



Gender Pay Gap Report 2021

Gender pay gap results effective 05 April 2021



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WESTERN POWER 
DISTRIBUTION

Serving the Midlands, South West and Wales
a national **grid** company



Introduction

Western Power Distribution is the Distribution Network Operator responsible for the delivery of electricity to 8 million homes and businesses across the Midlands, South Wales and the South West of England.

Western Power Distribution is delighted to present its fourth gender pay report with information effective as at 05 April 2021.

We remain committed to an inclusive working environment and understand 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.



Delivery of electricity to
8 million
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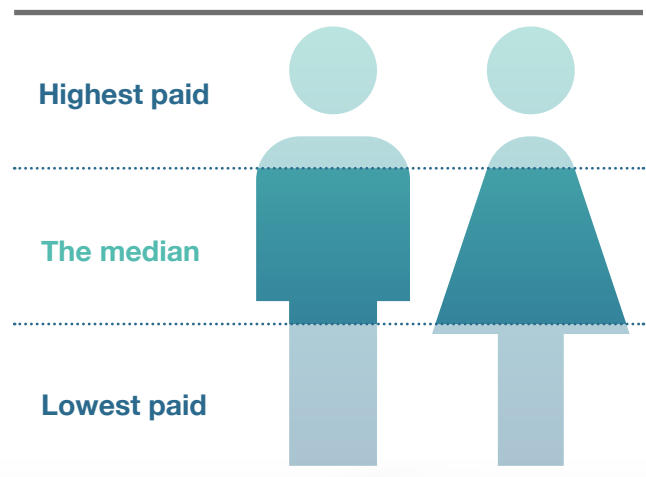
What is the gender pay gap and how is it calculated

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

WPD's workforce comprises of 83% male employees which is similar to overall UK labour market demographics for our industry.



Male employees: **5,450** Female employees: **1,138**
Total employees: **6,588** (as at 5th April 2021)

With the male workforce remaining relatively stable this is resulting in higher female representation across our business.



11%

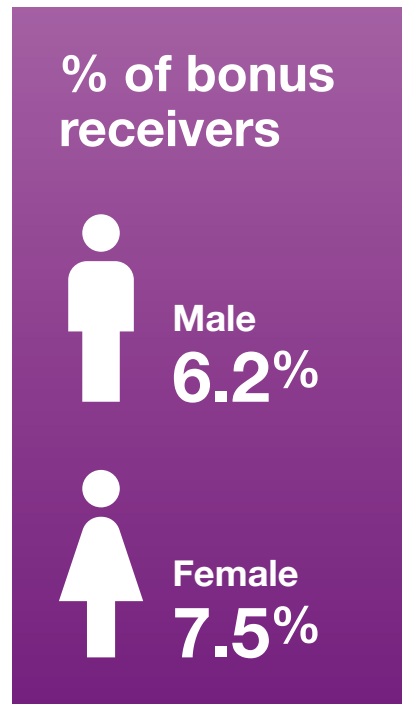
Our median gender pay gap has reduced by 6.8% from the previous year and is now 11%



WPD's gender pay statistics

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.
- ✓ While 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.
- ✓ Our female workforce has increase by more than 9.5% over the past three years. Women now represents 17.3% of our workforce compared to 15.7% in 2018. This increase is attributed to the considerable efforts to attract more females to our organisation.
- ✓ Whilst our hourly gender pay gap increased this year, we expected this to be the case as the job roles where we see more females being employed are largely in trainee and lower graded posts - it will take some time for these female employees, especially the female trainees to reach a pay level that will impact the gender pay gap, but it is a positive marker for the future.
- ✓ Attracting a greater female population is echoed in the Women in Engineering report (WES) where it is identified from a survey conducted in 2017 by Women in Science and Engineering (WISE), that 11% of the engineering workforce are female - a shift from 9% in 2015. 2019 statistics from WISE indicate that the percentage of women in the STEM workforce has dropped whilst WPD are bucking this trend by showing a steady increase.



	Hourly pay gap	Bonus pay gap
Mean	8.3%	51.5%
Median	11.0%	28.7%



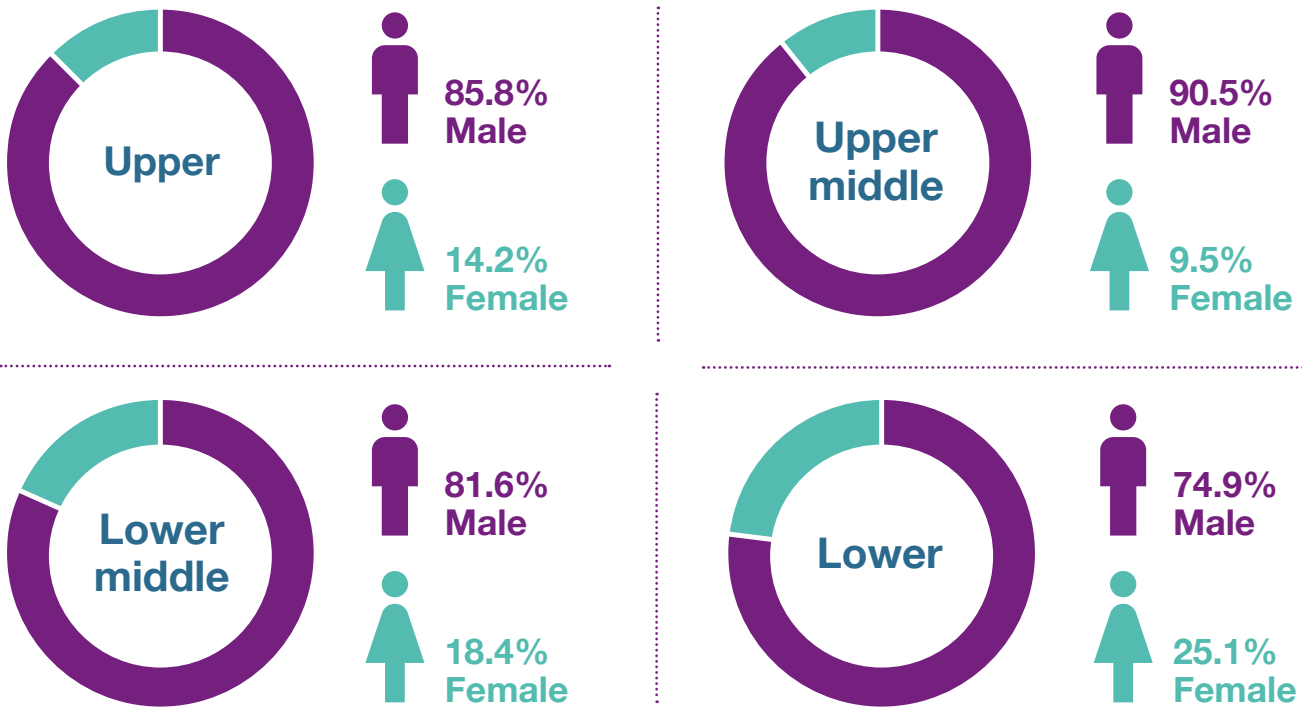


WPD pay structure

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.

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



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, dependent upon satisfactory performance.



Industry Segment

WPD's median gender pay gap of



11.0%



In 2020, WPD's median gender pay gap was ranked 4th, relative to its industry peer group

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

WPD's gender pay gap relative to its industry segment



15.4%

the median UK gender pay gap for all employees in 2021.*



24.0%

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

* Office of National Statistics 2021 – provisional data



Company breakdown

Business entity		WPD East Midlands	WPD West Midlands	WPD South West	WPD South Wales	Overall
Number of relevant employees in entity	No.	1,995	1,788	1,741	1,064	6,588
Proportion of male and female employees in business entity	M%	80.1%	85.5%	80.6%	86.4%	82.7%
	F%	19.9%	14.5%	19.4%	13.6%	17.3%
Mean hourly pay difference between male and female employees	%	7.3%	3.7%	11.5%	12.6%	8.3%
Median hourly pay difference between male and female employees	%	10.4%	4.7%	11.8%	11.9%	11.0%
Proportion of men/women in lower quartile pay band	M%	72.9%	77.2%	69.4%	78.3%	74.9%
	F%	27.1%	22.8%	30.6%	21.7%	25.1%
Proportion of men/women in lower middle quartile pay band	M%	80.8%	90.7%	76.2%	82.9%	81.6%
	F%	19.2%	9.3%	23.8%	17.1%	18.4%
Proportion of men/women in upper middle quartile pay band	M%	83.8%	91.9%	91.4%	93.5%	90.5%
	F%	16.2%	8.1%	8.6%	6.5%	9.5%
Proportion of men/women in upper quartile pay band	M%	85.1%	84.7%	86.8%	92.0%	85.8%
	F%	14.9%	15.3%	13.2%	8.0%	14.2%
Mean difference in bonus payment between male and female employees	%	62.8%	71.6%	45.9%	49.7%	51.5%
Median difference in bonus payment between male and female employees	%	16.8%	28.7%	29.5%	0.0%	28.7%
Proportion of men/women receiving bonus pay	M%	5.4%	6.7%	7.4%	4.7%	6.2%
	F%	6.5%	9.7%	8.6%	3.4%	7.5%



2021 Progress

Whilst our hourly gender pay gap figures improved marginally in 2021, these numbers don't represent the real progress made in a number of areas, including:

Our female workforce has grown by 9% since 2018 while our male workforce has declined marginally at 3%. This has resulted in higher female representation across our business.

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

Our median bonus gap has increased significantly 20.6% in 2020 to 51.5% in 2021. This is attributed to more women joining the organisation and receiving a lower service-related entitlement.

Our median gender pay gap decreased by 0.8 percentage points to 11.0%.

Female representation in our upper pay band has improved by 2.1 percentage points since 2020.

Our mean gender pay gap has decreased marginally year over year at 8.3%.

For the first time, since gender pay gap requirements were introduced, we observed proportionally more women (7.5%) receiving a bonus relative to men (6.2%).





Ethnicity Analysis

In 2020 we conducted for the first time analysis on our ethnicity pay gap. Here we summarise our key findings:

Summary

We are delighted to report that more than 90% employees of employees have declared their ethnicity.

This information will support WPD to focus its attention on attracting more people from our ethnic communities.

Currently just over 3% of our workforce, based on those that reported their ethnicity, are from a non-white background.

Despite this, in 2021 we are pleased to report our mean and median ethnicity pay gap at 0.4% and 3.5%, respectively.

We have made strong progress in gathering information on the ethnicity profile of our workforce. In April 2015 we had 1,008 employees where no information was disclosed falling to 624 employees in April 2021.

Progress

We recognise that some of the changes in the makeup of our workforce could be seen as small with no real positive direction of travel

The electricity distribution industry continues to fall short of other more diverse sectors such as retail and Information Technology. We are not complacent however and are committed to make significant changes to see a real and sustained difference.

Our apprenticeship and trainee intakes will continue to be a major part of our recruitment strategy for the future to attract and retain more people from our ethnic communities.

Ethnicity information is important in order for us to further develop our recruitment and retention strategy to create an even more diverse workforce.



Conclusion

There is a revolution underway in the electricity distribution industry as we keep the lights on while we work to ensure the network can meet the demands of net zero. It is vital work that requires the talents of everyone – regardless of gender, ethnicity or any of the other protected characteristics. However, we recognise that we have work to do when it comes to ensuring that diversity in our workforce represents minority groups. We are determined to make progress.

At WPD we are committed to creating an inclusive, respectful and diverse workplace that encourages employee engagement and enables professional development.

Women and ethnic communities have a vital role to play in the working landscape of the future and I am determined that WPD will be recognised as a good employer for all. Firstly because it is the right thing to do and secondly because, as a company, we face a number of challenges.

Our network is moving from a passive, one-way system to becoming dynamic and dealing with multiple power flows. We need to ensure that none of our customers are left behind or negatively affected as we transition to a low carbon economy.

At WPD we are proud that the majority of our staff live in the communities they serve. We want to continue that tradition and ensure there are no barriers or perceived barriers to the talent we need.

In 2021 we launched our new Diversity, Equity and Inclusion Action Plan. This builds on our existing principle of valuing each other and appreciating differences. We are committed to an inclusive, respectful and diverse workplace that rewards performance, enables professional development and encourages employee engagement. We are proud that our employees take responsibility for results and are committed to diversity and continual improvement.

We have made five commitments during the period this report covers to ensure we continue to apply equal treatment to all of our employees – both existing and future. They are:

- To attract, retain and develop a high performing, diverse workforce.
- To increase diverse representation in leadership roles.
- To maintain a workplace culture of equity and inclusion.
- Foster partnerships that support the growth and vitality of the diverse communities and customers we serve.
- Develop and sustain relationships with diverse suppliers, vendors and service providers.

Addressing the gender pay gap means that we need to get more women in senior roles. This is not something that can be achieved in the short term as we need to encourage more females at a young age to see the potential in a STEM career (Science, Technology, Engineering and Maths). Work we have undertaken over the past year includes:

- Ensuring that women who wish to advance to more senior roles are supported.
- Working with schools and colleges to attract women into STEM subjects from an early age. This will help increase the number of potential employees moving into the specialist engineering roles.
- The introduction of a new flexible working policy and a homeworking policy that benefits more staff in suitable roles.
- Introducing more diverse interviewing panels so that there is better representation when hiring new employees into the business.

Alison Sleightholm

Resources and External Affairs Director



Personally, I am committed to ensuring that WPD is an organisation where our workforce feel they have a voice and a future.

I am pleased we are making progress and we shall keep working to ensure we meet our own high standards.



Alison Sleightholm

Resources and External Affairs Director

We confirm that WPD's gender pay gap calculations are accurate and meet the requirements of the regulations.

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Western Power Distribution (East Midlands) plc, No2366923
Western Power Distribution (West Midlands) plc, No3600574
Western Power Distribution (South West) plc, No2366894
Western Power Distribution (South Wales) plc, No2366985

Registered in England and Wales
Registered Office: Avonbank, Feeder Road, Bristol BS2 0TB

www.westernpower.co.uk

