



Gender Pay Gap Report

2022

Introduction

Welcome to our 2022 Gender Pay Gap Report. As a female CEO in the defence industry and as a qualified engineer, I'm determined we do more to bend the curve to ensure that more girls and women have the opportunities and support to fulfil their potential and achieve.

Closing the gender pay gap in many industries requires changes beyond internal policies and practices. It needs an holistic approach that tackles the grassroot causes of the gap and creates a long-term sustainable change. Not only are we focusing on improvements and networking for tangible change in our company and the wider industry, through our work within schools and the local community we're driving generational changes to encourage inclusivity in STEM, manufacturing, construction and environment.

“ ... our figures do not tell the whole story – I know so many at AWE continue to work hard to reverse this situation. We're anything but complacent over this gap, but realistically it's a long-term task

It's a big disappointment that our gender pay gap has slightly increased during the last reporting period. However, our figures don't tell the whole story – I know so many at AWE continue to work hard to reverse this situation. We're anything but complacent over this gap, but realistically it's a long-term task. It's going to take years, potentially a decade or more, to adjust the structural balance of not just AWE, but wider industry and the recruitment of future employees, to both employ more women and advance them to higher paid roles.

Hopefully you'll read beyond the figures to discover how we remain focused on improving our gender pay gap in the long term, as well as the more immediate steps we're taking. We're working on sustainable changes at many levels – you can read about these further on.

At AWE we fulfil a unique mission within the nuclear sector. Our work is critical to the nation's defence, and it can only be strengthened when shaped by a pool of diverse, talented people we will have here. I know we still have some way to go, but everyone at AWE is focused on achieving a positive outcome regarding the gender pay gap over the coming years.

Alison Atkinson
CEO AWE PLC



Our gender pay gap figures

Overview

All organisations employing over 250 employees have been legally required to report annually on their gender pay gap, since April 2017, under the Gender Pay Gap Regulations. AWE easily falls into this category as an employer with a team of around 6,000 people.

The gender pay gap provides a snapshot of pay by gender within an organisation. It measures the difference between the average earnings of all male and female employees, regardless of their role or seniority.

Median pay gap

The median pay gap is the difference in pay between the middle-ranking woman and the middle-ranking man. If you place all the men and women working at a company into two lines in order of salary, the median pay gap will be the difference in salary between the woman in the middle of her line and the man in the middle of his.

Mean pay gap

This measure shows the difference in average hourly rate of pay between men and women. This is also affected by the different numbers of men and women in different roles.

Pay gap vs equal pay

The gender pay gap and equal pay are often confused as being the same. The gender pay gap is different to equal pay, which is the legal requirement that men and women are paid equally for doing the same job under the Equality Act 2010; the gender pay gap reports on pay across all jobs.

Average hourly earnings

A gender pay gap looks at a company's workforce and measures the difference in its average hourly earnings between its male and female employees.

Bonuses

Gender pay gap reporting also requires us to look at the proportion of men and women who receive a bonus. For this reporting year, the mean bonus awards continue to favour women; however, we've seen the median bonus favour men.

Our **median gender pay gap** between men and women is equivalent to an increase of:

34p from an hourly median of **£4.36** in 2021 up to **£4.70** in 2022

Our **mean gender pay gap** has increased from 2021 by:

17p * up to **£3.54** per hour from **£3.37** per hour

Our Median and Mean Pay Gap 2022

MEDIAN	18.6% (2021: 17.9%)	↑
MEAN	13.0%* (2021: 13.1%)	↓

*The mean pay gap between men and women has widened in cash terms. However, the relative increases to the underlying hourly rates of pay has resulted in the mean percentage pay gap decreasing slightly.

Difference (between men and women)

	April 2022	April 2021
Median bonus	16.7%	-15.4%**
Mean bonus	-45%**	-42%**

**The negative figure for mean bonus means that the difference is in favour of women

Our gender pay gap figures

Career progression

The extent to which women can participate and progress into higher paid roles can also be looked at within pay gap reporting. More senior and specialist roles tend to attract higher pay, and the average gender pay gap will be impacted by the number of women in these roles.

Quartile pay band distribution is calculated by ranking the hourly rate of all employees from the highest to the lowest paid, dividing this list into four equal parts and working out the percentage of men and women in each of the four parts.

Over the last year we've seen little difference in movement within the pay quartiles.

However, at the time of the report, AWE had three female Executive Directors (including the CEO), with the number of women in senior posts rising from 20% in 2021 to 22% in 2022.

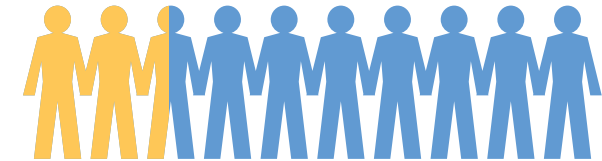
Employee headcount

Compared to the same date in 2021, our headcount has reduced from 6,389 to 6,200 (see breakdown below). Within AWE's headcount, women make up 24.2% of the population and men 75.8%.

Women – 24% AWE population – Total: 1,499 (compared to 1,532 in 2021 – down 2%)

Men – 76% AWE population – Total: 4,701 (compared to 4,857 in 2021 – down 3%)

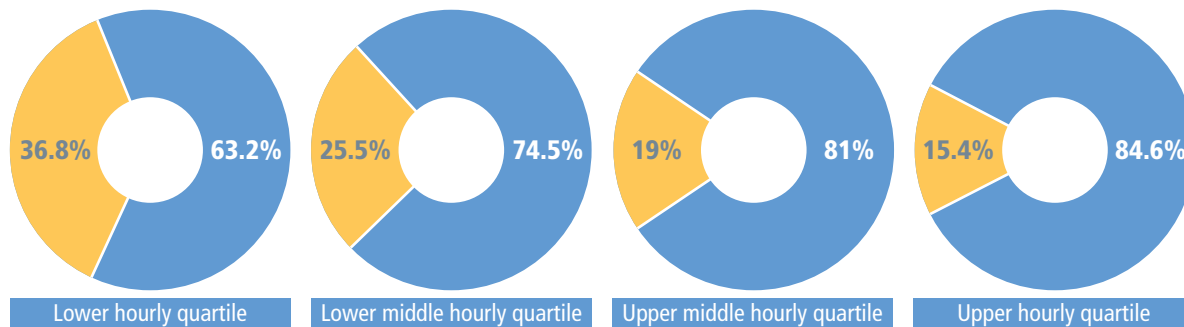
6,200 full-time employees
24.2% women – 75.8% men



Gender identity

According to Government regulations, all of our employees have to be categorised as male or female for the purposes of gender pay reporting. At AWE, we recognise that not all colleagues identify as male or female. While this narrative and the data it is based on focuses only on the binary definition of gender, we're committed to supporting non-binary colleagues. Our AWE Pride Working Group exists to engage, educate and help curate a more welcoming environment and culture for anyone who sits on the gender and sexuality spectrum.

Proportion of men and women within AWE in each quartile of the total pay distribution (April 2022)



The bigger picture

Our figures show there has been a small year-on-year widening of our gender pay gap. First and foremost, we remain committed to tackling this at all levels and have a framework and activities in place to meet this challenge. We're following best practice in this area through actions that are proven to address the gender pay gap over time. However, there is a legacy, along with a number of drivers, that have stunted progress in our desire to close the gap.

Our legacy

You'll see from our earlier figures that AWE is a male-dominated organisation (currently 76% men: 24% women). This is a legacy position, reflecting the dominance of men in industrial roles, and the continuing challenge in wider society to encourage more women to pursue STEM subjects and qualifications.

Further impacting our figures is the calculation of pay for this analysis includes allowances. As is typical in STEM and manufacturing organisations, many of AWE's allowances relate to manufacturing and industrial roles, which are male-dominated.

“ As with the wider industry, there is a challenge of encouraging young women to consider a career within the nuclear industry ”

The bigger picture

An additional constraint is the ability to hire from an already small pool of women into higher paid roles (which would materially reduce the pay gap) – this is further impacted by our wider challenges of security and nationality requirements, as well as recruiting into such a niche sector. We continue to develop all our employees in their role, which over time should positively impact our pay gap as more women progress into higher paid roles alongside men.

The nuclear industry

Currently, the nuclear sector workforce is 22% female, made up of 12% within the Defence sector and 28% in Civil Nuclear. Aspirational targets have been set for the UK nuclear workforce by the Nuclear Skill Strategy Group (NSSG) and the Ministry of Defence to reach 40% female by the year 2030.*

As with the wider industry, there is a challenge of encouraging young women to consider a career within the nuclear industry. We continue to forge partnerships with support networks like Women in Nuclear and Women in Science and Engineering (WISE) to rectify this trend.

* Women in Nuclear (WiN), Young Generation Network (YGN) and the Nuclear Skills Strategy Group (NSSG) collaborate to support delivery of the ambitions as set out in the Nuclear Sector Deal: 40% of the UK Nuclear Workforce to be female by 2030.

Wider industry

Analysis suggests that our gender pay gap stems from factors which are common to our industry, not from equal pay issues. This is not only an issue for AWE, but a deep-rooted issue across many sectors including STEM (science, technology, engineering, maths) and the wider construction and manufacturing industry. Other sector leaders show a similar pattern.

National picture

Figures from the Office for National Statistics (ONS) show that employment patterns and trends have become more complex over the last few years. During the pandemic period, earnings estimates were affected by changes in composition of the workforce; whilst the impact of the Coronavirus Job Retention Scheme (furlough) made analysis difficult.

The pandemic had a large effect on the labour market, seeing a rise in unemployment, economic inactivity, and redundancies – ONS data shows women were more likely to work in the most affected sectors and be furloughed.

Due to these issues, along with data collection and response-rate disruptions, there is some ambiguity



over recent gender pay gap figures (see below). In light of this, the ONS has encouraged businesses and organisations to focus on long-term trends rather than recent year-on-year changes.

Nationally among full-time employees the gender pay gap in April 2022 was 8.3%; this was 7.7% in April 2021 and 9.0% in April 2019 (pre-coronavirus (COVID-19) pandemic).



How we're closing the gap

Embedding change

Creating a diverse workforce is critical not only to our workforce, but also wider industry. We've forged relationships and continue to work with a number of networks and organisations focused on equity, diversity and inclusion (ED&I) to deliver positive outcomes for all:



We're one of the first signatories on the WISE (Women in Science and Engineering) Ten Steps campaign, an industry-led, action-driven framework to create the best environment for women in STEM. Recently we were ranked 8th at WISE's annual benchmarking event which reveals how signatories are performing in their application of the Ten Steps.

We continue to follow the WISE framework and provide support for its campaign to enable and promote the participation and success of women in the UK STEM workforce.



Since 2018 we've been a member of enei – the Employers Network for Equality and Inclusion.

Following its benchmarking process has helped us demonstrate to others how we're creating an inclusive environment. Recently enei's Talent Inclusion and Diversity Evaluation Report saw us scoring highly regarding the embedding of our ED&I approach.

30% Club

We're signatories of the 30% Club – a business campaign aiming to boost the number of women in board seats and executive leadership of companies all over the world. This is a global campaign led by Chairs and CEOs taking action to increase gender diversity at board and executive committee levels. Currently we've three female Executive Directors, with the number of women in senior posts rising from 20% in 2021 to 22% in 2022.



We support the work of Women in Nuclear (WiN) and their mission of addressing the nuclear industry's gender imbalance. We've supported key mentoring roles within WiN and are a signatory on its Charter to show our commitment to diversity in the sector.



“ Some of the positive things that I've seen in the last couple of years has been a wider recognition of (gender balance) as a topic. One of the WISE Ten Steps – which is a metric the company use to how they are addressing inequality in the workplace – is treating it like any other business project and that's something that traditionally we've not done very well; but I think we've taken steps recently to improve that, and I'm looking forward to where that's going in the next couple of years. ”

Phil
Co-Chair, AWE Gender Balance Working Group

How we're closing the gap

A supportive culture

We continue to put a lot of effort into supporting our people. We're focused on raising awareness both amongst line managers and our people in terms of the support available; whilst embedding our behaviours into a culture where people feel valued, included and able to speak openly.

Nurturing wellbeing

In recent years we've made great strides in our wellbeing offering and been recognised as an industry leader with a range of awards for our proactive and preventative approaches. In particular, our mental health strategy has been commended, with its range of guidance and tools – ranging from prevention and intervention training, awareness events to support sessions with mental health professionals. This means that everyone, regardless of gender, can feel able to give their best at work and progress within their career.

At our Aldermaston site a wellbeing sanctuary has been created to support people's mental health and resilience within the workplace, by providing a quiet space to spend time, relax and be mindful.



The AWE wellbeing sanctuary

How we're closing the gap

Smarter working

Intrinsically linked to our wellbeing approach is the association between better mental health and a good work-life balance. For AWE, its smarter working approach is more than a flexible working policy – it's about providing the right support, tools, skills and flexibility to balance home and work lives.

We've made significant changes to our smarter working approach and recruitment practices to demonstrate our commitment to women in the workplace:

- flexible working options are offered at all levels of the organisation to attract and retain women and make senior roles more appealing
- awareness raising and training on smarter working is focused on how to develop teams that are working flexibly.

Acknowledging that different people and parts of AWE have differing needs, we offer a range of flexible working options focused on helping our people achieve the best work-life balance to suit their needs, whilst ensuring that the business can continue to run efficiently.

Working families toolkit

Our people have access to our one-stop shop for everything around maternity, adoption and shared parental leave, as well as flexible working and returning to work, and outlining the support available to them and signposting sources of help.

Menopause policy and support

We've established a new partnership with Henpicked – one of the largest communities for women with advice on health and wealth – to steer us towards menopause-friendly accreditation during 2023. This work will help us support women during what can be an emotionally, physically and mentally draining time.



“ As a business it's important that we continue to have open and transparent conversations about the need to tackle our gender pay gap. Central to this is driving long-term change and a culture that promotes inclusion, embraces work-life balance, and works flexibly to support the needs of all our people. ”

Meg Hunt
AWE Chief People Officer

How we're closing the gap

Taking positive action

We're continuing to challenge the ways that we seek, develop and retain talent. This has seen us introduce workstreams focused on driving cultural change, raising awareness and embedding knowledge, skills and capabilities. Already this has seen improvements to our hiring programme and provision of benefits, including family leave, to ensure that we can best support, and therefore

attract and retain, working parents, specifically women.

Gender hiring programme

As part of our gender balance ambitions, we're now advertising all roles as flexible by default – to demonstrate our commitment to women in the workplace – and only by exception for operational need, will non-flexible working be considered.

Development

Continuous professional development (CPD) is a tried and tested way of helping women achieve their potential and further their careers. Our career frameworks, along with regular discussions on role and progression, help shape career choices and decisions – we continue to invest in CPD support and tools to ensure women reach their full potential.



How we're closing the gap

Mentoring circles

Mentorship plays a key part in enabling women to achieve by helping them connect to role models, foster dialogue, and provide support to shaping their careers. We've a well-established mentor network – featuring both personal mentors and mentoring circles – with mentees highlighting increased self-confidence and self-esteem as key benefits, along with the opportunity to grow their professional networks.

Supporting returners

Our Career Returners programme is designed to help experienced professionals return to their field following a career break and support their transition back to work. The programme is open to anyone who's taken a break from their career for two years or more – but is mainly aimed at women who've taken time out to bring up children. Those on the programme are offered a re-introduction to the workplace, helping build their confidence and gain industry-specific knowledge.

Systems Engineer Sarah, has found the Career Returners Programme invaluable in helping her re-enter the world of work as well as progressing her career, but on her own terms:



“ So my work-life balance at AWE isn't a typical 9-5, which I love. There's a flexibility to be able to work the hours to fit in with my personal circumstances, so I'm usually here while my children are in school, but I can also work from home in the evenings if needs be. In a year I feel like I've made differences here to the changing culture with my work on wellbeing and I've also advanced professionally in my primary job role as well. So to see what happens in ten years will be brilliant. ”

Sarah
AWE Systems Engineer

Championing gender balance

AWE has a number of working groups focused on equity, diversity and inclusion, including the Gender Balance Working Group which considers how we can become a workplace where all employees, regardless of gender, receive equality

of opportunity and recognition. More recently the group has outlined its strategic intent for gender balance within key areas – with workstreams focused on attracting AWE as a potential employer and supporting our people to reach their full potential and aspirations.

How we're closing the gap

Future generations

Our work with young people and community networks is helping to drive meaningful change to make gendered wage disparity a generational issue of the past. Our STEM Ambassadors work in partnership with local educational charities to inspire young minds and showcase the exciting world of STEM and the opportunities it can bring.

STEM challenges

Our STEM Ambassadors also encourage innovation through STEM events like the Primary Science Challenge. By showing students how much fun and creativity STEM offers we hope to encourage more young people to consider STEM as a career.



Local pupils at AWE's Primary Science Challenge

“ Science, engineering, technology and maths are the core of AWE, and for me personally being a STEM Ambassador here at AWE is so important to raise awareness and aspirations in STEM for young people, and specially to inspire young girls and women to think about their future careers. ”

Sophie
AWE STEM Ambassador

How we're closing the gap

TeenTech

Local students also met our STEM Ambassadors at TeenTech – an event featuring high-tech employers encouraging young people to consider STEM subjects and careers. This interactive event focuses on inspiring students about STEM industries and challenging career stereotypes.

Celebrating success

Ada Lovelace Day and a range of awareness days – including International Women's Day, International Women in Engineering Day and International Women and Girls in Science Day – are big events on the AWE calendar.

These celebratory days are dedicated to the achievements of women in STEM, both in the past and present. Shining a light on the successes and career paths of women is a proven way to encourage others to consider similar pathways into STEM.



AWE's STEM Ambassadors at TeenTech

How we're closing the gap

Future pipeline

Through the apprentices in our Skills Academy and graduates via our Evolve programme, we continue to support and develop amazing young women who will have a positive impact in STEM over the coming years.

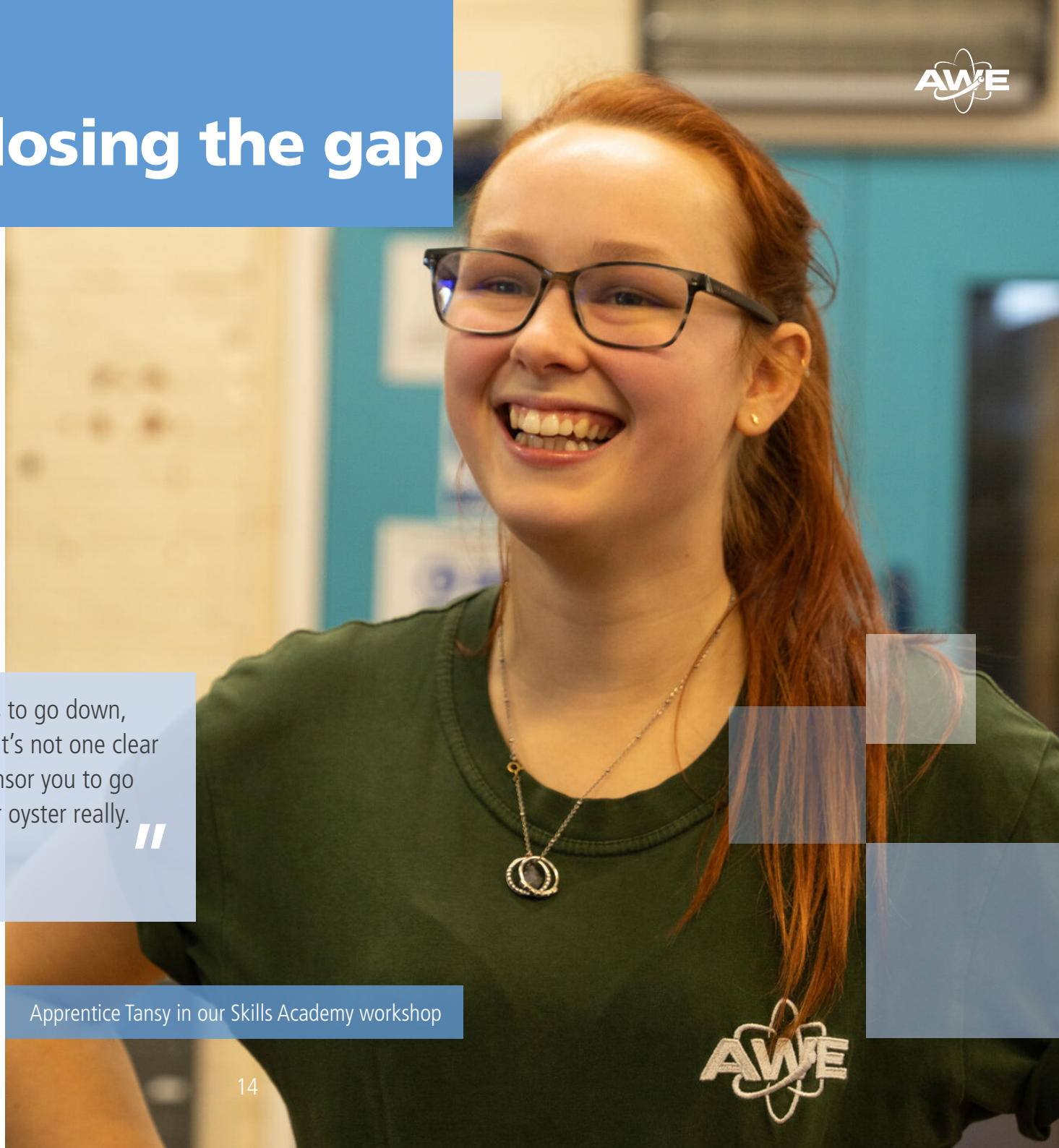
Tansy is one of our apprentice stars – she likes the different career paths and options that gaining her apprenticeship offers. Since starting out, she's enjoyed learning in the workshop and discovering a range of new skills as an electrical apprentice.

“ You have so many different options to go down, you don't have to go down one route. It's not one clear career path chosen for you. They'll sponsor you to go into something else so the world's your oyster really. ”

Tansy

Electrical Apprentice

Apprentice Tansy in our Skills Academy workshop



How we're closing the gap

Since completing our graduate scheme, Aisha now works as a Materials Scientist and is a great advocate for gender parity. She is leading one of the Gender Balance Working Group's (GBWG) workstreams looking at how to encourage more diverse applicants into the nuclear industry.

As well as her GBWG work focused on raising awareness about the issues related to gender pay gap, Aisha is a STEM Ambassador hoping to inspire the next generation to consider a career in STEM.

“ I joined the GBWG in May last year after they put on an event for International Women's Day, which was really inspiring, and I got chatting to some of the people who organised it and decided to give it a go myself and see what I could do to help. I think things like mentoring schemes empower women to take the next step... with policies in place to make sure assessments are fair so we can have more women promoted to higher leadership roles, and changing things like, for example, how we word our job adverts and how we attract women – this will ensure the workforce is gender balanced. ”

Aisha

AWE Material Scientist, Gender Balance Working Group
'Attraction' Workstream Lead



Aisha (right) at her AWE Graduation ceremony with AWE Engineering Director, Mandy Savage



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