

GENDER PAY GAP REPORT 2019

The background of the banner features a stylized landscape with rolling hills, a winding river, and a city skyline. Overlaid on this are several power pylons and glowing blue power lines that curve across the scene. The sky is a gradient of blue and purple with soft, white clouds.

Western Power Distribution

Serving the Midlands, South West and Wales.

First time, every time.

This report details our gender pay gap results for
April 2018 to April 2019

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 it's second gender pay report with information effective as at 05 April 2019.

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.



WHAT IS THE 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



WPD RESULTS

The vast majority of WPD's workforce (96%) 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.



Male employees: 5,520 Female employees: 1090
Total employees: 6,610 (as at 5th April 2019)

Over the past 3 years our female workforce has increased by more than 12%. With the male workforce remaining relatively stable this is resulting in higher female representation across our business.

WPD's Gender Pay Statistics

	Hourly Pay Gap	Bonus Pay Gap
Mean	8.7%	13.8%
Median	10.5%	0%

% of Bonus Receivers

7.1% Male
5.2% Female

Similar to our analysis in 2018, 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
- Whilst more women are entering the workforce these are typically in roles that attract a lower rate of pay relative to specialist electrical engineering roles.
- These field based engineering roles also 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.

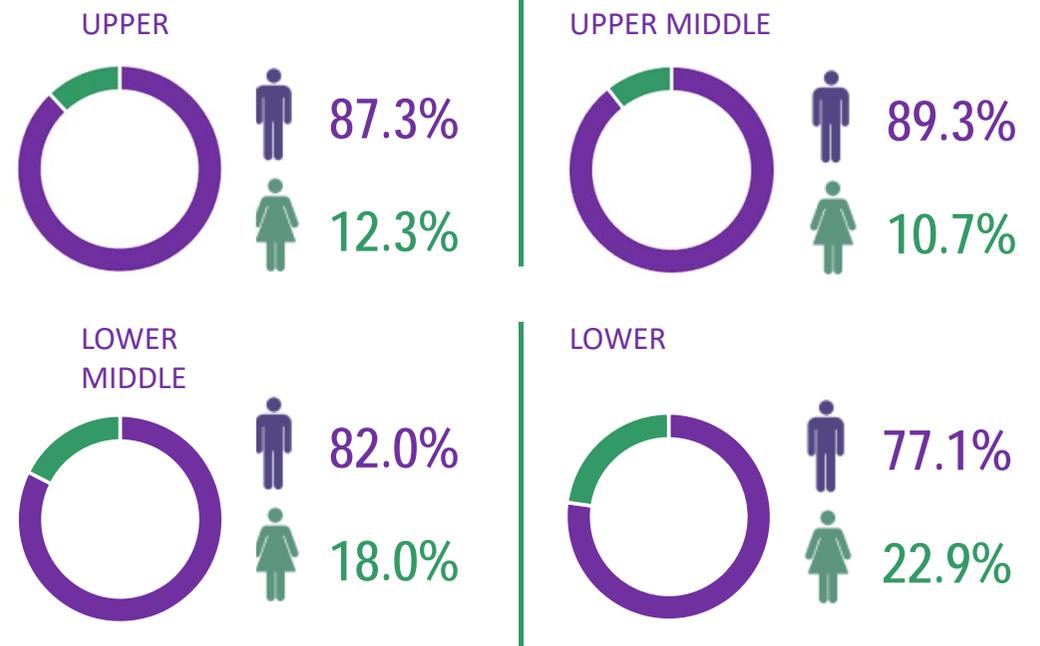
WPD PAY STRUCTURE

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

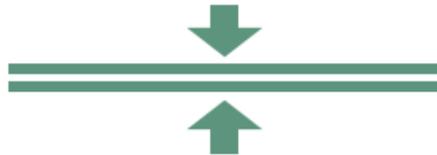
The proportions of WPD male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.



INDUSTRY SEGMENT

WPD's MEDIAN GENDER PAY GAP OF

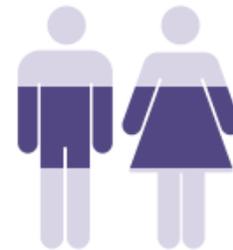
10.5%



IN 2017 AND 2018, WPD's
MEDIAN GENDER PAY GAP WAS
RANKED 5TH RELATIVE TO ITS
INDUSTRY PEER GROUP

* Based on a consistent peer group of 14 organisations listed with SIC code 35130 - Distribution of Electricity.

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



26.8%

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

* Office of National Statistics 2018 – provisional data

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%	%	%	M%	F%
Western Power Distribution PLC	6,610	84%	16%	8.7%	10.5%	77.1%	22.9%	82.0%	18.0%	89.3%	10.7%	87.7%	12.3%	13.8%	0.0%	7.1%	5.2%
Western Power East Midlands	1,966	80%	20%	9.4%	5.4%	74.1%	25.9%	82.2%	17.8%	81.8%	18.2%	86.1%	13.9%	18.6%	-3.7%	4.2%	3.4%
Western Power West Midlands	1,858	86%	14%	6.1%	5.9%	77.4%	22.6%	89.4%	10.6%	90.9%	9.1%	87.0%	13.0%	65.0%	29.3%	7.0%	6.4%
Western Power South West	1,728	82%	18%	11.4%	12.0%	73.5%	26.5%	76.3%	23.7%	91.3%	8.7%	89.7%	10.3%	9.7%	-10.0%	10.4%	7.8%
Western Power South Wales	1,058	88%	12%	7.7%	12.1%	81.2%	18.8%	84.4%	15.6%	95.0%	5.0%	90.8%	9.2%	-2.9%	25.5%	7.1%	2.3%
Overall	6,610	84%	16%	8.7%	10.5%	77.1%	22.9%	82.0%	18.0%	89.3%	10.7%	87.7%	12.3%	13.8%	0.0%	7.1%	5.2%

2019 PROGRESS

Our median gender pay gap increased marginally in 2019, returning to the same level as 2017 at 10.5%. These numbers belie real progress made in a our gender number of areas, including:

Our female workforce has grown 12.4% since reporting began in 2017 whilst our male workforce has declined marginally at -1.4%.

Whilst we are pleased to report the firm is increasingly becoming more gender balanced there is still a challenge to attract women into specialist electrical engineering roles within the firm.

Our bonus gap has continued to remain stable at 0%, whilst our mean bonus gap fell substantially from 59.6% to 13.8% year over year in part due to greater female representation in senior roles.

Our mean gender pay gap has remained stable year over year at 8.7% with a small improvement observed since 2017.



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

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.

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Alison Sleightholm
Resources and External Affairs Director