

# Gender pay report

## 2020





## Our commitment to providing a diverse and inclusive workforce, now and for the future, is more relevant than ever before.

We need fantastic people to deliver a great public service now and in the future, so we're determined to make sure we're reaching and recruiting people from every part of our community and supporting our employees to achieve their full potential and feel valued and included, regardless of their gender, age, race, disability, sexuality or social background.

Gender equality is an important part of our commitment to becoming a truly diverse and inclusive organisation. We are proud of the progress we are making with female colleagues visible and thriving in many roles at all levels, from the board, on our executive leadership team, in key operational roles and in schemes which bring future talent to our organisation, including graduate and apprentice programmes. We remain focused on going further.

The proportion of women on our apprentice and graduate programmes has continued to increase each year, and around half of those on our 'aspiring manager programme' for trainee managers are female. We have a strong gender-equality employee network, GENEq, which attracts members from every level and skillset within United Utilities.

In 2020, we were delighted to have been finalists in the Northern Power Women Awards.

By signing the Social Mobility Pledge we have committed to activities such as supporting schools with careers advice and mentoring, providing work experience and apprenticeship opportunities, and breaking down barriers to recruitment for disadvantaged young people. We were the first water company to launch our 'opportunity action plan', which states how we will deliver this commitment to reaching those in our communities who have found it difficult to access such development.



As part of the plan we will provide specific opportunities for women to develop themselves and achieve their potential, whether within the company or elsewhere within our region.

We were delighted to be placed as the top water company for our overall diversity efforts in the Diversity Leaders ranking. The survey, by Statista and the Financial Times, asked more than 100,000 employees across a range of sectors in Europe for their opinion of their employer's efforts to promote diversity, including achieving gender balance, not discriminating against people with a disability, being open to all forms of sexuality, and achieving an ethnic and social mix.

We are encouraged by the fact that our pay gap remains below the UK average and our bonus gap has followed a downward trend over the last four years, with both our mean and median bonus gaps reducing since last year.

Having a thriving, diverse workforce is central to our continued success as a business. We will continue to take action that will deliver our commitment to creating a more inclusive workplace, making sure that we attract and develop all employees, and that they can succeed, regardless of their gender or indeed any other personal characteristic. There is still plenty to do, but we are focused on the future.

We confirm that the information in this gender pay report is accurate.

Steve Mogford  
Chief Executive Officer

Louise Beardmore  
Customer Services and  
People Director

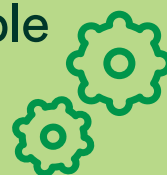
## At a glance (figures as at April 2020)

**34%**  
of our **employees**  
are women



**33%**  
of our **board members**  
are women

**17%** of our **apprentices** are women – almost double our 2014 figure and double the industry average for women in science, technology, engineering and maths (STEM) apprenticeships



**93%** of **female employees** would recommend working at United Utilities



**50%** of employees on our **aspiring manager programme** are women



**41%** of our **graduates** are women



**15.3%**   
Our **median pay gap** is lower than the national average



## What is the gender pay gap?

The 'gender pay gap' is the difference in pay between men and women. It highlights the difference between the average hourly pay for men and women across the workforce, and we summarise this in the statistics shown in our report. This is different to 'equal pay' which is a legal requirement to pay men and women the same for work that is of equivalent value.

At United Utilities, we have a number of measures to make sure we set and review levels of pay fairly for all employees. This includes a single pay and grading structure for all our roles, supported by a fair job-evaluation methodology. Pay and conditions at each level of our organisation are standardised and the same for all employees within each level. This framework gives us confidence that gender cannot affect the way pay is set.

We also follow other best practices that can help make sure our processes do not discriminate against anyone. For example, to make sure that stereotyping does not influence our pay decisions, all new managers and all those involved in recruitment and selection decisions across the company must now take part in 'bias awareness' training.

## Reporting on our performance

Our report focuses on the data relating to gender pay for the whole United Utilities group, as this provides the most meaningful picture of how we operate and how our actions and plans for gender diversity affect the whole company.

In line with reporting requirements, we've focused on tracking our performance against the median and mean pay gaps, the median and mean bonus gaps, and the distribution of pay by quartiles.

- **The median** is a comparison of the 'middle' hourly pay rate for a woman (if all hourly pay amounts were sorted from low to high) and the 'middle' hourly pay rate for a man (if they were sorted in the same way). The median is less affected by outlier hourly pay rates (very high or very low pay rates) than the mean.
- **The mean** is a comparison of the average hourly pay rate for a woman and the average hourly pay rate for a man.
- **Pay quartiles** are worked out by splitting the whole workforce into four equal-sized bands based on hourly pay rates, from lowest to highest. The percentage of men and women in each of those four bands is then calculated.

Basic pay includes salary, work-based allowances such as shift premium, standby and call-out payments and certain other allowances. It also includes bonus payments and recognition awards. It does not include payments for overtime, redundancy or termination of employment payments, or benefits-in-kind. Employees who are on reduced pay for reasons including maternity, paternity or sick leave are not included in the pay-gap calculation.



## Gender pay gap

As has been the case since we began reporting in 2017, our median pay gap is lower than the national average. In 2020, the National Median gender pay gap was 15.5% (ONS, November 2020).

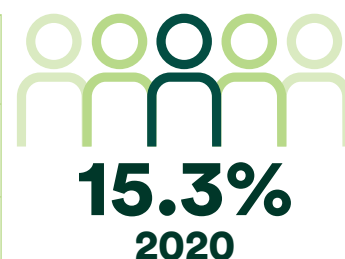
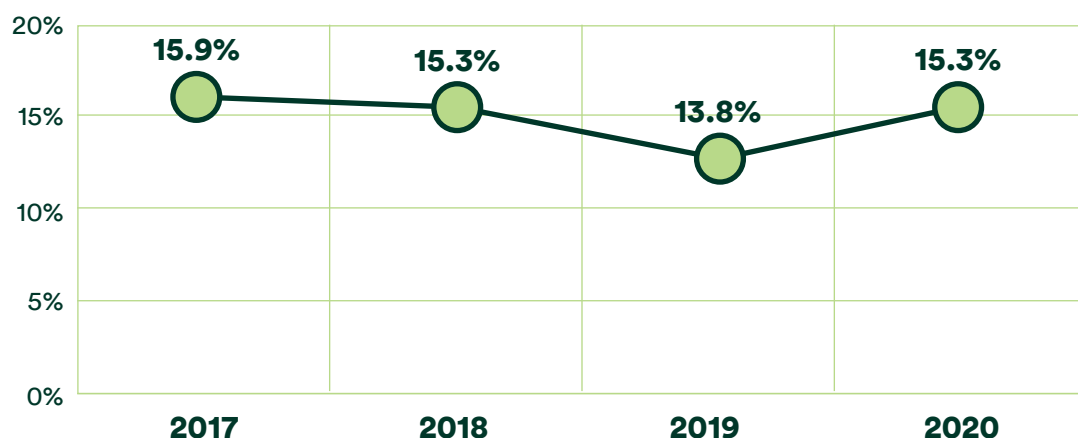
Our median pay gap has increased slightly since our last report in 2019. This is mainly because we needed to recruit people for a number of operational roles that receive extra payments due to the nature of their working patterns and, at the moment, it is mainly men working in these roles.

We are pleased to report that our mean pay gap has reduced. This is partly due to changes in the organisation, which have meant we have had more women progressing into senior roles and more men in lower-paid roles.

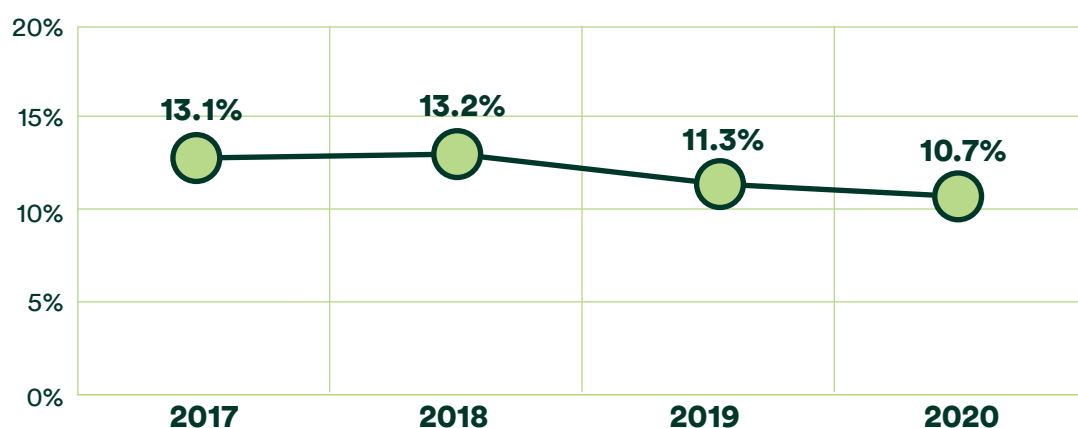
Having challenged our thinking and assessed ourselves against external practices, we are confident that action we are already taking or have planned should result in us being able to reduce our gender pay gap in a way that can be maintained.

[Read more about our actions on pages 8 to 11.](#)

### Our median gender pay gap over time



### Our mean gender pay gap over time



# Pay quartiles by gender

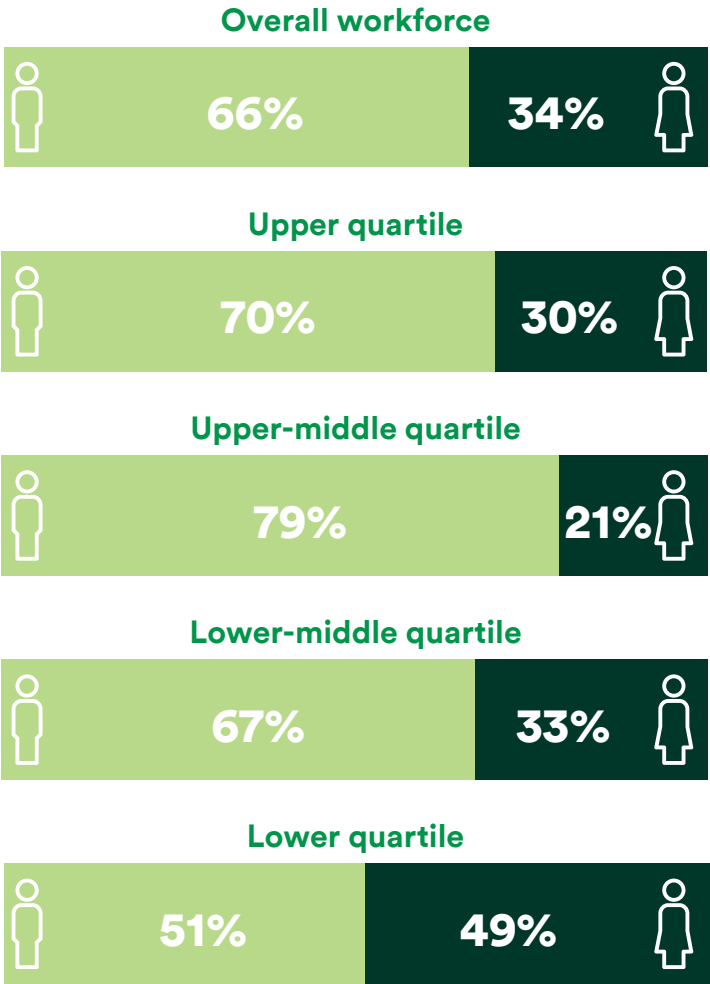
Overall, 34% of our workforce is female. Women are currently under-represented in the upper-middle quartile and upper quartile, mainly because we have more men in senior roles and more men in STEM-skilled trades and higher-paid roles.

Women are over-represented in the lower quartile, and this is largely due to the proportion of women in lower-paid customer service roles. Our ambition is to increase the number of women in our business overall and achieve a more equal distribution of women within each of the four pay quartiles in line with the proportion of women we have working for us overall.

As we have explained in previous reports, adjusting our gender balance will take time. We have relatively long-serving employees and low employee turnover rates. This means the way our workforce is made up is broadly unchanged from last year, but we are continuing to carry out initiatives to even out this imbalance.

The proportion of women on our apprentice and graduate programmes has continued to increase each year, and around half the people on our ‘aspiring manager programme’ are female.

## Percentage of women and men overall and in each quartile of the pay range



These charts show the distribution of men and women in the pay quartiles. They are calculated by splitting the workforce into four equal parts, based on the hourly pay from the lowest to the highest, and then calculating the percentage of men and women in each quartile.



## Bonus gap

We've seen a positive improvement in both our median and mean bonus gaps. This has continued the downward trend over the last four years.

Our inclusive pay practices mean that employees at all levels in the company are eligible for a bonus, and the same performance measures of success apply from the top to the bottom of the company. This makes sure we are all focused on delivering the right outcomes for our customers and stakeholders, and there is a fair and transparent approach to rewarding performance for all our employees.

One of the main reasons for our bonus gap is the difference in the maximum bonus that is available depending on the seniority of each role. We know we can achieve a real step change in our bonus gap as we create a more even gender balance across all levels of the company.

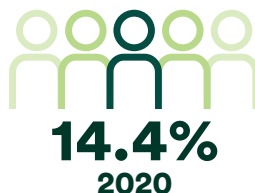
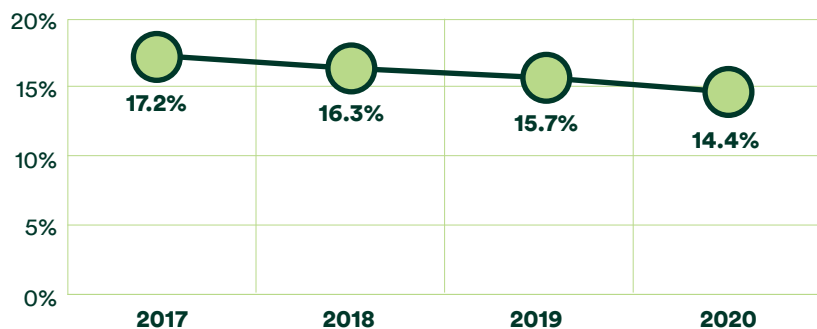
### Median bonus gap

One of the reasons for the improvement in the median bonus gap is that there has also been an increase in the proportion of female employees working full-time. This is important because the bonus gap calculation does not take into account the number of hours employees work, and bonuses are calculated using the actual salary an employee earns. This affects the value of the bonuses part-time employees receive. Another reason is that more male employees in roles with a lower bonus opportunity received a bonus compared with the previous year.

### Mean bonus gap

The main reason for the improvement in the mean bonus gap this year is that more of our female employees have progressed to more senior roles and so are now eligible for higher-value long-term incentives.

### Our median gender bonus gap over time



### Proportion of women and men receiving a bonus



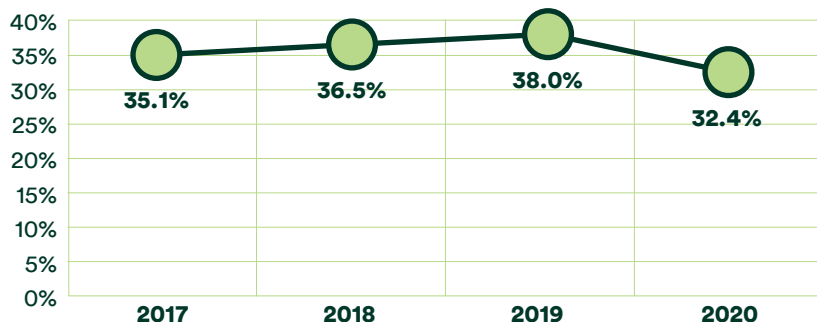
**94.7%**



**93.2%**

Note: To be eligible for our bonus scheme, employees need to have completed a minimum level of service. This means that some people who start working for us during the year may not be eligible.

### Our mean gender bonus gap over time



## Action we are taking

We're working hard to attract more women into the industry, and on developing the careers of the women in our existing workforce.

- We have an award-winning and active gender equality employee network (GENEq).
- We're supporting future female talent with a focused leadership pipeline programme which runs alongside our 'aspiring manager programme'.
- We were delighted to have finalists in the 2020 Northern Power Women Awards.
- We're providing a range of activities at schools and in our communities to inspire girls to study STEM subjects. Between them, our 50 STEM ambassadors have volunteered over 100 hours this year. We've supported the Bluedot Science Festival (see the next page for more details), and we've continued our award-winning engineering masterclass, which we run with The Challenge Academy Trust schools in Warrington.
- By delivering mentoring events in partnership with Northern Power Futures, we're supporting hundreds of school students across our region, with a specific focus on women. During the virtual sessions the students benefit from being mentored by female senior leaders from up to 20 different businesses, including United Utilities.







## Action we are taking

### Bluedot Science Festival

In 2019, our GENEq network had a state-of-the-art STEM event space at Bluedot – a music, science and cosmic culture festival. In total, 20 of the network’s female members (from apprentices and graduates to our leading female scientists, technologists and engineers) met with thousands of children and young people from across the North West. The aim was to show the diversity of people and jobs at United Utilities, each with their own story and journey to inspire the next generation into a career in STEM industries.

The festivalgoers got to try their hand at a number of interactive activities, including video games aimed at building sustainable infrastructure, combating climate change and using more renewable energy. They took part in an experiment using a bicycle pump and a fish tank to learn how we clean up sewage and about the latest technology that we use to look after the environment. They even got to test out our ‘powered by poo’ buggy.





## Action we are taking

### An internal pipeline for succession

We have focused on creating a strong pipeline of female candidates for future roles through our apprentice, graduate and internal talent development programmes. We see this as an important priority for creating a strong and gender-balanced workforce of the future.

According to the Institute for Apprenticeships and Technical Education, females account for only 7% of apprentices in the UK engineering, manufacturing and technology sector, so we're really pleased with the progress we've made since we first began delivering our apprenticeship training in 2014 and are proud that, at 17%, the proportion of women on our apprentice scheme is now more than double that UK figure. An impressive 41% of our graduates, and around half the people on our 'aspiring manager programme', are female.

As part of the 'aspiring manager programme', each person taking part is sponsored through an apprenticeship degree in business management. Now in its fifth year, we're seeing amazing results from the programme, with 71% of the females taking part going on to be promoted or moving on to a new role and providing us with a strong workforce for the future.

While women make up 34% of our overall workforce, in the last year around 47% of all promotions were achieved by women, demonstrating the success of our targeted approach.





## Action we are taking

### Attracting women for future roles

This year we sponsored the first STEM Centre of Excellence of its kind at one of our partner schools in Warrington. The school is the only one in the UK to have a FabLab and STEM centre that is also open to the public, businesses, pupils and students of all ages in the region. As part of our support for the initiative, we have sponsored hands-on STEM days at the centre for 50 primary schools in the North West. The centre promotes our passion for inspiring future generations and females to consider careers in STEM roles.



We've also delivered five virtual Learn Live work-experience sessions to over 11,000 school students across the region. The sessions focused on inspiring young women to consider STEM-related careers, including our own apprenticeships and early careers opportunities.





## Action we are taking

### Striking the balance

We have a number of policies in place which are focused on supporting all our employees to achieve the balance between home and work life, with family-friendly leave options and maternity benefits that are better than those that employers in the UK have to provide by law.

We're really keen to continue to support employees to work flexibly and we've taught our managers new skills using tailored elearning modules to help them manage flexible teams.

### Female-focused campaigns

We actively recognise women's events throughout the year, including International Day of Women and Girls in Science, International Women in Engineering Day, Ada Lovelace Day and International Women's Day.

We've launched our menopause policy to support female colleagues who may need extra consideration, support and adjustments related to the menopause. Some of our senior female leaders have shared their own stories as part of the launch to help people know it's OK to talk about the subject.

### Looking ahead

We're continuing to refine our approach to supporting women in our business using the programmes outlined above. We will also be introducing a reverse mentoring scheme, through which members of under-represented employee groups will mentor directors and senior managers on topics that they are more familiar with, such as diversity and cultural issues.

Also, we are reviewing all of our people policies and processes to make sure we attract and develop a wide range of people by removing any bias in our decision-making.





## Getting ahead in STEM-related roles

### Ruth Henshaw Head of Pensions

Ruth is a qualified actuary with a degree in mathematics. She joined United Utilities in 2011 and now manages a team with responsibility for looking after the company pensions schemes and developing our pension strategy.

In 2019 Ruth returned to work part-time, following a year's maternity leave. Her role was adapted to allow for the change to her working hours.

Ruth says: *"I am very grateful for the supportive and flexible approach United Utilities has taken to allow me to balance work with the demands and delights of looking after a toddler. As a first-time mum, I am inspired by other working parents in the organisation, including my own team members."*



### Charmian Abbott Chief Scientist

Charmian has worked for us since 1998, following a PhD investigating the growth of micro-organisms on materials in distribution networks.

Charmian has mostly worked in technical roles associated with water treatment, water quality and assessing and reducing the effects our work has on public health.

In 2015, to recognise her leadership potential and technical brilliance, Charmian was promoted to Chief Scientist, and now leads more than 200 employees across laboratory, sampling and water-quality regulatory teams.

She has worked with a number of stakeholders, including the Drinking Water Inspectorate and health agencies, chairing or taking part in national working groups relating to water quality, public health and drinking-water safety-plan risk assessments.

Most recently, Charmian has played a hugely influential role in our response to the coronavirus pandemic. She says: *"I've provided the scientific input and interpreted the public health guidance, which has been vital for informing our approach to keep our customers and our employees safe."*

## Getting ahead in STEM-related roles

### Neema Shah-Nicol HR Business Partner

Neema has worked in our HR Operations team for just over six years, first as an HR Project Manager and now as an HR Business Partner.

One of Neema's main responsibilities in her current role is to provide strategic HR support to make sure we have the staff we need to meet the challenges we will face in the future as our industry and ways of working change, with particular focus on STEM and jobs that contribute to restoring or protecting the environment.

As one of the founder members of our multicultural network, Neema supports colleagues within the network and helps to raise awareness of ethnic diversity, both inside and outside our organisation, through schools and universities and social media, with the ultimate aim of attracting a more diverse workforce.

Born and raised in Coventry, which is a very multicultural community, Neema moved to Warrington 11 years ago after getting married. She says: *"As a working mum with a nine-year-old daughter, I really value the support and flexibility afforded to me by the company, which allows me to maintain a healthy work and family balance."*



### Beth Jones Production Scientist

Beth is a production scientist in the Organics team in our laboratories. She has worked for us for nearly six years, as a lab assistant, an apprentice scientist and now a production scientist.

In 2013, she went to university to study chemistry, but found it wasn't right for her so she left and was unemployed for a while.

Beth joined our organisation on a placement within the Energy team as part of the NEET scheme, which helps young people who are not in education, employment or training to get back on their feet.

Beth says: *"As a result of the placement, I was able to build up my confidence again and it helped me to get an agency job as a laboratory assistant. After six months I started on the apprenticeship scheme, getting a permanent role three years later as a production scientist."*

Beth's focus and dedication has paid off and we are now supporting her as she's working towards a chemistry degree qualification alongside her day job.



## Getting ahead in STEM-related roles



**Molly Sander**  
Production Manager

After university, Molly applied for a 10-week government-backed scheme to work in Nicaragua on a water-sanitation project. Though very different to the UK, it encouraged her to pursue a career in the water industry, and she joined our graduate scheme on a placement in wastewater operations.

While she was on the scheme, Molly completed an Institute of Leadership and Management diploma, combining external training with on-the-job learning. Her drive and skills were recognised, as we offered her a role as an assistant production manager at Davyhulme, our largest wastewater treatment works, and then as a production manager, first in wastewater and, more recently, in clean-water production.

Molly says: “Operations is traditionally very male dominated, but this is changing, and I’m proud to be a part of that change. Leading a team of 20, I’m responsible for providing clean drinking water to the people of South Manchester. Working in the field is fast-paced and comes with its challenges, but we’re all incredibly passionate about what we do. Outside of my job, I work to promote careers within the water industry, and particularly to encourage more women to consider a role in operations.”

“ Having a thriving, diverse workforce is central to our continued success as a business... There is still plenty to do, but we are focused on the future. ”

## Gender pay report by business – statutory declaration

Within United Utilities Group PLC there are two companies that employ staff. Most of our employees are employed by United Utilities Water Limited (our main water and wastewater services business). And a small number of employees (typically our most senior employees and those working in central functions) are

employed by United Utilities PLC. By law, companies in the UK that have more than 250 employees must produce a report which includes information on their gender pay gap. Our report shows the data for the United Utilities Group PLC, and below we also show the data for United Utilities Water Limited.

Business	Headcount (as at 5 April 2020)	Description
United Utilities Group PLC	<b>5,448</b>	Group company consisting of all employees within United Utilities
United Utilities Water Limited	<b>5,253</b>	Regulated water and wastewater services business

### Hourly gender pay gap

Business	Median		Mean	
	2020	2019	2020	2019
United Utilities Group PLC	<b>15.3%</b>	13.8%	<b>10.7%</b>	11.3%
United Utilities Water Limited	<b>15.2%</b>	14.6%	<b>9.8%</b>	10.1%

### Gender bonus gap

Business	Median		Mean	
	2020	2019	2020	2019
United Utilities Group PLC	<b>14.4%</b>	15.7%	<b>32.4%</b>	38.0%
United Utilities Water Limited	<b>14.5%</b>	15.5%	<b>22.0%</b>	24.3%

### Proportion of employees who received a bonus

Business	Women		Men	
	2020	2019	2020	2019
United Utilities Group PLC	<b>94.7%</b>	95.9%	<b>93.2%</b>	90.5%
United Utilities Water Limited	<b>94.4%</b>	95.6%	<b>93.0%</b>	90.2%

### Proportion of women and men in each quartile of the pay distribution

Business	2020							
	Lower		Lower middle		Upper middle		Upper	
	Women	Men	Women	Men	Women	Men	Women	Men
United Utilities Group PLC	<b>49.4%</b>	<b>50.6%</b>	<b>33.3%</b>	<b>66.7%</b>	<b>21.4%</b>	<b>78.6%</b>	<b>30.1%</b>	<b>69.9%</b>
United Utilities Water Limited	<b>48.8%</b>	<b>51.2%</b>	<b>32.8%</b>	<b>67.2%</b>	<b>21.6%</b>	<b>78.4%</b>	<b>28.8%</b>	<b>71.2%</b>

Business	2019							
	Lower		Lower middle		Upper middle		Upper	
	Women	Men	Women	Men	Women	Men	Women	Men
United Utilities Group PLC	50.2%	49.8%	32.1%	67.9%	24.9%	75.1%	30.0%	70.0%
United Utilities Water Limited	49.1%	50.9%	32.1%	67.9%	24.2%	75.8%	29.3%	70.7%



