

Gender pay gap report 2019

WONDERFUL ON TAP

SEVERN
TRENT

2019 gender pay gap

Severn Trent is proud to have a strong female representation which is visible throughout our board and senior management team, right through to engineers working on our biggest ever project, we believe we've created an environment where women can thrive, develop their careers and act as role models to others looking to join the industry. Gender equality is a big part of our commitment to all aspects of diversity and inclusion, it's absolutely central to everything we do, and we know just how much it means to our own people while also being something we believe will help us attract the best people regardless of their backgrounds.

In addition, our commitment to wider diversity has seen us recognised in this year's Social Mobility Index, where our work to ensure we not only find candidates from employment coldspots but we also help develop their career saw us climb to third place. Internally, we regularly run a series of wide-ranging initiatives designed to tackle such important issues as mental health and menopause awareness, as well as offering full support to any of our colleagues undergoing treatment for cancer. In the last year, we've launched our Allies programme, designed to support our LGBT+ community, some of whom were happy to share their stories about their personal and work lives with a wider audience.

We're really proud to offer an effective and inclusive working environment, and are confident that our continuously evolving culture can make a difference to anyone's career.



About the methodology

From April 2017 the government introduced gender pay gap reporting for all companies with more than 250 employees, and we are pleased to publish our third annual gender pay gap report.

The gender pay gap shows the difference between the average hourly pay for men and women across all ages, roles and levels. It differs from equal pay which is the right for men and women to be paid at the same rate of pay for work that is of equivalent value.

Severn Trent has a robust job sizing process. This has enabled us to create a framework of pay ranges that avoids any gender bias.



How have we reported?

We've reported two measures of our gender pay gap, the median and the mean. The median gender pay gap removes any influence of very high and very low pay. We calculate the median and mean for both men and women and report the percentage difference.

What's included in our hourly pay?

Basic pay; this includes salary, permanent work based allowances (i.e. car allowance, shift pay etc) as well as call out and standby payments. Payments for overtime, redundancy and benefits-in-kind are excluded. Employees on reduced pay due to family leave or sick leave are also excluded from the process.

What is the median?

The median is the middle number when all of the numbers are listed in numerical order.

What is the mean?

The mean average involves adding up all of the numbers and dividing the result by the number of values in the list.

What is a pay quartile?

Pay quartiles are calculated by splitting the whole workforce into four equal sized bands based on hourly pay, from highest to lowest. The percentage of men and women is calculated for each band.

What's our gender pay gap?

We have a strong track record of women in leadership roles and are proud to see a continued downward trend in our median gender pay gap for the third consecutive year, since gender pay gap reporting commenced. The decrease in our median continues to be primarily driven by more women being attracted to management and senior management roles. It is encouraging to see the development and growth of our future talent pipeline and to have an increasing number of female role models in the business, across a diverse portfolio of operational roles.

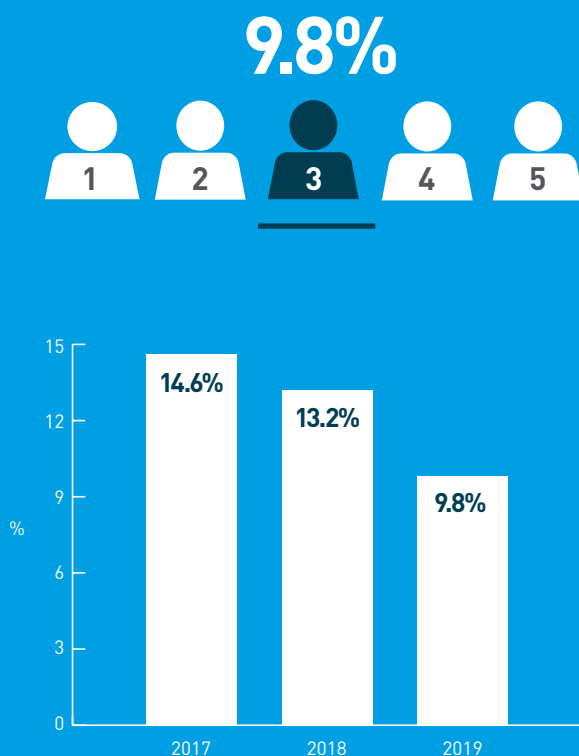
Over the same period we have seen slight increases in our mean gender pay gap reflecting small changes within our executive population.

The difference in hourly pay between men and women:

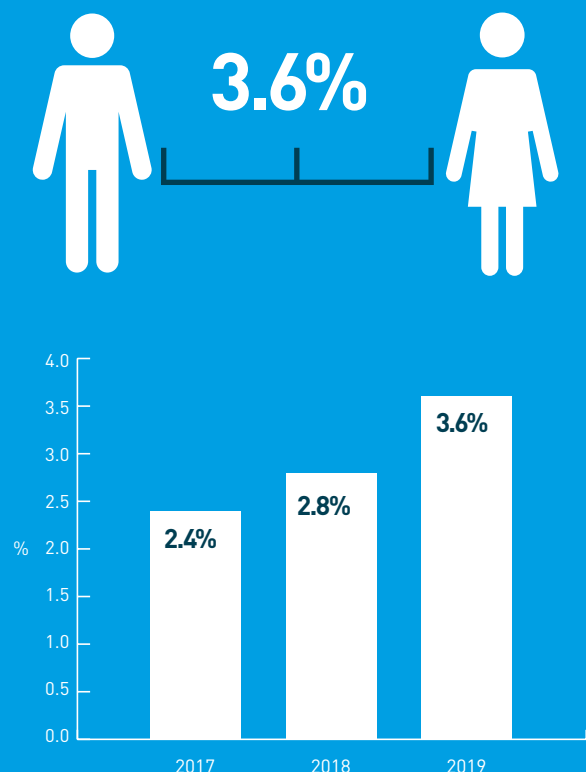
median 9.8%

mean 3.6%

MEDIAN



MEAN



What's our bonus gap?

The gender bonus gap is the difference between the average bonus received by men and women across Severn Trent Water at 5th April 2019.

Difference in annual bonus pay between men and women is:

median 2.5%

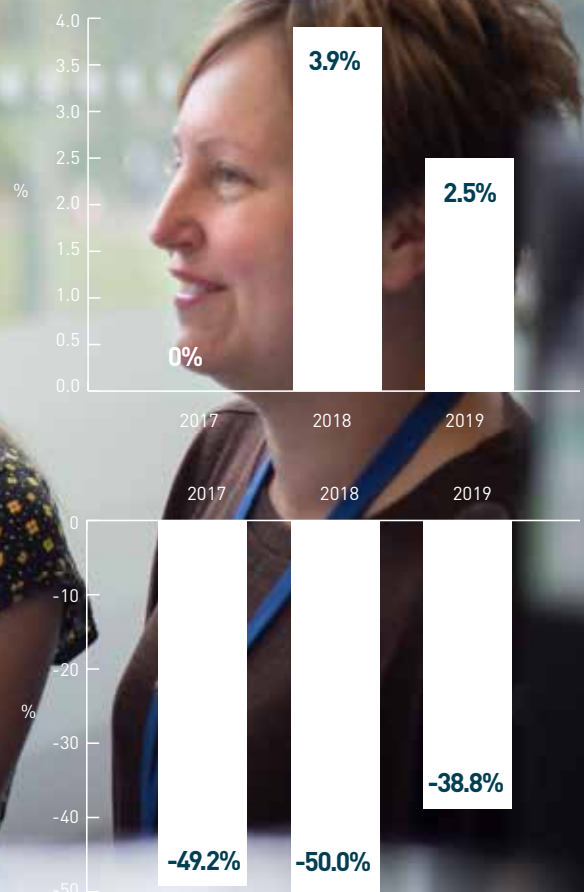
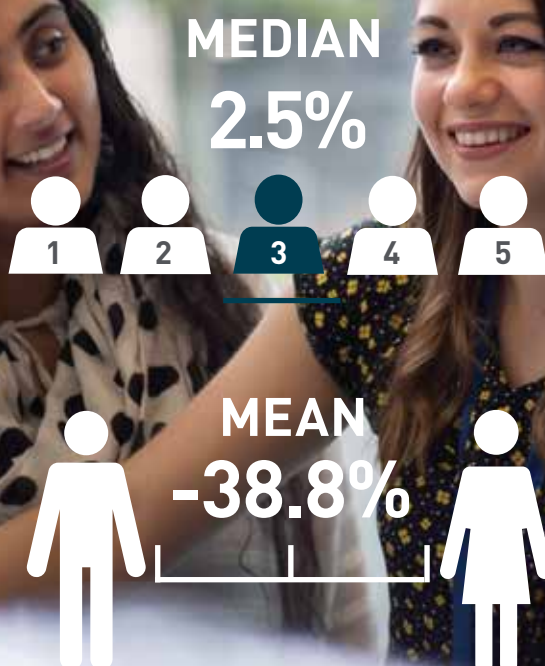
mean -38.8%

All employees are eligible to participate in the all-employee annual bonus scheme as long as they have worked for Severn Trent Water for more than three months. Our bonus structure aligns everyone to the same goals; excellent operational performance outcomes for

customers, great financial performance, and reducing the number of people hurt whilst at work measured through lost time incidents. This means that our frontline employees, administrators, advisors, team managers and technical experts, who all make up around 95% of employees, are eligible for the same bonus regardless of salary or gender.

Our overall median bonus gap is influenced by recognition vouchers and long service award payments and the inclusion of these payments is known to bring a small amount of volatility to the median year on year.

Our mean bonus gap continues to be in favour of women, however this has been impacted over recent years by small changes within our executive population.

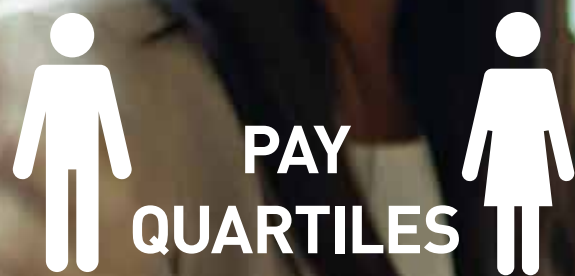


How is pay distributed?

The proportion of women employed across the whole of Severn Trent Water is 29.1% and is reflected in the top quartile. The lower quartile and upper middle quartile are not representative of the wider gender split across business primarily due to the concentration of over 30% of employees in roles traditionally dominated by males and 10% of employees working in customer contact centres where over 56% of role holders are female.

The proportion of women across all quartiles has increased with the exception of the lower middle quartile. The decrease in this area is driven by headcount growth within operational areas which has resulted in a predominantly male intake. We continue to see a higher proportion of females being recruited into management and senior management roles.

29.1%
OF OUR
WORKFORCE
ARE WOMEN



71.5% **TOP** **28.5%**
QUARTILE

79.4% **UPPER** **20.6%**
MIDDLE
QUARTILE

78.1% **LOWER** **21.9%**
MIDDLE
QUARTILE

54.5% **LOWER** **45.5%**
QUARTILE

What are we doing about our pay gap?

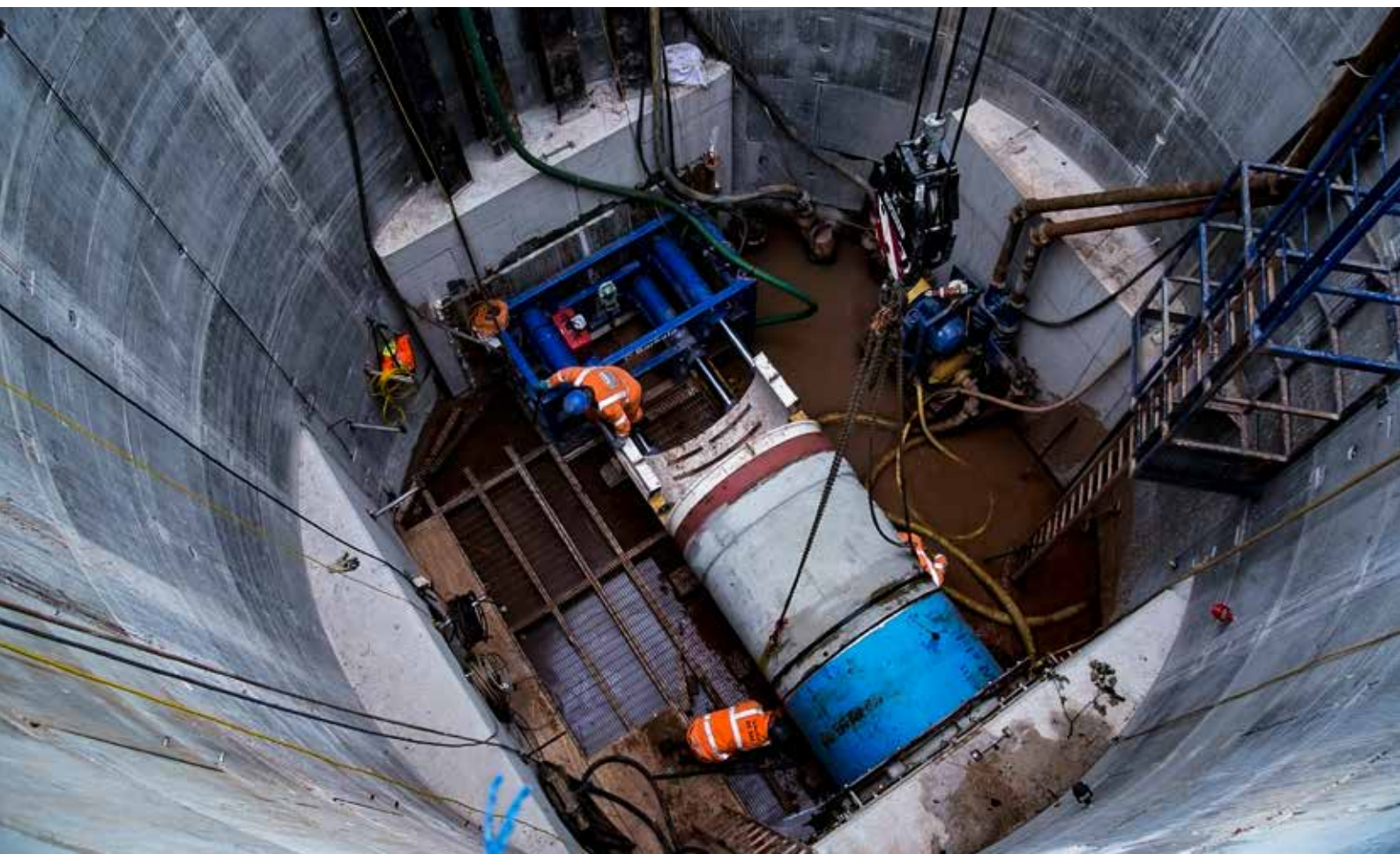
We believe in diversity and inclusion for all employees

We were recognised in the 2019 Hampton-Alexander Review, for being in the Top 3 in the FTSE100 for women's representation amongst Executive Committee and their direct reports. This reflects our track record of females in leadership roles as well as highlighting the strength of our talent and succession pipeline, and along with an increase in the number of women in managerial positions has contributed to the continued decrease in our median gender pay gap.

Policies which offer flexibility

Our workplace policies are designed to recognise the everyday pressures people face balancing their lives inside and outside of work. They provide options like homeworking, part-time hours, or adjusted working patterns meaning that people can start early or finish late to allow them to juggle commitments, benefitting from a good work life balance.

We recognise the shape of the employment environment and the challenges and demands faced by our employees outside of work is ever evolving, and are committed to the ongoing review of existing policies as well as the introduction of new ones which will further benefit our employees. We understand that sometimes it's the small things which really make a difference such as Doctor@Hand (on the next page).



Case study:

Doctor@Hand

Obtaining and attending medical appointments can be difficult for anyone with a busy working life. At a time where households have two working parents juggling work, schooling and home, it can feel like an impossible task when a child isn't well. This is one of the reasons we've provided an option for all employees to apply for Doctor@Hand, enabling employees to get prompt access to healthcare making it easier and quicker to get a video or phone appointment at a time that work with other commitments, for them or anyone else covered under their medical insurance policy.

“I used the service for a reoccurring shoulder injury and was able to schedule a telephone appointment for later that afternoon. By the early evening I had an electronic referral letter for physio treatment. It was incredibly easy and pacey, enabling me to access to treatment within a week.”

“I was able to arrange a video consultation for my 9 year old daughter to take place in the evening, after we were settled from school and work commitments. The consultation provided some good medical advice and, as a mum, I was comforted that the situation didn't need any further medical attention. The doctor connected well with my daughter through the video link and advised that treatment I needed was available over the counter, the worry was over in record time.”

“I needed to seek medical advice and was able to book a telephone appointment online for later that evening. Overall a great service which took minutes from end to end and didn't require me to attend my own GP in person.”



Case study: Alison

Alison Bustin is a Senior PMO Analyst in our Customer Delivery directorate and has worked at Severn Trent Water for 11 years. She returned to work on a part-time basis after having her first child, and following a year's maternity leave with her second child Alison took a 12 month career break, enabling her to spend more time with her young family. After her career break Alison was able to return to the same role and resume her part-time working pattern.

Alison says **“I am very grateful for the flexibility Severn Trent Water line managers have allowed me, supporting me in changing my working patterns as the demands of my young family alters over time. I have been supported to make a success of my role working on a part-time basis and have been given the flexibility to periodically adjust my working hours too.”**



Speak to a Doctor, specially trained in video consultations, for as long as you need. Book an appointment at a time that suits you.

Raising awareness

We're continuing to broaden the range of students who are aware of us, through our existing school, university outreach and work experience programmes and our new mobile education programme that aspires to reach every primary school in our region.

Case study:

Work experience programme

We continue to take actions to access and progress talent from all backgrounds with the aim of improving social mobility, and this combined with our desire to attract and promote more females within Severn Trent Water has led us to run two work experience programmes in the last year.

24 local young people have so far attended the programme, 58% of whom were female. Attendees at the first event were identified through a partnership with the Social Mobility Foundation, and attendees were invited to the second event because they had previously submitted unsuccessful applications for our Apprenticeship Programme.

The programme included workshops on CV writing, personal brand, presentation and interview skills, activities designed to give individuals a better understanding of their own strengths and how these link to future careers, as well as the chance to learn about career opportunities at Severn Trent Water.

Feedback from one of the young women who attended was:

“Overall it was a superb experience which broadened my knowledge of careers and apprenticeships in the water industry, allowed me to engage in a professional, real business environment like Severn Trent Water and has given me beneficial advice for my future career.”



Case study:

University of Warwick 2019 Sprint programme

Over 20 representatives from across the business supported the programme, which included a series of workshops. The programme is designed to enhance personal and work development for female undergraduates by building their confidence and self-belief enabling them to flourish at University and beyond in their careers. A number of our graduates acted as mentors during the event and some of our female leaders shared their own career experiences and participated in panel discussions and judging panels.

Emily Timmins (Head of Waste Water Recycling) said, **“I talked about not being afraid to fail or to ask for help, and about the importance of having role models. I was really inspired by the women I met during the event.”**



Tap into your potential, talent and future

Through the use of open evenings we have tested a new way to promote and highlight vacancies in our Capital Delivery and Commercial function, we decided to challenge traditional recruitment activities as they had tended to attract male applicants. We had 143 attendees across the events and as a result 50% of offers, made and accepted were to females in technical roles: Graduate Engineer, Project Engineer, Design Manager and Hydraulic Modeller. This is a fantastic example of how we are reaching out to new recruits.

Katie Loakes, accepted an offer to join us as a Hydraulic Modeller after attending the event and she said, **"I was really impressed by the event and encouraged by everyone's enthusiasm for Severn Trent. The presentations were really clear about the Company's goals and objectives for the future. I had the opportunity to speak to a number of different people during the evening and really felt that Severn Trent were interested in me and what I could offer to the organisation. By the time I left I was totally convinced this was the place I wanted to work."**



This statement confirms that the published information is accurate and is signed by

A handwritten signature in white ink on a blue background. The signature is cursive and appears to read 'Olivia Garfield'.

Olivia Garfield
Chief Executive Officer
Severn Trent PLC

