

# Gender pay gap report 2018



WONDERFUL ON TAP

SEVERN  
TRENT



# About the methodology

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From April 2017 the government introduced gender pay gap reporting for all companies with more than 250 employees.

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.



# What's our gender pay gap?

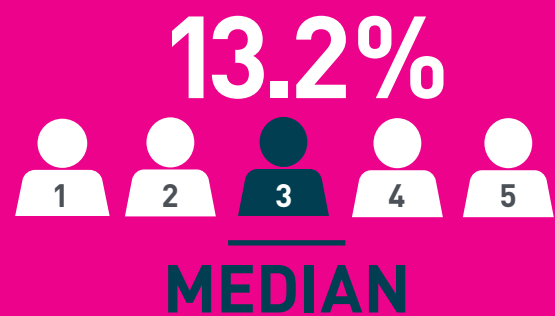
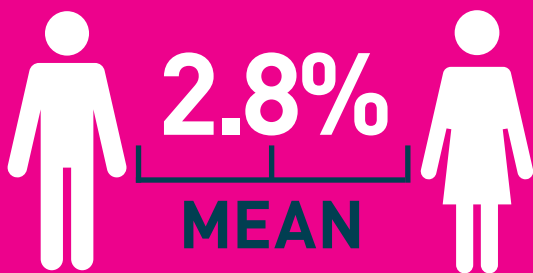
The gender pay gap is difference in hourly pay between men and women at Severn Trent Water at 5 April 2018. We've reported two measures of gender pay gap, the mean and the median. The median gender pay gap removes any influence of very high and very low pay. We calculate the mean and median for both men and women and report the percentage difference.

**The difference in hourly pay between men and women:**

**mean 2.8%**

**median 13.2 %**

Our mean gender pay gap has increased slightly by 0.4%, from 2.4% in April 2017, and our median gender pay gap has decreased by 1.4%, from 14.6% in April 2017. The increase in the mean reflects small changes in the number of men and women within our executive population, and the decrease in the median is primarily driven by a higher proportion of females being recruited and promoted within our senior managerial population.



# 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.

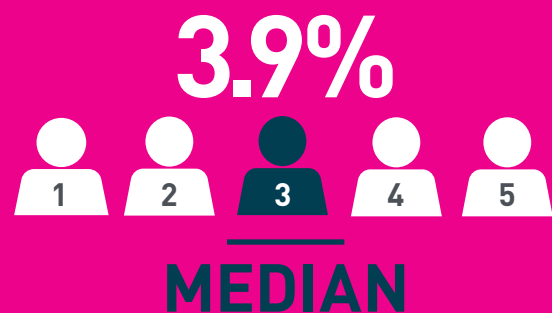
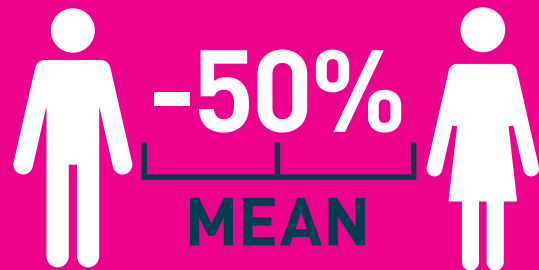
**Difference in annual bonus pay between men and women is:**

mean -50%

median 3.9%

Our mean bonus gap has increased slightly by 0.8%, from -49.2% in April 2017, and our median has increased from 0% in April 2017. All employees, regardless of level, are targeted to achieve the same goals: excellent operational performance outcomes for customers, great financial performance, and reducing the number of 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 a fixed bonus regardless of salary.

Our overall mean bonus gap continues to be driven by strong female representation at executive level. The small increase in our median bonus gap is driven by the inclusion of recognition voucher and long service award payments as annual bonus pay elements which reflect our traditionally male dominated workforce. ACAS guidance published in January 2018 clarified the requirement to report on both of these elements.



## 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 the median?

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



# How is pay distributed?

The proportion of women employed across the whole of Severn Trent Water is 29.8%. This is broadly reflected in the top and lower middle quartiles. 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 male dominated operational roles and 12% of employees working in customer contact centres where over 55% of role holders are female. The proportion of women in the upper middle quartile has increased by 0.7% due to changes in our senior managerial population. The proportion of women in the lower quartile has reduced by 2.4% from 45.3% in 2017, this is partly driven by a recent recruitment exercise for Repair and Maintenance roles which saw a disappointing number of responses from women applicants resulting in a predominantly male intake.



## PAY QUARTILES



<b>72.4%</b>	<b>TOP QUARTILE</b>	<b>27.6%</b>
<b>80.5%</b>	<b>UPPER MIDDLE QUARTILE</b>	<b>19.5%</b>
<b>70.8%</b>	<b>LOWER MIDDLE QUARTILE</b>	<b>29.2%</b>
<b>57.1%</b>	<b>LOWER QUARTILE</b>	<b>42.9%</b>

# 29.8%

**OF OUR  
WORKFORCE  
ARE WOMEN**



# What are we doing about our pay gap?

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## **Working to improve diversity**

The next section sets out some of the ways in which Severn Trent Water currently encourages and embraces diversity. As an employer we are always looking to identify how we can build on our inclusive approach.

## **Embracing and building on our diversity**

We actively seek ways to better understand and respond to our employees' needs and value the different ideas and perspectives that our employees' share with us. This has resulted in a number of initiatives being introduced on areas which we can help to support our employees during a difficult time in their life, including cancer and mental health.

## **Developing role models**

As recognised by the Hampton-Alexander review, published in November 2018, we are pleased to be 4th in the FTSE 100 ranking for the gender diversity of our executive team and their direct reports and the top ranked utility.

This represents the next generation of women leaders and shows that having strong role models really makes a difference, not just for us but the sector as a whole, inspiring current employees as well as demonstrating an inclusive culture to potential employees.

Our CEO, Liv Garfield also won the Veuve Clicquot Business Woman of the year award in 2018.





# Case study:

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## Hayley O'Malley

Hayley joined Severn Trent as a Technician in 2004 with a Degree in Biological Sciences from Warwick University. She has worked in a variety of areas including Waste Water and Environmental Permitting, Water Quality Compliance, and Water and Waste Treatment. She particularly enjoyed the people and variation of challenge within frontline operations. In 2018 she was appointed to the Senior Management Team as Head of Asset Health and Management, where she is responsible for the tactical management of our assets and her team are responsible for resolving some of the asset issues faced in the operational environment. Severn Trent supported Hayley through her CIWEM Post Grad Certificate and Diploma specialising in Water and Waste Water Treatment from Bristol University. In Hayley's words "Get stuck in, get your hands dirty, there isn't a 'man's world' in Severn Trent Water. Always remember people work for people, ask for help when you need it. Most importantly enjoy it!"



# Case study:

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## Georgia

Georgia joined Severn Trent as an Apprentice Operator in 2016, after studying A-levels in maths, chemistry and physics. She applied for both university and a range of apprenticeships and found that the apprenticeship scheme was more competitive to get into. Georgia feels that by choosing the apprenticeship route she has had more opportunities that she would have done at university as she has been able to gain practical job experience and to learn theory specific to her role. She is now doing a job in which the rest of her team all have degrees but the experience she has gained during her apprenticeship has given her the capabilities to do the job. Georgia now works as a Process Commissioning Technician, having recently achieved a distinction in her NVQ Level 3 as a Water Process Technician and her goal is to start an MSc in Water and Wastewater Engineering in 2019.

# Case study:

## Menopause

We were one of the first companies to launch a menopause awareness programme in 2017. Our aim was to remove the taboo, to give people permission to talk openly about the menopause and to help support colleagues through what can be a difficult time in their lives. So far over 300 employees have attended our menopause workshops, 10% of whom were male. We've updated our front line manager leadership programme and developed a menopause support guide. This all links to our passion for being "An awesome place to work" and ensuring our colleagues feel supported to be the best they can be. 100% of attendees rated the workshops as excellent and 96% said they felt more confident to talk about menopause.

We've led from the front with our approach and have shared our experience with a number of FTSE 100 companies, as well as being a finalist in the National Water Industry Awards People Initiative and continue to receive great feedback both internally and externally.

In the 2017 Government report: Menopause transition: effects on women's economic participation

– Prof Jo Brewis, Dr Andrea Davies, Dr Vanessa Beck commented "We are delighted to see the excellent work going on at Severn Trent. They are the first utility company in the country to undertake such an initiative, and are really blazing a trail here. For social responsibility, economic and legal reasons, it is extremely important that other employers follow Severn Trent's lead".





# Talent management

We've an award winning graduate and apprentice programme that has grown significantly over recent years. We monitor the diversity of applicants to these programmes and operate strengths-based interviews, to ensure everyone is able to fulfil their potential throughout the recruitment process. We've taken measures to target our outreach work at schools, offer higher level apprenticeships as well as removing name, grades and university attended from all stages of our graduate and apprentice recruitment.

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

We take part in engineering initiatives aimed at women, including National Women in Engineering Day and hold an annual Women in STEM event for schools at our head office during National Apprenticeship week. We're also investing in a new Technical Academy enabling us to have the most technically skilled workforce in the industry.

Our female intake on the graduate programme is consistently around 40%, and in 2018 over 47% of our female intake went into STEM/operational roles. Since 2012 over half of female graduates have undertaken STEM/operational rotations whilst on the scheme.

We have seen year on year growth in the female intake on the apprenticeship scheme, with no females on the 2015 intake rising to 32% females on the 2018 intake. On the 2018 scheme 3 of the 19 STEM/operational roles were filled by females.



40%

GRADUATE  
PROGRAMME

32%

APPRENTICESHIP  
SCHEME



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

A handwritten signature in black ink, appearing to read 'Olivia Garfield', with a stylized flourish at the end.

Olivia Garfield  
Chief Executive Officer  
Severn Trent PLC

