

Our gender pay gap as at 5 April 2019

Embracing diversity in all its forms makes us both stronger and more effective as a company, leading to a better service for our customers.

At Thames Water we recognise that people are at the heart of everything we do. We are building a better future for our customers and our region, creating customer advocacy and enhancing the environment we rely on. To help us succeed in our goal we are continuing to attract and retain diverse talent representative of the communities we serve, in an inclusive culture and working environment that inspires people to respect and value everyone.

Pay gap

We are pleased to be able to report that, as with previous years, our mean gender pay gap has continued to reduce. As at 5 April 2019 our mean gender pay gap is now 10.4% which has reduced from 10.8% at 5 April 2018. We are additionally pleased to report that our median pay gap has also reduced, down from 12.5% as at 5 April 2018 to 12.2% as at 5 April 2019. This is as a result of an increase in the number of women within Thames Water in our upper pay quartiles.

Bonus gap

Our average (mean) bonus gap is 33.5%, while the median bonus gap has reduced to 13.6% in favour of men. 9.5% of our employees are eligible to receive an “annual management bonus” but under gender pay gap reporting rules, bonus payments include long service and recognition awards. The proportion of females receiving an annual management bonus is 6.4% compared with 6.7% for men. However, if we include money-based awards the proportion is 34.2% for females compared to 32% for men.

Reasons for our pay gap and plans to reduce the gap

As is common across our sector, the main reasons for our gender pay and bonus gap is that there are more men than women in senior roles as well as more men in roles that attract shift pay and other working pattern allowances.

Specifically, under bonus payments, 73.83% of our long service awards, which are typically between £100 and £1,000, were awarded to men reflecting the industry wide pattern of having more men with longer service.

Reducing the gender pay gap

As a business we have continued to take positive steps towards reducing our gender pay gap, in February 2019 we partnered with more than 30 companies from across our industry to launch sector-wide inclusion commitments, tackling the challenges we face together.

The average percentage of women employed across our sector is 16%. So whilst we are proud that 33% of our team is female, we recognise that it will take time for people to progress their careers with us. In the meantime, we continue to inspire women to consider careers in STEM as well as nurturing and supporting female talent once they have joined us to realise their full potential.

During the past year we launched One Thames, restructuring our business to ensure we are set up to best enable us to deliver for the future. Led by a team of Executive leaders of which as at 5 April 2019 22% was female.

Since April 2018:

55%

of people who were promoted into a management grade are female

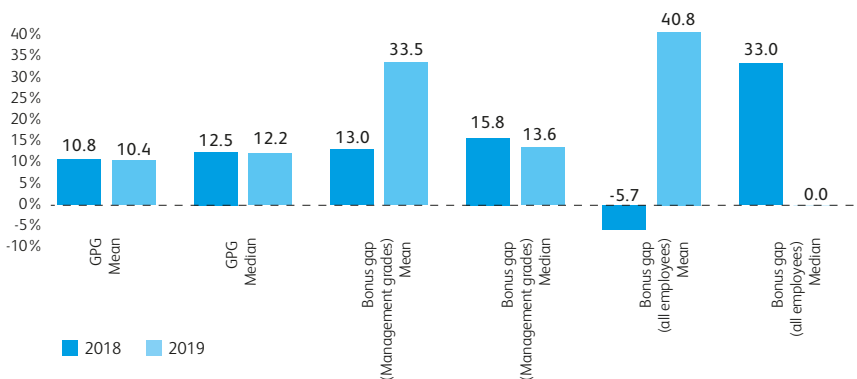
35%

of those recruited to our 2018 graduate programme are female

Over the past year our Women’s Network for women and champions of women, has helped create ‘Balance for Better’ by facilitating a number of confidence building, personal brand and career development workshops for hundreds of employees across numerous sites. Each year we also celebrate events such as International Women’s Day and International Women in Engineering Day with members of our senior leadership team and partner organisations, inspiring people with their stories and providing networking opportunities.

In addition to employees citing increases in confidence and achievements, our annual engagement survey showed an increase in people feeling that Thames Water is an inclusive, equal opportunity employer. We will continue not just as a standalone company, but as a sector, to jointly decrease the gender pay gap.

Gender pay gap %



What is the ‘gender pay gap’?

The gender pay gap is the difference in the average earnings between men and women, regardless of the work they do. Gender pay differs from ‘equal pay’, which looks at pay differences between men and women carrying out the same or comparable work.

Mean versus median

The gender pay gap is reported on both a mean (average) and median (mid-point) basis. The two measures are complementary and illustrate different aspects of the distribution of pay across an organisation. The mean gender pay gap is the difference in the average hourly pay for women compared to men. If you were to separately line up women and men from lowest to highest pay rate, the median pay gap would be the difference between the hourly pay rate for the middle woman compared to the hourly rate for the middle man.