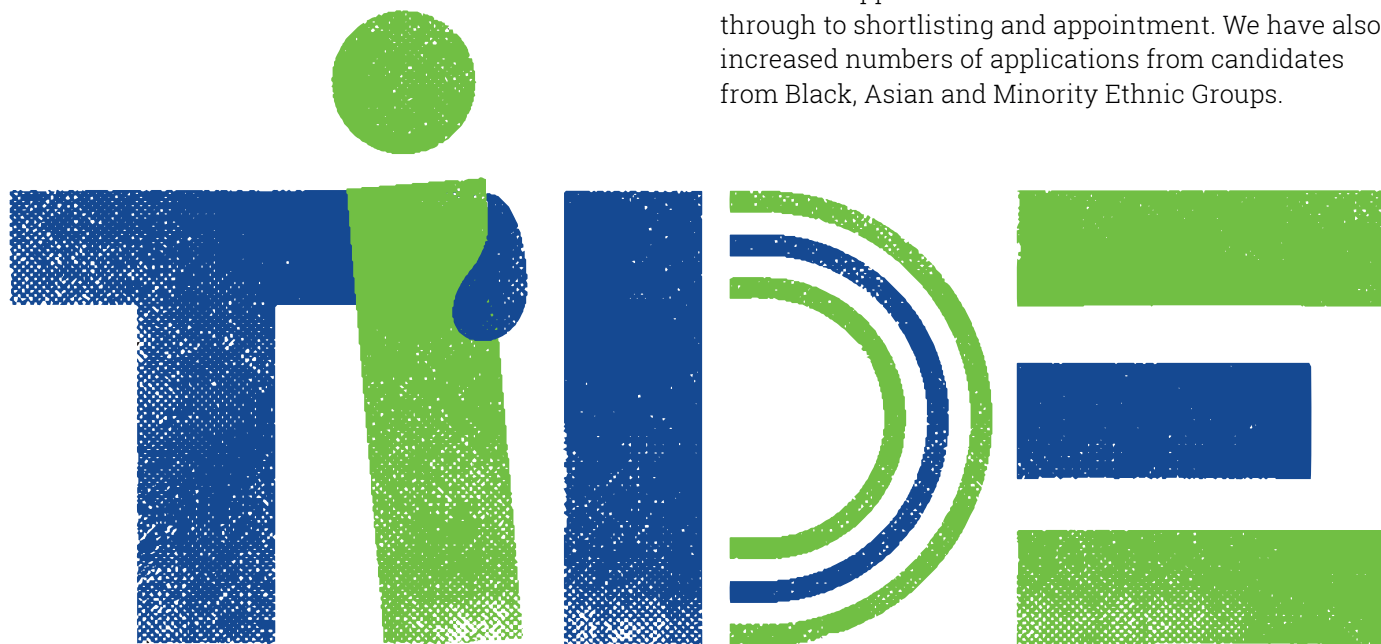
Equity

1. Gender Pay Gap < **7%**
2. Ethnicity Pay Gap < **7%**
3. Disability Pay Gap < **7%**

We continue to be a sector leader on gender diversity; **33%** of our overall workforce and **35%** of our managerial team are women.

We continue to adopt practices to ensure senior selection offers us the best opportunity to create a diverse Executive Leadership Team, which has a **50:50** gender balance.

Since launching TIDE, and by monitoring our recruitment and selection practices to understand how well we are reaching a diverse talent pool and ensure the elimination of bias in our processes, we have increased applications from women. This has carried through to shortlisting and appointment. We have also increased numbers of applications from candidates from Black, Asian and Minority Ethnic Groups.



NETWORKS AND LET'S TALK ABOUT

Delivering cultural change requires us to develop an openness to discuss topics that can be seen as challenging and/or new.

In 2022 we rolled out a programme of events called Let's Talk About, engaging our Executive Leadership Team (ELT) and colleagues right around our business.

These include sessions on race and ethnicity, sexual orientation, neurodiversity and violence against women, which have opened up positive conversations within the workplace based on improved understanding.

Colleague support networks have played an important role in organising and hosting sessions and continue to bring value to our organisation.

Our action network groups are:

- **WiSTEM** – Women in Science, Technology, Engineering and Mathematics roles
- **Rainbow Support Network** – LGBTQ+
- **REACH** – Race, Ethnicity And Cultural Heritage
- **Thisability** – Physical disabilities and neurodiversity

These network groups are an effective way to make sure that the voices of colleagues from under-represented communities are heard, respected and considered.

They exist primarily as a safe space for colleagues to discuss issues that affect them both inside and outside of work, with the view of generating more inclusive environments.

Those who do not have direct lived experience but are supportive of these issues are also invited to join monthly meetings as allies.

They listen, learn and engage with colleagues on the issues that affect them and the unique contributions they make to our organisation. Their support is important as we develop support networks across the organisation.

Each colleague-led network group has an Executive Sponsor from our ELT, who oversee the development of the groups and provide support where applicable.

FEMALE HEALTH

As part of the Living Well approach to Health, a Women's and Assigned Female at Birth (AFAB) Health Group was set up in 2022.

This colleague led group has created a platform for positive and open discussion around areas impacting the health of women and complements the Male Health Group set up in 2021.

In 2022 the Menopause was a core topic, with sessions from ACAS as part of a 'Let's Talk About event. The creation of easy to use manager guidance and resource toolkit has helped enable colleagues and managers have conversations and put in place the right support where needed. Additional sessions were run on sleep linked to female health and the impact on good mental health.

The fully accessible Living Well site, available across our business, has been updated to include areas on menstrual health, infertility and post-birth health support.



CAREER MANAGEMENT

CONNECT CONVERSATIONS

In January 2022 we introduced our new approach to appraisal conversations called Connect.

Connect provides colleagues with the opportunity to meet at least three times a year with their line manager in order to have a useful two-way conversation.

The Connect conversations focus on the three key areas of performance, development and wellbeing. Colleagues are provided with an opportunity to share any challenges they are facing and to build a development plan for both short-term work-related growth and also longer-term career planning.

Managers have been supported to hold effective Connect conversations with a broad range of training available. This includes video recording walk throughs, toolkit conversation support cards and bite size online learning on aspects of the conversation including providing feedback, recognition, and wellbeing support. This makes sure all colleagues benefit from quality performance and career discussions

Our **HYDRO** ('helping you discover the right opportunities') site, launched in 2021 continues to improve access to personal and professional development for all colleagues, particularly females.

Workshops were made available on a variety of topics including: building personal resilience, embracing change, building confidence and networking skills and complex problem solving.

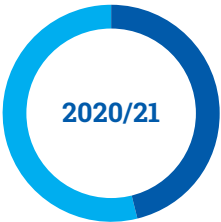
Over 700 colleagues attended the masterclasses with 62% of those attendees being female.

Creating opportunities to build external networks has been part of development offered and during 2022 four female colleagues took part in the Team Challenge for Young Water Professionals. This external programme provides young females with the opportunity to develop valuable skills to support them in achieving their career goals and to build their network across the industry.

In 2022 we trained colleagues from a range of levels and directorates as career coaches and have now made career coaching available via this group, across the organisation. Research has shown a gender disparity in career conversations, with women less likely to have this opportunity.

Through managing promotion of this opportunity, **75% of Career Coaches appointed were females and 60% of those taking up career coaching sessions have been females.**

This approach has helped a number of females develop their careers. In particular, in our male dominated directorates (Asset, Information Services, Regulation & Assurance, Water and Wastewater) we have seen a higher proportion of females than males achieving internal promotions in the past two years:



FEMALE: 4.9%
MALE: 4.2%



FEMALE: 6.4%
MALE: 5.6%



WHAT IS THE GENDER PAY GAP?

The gender pay gap is the difference between the average hourly pay for all the men and women working for the same organisation. It's not the same as equal pay, which is about a man and woman receiving the same pay for performing the same or a similar job.

Reporting on the gender pay gap is important as it allows organisations to measure and manage this issue, setting clear goals so that they can understand their performance and identify opportunities to improve.

In this report we present information about our progress against six key measurements identified as important by Government.

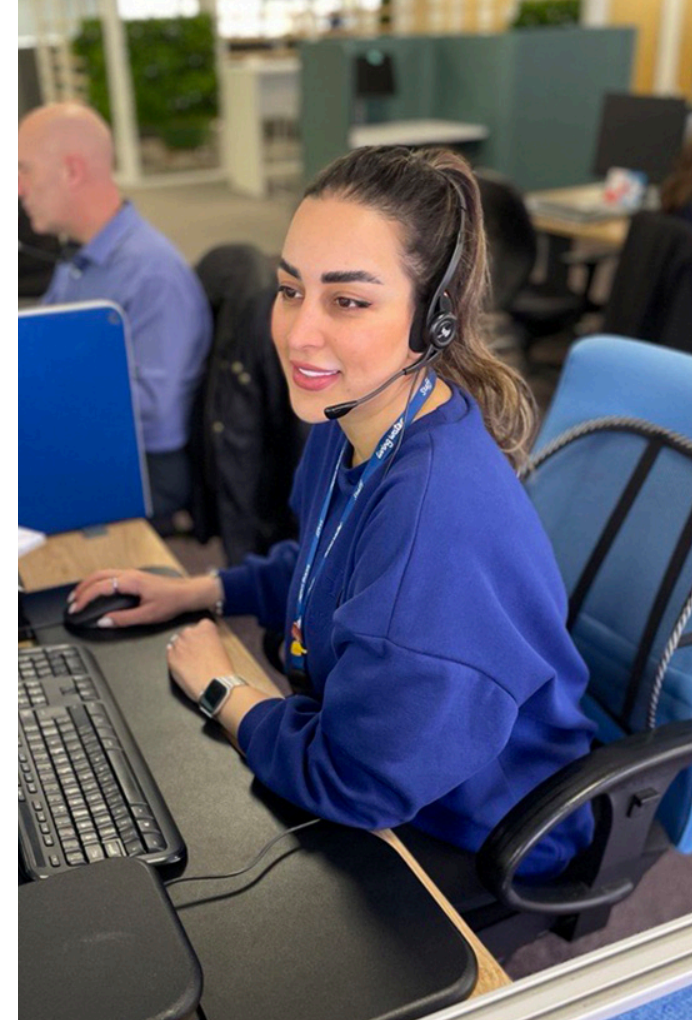
WHY THE GENDER PAY GAP MATTERS?

At NWG we understand the importance of a truly inclusive culture. Our customers come from a wide range of backgrounds, and in order for us to understand them, our workforce needs to reflect the communities we both serve and recruit from.

Research shows that diverse organisations consistently perform better - attracting great people, making better decisions and successfully innovating and evolving.

If we are to achieve our vision of becoming the national leader in the provision of sustainable water and wastewater services we need to grasp this opportunity for improving performance through creating an environment where all our people can be themselves and do their very best each day.

We continue to make progress and our gender pay gap is reducing, but we are not complacent, and want to go further to improve inclusion at all levels of our organisation.



HOW WE'RE DOING

At NWG, **32%** of our workforce are female. By working on more inclusive attraction and recruitment approaches we have increased women in people manager roles to **35%**, compared to **33%** in April 2022. These proportions remain higher than the wider sector.

At an Executive level we have achieved a **50:50** gender balance by working with recruitment partners in fresh ways and finding different approaches to identify potential talent.

Our commitment to making NWG an inclusive place to work is as important as ever as we strive to achieve the ambitious goals set out in our 2020-25 business plan.

We work hard to attract and welcome women to our business and to the wider sector by showcasing some of our amazing female role models, continually reviewing the way we recruit, collaborating with partners, and working with schools, colleges and universities to inspire the next generation.

Currently **35%** of our apprentices and industrial placement students are females, with work experience programmes planned to attract more females to our early career roles.

OUR GENDER PAY GAP AND BONUS GAP FIGURES

The graphics on the next page demonstrate the gender pay gap at NWG as of 5 April 2022. We have achieved a further annual reduction in our Gender Pay Gap through our focused work centring on attraction, selection and career management.

Our data represents **3,018** employees in the North East and South East of England. Our gender pay and bonus gaps exist primarily because of the typical roles men and women in our company carry out. Operational roles are predominantly filled by men and these roles, due to the nature of our business, attract premiums and allowances for work in antisocial hours. Roles that attract a higher proportion of women, including in our customer centre, do not attract the same.

30% of women are part time compared to **3%** of men, with **3.1%** of female colleagues asking for reduced hours in the last 12 months compared to **1.6%** of men.

NWG MEDIAN GENDER PAY GAP 2022



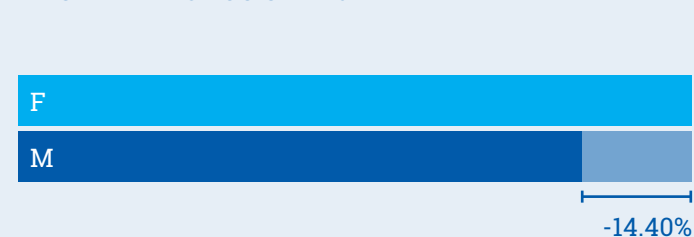
NWG MEDIAN BONUS GAP 2022



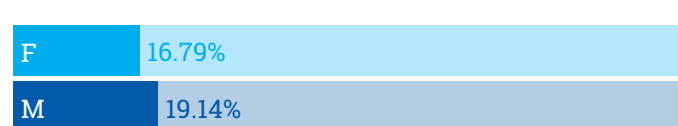
NWG MEAN GENDER PAY GAP 2022



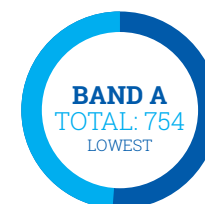
NWG MEAN BONUS GAP 2022



PROPORTION OF MEN AND WOMEN PAID A BONUS



PROPORTION OF MEN AND WOMEN BY PAY QUARTILES



FEMALE: 387
MALE: 367



FEMALE: 167
MALE: 588



FEMALE: 210
MALE: 545



FEMALE: 201
MALE: 553



FEMALE: 965
MALE: 2,053

WHAT THIS INFORMATION TELLS US

Our data is showing us that where we have been able to closely manage and implement changes to our approach to recruitment and careers we are seeing progress, particularly around women in managerial roles. However, we still need to increase female representation in most areas of our business.

Our broader TIDE work has been helping us create a more inclusive and open culture and this work is contributing to a shift in gender representation and career progression.

Entry level roles continue to be an area of focus to improve the organisational gender balance, through Apprenticeship, Undergraduate and Graduate Programmes.

