

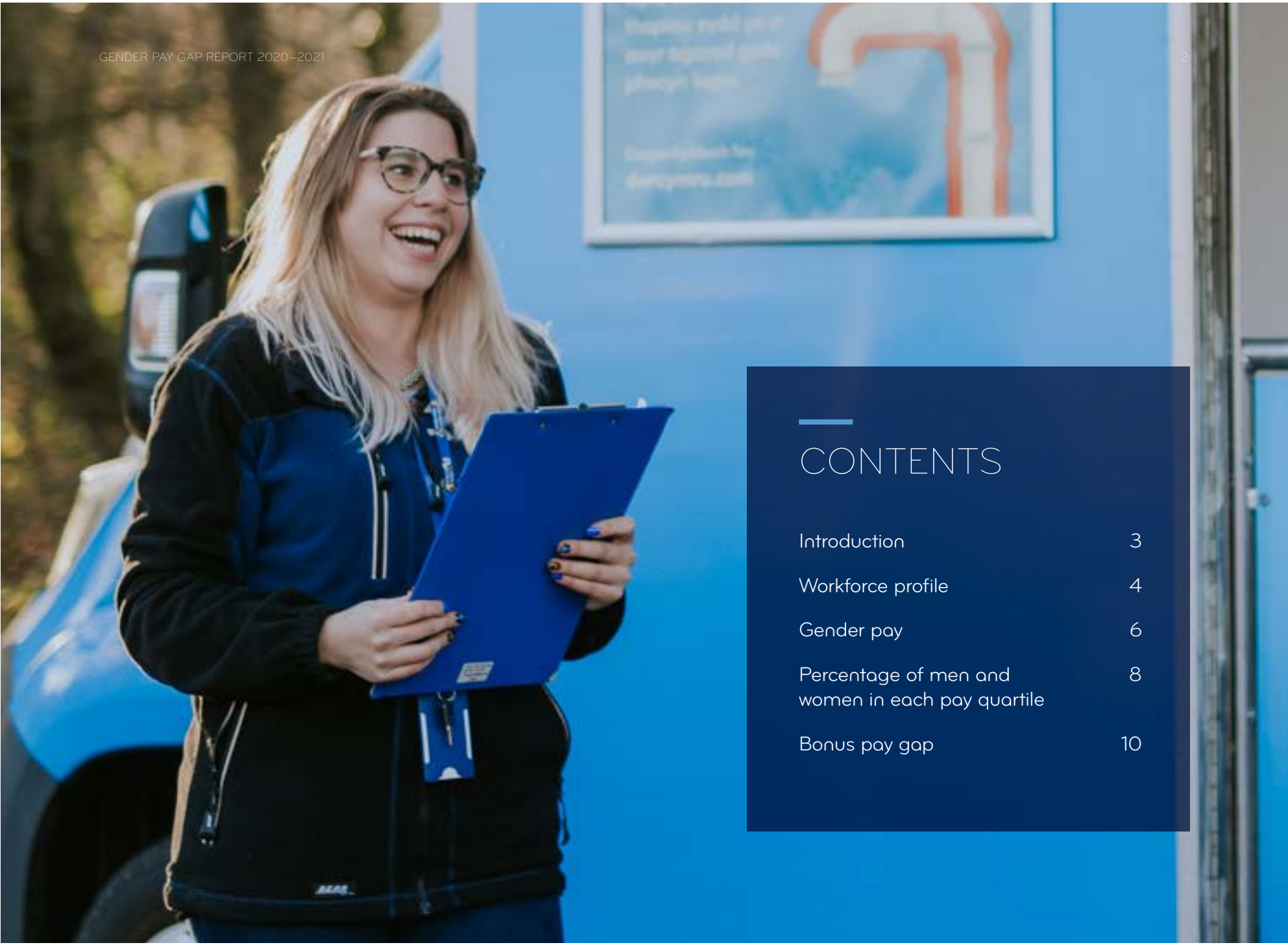


GENDER

PAY

GAP

APRIL 2021



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INTRODUCTION

The last twelve months, more than any others, have shown that our workforce is a huge force for good for our customers.

While the COVID-19 pandemic has placed our customers under enormous burdens, our colleagues have stepped up to ensure that our services aren't part of that burden, and that we support customers during one of the most challenging times in our history.

A diverse, multi-talented workforce was already known to bring enormous benefits to companies around the world. We know that companies that seek to reflect the communities they serve do better – because they have access to a wider range of talent and experiences. At Welsh Water, creating the kind of environment that allows that diversity to thrive has been at the heart of what we're trying to build throughout our history as a not-for-profit company.

But we face challenges. The water industry has historically been perceived to be the domain of men – particularly on the operational side – and it takes considerable time to overcome those perceptions which can be barriers for women applying for these types of science, technology, engineering

and mathematics (STEM) roles. We want to establish a culture where anyone, regardless of gender or background, can do any job to the best of their ability.

Despite these barriers, we have made progress in encouraging more applications from women, and they now make up just under 29% of our total workforce (from around 21% nearly a decade ago). We also now have nearly 40% of our Executive Team made up of women, and a third of the Glas Cymru Board is now made up of women.

As a not-for-profit company, we are committed to working towards the greater public good – diversifying our workforce so that it reflects the communities we serve, regardless of gender, ethnicity, sexual orientation, disability, or any other characteristic. And we recognise that we have a long way to go in building the inclusive environment that can allow everyone from these communities to thrive across all areas of our business.

Despite the challenges that the pandemic has created, we have continued to work to encourage the development of women at all levels throughout the past year. For instance, we have embedded our mentoring programme, so more women are able to access the skills and expertise of senior leaders in the company, and to retain talent

at Welsh Water. We have expanded training specifically for women too – forming a strong partnership with charity Chwarae Teg to make remote training available for women throughout the year. We have also worked to expand our Inclusivity Working Group, with our network of Inclusivity Ambassadors, whose inspirational work is helping build on the progress we've made in creating an environment where everyone can be themselves at work.

For this report, the gender pay gap is defined as the overall median and mean gender pay and bonus gap (based on hourly rate of pay at the snapshot date of 5 April 2020 and bonuses paid in the year to 5 April 2020) regardless of role or seniority. It is important to note this is different to the principle of equal pay – all men and women at Welsh Water receive equal pay for performing equal work. We will use the findings of this report to redouble our efforts to attract, support and retain more women to work in all areas of Welsh Water – for the long-term.



Martin Driscoll

Director of People and Workforce

WORKFORCE PROFILE

As in previous years, we face a common challenge with our partner water and wastewater companies across the UK in diversifying our workforce. We are attempting to tackle decades of cultural perception that our industry is primarily for white men – particularly on the operational side, which tends to be a higher-paid career path.

WOMEN MEN

2020

TOTAL

3,511 employees



EXECUTIVE

15 Members



BOARD

11 Directors



2019



Our long-term trajectory is one which is seeing an increase in the number of women employed at Welsh Water, and a gradual increase in the number of women employed at director and senior manager level. Our Welsh Water 2050 strategy, which sets out the major challenges facing the company in the 30 years to 2050, builds in a strategic approach to addressing the long-term resilience of the workforce

Compared to 21% of our overall workforce being women in 2012, we now employ nearly 30%, and the number of women on our Executive Team has increased significantly in the past year to 38% now.

Since the capturing of the figures above for 2020, Jane Hanson was appointed to the Glas Cymru Board in January 2021 which coincided with the retirement of John Warren.

CARYS GODDING

Technical Project Manager

Apprenticeship pathway to success

Carys is one of our Technical Project Managers at Penybont wastewater treatment works with a passion for learning that's taken her from an apprenticeship to a First Class Honours degree in Electrical & Electronic Engineering. At 16, she already knew she didn't want to go to university and applied for an apprenticeship. She found herself as one of the first women engineers in her field and has overcome a number of personal and professional challenges. In recognition of this, Carys was awarded the Learner award in Chwarae Teg's annual Womenspire Awards in September 2020.



GENDER PAY GAP

Our not-for-profit ethos is more than just a way of working – it embeds our customers into everything we do, and means we are also working to benefit future generations in the long term.

We also are at the heart of the communities we serve. To do that effectively, and to earn the trust of all our customers every day, our workforce needs to reflect all those communities. Our work to increase the inclusivity of the environment at Welsh Water is crucial to attracting the talent we need, and to reverse historic cultural barriers to women joining and thriving at Welsh Water.

DEFINITIONS

Median

The difference between the midpoints in the ranges of men's and women's pay

Mean

The difference between the average of men's and women's pay

WHY IS THERE A GENDER PAY GAP?

It's important to stress that Welsh Water pays the same to employees that do the same work. However, there is a gender pay gap due to historic factors linked to the industry we work in.

The water industry has traditionally been male-dominated, and this has been particularly acute in operational roles that traditionally lead to higher-salaried career paths, including senior management and director roles, and higher benefits. This legacy means that, in common with other water companies in England and Wales, more men occupy senior positions within the company with higher pay levels.

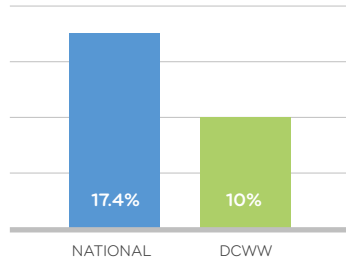
We have been working with partner organisations such as Chwarae Teg, Women in Science and Engineering (WISE), Stonewall Cymru, Disability Wales and others to address these long-term barriers to underrepresented groups, and particularly making operational careers at Welsh Water more attractive to women. We also have an extensive educational outreach programme, working with Business in the Community Cymru and others, to promote STEM careers to school-age girls.

These initiatives are long-term, and it will take time to reverse ingrained attitudes and perceptions. But we are committed to reducing and eliminating the gender pay gap in the long-term.

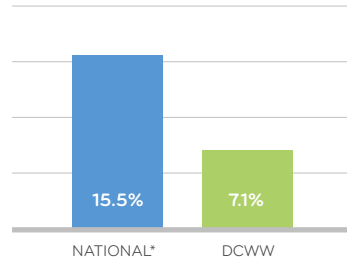
THE GAP

MEDIAN GAP

2018-2019

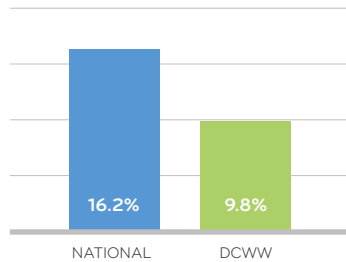


2019-2020

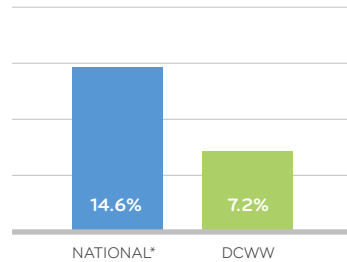


MEAN GAP

2018-2019



2019-2020



OUR PROGRESS

While the gender pay gap figures fluctuate year-on-year, our progress over the past year has been encouraging, and continued a longer-term gradual reduction in the mean and median gender pay gaps at Welsh Water.

The median gap has reduced from 10% in 2019 to 7.1% for 2020, and the mean gap has reduced from 9.8% in 2019 to 7.2% in 2020. We have also seen a narrowing of the gap across all grouped salary bands in the company, and saw a significant narrowing of the median and mean gaps at Executive Team level during the same period (by around 6.5 percentage points for median gap, and 2.7 percentage points for the mean gap).

This promising progress has been driven by an increase in the proportion of women working in senior positions within the company, as well as the results of recruitment and progression of women from entry-level and development roles in recent years, as well as the development and progression of senior women – particularly in specific operationally-focused roles.

Our longer-term strategy continues to focus on activity and support for women to develop and thrive at Welsh Water, which will contribute to meeting our aim of reducing and eliminating the pay gap in the long-term.

*April 2020 National Averages are currently estimated

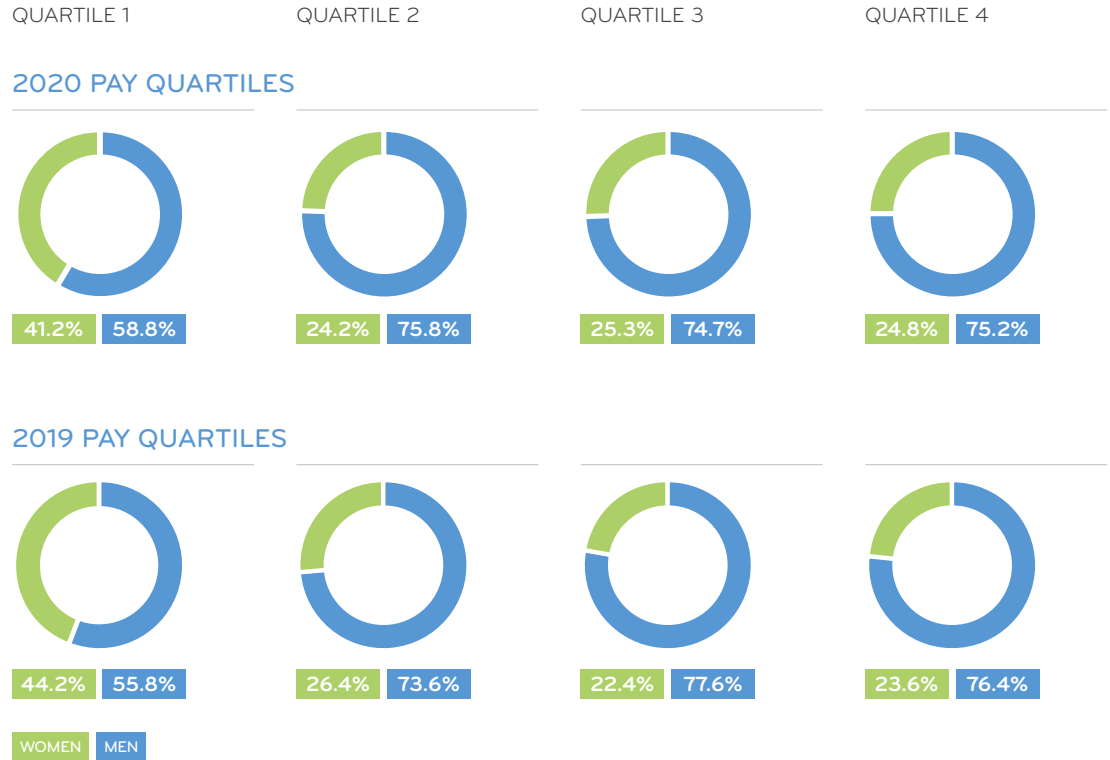
PERCENTAGE OF MEN AND WOMEN IN EACH PAY QUARTILE

OUR PROGRESS

We have seen a shift in the proportion of women employed in the upper two (Q3 and Q4) quartiles in the past year, which indicates promising results from significant recruitment of women in recent years. It also reflects the increase in the proportion of women in more senior roles – particularly at middle/ senior management level, and an increase in the number of women in the Executive Team.

DEFINITIONS

The distribution of men and women is shown in pay quartiles which are calculated by splitting the workforce into four equal sized bands, based on hourly pay from the highest (Quartile 4) to the lowest (Quartile 1). The percentage of men and women is calculated for each band.



Long-term, we are committed to focusing on recruitment of women in all areas of our work, particularly at graduate and apprenticeship level, which we expect to impact the gender pay gap further in the long-term as women progress to more senior positions in the company.

OMOLARA CORDLE

Contact Centre Team Leader

Recognising the diverse cultures and social backgrounds of the customers we serve, Omolara Cordle, took it upon herself, with the support of some colleagues, to set up Welsh Water's first BAME+ Network of which she is Chair.



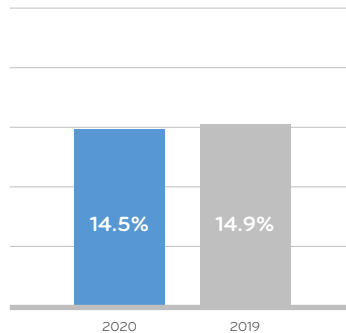
I think all humans thrive when we exist in a world, a community, an industry that inspires us with a variety of people, thoughts, ideas and experiences. Whether we're looking at gender, religion, sexual orientation or race it's important that we identify and celebrate the different skills that each individual can bring to the table. That's why I am so passionate about amplifying voices and discussing diversity both inside and out of the workplace. This year I've seen so many examples of colleagues taking action and speaking up to improve diversity in the work place – it is inspiring to see and I'm excited for what we can all achieve in the future. Welsh Water's BAME+ Network which myself and a handful of colleagues has demonstrated this and provided a safe space for us to raise issues and take action.



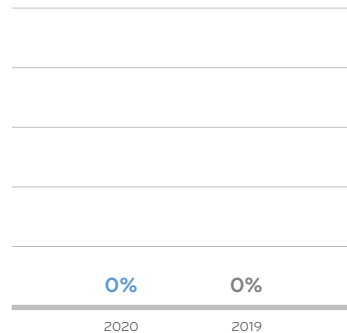
BONUS PAY GAP

Our bonus scheme is designed to incentivise and motivate colleagues across the company to deliver the best possible performance and help us earn the trust of all our customers, every day. The scheme does not discriminate on the basis of seniority and is linked to company-wide performance targets which are applied equally across all grades – with the addition that managers' and directors' personal performance is also dependent on performance.

MEAN GAP



MEDIAN GAP



OUR PROGRESS

Our mean bonus pay gap has largely remained stable over the past year, with a small decrease to March 2020 from 14.9% to 14.5%. This remains significantly below the national mean gap but will remain a long-term challenge due to the higher proportion of men in more senior, and thus more well-paid, positions in the company.

However, due to our policy of bonus equality, regardless of any personal characteristics, across the company means we continue to have no median gap at all.

For this reporting period, the percentage of male colleagues receiving a bonus was 90%, while 87% of women received a bonus. Please note that Gender Pay Gap reporting regulations do not allow for the pro-rated nature of a bonus payment. Therefore, when reporting bonus for part-time employees we use actual bonus payments.

DEFINITIONS

Median

Difference between the midpoints in the ranges of the bonuses paid to men and women

Mean

Difference between the average of the bonuses paid to men and women

OUR WORK: HOW WE ARE BUILDING AN INCLUSIVE WORKPLACE

Building an inclusive workplace where women can be themselves, and thrive, in any area of the business is a top priority for us – but we must also grapple with the challenge of making the water industry and STEM careers more appealing for young girls.

Our education programme balances the need to work with school-age children so they can learn about the water cycle, with the role they can play in helping this resource be protected for future generations.

Part of this work is for some of our most inspiring female leaders to go out into schools to pass on their experience of working in STEM roles in Welsh Water – from water and wastewater management roles, engineering positions, and newly recruited apprentices and graduates.

OUR FOCUS

We have placed a renewed focus on providing support and training for women already working at Welsh Water to ensure we can not only attract the best talent to the company – but retain it for years to come. Our partnership with Welsh charity Chwarae Teg, which focuses on supporting women to develop their careers, has seen an extensive training programme implemented over the past year, including sessions on confidence, networking, behaviour change, challenging behaviour, and improving work management and patterns. This culminated in the Not Just for Boys webinar in October 2020, which we launched in partnership with Chwarae Teg and heard from several Welsh Water colleagues, to discuss how we attract more women to STEM roles.

This builds on the work we already did with the organisation to change the way we recruited – ensuring our language removes barriers to women applying for roles they may not have traditionally gone for and making our processes more flexible to attract more women to apply. This has included in-work policies to make it easier for women with children, for example, or older women to work at Welsh Water – with webinars focusing on the likes of breastfeeding and menopause over the past year.

We have also introduced new forms of support for women in the workplace during the COVID-19 pandemic. We have launched a specialised Women in Welsh Water network remotely on Yammer, which has provided a forum for women to discuss ways in which women can support each other to develop in the workplace. We have also used this as a platform to highlight the achievements of women throughout the company – such as colleagues Helen Hopkins and Catrin Phillips being featured by the Women in Science and Engineering (WISE) project.

AMANDA SOADY

Operational Services Director

Leading the charge on Covid

As a business which protects public health, our services have never been important than during the COVID-19 pandemic. Tasked with managing the company's response to the pandemic, Operational Services Director, Amanda Soady, has coordinated activity from across the business helping maintain services while at the same time keeping colleagues and their families safe.

Amanda started her career at Welsh Water as a meter reader and worked across a range of roles within water services before heading the company's entire water distribution network.



DECLARATION

We confirm that the information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Peter Perry
Chief Executive



Martin Driscoll
Director of People and Workforce

1 April 2021