



# GENDER PAY GAP

MARCH 2023





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## INTRODUCTION

At Welsh Water, we continue our commitment to create an inclusive workforce and have continued to seek to reflect the communities that we serve.

This year we are pleased to have another positive movement in our Gender Pay Gap whilst recognising that we work in an industry historically perceived to be male dominated in common with many organisations where roles have STEM skills such as engineering.

We understand that we need to attract, retain and engage under-represented groups within the organisation, and we have engaged in a number of activities to support this. We also know we must lead change and we have introduced a Reverse Mentoring programme for our Executive Leadership Team, which involves our most senior leaders being mentored by colleagues throughout the business. We have also increased the number of females in our talent pipeline and have continued our work with networks internally and externally to support our journey.

For this report, the gender pay gap is defined as the overall median and mean gender pay gap and bonus gap (based on hourly rate of pay at the snapshot date of 5 April 2022) regardless of role or seniority.

It is important to note that this is different to the principle of equal pay for performing equal work.

We are proud to continue developing a culture where anyone can carry out any role to the best of their ability and have the opportunity to do so.



**Martin Driscoll**  
Business Support & People Director

## WORKFORCE PROFILE

We remain focused on increasing the number of women employed at Welsh Water.

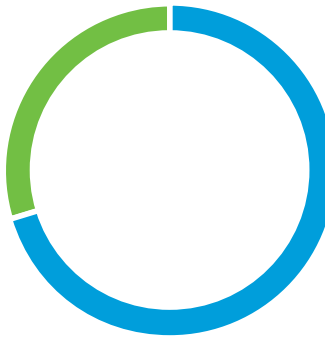
2022

### TOTAL

3,485 employees

Men: 2,451

Women: 1,034



29.7% 70.3%

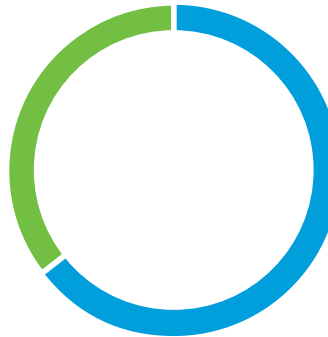
WOMEN MEN

### EXECUTIVE

17 Members

Men: 11

Women: 6



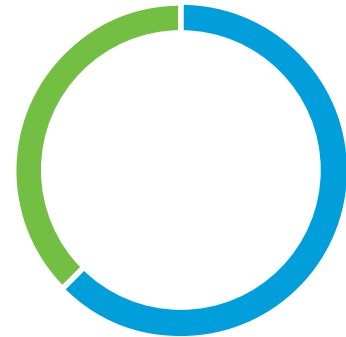
35.3% 64.7%

### BOARD

8 Directors

Men: 5

Women: 3



37.5% 62.5%

Since our 2022 pay gap capture date we have appointed Lila Thompson and Barbara Moorhouse to our board as non-executive directors.

We are disappointed that the overall number of women in the workforce has decreased slightly by 0.1% but we are confident that we can continue to attract and retain more females in the workplace as we work towards delivering our 2050 strategy.





## PERCENTAGE OF MEN AND WOMEN IN EACH PAY QUARTILE

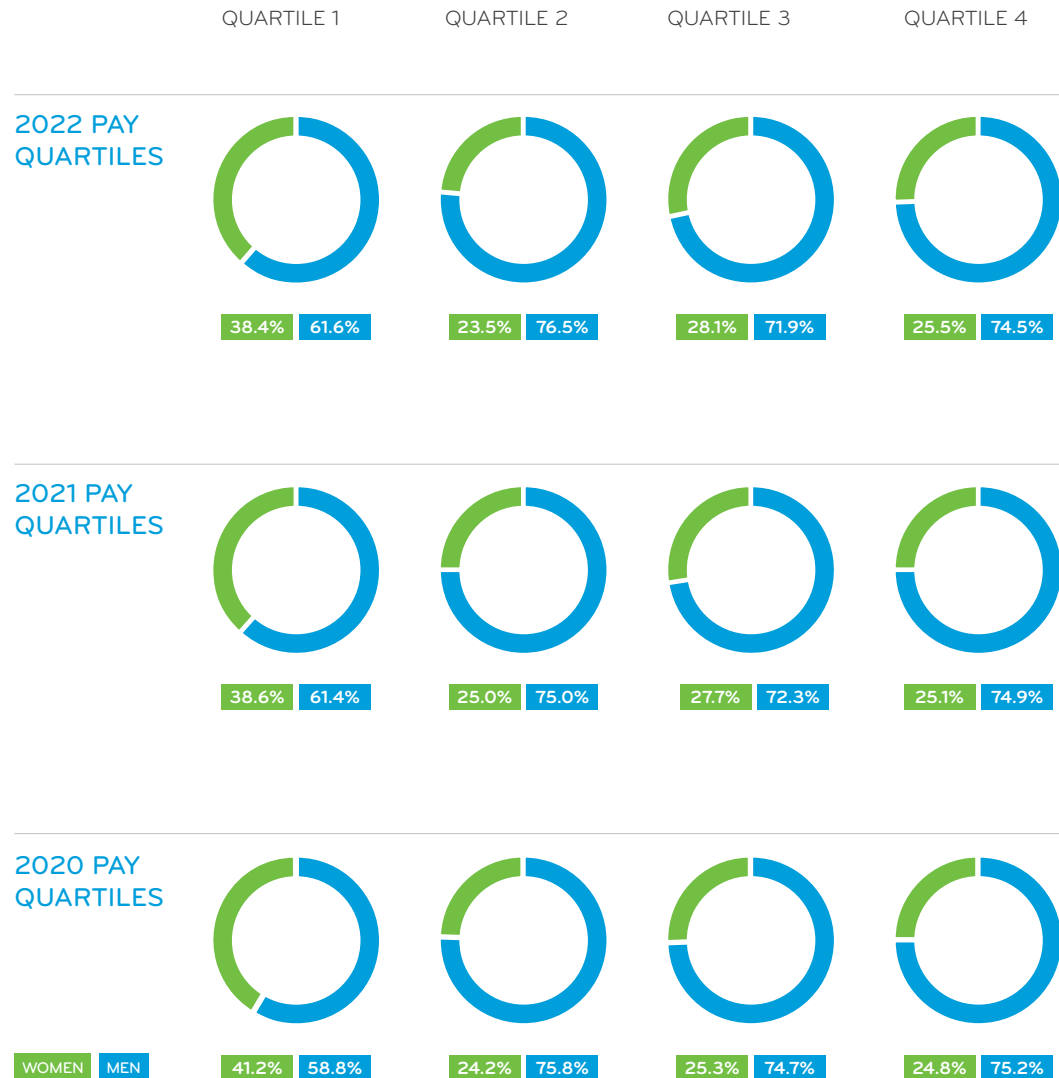
### OUR PROGRESS

We have seen an increase in men in the lower two quartiles and an increase in women in the upper two quartiles. This indicates that women are being recruited / promoted to roles at the upper end of the organisation. This reduces the gender pay gap percentage.

The gender split of the workforce overall has remained relatively constant year on year at 29% female and 71% male in the last few years.

### DEFINITIONS

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





# MICHAELLA THOMPSON

NORTH EAST WASTEWATER TREATMENT  
CATCHMENT MANAGER



I joined Welsh Water in 2012 on the Management Graduate Scheme and was aligned to the wastewater side of the business where I spent two years in a number of placements in North Wales and Hereford alongside management training courses.

My job history post-scheme starts as a Lean Facilitator supporting the roll out of the business efficiency and change programme 'Lean RCM' before becoming an Operations Supervisor in Wastewater Treatment where I took on my first managerial position. After four years I moved into the Wastewater Assets Team as an Asset Engineer hoping to use my knowledge and skills from the frontline in a more strategic and forward planning role. When the Catchment Manager position became available it felt like a big leap, but I felt encouraged by my time at Welsh Water that this was an opportunity I could put myself forward for. If you had asked me as a student or even at the start of my graduate scheme where I thought my work journey would take me, I would never have predicted this route but now I cannot imagine doing anything else.



# GENDER PAY GAP – OUR PROGRESS

## WHY IS THERE A GENDER PAY GAP?

At Welsh Water, we pay employees performing equal work, equal pay. We have robust processes in place to ensure this happens routinely.

Gender pay gaps exist as there are more men than women in senior roles in many organisations. Its causes are complex. Social pressures and norms influence gender roles and often shape the types of occupations and career paths which men and women follow, and therefore their level of pay.

The water industry has traditionally been male dominated. Like other companies in the industry, we are passionate about developing people and promoting from within Welsh Water. Therefore historically there have been more men than women on career paths in operational roles that can lead to senior management and director roles.

## OUR PROGRESS

Our long-term challenge is to increase the number of females that are recruited into the organisation and ensure that we attract and retain talent. We are confident that the work we are doing will achieve this in the long term. We recognise that more work is needed to achieve this. This year we have focused our key activity around improving the attraction, recruitment and engagement of under-represented groups and engaged in a number of activities to improve attraction.

We have continued to work with key organisations to increase awareness of Welsh Water as an employer of choice and to highlight the career opportunities to develop and retain our female colleagues.

We are pleased that we have increased the number of female colleagues in our talent pipeline for senior roles and are continuing to work with our Inclusivity ambassadors on our ongoing development and achievement of our Inclusivity Action Plan.

We understand we have a lot to do to achieve a workplace representative of the communities in which we work and live.

## PAY GAPS

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 2022 and bonuses paid in the year to 5 April 2022) regardless of role or seniority.

At the time of the Gender Pay Gap 'snapshot' in April 2022 the workforce was 29.7% female 70.3% male which is a slight decrease in females since 2021.

### DEFINITIONS

#### Median

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

#### Mean

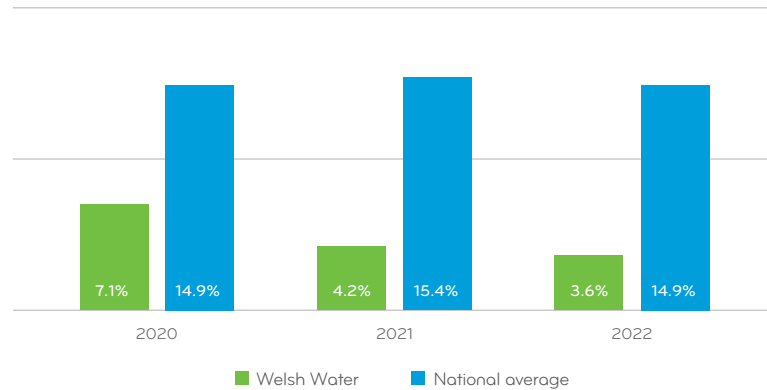
The difference between the average of men's and women's pay



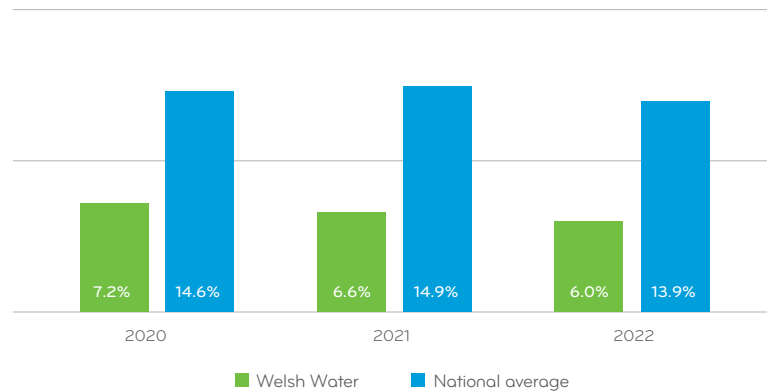
## GENDER PAY GAP

As at April 2022 the Welsh Water pay gap statistics were:

### MEDIAN GAP



### MEAN GAP



There has been a year-on-year decrease in both the median and mean pay gaps when compared to 2020 and 2021. The median gap has reduced from 4.2% in 2021 to 3.6% in 2022, and the mean gap has reduced from 6.6% in 2021 to 6.0% in 2022.

### DEFINITIONS

#### Median

The difference between the midpoints in the ranges of male and female pay. This is the figure most often quoted in the press and other publications. (2022 national average is not finalised and based on UK submissions so far).

#### Mean

The difference between the average male and female pay. (2022 national average is not finalised and based on UK submissions so far).

## BONUS PAY GAP

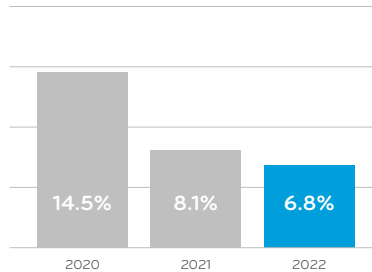
Our bonus scheme is designed to incentivise and motivate colleagues across the company to deliver the best possible performance and help us earn the trust of all our customers, every day. The scheme is linked to company wide performance targets – with the addition that colleagues, managers and directors in band 6 and above also have personal performance targets to meet.

As at April 2022 the Welsh Water bonus pay gap statistics were:

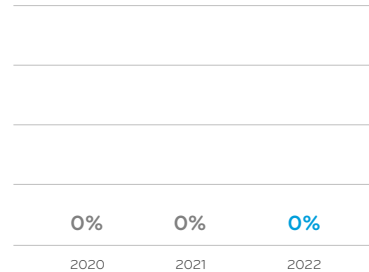
Median 0% (2021 0%)

Mean 6.8% (2021 8.1%)

### MEAN GAP



### MEDIAN GAP



### BONUS PAY GAPS – MEAN AND MEDIAN CALCULATIONS

We use the same criteria to award variable pay to all colleagues, regardless of gender or any other characteristics. There are different % of Annual Variable Pay awarded dependent on band. However, our Colleague Reward Scheme for the lower 5 bands in the organisation is paid at a set amount based on Company performance.

#### Mean Bonus Gap calculation

Our mean bonus gap decreased in 2021-2022 from 8.1% to 6.8%. There are two factors affecting this, the changes to the breakdown of men and women in the lower and upper quartiles and also the amount of Colleague Reward payments compared with the level of Annual Variable Payments made.

#### Median Bonus Gap calculation

As the bonus calculations are based on band and performance across the company, and the largest number of employees are employed in the bands of the organisation where a flat rate Colleague Reward is payable to everyone, we will continue to have no median gap.

### DEFINITIONS

#### Median

The difference between the midpoints in the ranges of bonuses paid to male and female colleagues.

#### Mean

The difference between the average of the bonuses paid to male and female colleagues.





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## OUR FOCUS AND PROGRESS – BUILDING AN INCLUSIVE WORKFORCE

### OUR FOCUS

We continue with our Equality, Diversity & Inclusion (EDI) Action plan which includes:

- A target of 5% improvement in under-represented groups applying for roles
- A target of 35% of female colleagues in our talent pipeline for senior roles
- Making operational roles more accessible and introducing observers in interviews to serve as a reminder to interviewers to question their own assumptions and prejudice
- Developing our schools outreach programme to offer young people from under-represented groups an opportunity to learn more about the water industry
- Ensuring we have diverse shortlists for our vacancies and looking at our adverts through a gender lens
- Continuing our executive team reverse mentoring programme with under-represented groups.

### OUR PROGRESS

#### Attraction, Recruitment and Engagement

To address the gender imbalance in our organisation we need to attract and recruit more female candidates. Attraction remains an area of focus for us, and we have engaged in several activities, to include:

#### Recruitment

We have introduced a 'Recruitment and Interview Observer' scheme for females in operational roles. This scheme supports and challenges hiring managers at each stage of the recruitment process to act inclusively.

#### Women in STEM Career Events

We have introduced a schools outreach programme where colleagues from across the business support with STEM career events and help to raise awareness of the roles we have in Welsh Water.

#### Men as Allies

We have introduced a module for men across the organisation, which aims to raise awareness of the challenges women may face and create learning to lead to action to help us champion change.

#### Working in Partnership

Continue to work in partnership with Chwarae Teg, STEM Cymru and host events for Engineering Education Scheme in Wales, to increase awareness of Welsh Water as an Employer of Choice.

### **International Women's Day 2022**

This year we joined together with companies and partners across the water industry. We heard from three female CEOs and talked about Allyship and Empowerment and development of women in the workplace.

### **Menopause**

We have delivered several webinars to raise awareness of issues associated with the menopause. These have been well received and subsequently we have created a private yammer group where colleagues who are experiencing symptoms can reach out to one another. Working with the women's network we have also launched a guide for colleagues and managers to help them better understand and support colleagues.

### **PROGRESSION AND RETENTION**

As well as attracting and recruiting more women, we want to retain and develop the women who already work for us. Some activities this year have been:

#### **How to get better at networking**

We delivered a session specifically for our women's network. This looked at the importance of networking, understanding our brand, identifying barriers that hold us back and developing techniques to build confidence.

#### **Imposter Phenomenon**

We held a webinar that helped us understand more about internal chatter and how, accompanied by lack of confidence, this can prevent us from reaching our potential, and what we can do to help.

#### **Chwarae Teg**

We continued to work with the Chwarae Teg to offer development for women in the organisation.

We set ourselves a target last year of having 35% of female colleagues in our talent pipeline for senior roles. We met that target and currently have 44% in the pipeline.

### **FAMILY LEAVE**

This year, to support our female colleagues when they return to work from a period of absence, we have introduced a buddy scheme. We aim to make the return to work as supportive as possible and have reviewed the process with IT accounts and access, to make it more efficient and inclusive for all. We have conducted an initial review of the family policy to incorporate more inclusive language. Alongside this, we have introduced a new guidance document for family leave, which has sections for the line manager and the colleague, and covers joint discussions in preparation for leave through to preparing to take leave, coming into work during maternity leave on 'keeping in touch' days and returning from leave.

### **HYBRID WORKING**

The COVID-19 pandemic has meant our workforce has been working in ways that some people previously thought impossible, such as working exclusively from home. Since the pandemic we have introduced hybrid working, which we hope will help us attract, retrain, and develop an increasingly diverse workforce.

### **NETWORKS**

We continue to work with networks internally and externally to support our journey. Internally we have our Women in Welsh Water network, and throughout the year they have helped us to review new guidance notes and arrange initiatives for colleagues as well as offer a safe space and area to network. Externally we work with Energy and Utility Skills and other water companies to share best practice and look at ways we can improve as a water industry. In 2022 we worked together on key events including international women's day and world menopause day.

## REVERSE MENTORING

Following on from our successful mentoring programme, where 58% of mentees this year have been female, we have introduced a reverse mentoring programme for our Executive Leadership Team.

Some of our leaders have been reverse mentored on the topic of what it is like working in Welsh Water for women generally and what they as leaders can do to be more supportive and aware of challenges or barriers that may face employees in the workplace.

This year Ian Christie, our MD of Water Services, was mentored by Kate Anderson, Corporate Communications Manager. Ian found huge value in the sessions and said:

*"Everyone who is here at Welsh Water is a valued member of the team. Different people think differently and that's important. Diversity brings different life experiences and that can help bring us through some of the difficult challenges that we will always have as a company providing water 24 hours a day."*

*"Reverse mentoring Ian on the sex protected characteristic has been a great opportunity. We've explored the opportunities and challenges women working in the world of water operations experience, especially when it comes to balancing providing a 24/7 service with responsibilities outside of work such as childcare."*



Bevita Mattu, Mechanical Engineer, took part in reverse mentoring with Alun Shurmer. Bevita said:

*"I was very appreciative to take part in reverse mentoring with Alun, it was great to talk through both our experiences and get an idea of where Alun was on his anti-racist/allyship journey, this was further actioned upon when Alun agreed to write an article on his personal experiences, because we both believed in the need for action, a part that truly resonated with me from Alun's article was, "Before people change, we need to acknowledge the need for change"*



Alun Shurmer, Comms Strategy and Engagement Director said:

*"We are a predominantly white, male company. That does not reflect the true diversity of the communities we serve. We are addressing this by actively recruiting colleagues from more diverse backgrounds and creating an inclusive culture within the company. This is not box ticking. If we truly want to live our company vision "to earn the trust of customers every day" – that means all customers, all colleagues, and everyone we have dealings with."*



THE CONTINUED  
SUCCESS OF WELSH  
WATER DEPENDS UPON  
HAVING A DIVERSE  
MULTI-TALENTED  
WORKFORCE WHICH  
REFLECTS THE  
COMMUNITIES THAT  
WE SERVE.

WE WILL CONTINUE  
OUR COMMITMENT TO  
CREATE AN INCLUSIVE  
ENVIRONMENT WITH  
OPPORTUNITIES FOR ALL.



#### 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**  
Business Support & People Director

31 March 2023