

HORIZON

NUCLEAR POWER

Horizon Gender Pay Gap Report

April 2018

1. Foreword from Duncan Hawthorne, CEO: The importance of diversity within Horizon Nuclear Power

I've always believed the success of this project is driven by the talent, commitment and dedication of our people. Horizon should be an inspiring place to work, and we should support our peoples' career ambitions if we're to continue to attract and retain the talent we need to meet the company's challenging long-term goals.

Historically our sector has been male-dominated and we have a responsibility not just to redress the balance, but to attract and develop the best talent possible. The two are one and the same. This is a long game and requires a dedication to promoting careers in the STEM (Science, Technology, Engineering and Mathematics) industries.

Embracing diversity and inclusion is essential to the health of our company and will help us develop our people to realise their full potential and generate new ideas. Having a workforce that is truly representative of all sections of society will be an enormous benefit to us as we build a world-class business that treats people fairly, as well as creating opportunities for future generations.

We welcome the Government's focus in this area and support the requirement to publish gender pay gap data. In this report we have articulated the nature of some of the challenges we are facing, as well as the progress we are making. As a leadership team we are committed to closing the gap. I very much look forward to reporting our progress in the future.

2. Gender Pay Gap

Following the 2015 general election, the Government announced its intention to fulfil a manifesto commitment by bringing into force a provision of the Equality Act 2010 on gender pay gap reporting. Subsequently, The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 came into force on 6 April 2017.

The legislation requires UK companies employing 250 or more employees to publish statutory calculations every year which identify the pay gap between their male and female employees. The gender pay gap gives a snapshot of the gender balance within an organisation, measuring the difference between the average earnings of all male and female employees, irrespective of their role or seniority. It is distinct from equal pay, which relates to paying males and females fairly for work that is similar or of equal value. Gender pay reflects the underlying workforce demographics within an organisation.

This initial report therefore is based on a “snapshot” of the pay of all Horizon employees as at 5 April 2017 together with details of annual bonus payments paid to employees during the period 1 April 2016 and 31 March 2017. It has been produced in line with guidance contained within the Equality Act 2010.

In line with these legislative requirements, there are six calculations that must be reported; three based on pay and three based on bonus to show the difference between the average earnings of men and women in our organisation.

Although our gender pay gap is broadly similar to other organisations within the nuclear sector, we recognise that it is greater than the UK average for all industries. We are keen therefore to focus on the aspects that drive our existing pay gap as this will enable us to understand and focus on what we need to do to improve it.

From our review we are confident that our existing gender pay gap is not a pay issue as our reward framework is gender neutral. The analysis we have undertaken to date shows that our pay gap is driven by the structure and demographics of our current workforce. Within Horizon currently there are a higher number of males than women occupying management and leadership positions and, correspondingly, a significantly higher percentage of women than men in non-specialist and non-managerial positions. The under-representation of women in senior management roles and in more highly paid areas, especially technical and specialist posts, is the main factor causing our gender pay gap.

However, the gap in both our mean pay and mean bonus, shows that there are actions that we can take as we move forward and while we don't have an equal pay issue, we do need to take steps to reduce our pay gap. To remedy this, we need to adopt and implement a number of associated strategies, including a closer examination of the structure of our workforce and, in particular, considering what actions we can take to encourage and develop more women into senior roles. This is something we've been working on to date and, in this year alone, we have recruited two new female Directors into the organisation.

We also need to take action across a range of other areas including a drive to attract more females into STEM subjects, building a robust and diverse talent pipeline, celebrating our female role models, and providing strong management support to enable women to succeed. We will continue to focus on opportunities for flexible working practices to enable our women to enjoy a good work-life balance while progressing their careers.

3. Horizon Nuclear Power’s gender pay gap data

The data for our report was collected as at 5 April 2017. At this date our workforce consisted 269 employees; 84 women and 185 men.

We are required to report the difference in mean and median pay between male and female employees. The mean is calculated by adding up the total amount of pay and dividing it by the number of individuals in the data set. The median represents the middle amount in the data set.

Our calculations show that we have a mean gender pay gap in hourly pay of 42% and a median gender pay gap in hourly pay of 44% (see Fig.1). This result is not inconsistent with our peers in the nuclear industry.

Further analysis was completed which compared the number of men and women at different levels of our job grading structure. This confirmed that there is a significant predominance of men in senior job grades, which directly impacts the gender pay results.

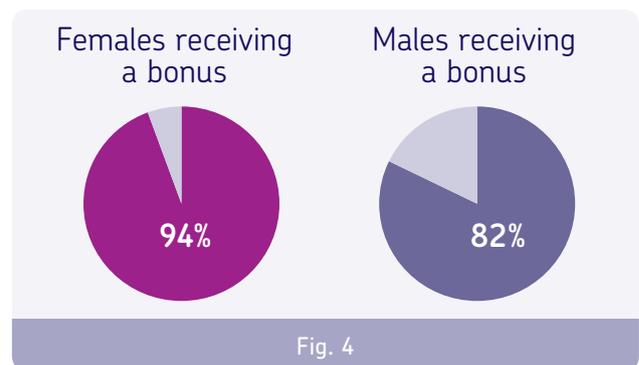
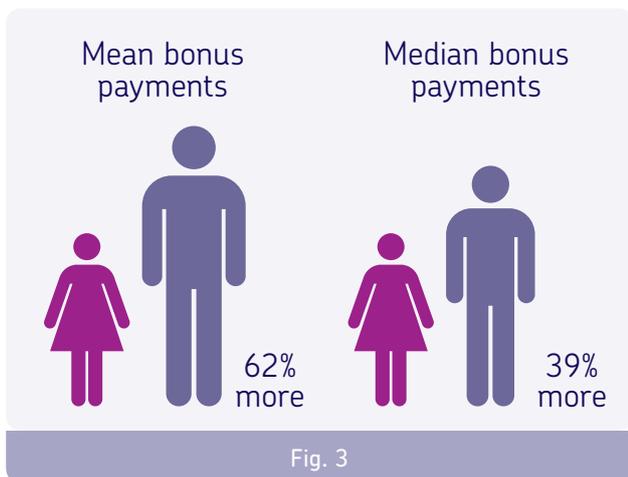
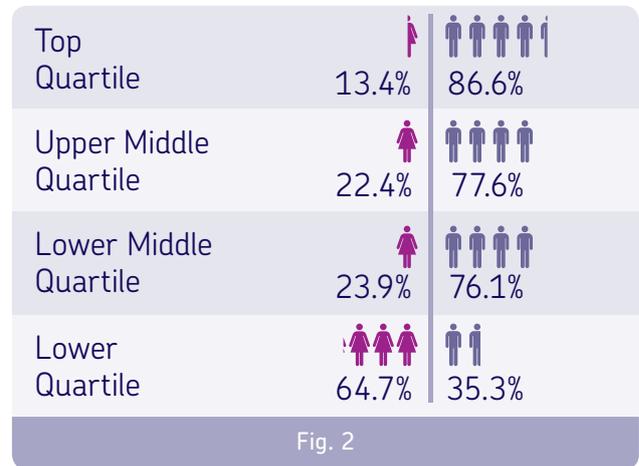
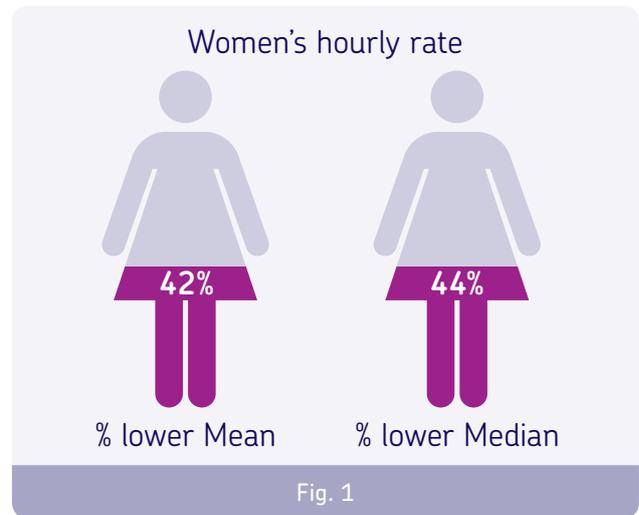
Additional analysis was completed comparing employees’ pay in comparable roles and job grades. The results confirmed that pay for men and women in similar positions is equal.

Our workforce has a current gender bias towards men, with broadly twice as many men as women. Also in line with similar organisations within the nuclear industry sector, men significantly dominate both the top and upper middle pay quartiles. This is due to a higher ratio of men in senior management positions and within STEM posts. This has a significant impact on our gender pay gap in general, but this issue can be most clearly seen in our quartile percentages (see Fig. 2).

The predominance of men in senior positions also impacts our comparison figures for bonus payments. The calculations indicate a difference in mean bonus payments of 62% and a difference in median bonus payments of 39% (see Fig. 3).

The proportion of women who received a bonus is 94.3% during the reference period with the proportion of men who received bonus is 82.4% (see Fig. 4).

All of our employees are eligible to a bonus but those who started with the company after 1 January 2016 are not included in the figures because their first bonus was paid in June 2017, which is after the 12 month period used in reporting these statistics. This therefore accounts for the fact that less than 100% of employees of either gender received a bonus.



4. Responding to the challenge

We recognise that diversity and in this case, gender diversity is crucial to our long-term success and we are therefore keen to implement a range of initiatives and approaches to secure a diverse pool of talent for our organisation and thus enhancing diversity.

Encouraging women and children in STEM

Traditionally in the nuclear industry men have predominated in STEM. Current UK data indicates the relatively low levels of female engagement within STEM occupations, where within such industries, women make up approximately 15% of employees.

We run a STEM Ambassador programme whereby our ambassadors, including our recent graduates, are active throughout the year within the wider community participating in career events and fairs to encourage a career within the sector. They also present directly in schools to male and female students of a variety of ages.

We annually recruit apprentices, graduates and offer industrial placements to students. In April 2017, our apprentice and graduate intake featured one fifth of female apprentices while two thirds of our graduates were female.

In addition, we are also engaged in education outreach programme 'Futures'; for our key nuclear sites in Wylfa Newydd, Isle of Anglesey, and Oldbury-on-Severn, South Gloucestershire. This programme is not simply aimed at encouraging students to take an interest in STEM careers but also 'upskilling' the surrounding communities, encompassing pupil engagements, career pathways, workshops, supporting teacher development as well as sponsorships and donations for materials, equipment and literature. In North Wales alone, since 2014 we have engaged over 16,000 primary and secondary school students, equating to over 70,000 hours of engagement.

Hitachi Initiatives

As a company, we are part of the wider Hitachi Group and are also able to actively participate and engage with a number of Hitachi-led diversity initiatives.

Hitachi Women's Interactive Network (WIN)

WIN promotes the exchange of ideas across the female workforce and provides e-learning opportunities, research, online connections, events, mentoring and on-going support to address the needs that are unique to women. Hitachi WIN is committed to making Hitachi an even more attractive place for women to work and to providing support and resources we believe will be helpful in supporting career goals and aspirations. The network is open to all employees in Hitachi across Europe.

WIN vision and mission	
Vision	A company and its communities enriched by the contribution and successes of women.
Mission	1. Make Hitachi companies a more attractive place for women to work
	2. Provide advocacy for women within the company at every level
	3. Be recognised as an employer of choice for women
Delivery	1. Hold quarterly learning events for all employees
	2. Host an annual WIN Summit for delegates from all Hitachi group companies across EMEA
	3. Host local cross-company WIN events in each region
	4. Promote lively discussion and interest on LinkedIn
	5. Form a key role in driving the Hitachi diversity agenda

Hitachi Diversity & Inclusion (D&I) Framework

The D&I Steering Committee have also recently been developing a framework to share with senior management and employees, to highlight and engage them in the value and benefits of a diverse and inclusive workforce.

The framework is characterised by appreciating and valuing differences and seeking to achieve a mix of people that reflects society today. Within this context the aim to develop an inclusive workforce where women feel engaged and enabled to work in a way that is beneficial to both the business and individual employees is key.

An intent, vision and aim for 2018 has been developed with the intention to measure progress and success via a range of metrics including the outputs of annual staff engagement surveys to assess the degree of improvement year-on-year. Further measures include recruitment data, the talent pipeline, succession and talent management metrics and D&I statistics.

Wider Nuclear Industry initiatives

Women in Nuclear UK

We signed up to the WiN Charter 2016, stating that:

- We acknowledge that the nuclear sector cannot reach its full potential without maximising the talents of all. We acknowledge that advancing equality and inclusivity demands commitment and action from all levels of the organisation and in particular active leadership from those in senior roles.
- We commit to identifying and removing the obstacles faced by women and other under-represented groups.
- We commit to prioritise action to remove barriers to flexible working across the nuclear sector for all types of workers at all levels.
- We actively encourage female employees to attend the annual WiN conference and highlight opportunities for participation within associated networking groups including regional WiN events. Women in Nuclear (WiN) Wales was launched in October 2017 with Maria Kolodnytska, Senior Project Engineer (Development) appointed as Regional Manager and Becky Smale, Senior Mechanical Engineer, appointed as Deputy Regional Manager.

Women in Leadership positions

We have also sought to improve gender diversity across our senior leadership team and have recently appointed two females to senior positions in this team including Executive Director of People and the Director of Nuclear Operations, responsible for leading operations at our Wylfa Newydd Site.

Policies and Procedures

Our Equality Policy sets out our aspiration to create a workplace where every individual is treated fairly and where differences are valued and respected. To that end the purpose of the Policy is to provide equality and fairness for all our employees. The Equality Policy is complemented and supported by a range of procedures and guidance that support the aim to promote and emphasise certain obligations for Horizon employees, and their directors and managers.

For more information on our Equality Policy please visit <https://www.horizonnuclearpower.com/our-policies>

5. Next Steps - Our ongoing commitment

It is widely acknowledged that organisations which achieve greater levels of diversity and inclusion within their workforce create an environment that supports and rewards the best talent, irrespective of gender. Horizon is committed to create such an inclusive environment and a culture where all individuals acknowledge and support the aspiration to support women and their progression to increased participation within leadership positions and to address and remove any gender-related barriers that may exist.

Improving workplace demographics

As a member of the Hitachi group of companies we will participate in workshops coordinated by our parent company to help ensure the sharing of best practice.

In addition, we will focus effort to identify and highlight female role models from within the organisation to influence the next generation of female employees by connecting with those currently at school, making academic choices which will inevitably influence their future career paths. Female role models will be instrumental in challenging stereotypes and embedded perceptions of typical jobs for girls and demonstrate the potential benefits of a STEM career. Such activity can deliver positive results both in the medium and longer term, helping to develop a future diverse workforce with an improved skillset which reflects the demographic of wider society.

Our current Graduate and Apprentice programmes provide excellent examples of successful women to those within primary and secondary education and, as their careers progress, can become role models and spokespeople to attract future female employees. As an industry, it is imperative that the nuclear sector is able to attract an increased pipeline of female talent who display a passion for science and technology.

Focusing on our Talent Development Programme and Succession Planning

Ensuring that female colleagues have equal opportunities and a clear career path to senior roles is an essential element of our forward action plan to address the existing gender pay gap. In addition, to ensure a sustainable pipeline of female leaders, we will develop and implement programmes that provide opportunities for growth and progression and, where necessary, intentionally focus on and encourage high-performing women to participate in such programmes.

Approach to Flexible Working

We recognise that providing employees with flexibility to manage their hours and work location to accommodate changing demands can be a significant differentiator for companies seeking to attract talent. The driver for such flexibility is not specific to employees with childcare responsibilities, as within Horizon currently, there is evidence of increasing numbers of employees requesting such flexibility to care for elderly parents or partners with significant health issues. Such flexibility will be an integral element of our overall approach to the development and retention of key talent, irrespective of gender, with the aim to create an environment that values and promotes a range of working styles and practices.

Approach to Reward

We will review our existing reward framework during 2018 to ensure it remains competitive and aligned with existing market practice. An essential element of this forthcoming review will encompass an equality assessment to identify and rectify any potential gender pay issues that may exist.

Ensuring our policies support diversity aspirations

We will ensure our Equality and related policies and associated arrangements operate in accordance with statutory requirements and actively support our diversity agenda. In addition, we take full account of any guidance or Codes of Practice issued by the Equality and Human Rights Commission, any Government departments, and any other statutory bodies. Related policies encompassing issues such as parental and caring leave, work-life balance and flexible working are also reviewed on a periodic basis to ensure best practice.

Communicating results

The results of our Gender Pay report will be communicated to our people through various channels including the Intranet, staff forums and face-to-face briefings. This will include the opportunity for staff to feedback views and opinions on related proposals and initiatives to ensure that we regularly capture and adapt our practice as required to achieve optimum progress.

Employee survey

As part of the Hitachi Group we undertake an annual employee survey and, as part of our obligations to the Office for Nuclear Regulation, we conduct an annual Culture Survey. Both surveys will seek to capture staff feedback in relation to diversity initiatives and enable ongoing monitoring and review of activity and initiatives in this area.



Duncan Hawthorne

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Chief Executive
Horizon Nuclear Power



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