

GENDER PAY REPORT 2018

NATIONAL NUCLEAR
LABORATORY



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'WE NEED PEOPLE TO THINK DIFFERENTLY FROM ONE ANOTHER IN ORDER TO TURN ECONOMIC, ENVIRONMENT, SOCIAL AND TECHNOLOGICAL DEVELOPMENT AND CHALLENGES INTO OPPORTUNITIES'

Department for Business, Energy and Industrial Strategy



INTRODUCTION

By Clare Barlow, Chief Human Resources Officer, NNL

Effective Equality, Diversity and Inclusion (ED&I) strategies and activities in our places of work are areas of challenge facing many organisations within our industry and beyond.

NNL is actively working to develop policies and practices that will enable equitable and inclusive working cultures and I am excited to be able to share this work with you in this report. We're really proud of the ED&I agenda that we are pursuing here and we know, given NNL's role as a trusted source of expertise and advice for the nuclear industry more widely, that the exemplar practices we're building and striving for, will bring dividends to the sector as a whole as they embed within our organisation.

The challenge for the industry in developing its ED&I practice is clear. So clear, in fact, it was articulated in the Nuclear Sector Deal, which was announced by the Government in June 2018, as a series of objectives and targets.

These are:

1. To attract, develop and retain a diverse workforce
2. 40% of the UK Nuclear workforce to be female by 2030
3. The proportion of women in senior management to be 25% by 2030
4. 50% of all apprenticeships to be held by females by 2021

In NNL we've set up an ED&I Steering Group to ensure we play our part in delivering these results, with the intention of going further still. Drawn from all areas of the business and including trade union representation, this group is setting out the strategic direction for NNL's activities, through focused work-streams that tackle head-on the challenges to progress. You can read more about our ED&I Steering Group and its work later in this report.

While we've had some fantastic successes to date, we know our journey is on-going. There's a dedication in our teams for the work we are doing and, above all, there's a commitment from all at NNL to implement the changes that will address inequalities wherever we find them. We are passionate about enabling a culture that is inclusive, rewarding and engaging for all of our employees. We're excited about the prospect of that prize.

Parity of pay, based on gender, is one indicator which helps us to understand our ED&I challenge and we're pleased to share with you NNL's data for 2018. In 2008 the European Commission found that women's hourly earnings were on average 18% lower than men's when all industries were considered (EC, 2008).

If we maintain current pace, it will take a jaw dropping 99 years from the 1970 Equal Pay Act to see full equality. At NNL, that just isn't good enough and our ED&I work is testament to the investment we are making to bring parity as soon as possible.

The Gender Pay Gap is a reflection of the wider social challenges and our current ED&I strategy and action plan, whilst not just gender focused, pulls together all the elements that will act as enablers to drive towards a fully diverse and inclusive workforce.

I confirm that this statement is accurate to the best of my knowledge and belief.

WHAT OUR PAY DATA TELLS US

The gender pay gap shows the difference between the average (mean or median) earnings of men and women. This is expressed as a percentage of men's earnings, for example, women earn 15% less than men.

To help understand the data, the following definitions may be useful.

Mean gender pay gap:

This calculation shows the difference between the mean hourly rate of pay that male and female full-pay relevant employees receive.

Median gender pay gap:

This calculation shows the difference between the median hourly rate of pay that male and female full-pay relevant employees receive.

Mean bonus gender pay gap:

This calculation shows the difference between the mean bonus pay that male and female full-pay relevant employees receive.

Median bonus gender pay gap:

This calculation shows the difference between the median bonus pay that male and females full pay relevant employees receive.

Full Pay relevant employees:

All employees who were paid their usual full pay in their pay period that included the snapshot date - these are referred to as 'full-pay relevant employees'

Pay by Gender

Salaries - Our current mean gender pay gap is 11%, meaning women at NNL are paid on average 11% less than men. Since we are confident that people working full time at the same pay point level receive equal pay, this number suggests a higher number of women in lower paid roles and a higher number of men in higher paid roles.

Bonuses - NNL's main company wide bonus scheme pays the same amount to all employees thus producing a median of zero.

| | Mean | Median |
|------------|-------|--------|
| Hourly Pay | 11% | 16.8% |
| Bonus | 11.2% | 0.00% |

However, included in this calculation is a small percentage of people who receive a personal bonus. This does differ depending on scheme rules and on the basic pay of those in receipt of such bonuses.

If we just looked at our personal bonus median the median bonus gender pay gap for that small population would be 2.2%

Pay Quartiles by Gender

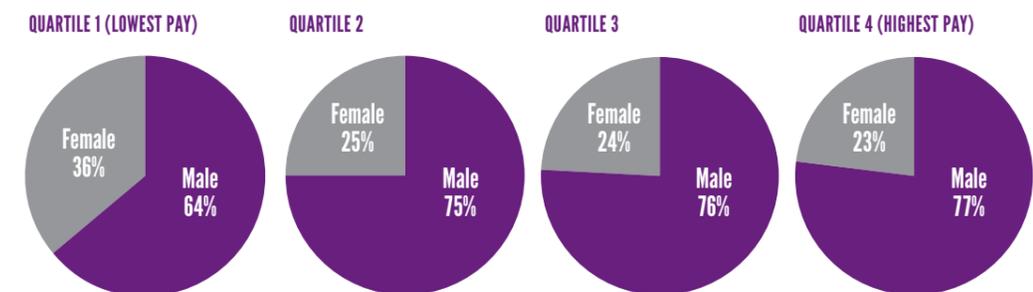
The chart below illustrates the proportions of men and women in four quartile pay bands, created by dividing the workforce into four parts, with equal numbers of employees in each part. Quartile one represents the lowest paid bands, while quartile four represents the highest paid quarter of our employee population.

The purpose is to assess how the levels of parity differ from the lowest to the highest paid roles.

These quartiles show that we have a larger weighting of female employees in the lower quartile of our organisation.

This supports our analysis that it's the under-representation of women in higher skilled/paid roles that is the main source of our gender pay gap.

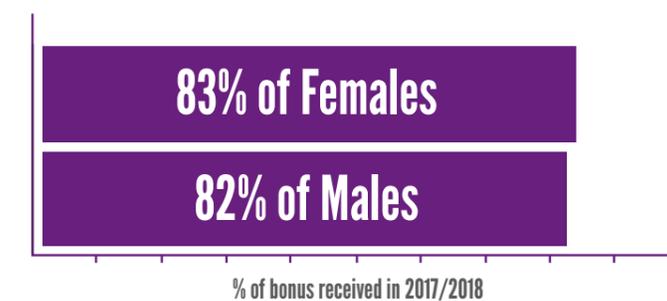
At NNL, roles within the corporate functions, where salary levels are generally lower, are heavily represented by women. Men tend to fill more of the technical and operational roles which have higher salaries plus additional allowances for working in active areas.



Bonuses by Gender

NNL awards a company-wide bonus, paying the same amount to all employees. We also pay a personal bonus at senior levels in the organisations, where we have considerably more men. As a result, our mean bonus pay gap is 11.2% - broadly consistent with the mean gender pay gap.

We will continue to ensure we monitor our gender pay gap relative to the industry average so our ability to attract, motivate and retain talent, irrespective of gender, is not compromised.





WOMEN IN STEM ROLES WITHIN THE NUCLEAR INDUSTRY

By Olivia Thompson,
Head of Technical Skills and Capability

Current position (facts and figures)

The UK population split is currently 51% female and 49% male (OFNS, 2017). However, within the UK STEM workforce 24% of roles are occupied by females (WISE, 2017). This is a statistic replicated in the nuclear sector, which currently has a gender split of 23% female to 77% male (Cogent 2017).

52% of UK employers are currently seeking new engineering and technology recruits and 57% of employers have experienced difficulty in recruiting engineers with 5-10 years relevant experience (IET, 2017).

Driving an enhanced gender diversity profile within the sector is a prime area of focus and in particular for STEM as there is currently a predicted STEM graduate shortfall in the UK of 300,000 persons (NAO, 2018).

To take NNL as an example by examining trends over the past three years, overall 25% of our graduate recruits have been female. Over the same time frame 21% of graduate applications to NNL have come from female candidates.

However, the 2018 graduate intake in NNL has seen the percentage of female recruits rise to 27%. This reflects exactly the overall

gender split within the organisation and a small improvement towards the nuclear sector gender target of 40% (NIC, 2018).

Over the past three years female applications to our apprenticeship programme have accounted for 23% of the total, with 2017 seeing a peak at 33%. During 2016 and 2017, 31% of our apprentices were female. This again demonstrates an upwards increase. And there is a widespread aspiration across the nuclear sector to have gender parity in the apprenticeship intake in the next five years.

It is interesting to note that with both graduate and apprentices, females have been more successful than their male counterparts in converting applications into positions within NNL. What is clear from this data is that the proportion of females being recruited into graduate and apprenticeship roles is comparable with the total proportion of females within NNL overall.

Driving towards a more equitable split by gender that is reflective of the UK as a whole will ultimately require a drive in attracting females into graduate and apprentice positions. This is a key step in enabling pump priming of the talent

pipeline, and is a reality which is mirrored throughout the STEM sector.

Female Representation in STEM roles

Why is it that females are so poorly represented in STEM careers when there is a clear (statistically proven) business benefit from having a gender diverse workforce?

The simple answer to this question is often cited as “too few women are in the talent pipeline”. This means there are too few girls choosing STEM subjects at school/college/university which could lead them to a career in the STEM sector.

However, research shows that this is perhaps a more complex question than it seems at face value. Perhaps the more important question to ask is why do young females not pursue STEM subjects in their early education in the UK in the same numbers as their male counterparts?

NNL is committed to supporting the education of our young people and we are busy developing a dynamic out-reach programme to encourage our next generation of nuclear scientists and engineers.

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EQUALITY, DIVERSITY & INCLUSION AT NNL: WHAT WE HAVE DONE & WHAT WE ARE DOING

NNL'S EQUALITY, DIVERSITY & INCLUSION STEERING GROUP

Established in January 2018, the purpose of the Equality, Diversity and Inclusion Steering Group is to provide a strategic framework and focus to our work.

This work covers all diversity and inclusion challenges of which the gender pay gap is one.

The group's mission is clearly stated: To attract and retain a diverse workforce where everyone feels able to be themselves, valued for what they contribute and to enable NNL to be the best place to work.

Three key priorities for the work of the ED&I Steering Group have been identified.

They are:

- Enabling entry into NNL and the wider market
- Encouraging career development and leadership by removing barriers to progression
- Promoting an inclusive workplace culture and quality of work

The group's work is organised into three work-streams that map onto these priorities.

To make sure delivery is tracked, we're using a systemised 'Fix, Focus and Grow'

approach so progress can be systematically monitored.

Made up of eight members, the group includes Trade Union representation and has NNL Board sponsorship of its programme of work.

The group has produced a three year ED&I plan which has been presented to the NNL Board and endorsed. The plan has been produced with the input of 50 NNL ED&I champions (around 5% of NNL's workforce).

Key deliverables include activities to develop:

- ED&I awareness and communication
- ED&I recruitment
- ED&I training
- Mental health awareness
- Career progression across the genders
- Flexible working

Other outputs to date include review and rollout of NNL's Early Career recruitment strategy in light of Nuclear Sector Deal targets.



CASE STUDY

Dr Colette Grundy, Head of Regulation Advanced Nuclear Technology BEIS – secondee from Nuclear Innovation Research Office, NIRO.

Colette has a PhD in Chemistry, is a chartered chemist, and a Fellow of the Royal Society of Chemistry. She is a NNL Laboratory Fellow in nuclear regulation and is currently seconded into the Department for Business, Energy and Industrial Strategy where she is providing specialist strategic and technical advice for advanced nuclear technologies

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I have a well-established career in the sector, having worked in senior positions for NNL and its predecessor BNFL, as well as in nuclear regulation and now for Government.

When I look back to the start of my career in nuclear in 2000, the UK nuclear industry was traditionally male dominated and I was one of very few women in meetings. When I travelled overseas to carry out inspections as a nuclear regulator, it was apparent that elsewhere things were different. I have worked in Europe and the Middle East as well in the US.

Canada is a good example where diversity is well established – for instance at Atomic Energy of Canada (AECL), the Chief Engineer is a lady from Iran with a PhD in civil engineering and there is a diverse range of nationalities in the senior management team.

Things began to change when NNL started to take this agenda forward and that is encouraging. The graduates and younger

people in NNL are now more representative of the general population in terms of gender and ethnic diversity. I mentor and support staff in their professional development and I am mentoring two younger men and two younger women in NNL.

The Government has committed in the Nuclear Sector Deal to increase the number of women in nuclear to 40% by 2030. I am supportive of Women in Nuclear (WiN) and I am a member of the North West's Regional Committee that looks at how we can attract and retain women in the sector.

To achieve the commitments in the Nuclear Sector Deal, we need everyone to be involved - both men and women. It is important to provide role models to women to show what they can achieve and to understand the potential barriers that need to be addressed.

There also needs to be diversity of thinking in nuclear to encourage innovation and make change happen.

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RECRUITMENT

The Nuclear Skills Strategy Group (NSSG) – the employer-led group which leads the sector’s thinking about issues relating to Skills in the sector - has set a target, which is endorsed by Government, that 40% of the nuclear workforce is to be female by 2030.

However, NNL recognises that diversity is broader than this alone.

Achieving true diversity within the sector in the near term must focus on enabling recruitment, and specifically STEM recruitment, from broader / more diverse backgrounds. Key focus areas in achieving this will be:

- Informing and collecting quality data to understand the diversity challenge and progress – through a dashboard to inform decision making (e.g. through a diversity index)
- Putting in place robust recruitment guidelines to minimise unconscious bias during recruitment
- Working with educational establishments and other STEM organisations to develop a sufficient, diverse pipeline of talent to underpin future recruitment campaigns
- Supporting those who have had a career break or those who are currently employed in other sectors and may be thinking of transferring into nuclear

Our work to develop a strong and diverse employee base for the future starts before someone has joined the organisation and thanks to the introduction of several new policies and processes, NNL is now able to use more insightful data to inform our thinking. For example, NNL is now working to track diversity across the Early Career programmes more effectively, by introducing at-application diversity surveys.

This enables us to understand if there are any areas of our business which have established recruitment patterns which we can interrogate in order to understand them.

To ensure all managers and others involved in the recruitment process deliver the very best recruitment practices, we are continuing to roll out ‘licence to recruit’ training for managers and those involved in the recruitment process to remove unconscious bias in selection.

We will be aiming to achieve a 40:40:20 split (40% male, 40% female, 20% either) to improve the number of females in STEM careers (and we plan to roll this out across all programmes).

Apprenticeships

Apprenticeships offer an alternative and appealing entry point into a career in our industry and NNL has an active and supportive programme that has had significant success in supporting females into STEM-based careers.

Using female ambassadors for our apprentice programme (particularly in engineering and scientific routes) NNL is working to encourage more females into STEM apprenticeships. One way in which we are doing this is through our work with external organisations to develop an outreach strategy with local schools and colleges to improving diversity across all socio-economic groups.

Graduate programme

Unconscious bias can be a feature of any recruitment activity in any sector and at NNL we’ve introduced a number of initiatives to try to ensure it doesn’t affect opportunities for applicants.

For example, as part of the recruitment process we have incorporated blind short listing and also removed CVs from the assessment process to remove any elements of unconscious bias.



CASE STUDY

Dr Mary Erlund, Criticality Safety Consultant, NNL Equality, Diversity and Inclusivity (ED&I) Workstream Lead for Career Development and Leadership and a Trade Union representative for Prospect.

“ I joined NNL 10 years ago, coming straight into Criticality Safety from a PhD in Astrophysics.

I now have two small children and, as for lots of people, it’s often unclear how best to juggle career and home-life to get the balance right.

I know my career progression slowed down when I decided I wanted to start a family in part because, in my particular situation, to progress would mean moving jobs which I thought would adversely impact my family’s life.

I have a strong sense of justice and so doing what I can to ensure a positive approach to ED&I in our sector is important as I think it makes for a better work environment for all.

Therefore it’s not about creating a system that is unequal in any way: transparency in the system means everyone benefits. Not everything, including promotions, falls your way and that is just life.

But more transparency in how we operate produces more confidence for everyone that what we as an organisation are doing is right.

This is why I am involved in the ED&I work and why I am a Trade Union representative: making sure the systems and processes are fair, whatever the outcome.

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ED&I AND THE UNDER-REPRESENTATION OF WOMEN CROSS THE SECTOR



NNL understands the need for a diverse workforce both at an organisational and sectoral level and as such, actively supports employees that engage in key nuclear groups and organisations that strive for gender parity.

In particular, NNL:

- Is a lead organisation in the UK's NSSG
- Actively supports WiN at all levels, including the attraction and retention agenda
- Engages with schools to excite the next generation about nuclear and in particular continues to drive the "girls into STEM" agenda

NNL and The NSSG

The Nuclear Skills Strategy Group (NSSG) is the nuclear industry's lead strategic group responsible for nuclear skills and it provides "one voice" into Government. It is responsible for the delivery of the Nuclear Sector Deal's People Theme.

Its primary purpose is to ensure that the UK skills demand from the future nuclear civil and defence programme will be met from a highly skilled and diverse workforce.

NSSG is a partnership between the nuclear industry, government and trade unions that will drive this agenda.

NNL is a proud member of this group and as an organisation, it has an alignment with the priorities being progressed by NSSG. Chaired by NNL Executive member, Dr Fiona Rayment and with NNL's Chief HR Officer Clare Barlow also a sitting member of the NSSG, NNL is helping to inform ED&I thinking and approaches across the sector.

It is important to note that, as well as Board involvement, NNL colleagues from across the organisation are actively involved in NSSG sub-groups, including those with ED&I agendas. NNL actively supports this cross-working of its teams between the two structures because we

understand the value that it will bring to NNL and the nuclear sector more widely.

NSSG's work is delivered in themes. For the purposes of this report, the NSSG themes with an ED&I focus which are the most pertinent to our discussion are discussed here. Amongst those set out by the NSSG, a number specifically aim to increase workforce diversity and promote diversity of thought.

To deliver these aims, NSSG has identified the need for integrated regional and national nuclear skills planning, a defined workforce demand and supply requirement, and the ability of the nuclear sector to attract develop and retain a diverse workforce.

The development of a sector wide ED&I strategy, a communications strategy which aims to attract and retain a diverse workforce and the implementation of a scheme, called the Future Boards Scheme, to increase diversity at senior levels within the sector, are just some of the outputs NSSG is pursuing to bring improvements.

The Future Boards Scheme also provides a practical example of NNL's direct engagement with the NSSG strategies. At the highest level we have supported such schemes, with additional female representation on the NNL Board and by supporting the personal development of senior female NNL colleagues to get Board experience outside the organisation.

As well as being a lead member of the NSSG, NNL has also been specifically working with the group to identify key measures, outcomes and deliverables for this work. This is critical work to ensure that the work of the NSSG is aligned to the wider industry objectives such as those set out in the Nuclear Sector Deal.

Targets such as that to have the sector's workforce consist of 40% women by 2030, while ambitious, are achievable and NNL is committed to making the changes the industry needs to see to achieve them.

NNL and WiN

Given the importance of ensuring a more equal sector, NNL is actively engaged with WiN, a sector wide organisation with a mission to address the industry's gender balance, improve the representation of women in leadership and to engage with the public on nuclear issues.

As one of its founding members, NNL is represented by executive team members who deliver and actively support WiN's work.

As an organisation that sees the active involvement and commitment of men and women from across NNL, alongside other key industry partners, 2018 was a busy year for WiN with regular industry, community and government working together and demonstrating the industries ongoing commitment to ensuring women maintain a strong voice in the industry.

One activity which NNL was able to share with WiN in 2018 was the nationwide celebration to mark the 100th anniversary of Women's Suffrage.

Invited to host the Suffrage event as it toured the country as part of a 52-week long celebration, the Suffrage flag joined WiN members at a unique celebration in Cumbria in July.

NNL and Diversity in STEM

NNL also sees the ED&I challenge in the longer term and as such is actively engaging with schools to promote the "females into STEM" agenda.

Through sponsorship and the time of colleagues from across NNL, we support:

- smallpeice Trust – nuclear engineering courses (some are girls only)
- The Girls In Engineering initiative
- Girls leaving school through the Dream Placement scheme



