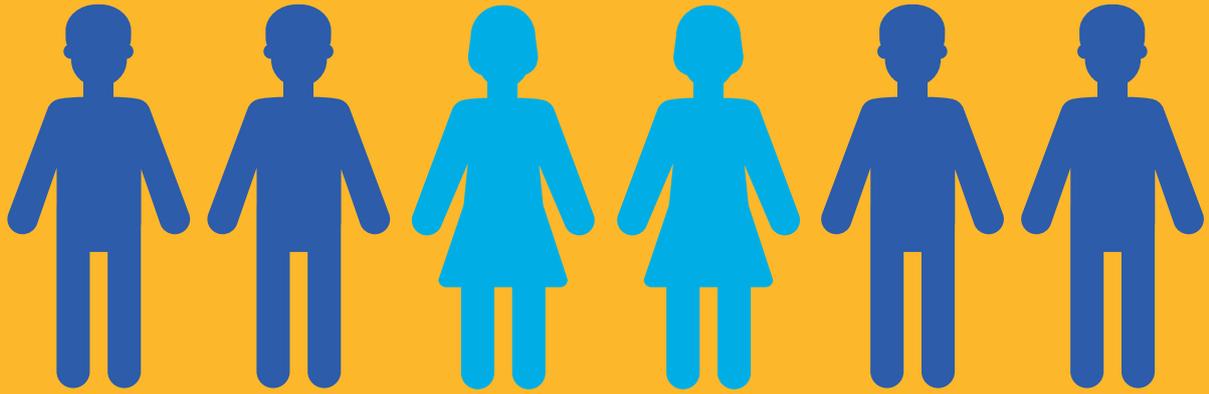


WESSEX WATER SERVICES LIMITED GENDER PAY GAP REPORT 2020





GENDER PAY GAP REPORT



**This report outlines the gender pay gap
at Wessex Water Services Ltd**

WESSEX WATER SERVICES GENDER PAY GAP REPORT

Wessex Water Services is a regional water and sewerage business serving 2.8 million customers across the south west of England including Dorset, Somerset, Bristol, most of Wiltshire and parts of Gloucestershire and Hampshire. It employs 2,547 people, of whom 79% are men and 21% women.

The gender pay gap shows the difference between average hourly pay for men and women across all ages, roles and levels within the company.

Gender pay is different to equal pay, which is the right for men and women to be paid at the same rate of pay for work that is of an equal or equivalent value. Wessex Water has a robust job assessment process. We operate a framework of grades and pay ranges within each pay grade - gender has no bearing on what employees are paid for the role they perform.

The water industry, in common with many businesses with a predominance of STEM skills, such as engineering, continues to be male dominated. Wessex Water recognises that diversity is a strength and is helping to create an inclusive environment to improve the representation of women within the industry and our own business. We are working to attract more women into our business, and we value them and the skills, knowledge, experience and ideas they bring.

In this report, we explain:

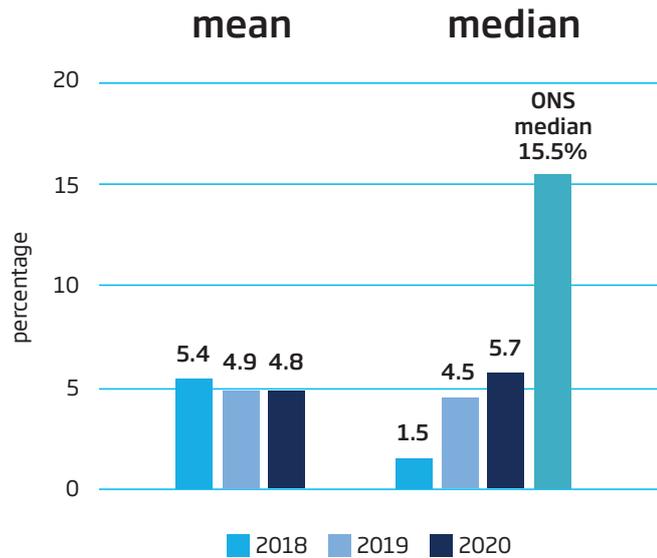
- **our gender pay and gender bonus gaps**
- **why there is a pay and bonus gap**
- **what we are doing about our gender pay gap.**

OUR GENDER PAY GAP

The gender pay gap is the difference in the average hourly pay received by men and women at Wessex Water on 5 April 2020.

Our mean gender pay gap has reduced from 5.4% in April 2018 to 4.8% in April 2020.

Our median pay gap has increased from 1.5% in April 2018 to 5.7% in April 2020.



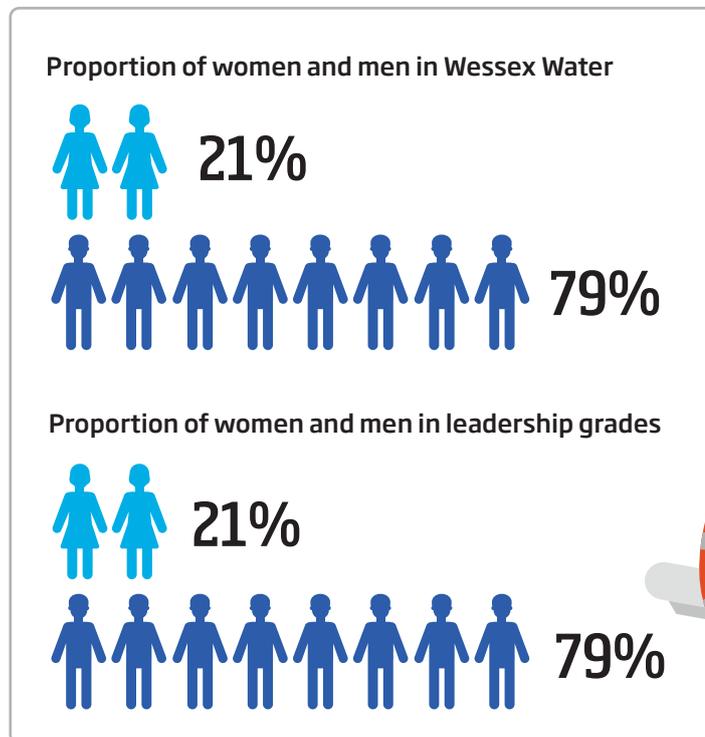
What is the mean?

The mean gender pay gap is the difference in average hourly pay for men compared to women at all levels across Wessex Water.

What is the median?

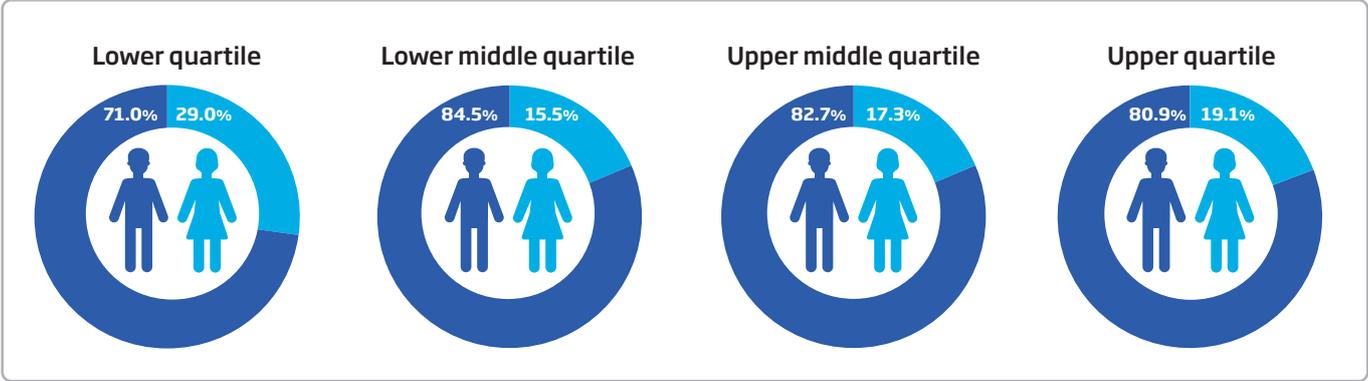
The median represents the middle number point across a list of values. If we list all women and all men, the median is the middle number.

The median pay gap is the percentage difference in average hourly pay for the middle man compared to the middle woman working for Wessex Water.



PAY QUANTILES BY GENDER

The distribution of men and women is shown in pay quartiles which are calculated by splitting the whole workforce into four equal parts based on hourly pay from highest to lowest. The percentage of men and women is then calculated for each quartile.



Our workforce, including those in leadership roles, is heavily male dominated with 79% of employees being men.

There is a higher percentage of women in the lower salary quartile compared to the other salary quartiles.

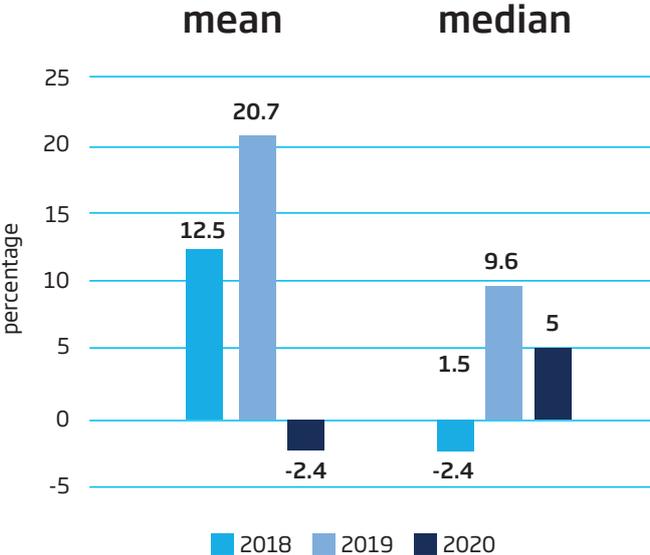
OUR GENDER BONUS GAP

The gender bonus gap is the difference in the average bonus payments received by women and men at Wessex Water during 2019-20.

Over the last three years, our mean bonus gap has decreased from 12.5% in April 2018 in favour of men to 2.4% in April 2020 in favour of women.

Our median bonus gap has increased from 2.4% in April 2018 in favour of women to 5.0% in favour of men in April 2020.

71.8% of men and 51.7% of women employed by Wessex Water on 5 April 2020 received a bonus during the previous year.



UNDERSTANDING OUR GENDER PAY AND BONUS GAPS

Our gender pay differences are significantly lower than the UK average and reflect gender distribution in job role rather than any equal pay issues. In three of the four headline measures, the average rate of pay for men is higher than that of women.

This is because more men are in leadership roles earning higher salaries, on average, than women and this has an impact on mean and median gender pay gap figures.

Our job assessment process is robust and thorough. We operate a framework of pay grades and within these there are a number of pay ranges. Gender has no bearing on what employees are paid for the role they perform.

A higher proportion of men compared to women received a bonus during the year. There are more men in leadership roles, and eligible for participation in a bonus scheme than women. The mean bonus paid to women was higher than that paid to men during the year.

¹ Office of National Statistics 2020. Median gender pay gap in hourly pay ONS average 15.5%.



WHAT ARE WE DOING ABOUT OUR PAY GAP?

We value the differences a diverse workforce brings and are committed to creating and promoting an inclusive workplace for employees and others who work with the company as suppliers and contractors.

We have a strong, friendly and engaging culture and colleagues enjoy working for us and with each other. Our people are important to us and we listen to their feedback and have put action plans in place to address key areas of feedback.

When the Covid-19 pandemic struck, the regularity and reach of employee communication was increased, to ensure employees were adapting to new working arrangements both at home and in the field and to obtain feedback and preferences for post-lockdown working practices.

We have clear areas of focus which we believe will contribute to reducing our gender pay gap.

Addressing our gender pay gap will take time and we are committed to improving diversity and inclusion and achieving a better gender distribution, particularly at a senior level. This will have a positive influence in reducing our gender pay gap over time. Current areas of focus include the following.

Reflecting the community we serve

We endeavour to have a workforce that reflects the community we serve, so that we can better understand their needs and in turn provide our customers with the excellent service they deserve. We are encouraging better diversity in all forms, not only gender but also ethnicity, race, disability, sexual orientation and social background.



Community education

Every year, our education team visits hundreds of educational establishments. These include nurseries, primary and secondary schools, colleges and universities to raise awareness of Wessex Water, the work we do and the job opportunities we offer. In 2020 due to the pandemic we have not been able to provide the full service. The education team have been working hard and produced a wide range of online resources. These are now available on the Wessex Water website. Additionally, they are now trained and prepared to deliver virtual teaching sessions for schools. The normal service will resume once Covid restrictions are removed.

This year we have adapted our usual schools and careers fair attendance to online engagements. These have included company overviews, apprenticeship opportunities, and work skills such as CV building and interview techniques. We are now one of the Careers and Enterprise Company's Cornerstone Employers, focusing some of our work in the government's Opportunity Area of West Somerset. We are helping ensure that every young person has access to opportunities, no matter what their background. We also joined the Wiltshire Youth Hub as a lead employer to support our recruitment needs in the south of our region. Even with the new routes to engagement we've seen young people proactively contact us with regard to our career opportunities

Early careers

We have been determined that the Covid-19 pandemic would not affect our intake of early talent. Our apprentices, industrial placements and graduates are fundamental to the long-term success of the business and maintaining our

excellent reputation of early careers attraction secures that talent pipeline.

Apprenticeships

It is essential that we continue to develop our talent, particularly in the sectors where we know there are skills shortages and a lack of females - engineering, utilities and construction. Apprenticeships remain a key element of our resourcing strategy to build and maintain a sustainable workforce.

We continue to develop and grow our apprentice programmes and strive to increase the number of female apprentices, working with the local community to promote apprenticeships as a valued and respected career pathway.

Our apprenticeship intake once again comprised a diverse group of apprentices. We continue to increase our percentage of female technical apprentices, with 17%, and of these 9% are either in care, or have a leaving care plan.

There has also been a 12% increase in apprentices residing in government recognised disadvantaged postcodes, with 22% starting with us this year. This was an increase from 10% for our 2019 apprenticeship intake.

Our innovative recruitment process, driven by the Covid-19 restrictions, saw us move to a heavily online process, with accessibility for all candidates supported by our main provider, Weston College. The application process focused on personality traits, personal requirements and technical potential, identified through an online portal that was both informative for the candidate and provided effective and relevant assessment for recruiting managers.



Our process was recognised this year by the National Apprenticeship Service, gaining a Recruitment Excellence award at the regional awards ceremony. This award distinguishes employers who use innovative recruitment processes to ensure diversity in their workforce.

Graduates

We continue to be a member of the government's 5% club which recognises that as an employer, we provide opportunities to develop the skills and talents people need to become more employable and create meaningful careers. Of our workforce, 10% currently undertake learning and development through apprenticeships, further or higher education.

As was our intention, we recruited several one-year university industrial placements across the business and just under 10% of our placement students are from BAME backgrounds. In addition to our own website recruiting platform, we now promote our opportunities through 25 relevant universities across the country, focusing on those institutions that not only deliver relevant degree courses but also, through their widening participation activities, have higher numbers of students from under-represented groups.

Flexible working

We provide a supportive culture that enables people to continue to work at all levels as their lives progress and circumstances change, and we ensure that people have the support they require to adapt.

We pride ourselves on having a strong flexible working culture which creates role models and trust among employees that working part-time or flexibly does not hinder career development or career advancement. Where operationally feasible, we strongly promote flexible working and seek to attract high quality candidates who wish to work part-time or flexibly, including in senior management roles.

By offering flexible and part-time opportunities we expect to improve gender distribution across our workforce, which will have a positive influence on our gender pay gap.

We actively promote flexible and remote working, together with flexible retirement aimed at providing the option of a more gradual transition into retirement.

In response to the Covid-19 pandemic, the mental and physical health and wellbeing of our people has been a key priority, alongside also ensuring that we can deliver on our commitments to customers and other stakeholders. Central to this has been ensuring the safety and security of our employees, enabling working from home for all but essential staff and the critical importance of clear and consistent internal communication.

We have acted to ensure the health and safety of our people when working at home. We recognise and understand the challenges they are facing in juggling personal demands with their working day. This includes colleagues with caring responsibilities, eg, parents following school closures and colleagues have been supported in adapting their working hours.



Improving all forms of diversity

Our executive leadership team is focused on ensuring that in addition to gender, all forms of diversity are being strengthened and further developed. We are building a workforce that reflects the diversity of the community we serve, and we will continue to focus on improving all areas of diversity and inclusion.

We are making good progress with culture, inclusion and diversity initiatives. Some of the highlights we have achieved this year include;

We have introduced mixed gender interview panels which has ensured we achieve balance in our selection decisions. Our recruitment adverts are reviewed to ensure they are free from gender bias and the language used is inclusive. All recruitment adverts are placed through gender decoding software to ensure the words used are free from either male or female bias.

We have an effective flexible working policy and we track the take up of flexible working and report to our workforce in an open and transparent way via a diversity and inclusion reporting dashboard, accessible by all employees.

We have introduced culture champions that support business areas in developing and delivering improvements of our diversity and inclusion initiatives.

We have launched a culture, diversity and inclusion dashboard so all colleagues across the business can understand the makeup of our business in areas including gender, ethnicity, age, sexual orientation, religious belief and disability.

During 2020, we launched a new Wessex Water culture, inclusion and diversity vision. This vision provides that all parts of the Wessex Water Group will:

- Celebrate diversity and encourage inclusion
- Enable everyone to take ownership and accountability through empowerment
- Listen to our people's views, ideas, concerns and act on them
- Reject any form of discrimination or bias
- Reflect the diversity of the communities we serve.

The vision is now the core of Wessex Water's commitment to inclusion and diversity and will drive our programme of work. The vision has been fully endorsed by our leadership team, and outlines what the leadership team and culture champions want to achieve for the business. The continued success of the Wessex Water Group businesses depends on us attracting and retaining the very best talent. We need to be a business that appeals to the widest and most diverse range of potential employees.

Wessex Water aims to be a place where everyone enjoys working and feels they are treated fairly and given every opportunity to further their career. As an equal opportunities employer, we respect and value everyone's contribution. We are committed to providing an environment that supports and encourages the many skills, interests, backgrounds and experiences that people from different social groups can bring.

Assurance statement

I confirm that the published information has been appropriately assured and is accurate.



Colin Skellett
Chief Executive



culture inclusion diversity



wessexwater.co.uk

Wessex Water
YTL GROUP



**FOR YOU.
FOR LIFE.**