

# GENDER PAY GAP REPORT 2018

This report details our results  
for April 2017 to April 2018

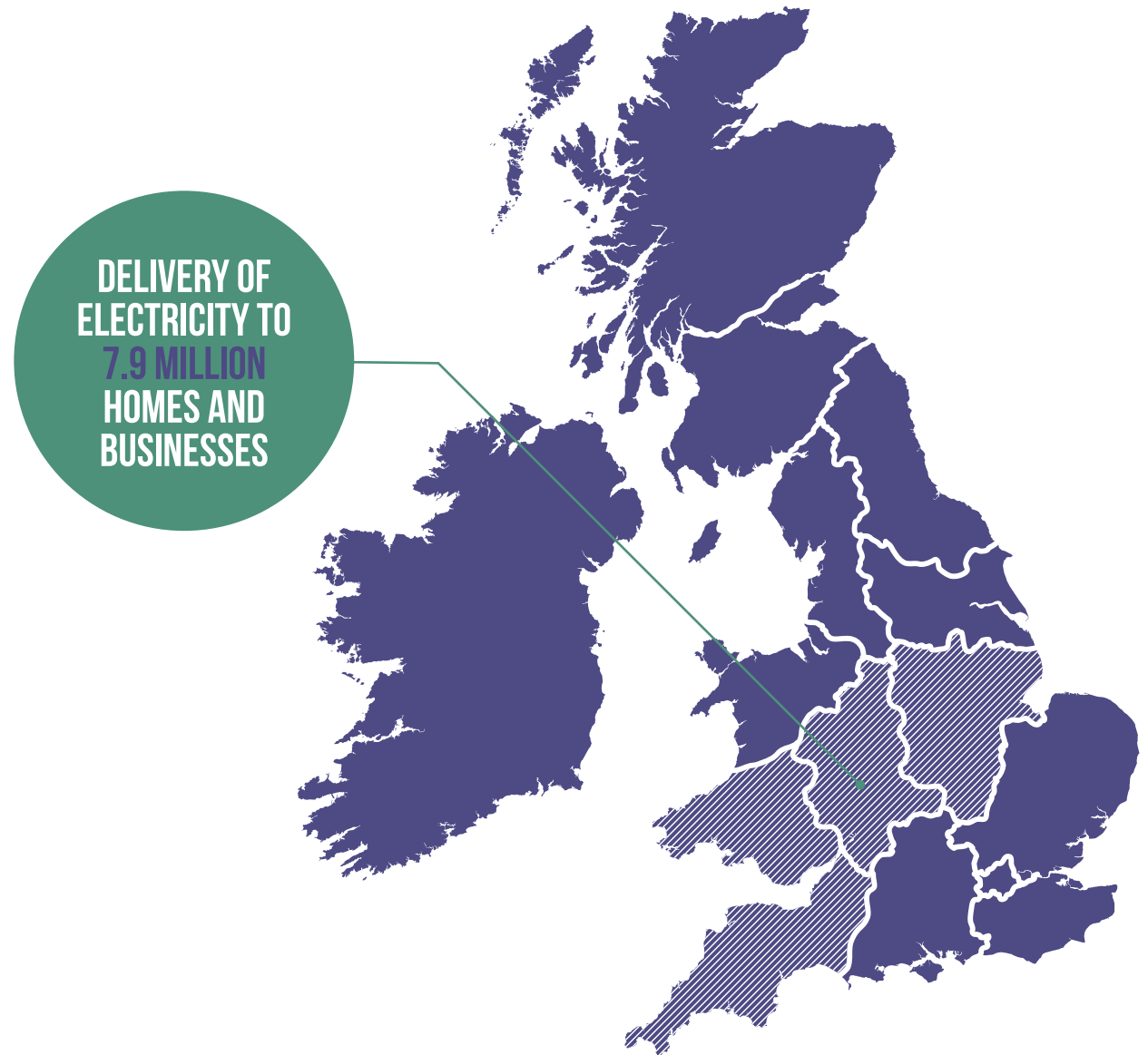
# INTRODUCTION

**Western Power Distribution is the Distribution Network Operator responsible for the delivery of electricity to 7.9 million homes and businesses across the Midlands, South Wales and the South West of England.**

Western Power Distribution is delighted to present its second gender pay report with information effective as at 05 April 2018.

We remain committed to an inclusive working environment and understands that our people are at the heart of our business success. We are committed to addressing gender representation in the workplace and continually review our recruitment and retention policies to ensure we have a diverse workforce which reflects the customers and communities where we operate.

Western Power Distribution commissioned Red House International to calculate and provide further insight and explanation of the 2018 Gender Pay Gap statistics.



# WHAT IS A GENDER PAY GAP AND HOW IS IT CALCULATED?

The gender pay gap is a measure that shows the difference in the median earnings between men and women.

To calculate the **median gender pay gap**, the hourly pay rate of all male employees were arranged highest to lowest and the one in the middle was selected. This was repeated for female employees. The hourly pay of these two employees were then compared.

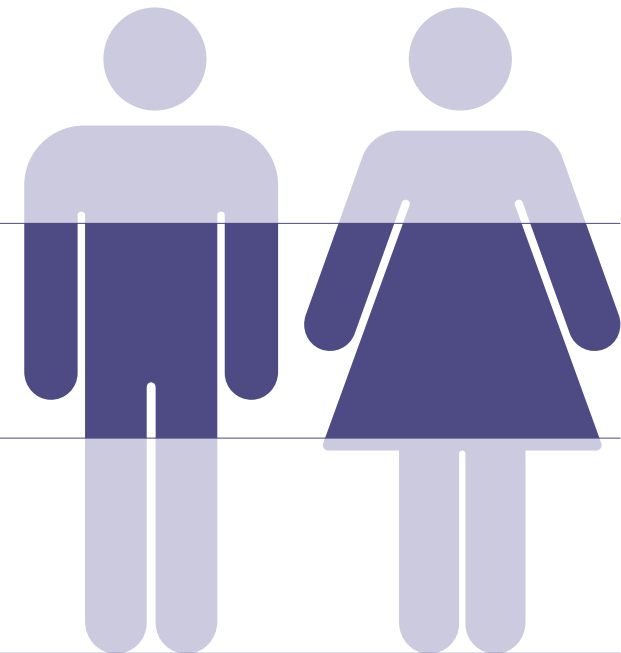
This is different from **'equal pay'**, which is the difference in pay between men and women who carry out the same or similar jobs.

The mean gender pay gap shows the difference in the average hourly pay rate between men and women in the company.

HIGHEST PAID

THE MEDIAN

LOWEST PAID



# WPD RESULTS

The vast majority of WPD's workforce (95%) is aligned to the distribution business area. This particular segment largely comprises male employees (87%) and is similar to overall UK labour market demographics for this industry.

## WPD Demographics



Male employees: 5,591, Female employees: 1,045  
 Total employees: 6,636 (as at 5th April 2018)

The Office for National Statistics (ONS) reports women as a minority within the 'Skilled Trades' and the 'Process, Plant and Machine Operatives' occupational groups, accounting for just 11-13% of workers. WPD has increased its female workforce by 7% in the past 12 months.

## WPD's gender pay gap statistics

	Hourly Pay Gap	Bonus Pay Gap
Mean	8.7%	59.6%
Median	9.6%	0%

### % OF BONUS RECEIVERS

6.9% Male  
 4.3% Female

Similar to our analysis in 2017, an independent analysis has determined the primary factors that contribute to WPD's hourly pay gap are as follows:

- Currently, more men than women occupy more senior roles within the business
- There are more men in roles that attract specific job related pay premiums such as shift and standby allowances
- Female employees typically have slightly shorter length of service relative to men. The first five years of service is a key feature in the mechanics of the Electricity Business Agreement pay structure; reflecting experience in post.

# WPD PAY STRUCTURE

The analysis of WPD’s allowances were specifically linked to additional responsibilities and/or working patterns required to deliver a service 24/7, 365 days a year. Shift and standby allowances were the most significant allowances and will to some extent impact the overall hourly pay gap within the business. WPD apply this allowance policy and opportunity fairly across the business irrespective of gender.

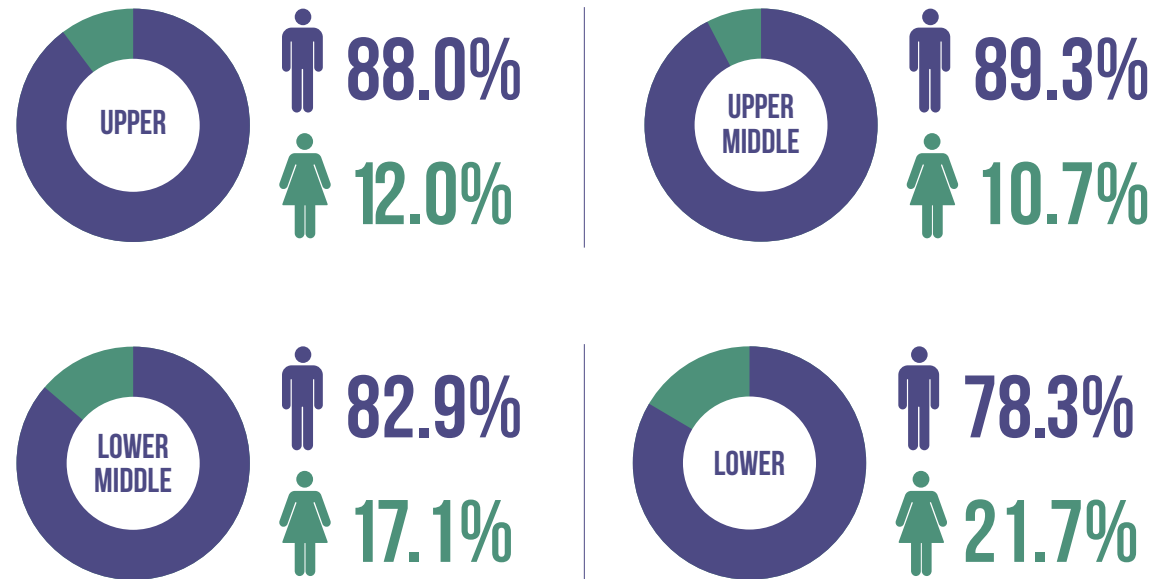
## Electricity Business Agreement

WPD has policies in place to ensure all its employees are paid fairly. One such policy is the Electricity Business Agreement.

**This agreement covers more than 98% of all employees.**

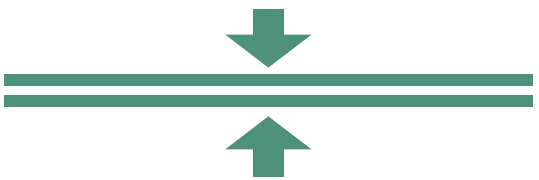
Salaries are allocated one of nine different pay grades, depending upon the roles. Within each grade there are five incremental steps that employees can progress through annually, dependent upon satisfactory performance.

The proportions of WPD male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.



# INDUSTRY SEGMENT

WPD'S MEDIAN GENDER PAY GAP OF

**9.6%** 

**IS 0.9 PERCENTAGE POINTS**

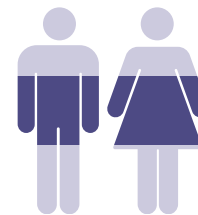
**BELOW WPD'S 2017 GENDER PAY GAP AND**

**8.3 PERCENTAGE POINTS**

**BELOW THE NATIONAL GENDER PAY GAP.**

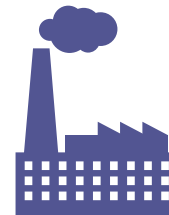
Therefore, in relative terms, WPD's gender pay gap is positioned positively compared to its UK wide industry segment.

WPD's gender pay gap relative to its industry segment



**17.9%**

the median UK gender pay gap for all employees in 2018. This was 0.5 percentage points lower than 2017



**28.7%**

the median gender pay gap for WPD's industry segment, 'Electricity, gas, steam and air conditioning supply'.\*

\*Source: ONS

# COMPANY BREAKDOWN

Business Entity	Number of relevant employees in entity	Proportion of male and female employees in business entity		Mean hourly pay difference between male and female employees	Median hourly pay difference between male and female employees	Proportion of men/ women in lower quartile pay band		Proportion of men/ women in lower middle quartile pay band		Proportion of men/ women in upper middle quartile pay band		Proportion of men/ women in upper quartile pay band		Mean difference in bonus payment between male and female employees	Median difference in bonus payment between male and female employees	Proportion of men / women receiving bonus pay	
		M%	F%			%	%	M%	F%	M%	F%	M%	F%			M%	F%
Western Power Distribution Plc	6,636	84%	16%	8.7%	9.6%	78.3%	21.7%	82.9%	17.1%	89.3%	10.7%	88.0%	12.0%	59.6%	0.0%	6.9%	4.3%
Western Power East Midlands	1,962	81%	19%	8.7%	6.1%	75.0%	25.0%	81.9%	18.1%	82.3%	17.7%	87.0%	13.0%	41.4%	26.6%	3.7%	3.0%
Western Power West Midlands	1,891	86%	14%	5.0%	5.8%	81.5%	18.5%	87.9%	12.1%	90.0%	10.0%	87.5%	12.5%	56.0%	26.6%	5.4%	3.1%
Western Power South West	1,715	84%	16%	11.2%	12.9%	74.8%	25.2%	79.6%	20.4%	92.0%	8.0%	89.0%	11.0%	65.8%	-26.6%	11.2%	7.1%
Western Power South Wales	1,068	87%	13%	12.3%	13.9%	80.3%	19.7%	84.8%	15.2%	93.2%	6.8%	93.2%	6.8%	66.9%	-17.1%	8.2%	4.5%
<b>Overall</b>	<b>6,636</b>	<b>84%</b>	<b>16%</b>	<b>8.7%</b>	<b>9.6%</b>	<b>78.3%</b>	<b>21.7%</b>	<b>82.9%</b>	<b>17.1%</b>	<b>89.3%</b>	<b>10.7%</b>	<b>88.0%</b>	<b>12.0%</b>	<b>59.6%</b>	<b>0.0%</b>	<b>6.9%</b>	<b>4.3%</b>

# 2018 PROGRESS

---

## Some key highlights this year include:

The percentage difference in population has changed from 85% (M), 15% (F) in 2017 to 84% (M), 16% (F) in 2018.

Whilst our male workforce remained stable year over year, our female workforce grew 7%.

All four of our gender pay gap metrics fell year over year.

Our group wide bonus pay gap fell to zero in 2018.

Over the past 12 months our new joiner gender pay gap was negative 8.4% in favour of women.

---

Female representation increased across both upper quartile pay bands and in early 2018 we appointed our first female director, to the role of Resources and External Affairs Director; one of four Company Directors on our Board.

---





# CONCLUSION

---

**Whilst we acknowledge there is a challenge across our industry to attract more women to our profession we are very pleased with the progress we have made in the past 12 months to reduce our gender pay gap.**

At WPD we place great emphasis on our diversity and inclusion programmes to attract, retain and progress female employees within the business. It is important for us to continually review our gender pay gap and diversity information and be aware of factors that may impact people related decisions. We have an established Equality and Diversity policy demonstrating the equal treatment of all existing and future employees.

---

**We will continue to support high profile campaigns like 'Women in Engineering' and WISE (Women in Science and Engineering), and promote engineering vacancies in a wide and diverse range of publications, events (such as "Women in STEM" careers events). In addition, we'll continue to use social media to share first-hand accounts from existing female engineering employees as well as on our newly branded Careers website.**

To assist in our recruitment processes, we reorganised our Employee Relations Team to include a dedicated recruitment team ensuring consistency in our recruitment practices across all four licence areas.

In addition, and to support our recruitment team, WPD introduced an applicant tracking system, with anonymising functionality. This system provides a professional platform for our recruitment team and recruiting managers, and gives better information about the variety of engineering, administrative and professional roles available across the organisation.

We will continue to look at innovative ways to attract more women to our Company.

---

**“ WE CONFIRM THAT THE WPD GENDER PAY GAP CALCULATIONS ARE ACCURATE AND MEET THE REQUIREMENTS OF THE REGULATIONS. ”**



Alison Sleightholm  
Resources and External Affairs Director