

Gender Pay Gap Report - 2017

1. Declaration

The data for this first year of publication is based on the April 2017 payroll, and payroll data for the period 6th April 2016 to 5th April 2017.

I confirm that our data has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Signed  (Jon Seddon, Finance Director)

2. The pay gap and the reasons for it

The results for Sellafield Ltd. show a mean gender pay gap of 14.3%, and a median gender pay gap of 11.7%.

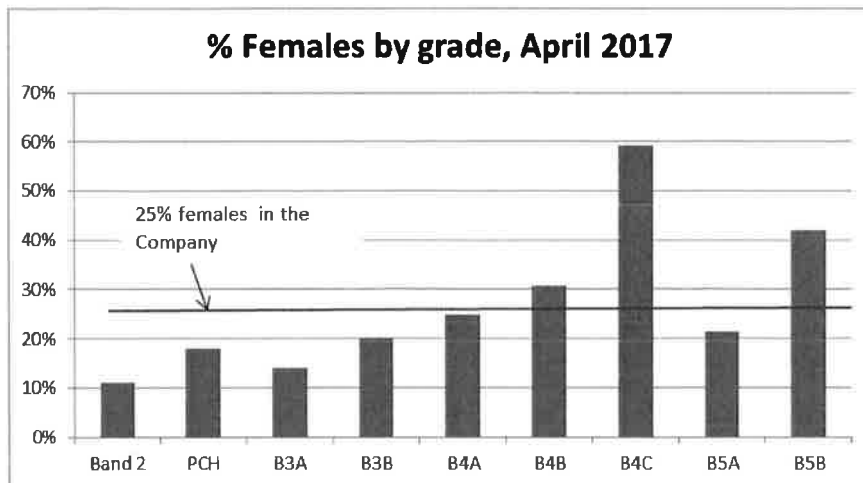
At this stage, our analysis is that the pay gap is driven by the following factors:

- Under-representation of females in more senior grades.
- The ongoing legacy of historic recruitment into STEM roles.
- Low employee turnover and restricted recruitment, hence limited opportunities to provide promotion opportunities.
- Lower female length of service and therefore less average experience, potentially influencing promotion outcomes.

These issues are further discussed below:

2.1 Grade distribution.

Overall, our workforce is 75% male and 25% female. Females are under-represented in more senior (and higher paid) grades (i.e. Band 2, PCH, Band 3A, and Band 3B), and over-represented in most of the lower grades (i.e. Band 4B, Band 4C and Band 5B). This is shown in the distribution of males and females across the grading structure:



2.2 Historic recruitment pipelines

The nature of our business is specialist and technical, and for many years we have recruited employees at all levels from a sector and education system where males have predominated in Science, Technology, Engineering and Mathematics (STEM) subjects.

To some extent, we are still experiencing a gender imbalance in the availability of recruits today. Our recruitment strategy is predominantly focused on the recruitment of graduates and apprentices as we invest in skills for the future. We offer a two year graduate development scheme, intended to attract future technical specialists and senior leaders. The data below shows our total investment in graduates since 2013, and the proportion of female graduates.

Graduates - Gender Split		
Year	Total	% Female
2013	45	20%
2014	52	27%
2015	63	17%
2016	49	20%
2017	35	17%

Our ability to attract female graduates is affected by the availability of females in particular disciplines. Over the last three years we have particularly targeted the recruitment of civil, mechanical and electrical engineers, however the number of female graduates available in these disciplines is lower than in the pure science and mathematical disciplines. For example, in 2017, according to WISE, the proportion of female graduates in the UK was 14% in Engineering and Technology subjects, compared to 39% in Mathematical Sciences. (Source: <https://www.wisecampaign.org.uk/resources/2018/02/core-stem-graduates-2017>)

2.3 Low employee turnover and restricted recruitment

Sellafield Ltd has low employee turnover rates (2.57% in 2016). Additionally, in recent years we have deliberately restricted recruitment to targeted areas, due to ongoing initiatives to improve efficiency.

The combination of targeted skills recruitment and relatively low employee turnover both mean that the opportunity to correct gender imbalance by promoting females has been constrained by the availability of vacancies.

2.4 Lower female length of service

Our female employees have a shorter average length of service than our male employees:

Average Length of Service	
Female	13.4 years
Male	17.8 years

This data is based purely on start dates and does not take account of reduced hours incurred whilst working part time. Our female employees have had, on average, c.4.5 years less career experience than our male employees, which may be one of the reasons for females not progressing to more senior roles.

3. What are we doing to close our gender pay gap?

In common with most organisations, this is the first time that our gender pay gap has been analysed, and this report is therefore our baseline for improvement.

1. Our first priority is to understand the reasons for our pay gap, at a detailed level. We therefore intend to further analyse our data, assessing, for example:
 - Differences between job types or professions
 - Grades
 - Age
 - Full time versus part time employment

This analysis will then enable us to formulate a targeted action plan to close our gender pay gap.

2. Executive Sponsorship

We have recently established a Company wide Diversity Council, chaired by the Finance Director, which is developing and implementing a Diversity and Inclusion strategy. The Council aims to:

- Attract, grow, mobilise and retain diverse talent; optimising collaboration within and between teams
- Maximise employee engagement and performance by valuing, including and empowering everyone
- Embrace and exploit diverse thinking to generate more innovative, robust and safer solutions

The Diversity Council plays a key part in signalling that diversity and inclusion is a business issue for Sellafield Ltd, and it will sponsor initiatives to address our gender pay gap and will monitor our progress in closing the gap.

3. Recruitment

As noted above, our recruitment strategy is focused on the recruitment of graduates and apprentices to provide the skills we know will be needed in the future. We are proud of our record. We recruit high numbers of graduates and apprentices, and offer apprenticeships across a range of subjects, mainly in STEM areas such as Technical Specialists, Scientific Specialists, Project Management, Nuclear Workers, Craft Trades, Health Physics Monitoring, Specialist Fire and Rescue, Control Systems, Engineering Design and Nuclear Welding Inspection.

The data below shows our total investment in apprentices each year since 2014, and the steadily increasing proportion of female apprentices.

Apprentices - Gender Split		
Year	Total	% Female
2014	143	28%
2015	205	36%
2016	154	35%
2017	112	41%

We recognise that our ability to recruit females in the STEM subjects we require is influenced by choices which individuals make in education, and that it will take time for us to influence those outcomes. However, Sellafield Ltd is strongly committed to making a positive socio-economic impact in our local communities, and one area where we are seeking to influence is in education. For example, we currently have over 100 employees acting as school governors.

4. Employee development and talent management

There are a number of measures which demonstrate that we recognise and are committed to developing female talent:

- Nuclear Leadership Academy: c. 30% of the 500 employees who have graduated from this recent Companywide leadership development programme are female.
- Performance Management: In 2016/17, 30% of employees rated as having the potential to progress within the Company were female.
- Performance Management: In 2016/17, 27% of employees rated at the highest level for their individual performance were female.

Overall, Sellafield Ltd recognises the benefits of having a more diverse workforce, and as part of this, we are committed to developing as an organisation which supports female employees and their progression to more senior levels. The calculation of our gender pay gap has identified the baseline for improvement, and the Diversity Council will develop the strategy to address the issues over the next 12 months.

