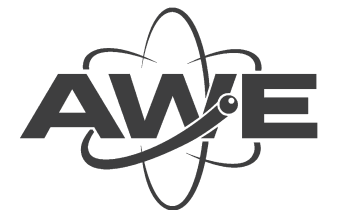




Gender Pay Gap report



FEBRUARY 2019



Introduction

from Iain Coucher,
AWE CEO

This time last year, I said that addressing instances of gender pay gaps is a moral and ethical issue. This remains true.

Talent is unrelated to gender and other forms of diverse background and, as such, all companies must continue to focus relentlessly on ensuring fairness and equality in their workforces.

At AWE, this is and will remain a priority for everybody. There may be reasons why disparity exists – but there can be no excuses for inaction.



Foreword

from Sian Butler,
AWE Director Assurance & Risk

This is our second gender pay gap report, a report which all companies with more than 250 employees are required to publish annually.

While I am pleased that we are moving in the right direction, there is still a great deal of work and commitment required to narrow this gap even further. It's good to see an improving trend, but we know that the gender pay gap won't be resolved overnight.

A steady rate of progress is positive and sustainable. Maintaining our active membership of WISE and its Ten Steps programme, together with changes to the ways in which we recruit people to reach a wider audience, will continue to help us close the gap and

broaden our access to talented STEM women.

Our overall aim is to have a 50:50 gender split across our new starters. In order to attract the best and brightest – women and men – we need to recruit from as wide a talent pool as possible. This means making our business attractive to people professionally and personally; by offering them challenging and fulfilling career opportunities, backed by flexible, modern working practices; support and development, plus inspirational leadership and strong organisational values.

We have made great strides in growing a culture of inclusivity, diversity and innovation – we know that talent is not gender-specific. We



have already seen the benefits that diversity in the workforce can bring – new ideas, different perspectives and creative energy – and these are exciting times to be at AWE.

As a woman in STEM myself, I know how vital it is for women to “see what they want to be” and it is important to demonstrate that, at AWE, it is ability which counts and not gender. Our report sets out the key data, together with an explanation of what it means. I hope you find it interesting and useful.

“As CEO of AWE plc I am authorised to confirm that the information published in this report, in accordance with regulation 2 of The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, is correct.”

CEO Iain Coucher



Glossary

Gender pay gap

The gender pay gap is the difference between the average hourly earnings of men and women, not about equal pay for men and women doing the same work. It is measured using three criteria – comparison between median hourly pay for all women and men within a business; between mean hourly pay for all women and men and between bonuses paid to men and to women. Put simply, the higher the percentage gap, the greater the disparity between men and women for the figures reported. These figures include both part-time and full-time employees.

The median gender pay gap

This is the difference between the median (middle) value of hourly pay rates (from lowest to highest) for all men in an organisation and the median value of hourly pay rates for all women, expressed as a percentage of the median hourly rate for men.

The mean gender pay gap

This is the difference between the mean (average) hourly pay rate for all men in an organisation and the mean hourly pay rate for all women, expressed as a percentage of the mean hourly rate for men.

The median bonus pay gap

This is the difference between the median (middle) value of bonuses (from lowest to highest) for all men

in an organisation and the median value of bonuses for all women, as a percentage of the median bonus for men (a negative figure indicates a balance in favour of women).

The mean bonus pay gap

This is the difference between the mean (average) value of bonuses for all men in an organisation and the mean value of bonuses for all women, expressed as a percentage of the mean bonus for men.

25% (quartile) pay distribution

The proportion of men and women in each 25% (quartile) of an employer's pay structure.

This is worked out by:

- Taking all the hourly pay rates (from lowest to highest) for all men and women in an organisation and dividing them into four equal sections of 25%: lower, lower middle, upper middle and upper.
- Next, calculating the number of men and women, within each 25% pay band, as a percentage of all employees within that pay band.

STEM – science, technology, engineering, mathematics.

WISE – Women in Science and Engineering.

WISE enables and energises people in business, industry and education to increase the participation, contribution and success of women in STEM.



15.0% = DIFFERENCE IN MEDIAN PAY

10.8% = DIFFERENCE IN MEAN PAY

“ The national gender gap is

17.9%”

= difference in median pay

AT AWE THE GENDER SPLIT IS APPROX
78% MEN AND 22% WOMEN



* AWE data is from April-May 2018 and includes employees (not integrated personnel, contractors or secondees).

** Office for National Statistics, October 2018, median hourly pay all industries and sectors.

Laura

Laura is a scientist and Operations Manager. She joined AWE in 1989 and leads the AWE Equality Network and Gender Balance working groups.

“ I’ve seen a lot of changes since I came to AWE 29 years ago. When I joined, I could be in meetings, of 20 or more people, where I was the only woman.

I’ve been the chair of the gender balance working group for 18 months. Our role is to challenge and question all aspects of gender stereotyping. There is definitely more of an awareness now of unconscious bias, but generally as an organisation we are moving towards a different perspective.

There’s still stereotyping, for example, around motherhood. Few men take the parental leave that is available to them and it is still mainly women that work part-time.

What we find happens though, is that we start off looking at ‘women’s issues’, but in fact they quickly become gender neutral. It is more about making people feel valued in the workplace. We’re looking at developing options for women and men because, with an ageing workforce, our working lives are becoming more non-linear and it’s important to reflect that.

There are benefits here for both individuals and organisations. Individuals are able to work more flexibly around other commitments; while organisations are able to retain knowledge and skills that would otherwise be lost. ”



PROPORTION OF
**MEN &
WOMEN**

EMPLOYEES
WHO RECEIVED

BONUS

i 2.7%^{PAY}
VS. 1.8% i

MEAN GENDER BONUS PAY GAP:

-64.3%

AND MEDIAN GENDER BONUS PAY GAP:

-61.9%

There is no national comparator for these figures.

The mean and median bonus pay gap figures are negative because the gaps are in favour of women – meaning their bonuses are higher, although fewer women receive a bonus.

Phillip

Phillip is a physicist and has been at AWE for seven years, since joining the graduate scheme. He is a member of the Institute of Physics (IoP) and currently working towards IoP Chartered status. He is also a member of the Institute of Electrical and Electronic Engineers (IEEE) and the IEEE's Women in Engineering group.

“Over my time as a physicist, both student and professional, I have had a variety of inspirational figures, both male and female.

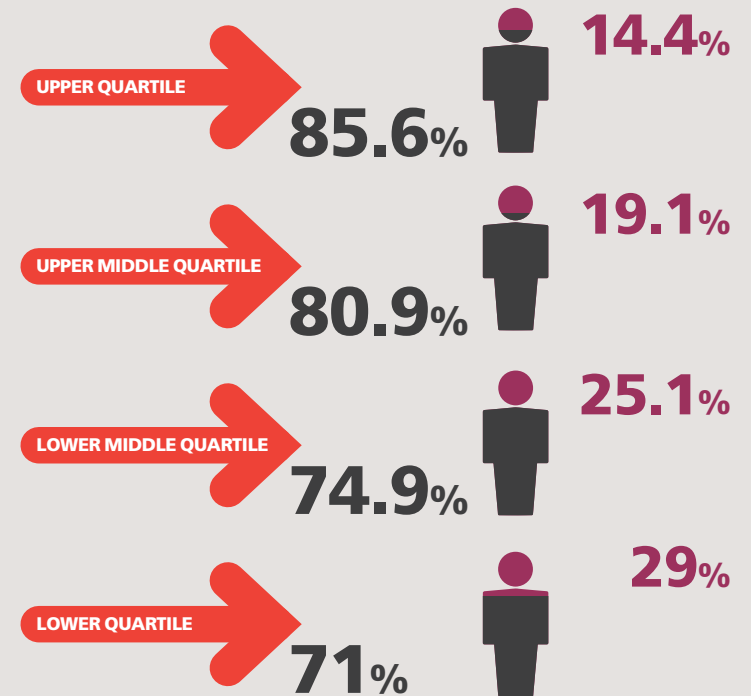
However, the history we have in the UK of a strong science culture, which was male dominated, may result in the assumption that it remains so, and it is a field resistant to change.

It is fundamentally important to have a more equalised gender representation in STEM, not just at AWE, but across the UK. This is a national issue, not just an AWE issue! A diverse workforce will typically result in alternative ways to view a problem, and therefore a wider variety of solutions, which is hugely beneficial in a problem-solving role.

I'm a great believer in outreach and I have represented AWE at an IEEE Women in Engineering leadership summit. I have also done a wide range of outreach activities to try and encourage more school-age girls into STEM.”



PROPORTION OF MEN & WOMEN (AWE EMPLOYEES) IN EACH QUARTILE OF THE TOTAL PAY DISTRIBUTION



There is no national comparator for these figures.

Cheryl

Cheryl joined AWE in 2008. She is Team Leader of a Technical Services team and a Registered Scientist with The Royal Society of Chemistry.

“ I left school at 16 and worked for 23 years in a bank, so when I joined AWE I had no science background at all. All my technical knowledge and qualifications have been gained while working at AWE. I am lucky to have a great (male) mentor, who supports me and encourages me.

I suppose I'd always accepted that STEM was more male-dominated, but I think that is changing very quickly. I've noticed an increase in female lab apprentices and graduates joining AWE and I think this is important because I believe it will encourage more women to apply for such roles.

By offering full training and qualifications, people like me, who have no past science experience, will be encouraged to apply for STEM roles if they want a career change. I certainly never expected to go from being a bank clerk to achieving the position I'm in now, leading a science team! ”



Our action plan

We support flexible working and all staff can apply for this

Through regular outreach activities, AWE aims to inspire more young women to study STEM-related subjects

Our long-term goal is to achieve a 50:50 gender split across new hires

We are committed to progressing on the WISE Ten Steps campaign and we will continue to work with WISE to encourage more women into STEM roles

We will continue to support career progression across all sectors at AWE and identify and address barriers where we find them



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