



# Gender pay gap report 2020

WONDERFUL ON TAP

SEVERN  
TRENT



# 2020 gender pay gap

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As Severn Trent continuously evolves, so does our approach to celebrating and embracing diversity in all its forms, of which gender is one. Our goal is to recruit and employ the best people possible, regardless of their background, to enable us to understand and meet the needs of the communities we serve. We recognise that diversity of talent brings different ideas and perspectives which improve how we work together collaboratively as a company and want our colleagues to feel they can be themselves, safe in the knowledge that their workplace is fair and inclusive.

The water sector, along with others, has faced inherent historical challenges in balancing male/female demographics. As our journey continues we are proud of our achievements thus far. Severn Trent has a strong female representation which is visible throughout our organisation from our board and senior management team, with both a female CEO and Chair, right through to engineers delivering our biggest ever project and the newest members of our tankering team. We believe our environment enables women to thrive, develop their careers and act as role models to others looking to join the industry.

The ongoing global pandemic has impacted all our lives. We've responded positively to the challenges posed and we were proud to make commitments on pay and jobs that gave our employees peace of mind and security in a period when, in some households, there may have been worry and uncertainty.

During this time, we've launched an online training tool, as part of our new Severn Trent Academy, to support development and learning throughout the organisation. All line managers and over 1,200 colleagues are able to access the content whenever it suits them. The wealth of accessible resources include 'We are listening we are learning' covering subjects such as Women of the world, LGBTQ+, Black Lives Matters and other similar topics. We are encouraging employees to explore their own ambitions and behaviours, unconscious bias and providing ideas of how to embed diversity and inclusion in their every-day life. Later this year we will complete construction of our new Academy learning facility, which we plan to open for business in February 2021. This dedicated facility will be a game changer for us, providing more innovative and experiential learning, to help our people develop the skills they need to do the best possible job for our customers.





# 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 fourth 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 which has enabled us to create a consistent pay governance framework including transparent pay ranges to assist and support us in monitoring and measuring our fair pay processes.







**RANGER  
SERVICE**

## 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. In addition, we also report the median and mean gender bonus gap between the average bonus received by men and women.

### **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 are proud to see a continued downward trend in our median gender pay gap for the fourth consecutive year, since gender pay gap reporting commenced.

The decrease in our median gender pay gap continues to be positively impacted by a high proportion of women within our management and senior management roles. The reduction in our mean reflects that year-on-year female hourly rates have increased more than males; when analysing starters and leavers we found that the calculation was impacted by a greater weighting towards higher earning women and a shift in our overall quartile distribution. We continue to strive to improve equality of choice and opportunities available to our employees

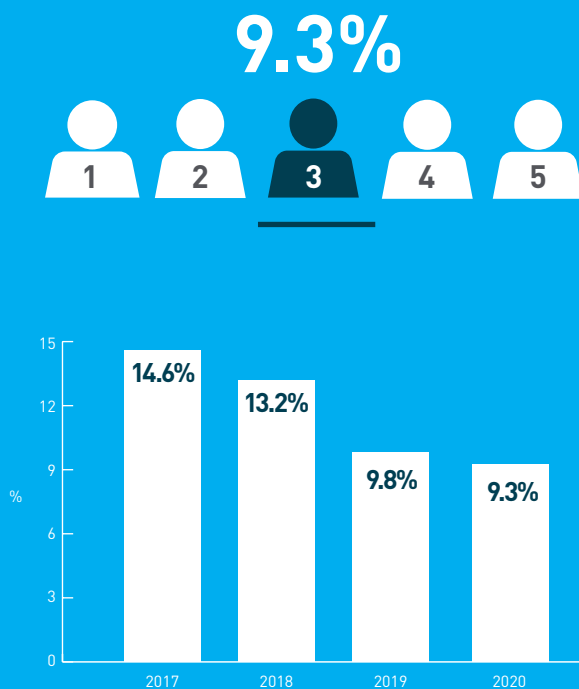
across the business. It is encouraging to see the development and growth of our future talent pipeline and to have an increasing number of female role models in the business across a diverse portfolio of operational roles.

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

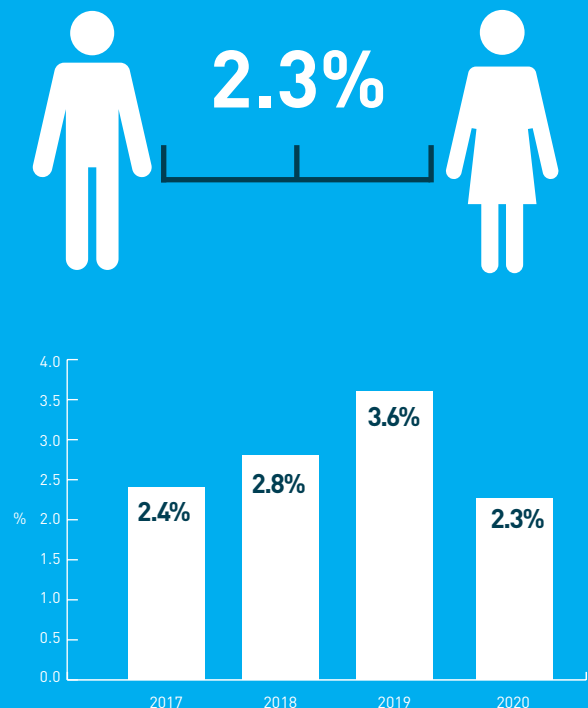
median 9.3%

mean 2.3%

### 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 2020.

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

**median** 0%

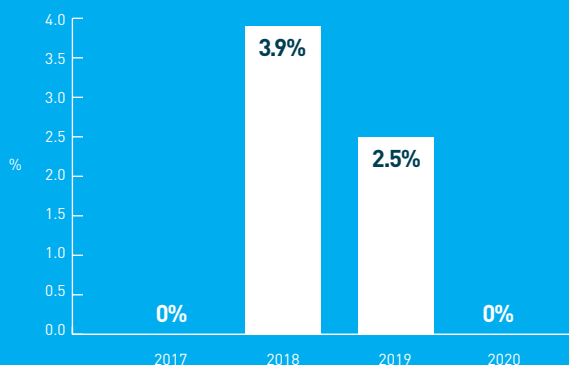
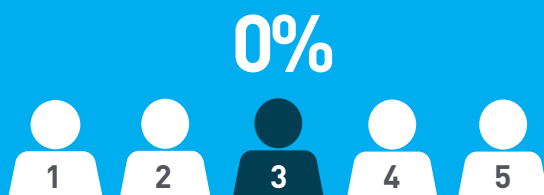
**mean** -57.1%

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

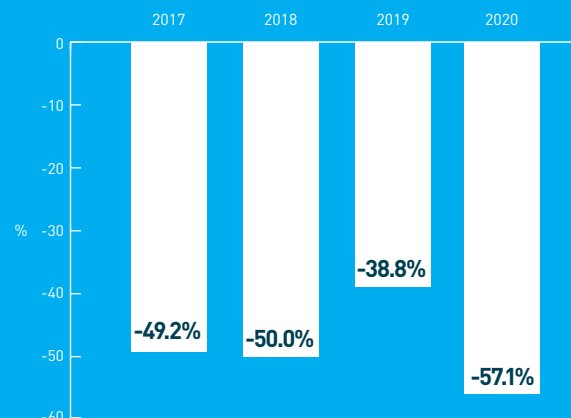
All employees are eligible to participate in the all-employee annual bonus scheme as long as they have worked for Severn Trent Water for more than three months. Our bonus structure aligns everyone to the same goals; excellent operational performance outcomes for customers, great financial performance, as well as 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 make up around 95% of employees, are eligible for the same bonus opportunity regardless of salary or gender.

Our mean bonus gap is as a result of the high percentage of women in our executive and senior management population.

## MEDIAN



## MEAN

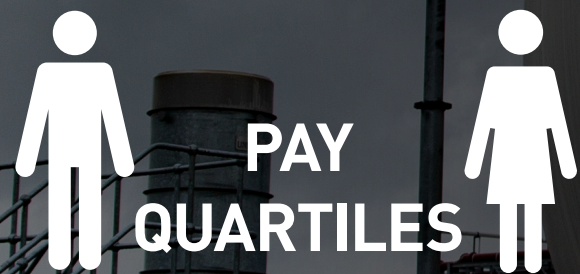




# How is pay distributed?

As referred to earlier, pay gap reporting should be considered in the context of the overall male:female distribution across the four quartiles of salary levels and roles. The proportion of women employed across the whole of Severn Trent Water is 28.5% and this is mirrored particularly when looking at the top quartile. The lower middle and upper middle quartiles are not as representative of the wider gender split across the business, there are clusters reflecting historical perceptions of roles suited to men and women. For example, over 30% of the overall employee population are in operational 'technical' or 'physical' roles traditionally dominated by males and 10% of the population are working in our customer contact centres (where over 56% of role holders are female).

The proportion of women across all quartiles has decreased to a degree since last year, mainly driven by greater headcount growth within operational areas which has resulted in a predominantly male intake. We operate recruitment processes which are competency based, with diverse panels and monitor and challenge decisions made. We are constantly looking for ways to diversify the talent pool we can recruit from but acknowledge that sometimes the pace of change in broader society can be slow. We have taken action where we can, for example setting up our own Academy to help 'grow our own talent' through apprenticeship and graduate programmes and encouraging secondments to break down perceptions on what jobs involve.



71.7%	TOP QUARTILE	28.3%
80.4%	UPPER MIDDLE QUARTILE	19.6%
78.7%	LOWER MIDDLE QUARTILE	21.3%
55.4%	LOWER QUARTILE	44.6%



# What are we doing about our pay gap?

We believe in enabling our employees in being their best at work and are strongly committed to an inclusive environment offering choice and opportunity equally to all.

Our focus has included raising awareness and celebrating the success we have had in attracting and retaining women in our senior roles, by making them visible role models and championing their help and support as we challenge and change perceptions. We continually focus on eliminating barriers to enable all our colleagues to fulfil their potential.

## **We believe in diversity and inclusion for all employees – and celebrate our successes**

A study by Cranfield University has shown that Severn Trent is the top FTSE firm for having women in our most senior positions, as we are one of just two companies in the FTSE100 to have women in our top two positions, with Liv as CEO and Christine as Chair. We are also joint leaders, with the housebuilder Taylor Wimpey, in terms of total female representation with 56% of our Board made up of women.

In the 2019 Hampton-Alexander Review, we were in the Top 3 of the FTSE100 for women's representation amongst Executive Committee and their direct reports; the publication of the 2020 Review has been delayed until February 2021. Our track record of women in leadership roles highlights the strength of our talent and succession programmes and pipeline. There is a higher proportion of females within our management and senior management roles and we understand this has contributed to the continued decrease in our median and mean gender pay gap.

This year's Water Industry Awards recognised us alongside a number of our supply chain (Costain, Stantec, Mott McDonald Bentley and nmcn) as winners of the Women in Water Award.

The 'ASP (activated sludge plant) Batch' consisted of twenty-six wastewater projects with a contract value of £179m and the companies working across these projects have worked hard to encourage more women into roles at all levels. The award recognises that it is the first time the companies have experienced the 'Golden Thread' whereby women are visible at every level of the organisation from CEO to excavator driver. The judges commented that "this is a really great example of women in water at every level, the impact that can be made and the positive role model contributions can clearly be seen."





# Changing perceptions

We are continually working to change historical perceptions regarding roles which have traditionally been predominantly held by men and have been encouraged by the successes so far. We are delighted to share the experiences of our first two female tankering apprentices, Catherine Bradley and Molly Fox, as well as one of our Instrumentation Technicians Evie Hammond.

Molly and Catherine joined Severn Trent on the tanker driver apprentice programme in late summer 2019, and both recently achieved distinctions at the end of their apprenticeship programme, becoming Severn Trent's first full-time female tanker drivers. Before joining Severn Trent both Catherine and Molly chose to pursue completely different careers, and their achievements reflect a change they are proud of.

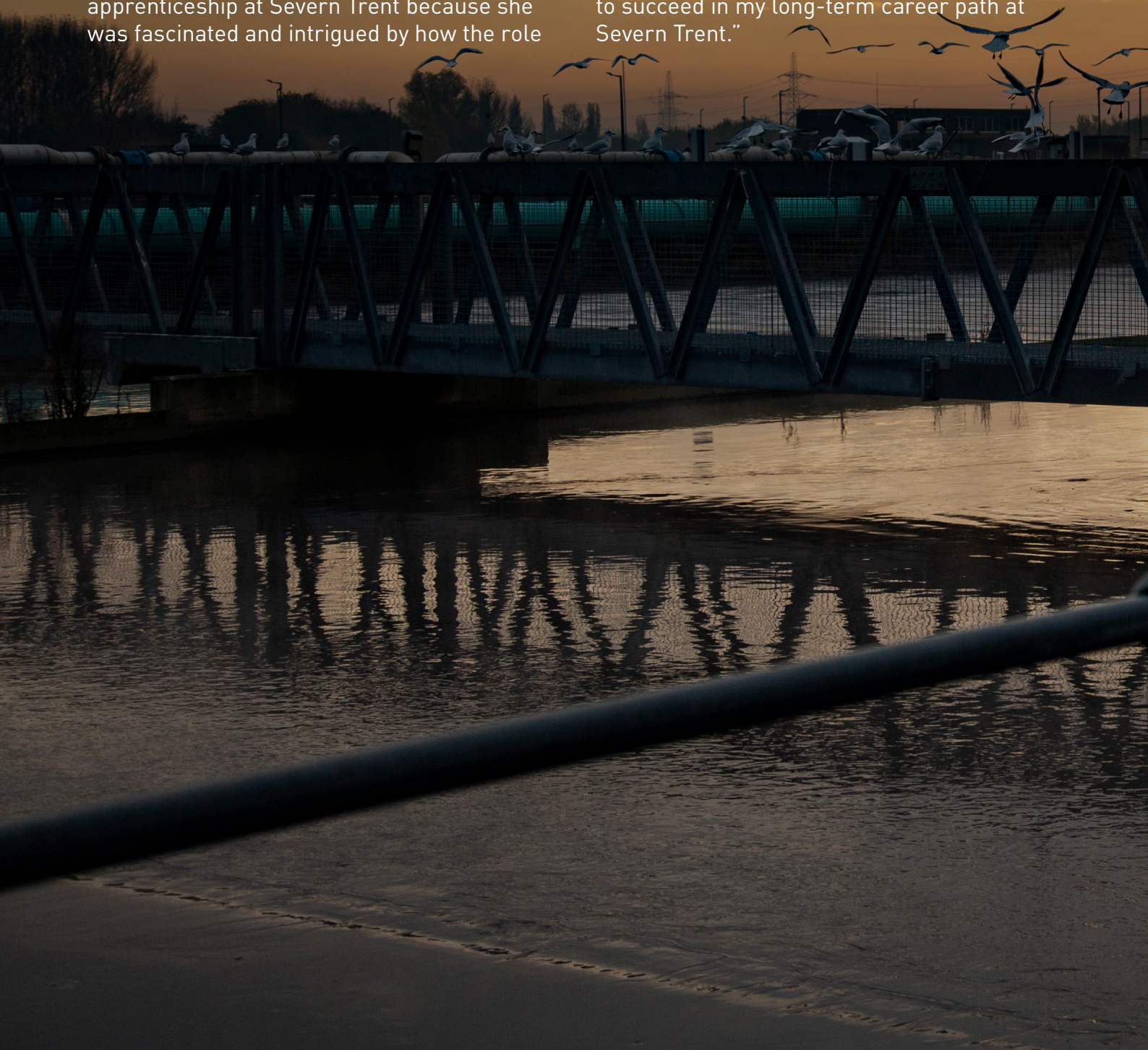
Catherine studied Spatial Design for three years at college and was working in the NHS supporting the discharge of patients into the community. Her key tip for others is, "don't assume that apprenticeships are just for 18 and 19 year olds, I was 28 when I applied." Her advice is "accept that sometimes you'll feel nervous when you are doing something new, and believe in yourself and take the opportunity to learn from others. Seek those nuggets of information that you can only learn by spending time with colleagues and asking questions because you never know when they will come in handy!" Molly was a part-qualified accountant, having already completed an apprenticeship, before applying to Severn Trent. Whilst she was nervous about meeting her new colleagues Molly says, "From day one I was treated as one of the team and I looked forward to going into work." Molly's key tip is "don't be afraid to make a change, just go for it!"





Evie Hammond successfully completed a three-year instrumentation, control and automation (ICA) apprenticeship in August 2020 to become a qualified Instrumentation Technician. She had to adapt her working practices to complete the practical work and assessments in a COVID secure environment. Evie completed her A-levels but decided that university wasn't for her. She was interested in electrical engineering and decided to apply for an instrumentation apprenticeship at Severn Trent because she was fascinated and intrigued by how the role

was described in the advert. It was only when she got to the group assessment stage that the reality of being a woman in this role hit her. "I expected going into engineering it would be male-dominated but I didn't realise quite how male-dominated it would be. I'm the only woman in the teams I work in but I'm not treated any differently. Some of the jobs are physically challenging, but I get the same chances as everyone else. I enjoy that every day is different and feel supported to succeed in my long-term career path at Severn Trent."





# Strong female role models

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This year we've delivered our flagship £300m Birmingham Resilience Project (BRP) making sure that water supplies to Birmingham are more secure in the future. We are proud to report that there was a female engineer involved at every level of the project, from project engineer, right up through programme director to the Capital Delivery and Commercial Director and finally to our CEO.

Claudia Li, a Civil Engineer, was seconded on to BRP, whilst on our graduate programme, as part of the operational readiness workstream. She commented that "it's great to have senior role models and that everyone brings different qualities to the team." Claudia's main tip is "engineering has so many different facets to it that there are lots of opportunities to be explored, so take a look as you don't know where it could take you in the future."

Helen Miles, Capital Delivery and Commercial Director commented, "it's rare to see examples of women so heavily involved in a range of leadership roles, on a single project, in the construction industry and it was noticeable that the dynamic was different from the start."

The sentiment has been echoed by Hayley Gladstone, Programme Director: "When I started my career, I went from an all-girls school to an apprenticeship, which being predominantly male was an uncomfortable transition. However, during my working life I've always gained the respect from my colleagues. Things have moved on massively in recent years, and it's much easier interacting with the younger generation as they don't see any difference between male and female, you're just doing your job. I do think it's different in engineering these days, although it's still predominantly male. But now that I'm working with a number of females, in senior positions on the project – I don't see people as male or female I just admire people who do a good job. It's definitely different working on a project where so many of the lead roles are taken up by women."





# Raising awareness of opportunities



We are continuing to broaden our talent pool – focusing on the range of students who are aware of us and what we do, through our existing school, university outreach and work experience programmes including our mobile education programme that aspires to reach every primary school in our region.

With so much still uncertain for the impending autumn term and the academic year ahead, one thing is known for sure – we must continue to provide diverse opportunities for all students for example, through impactful virtual work experience. We want to play our part across our communities to introduce more and more under-represented people - young and older - to the world of work and help prepare and set them up for future success. We've

continued to invest in offering engaging digital alternatives that are easy to access and certainly schools' preferences right now. It's our contribution to avoid creating a disengaged group who feel forgotten about 'The class of Corona' and mitigating an even greater skills gap. We are actively working with schools to ensure that we are reaching as many students as we can including those that may be suffering digital poverty. This isn't a complete solution, but it is having an impact as a lovely note from the Merrill Academy in Derby following the Virtual Work Experience we ran acknowledges. "Overall the comprehensive programme allowed our students to explore the opportunities in a large company and opened their eyes to some careers they had not previously considered."



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

