

Gender pay gap

At Electricity North West we are committed to rewarding and recognising our colleagues equally regardless of gender.

As a company with a long heritage of serving our customers and ensuring that the North West has a reliable electricity network we are working hard to attract more women into our business and retain and support the ones that have already joined us.

Under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, employers with 250+ people, like us, will report every year on the differences in the collective pay and bonuses of men and women in their organisation. The following information represents our gender pay gap situation as of 5 April 2017.

Equal pay is a very different thing to gender pay, but the two can often be confused.

Equal pay concerns male and female employees performing the same or similar work, or work of equal value, but getting paid different amounts - this has been unlawful for a long time and goes against what we believe here at Electricity North West. We have robust practices to ensure our men and women are paid fairly.

Gender pay is concerned with differences in the average earnings of men and women, regardless of the role they do or seniority in the business. It gives a broader insight into the sorts of jobs performed by men and women and the gender composition of a workforce structure.

Electricity North West is committed to reducing its gender pay gap and working to address this issue sector-wide.

What was Electricity North West's gender pay gap in April 2017?

Women's hourly rate

11.3% Lower (mean)
16.3% Lower (median)

Women's bonus pay

17.1% Lower (mean)
12.2% Lower (median)

Who received bonus pay

88.8% Of men
78.7% Of women

Pay quartiles

How many men and women are in each quarter of the employer's payroll.

Top quartile

84% Men
16% Women

Upper middle quartile

78% Men
22% Women

Lower middle quartile

79% Men
21% Women

Lower quartile

63% Men
37% Women

A total population of 76% men and 24% women

Why do we have a gender pay gap?

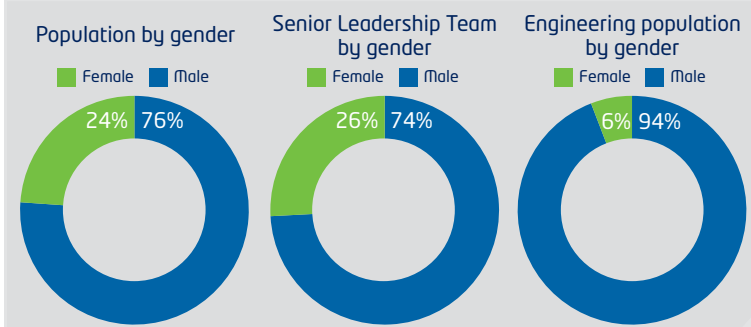
We have a gender pay gap mainly because we have a higher proportion of men than women in senior roles and a higher proportion of men than women in better-paid functions, such as engineering.

This isn't an issue that is isolated to Electricity North West. Only 9% of the engineering workforce is female and

only 6% of registered engineers and technicians (i.e. CEng, IEng, EngTech) are women.

The UK has the lowest percentage of female engineering professionals in Europe, at less than 10%, while Latvia, Bulgaria and Cyprus lead with nearly 30%.*

- Men make up:**
- 76% of our workforce
 - 74% of our Senior Leadership Team
 - 94% of our engineering roles



External factors also influence our gender pay gap. The number of women choosing to study science, technology, engineering or maths (STEM) subjects at all levels has been decreasing. Women are also more likely to take a break from their careers for family reasons, which

can slow their progression to more senior, better-paid roles. They are also more likely to opt to work flexibly to balance family commitments. All of these reasons have a significant impact on the gender pay gaps of companies in our sector.

How will we bridge our gap?

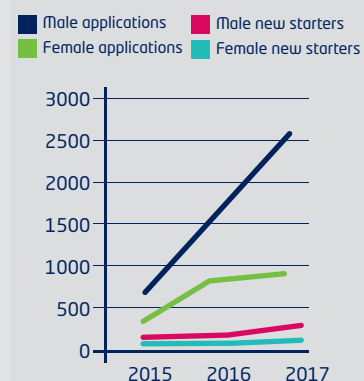
We understand that bridging our gender pay gap, which exists mainly as a result of current and historical challenges, will take time to achieve and there are no quick wins.

Some of the challenges we face are sector-wide and we welcome the introduction of the gender pay gap regulations as a valuable means of generating discussion, collaboration and action.

We know that currently more men than women apply for roles with us and we will look at how we can address this imbalance.

It's encouraging that despite the lower number of applications from

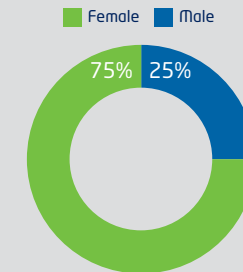
women, we appoint almost the same percentage of men and women proportionate to applications (11% women and 9% men) which demonstrates fair recruitment process free from bias.



Our commitments

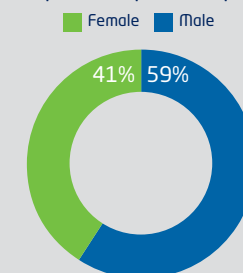
- We will work with our communities and education providers to support women studying STEM subjects pursue a career in engineering.
- We will support women to reach their full potential in their career with us. We are committed to continuing the approach that we started with our external partner An Inspirational Journey, who facilitated the Pearls Programme for us - a female-focused leadership and personal development initiative, which covered the following:
 - Building confidence and self-belief
 - Recognising, understanding and growing capabilities
 - Developing contacts and networks
 - Sharing knowledge, experience and ideas/working practices that encourage a gender-balanced work environment. You can read about some of the successes from this programme below.
- We offer flexibility enabling our colleagues to balance dependent care responsibilities and a fulfilling career with us.
 - We will do more to offer flexible working opportunities to men and women in our senior positions and engineering roles
 - We remain committed to continuing to offer flexibility - removing stigma and tackling stereotyping.

Part time workers by gender



- We have recently introduced a Development of Potential process (DoP) for our Wider Leadership Team, which identifies key talent, assesses potential and supports their development and progression.
 - This year, women make up 41% of the intake
 - The DoP process is part of our ongoing commitment to support our leaders by providing feedback on personal leadership style and creating development plans that enable the individual to build on natural strengths and develop areas that require greater focus in order to achieve their full potential.

Proportion of men and women on the development of potential process



*Source The Women's Engineering Society www.wes.org.uk

Our success so far

Supporting and promoting women is not new for us, though we recognise we still have work to do.

Here are a couple of our successes so far:

- The Pearls Programme
 - More than 80 women have taken part in our Pearls Programme, either as a Pearl (member of the Senior Leadership Team) or GEM (mostly

colleagues from our Wider Leadership Team). This included a series of group events and the support of a dedicated mentor.

- 78% of colleagues who were GEMs in this process had previously taken maternity leave while they were with us demonstrating how we support and promote the careers of working mothers.

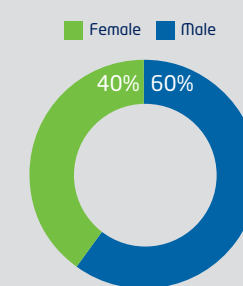
85% of Pearls feel that the programme has had a "positive impact on their career development"

93% of GEMs feel that the programme has had a "positive impact on their career development"

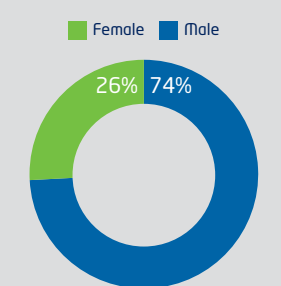
- Female representation in Electricity North West Leadership in April 2017:
 - We have 39 colleagues in our Senior Leadership Team. Women hold 10 of these roles representing just over a quarter of the team. This is directly proportionate to their representation in our wider population.

- We have 158 colleagues in our Wider Leadership Team - managers, leaders and professionals
- Nearly 40% of roles at this level are held by women. This represents a strong talent pool of women in our organisation supporting our long-term aim of increasing female representation in our more senior roles.

Wider Leadership Team by gender



Senior Leadership Team by gender



Electricity North West is committed to bridging our gender pay gap, but we recognise that we are on an ambitious journey, which will require time and action at organisational, societal and sector levels. We have made good progress so far and are keen to ensure we're building on our successes and creating a supportive environment for all of our employees to reach their potential.

Statement

I confirm that the information and data provided is accurate and in line with mandatory requirements.

Peter Emery, CEO