



Lowri Beck Services Limited Gender Pay Gap Report 2020

Overview

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

The gender pay gap should not be mistaken for equal pay. Equal pay refers to a male and female being paid the same for doing the same work or work of equal value. Lowri Beck pays males and females equally for doing like-for-like jobs.

At the time of reporting Lowri Beck employed over 1600 people in the UK split across a regional workforce and Head Office support functions. The duty to report on the gender pay gap has highlighted the lack of women employed in senior positions and as engineers across the energy and utilities sector. However, with the introduction of the requirement to report on gender pay gap has moved many organisations to identify areas of improvement across organisational diversity and inclusion inclusive of addressing disparity in the male female pay comparison.

Lowri Beck employs a diverse workforce and the duty to report has helped the business to identify areas where we can improve our gender balance.

Lowri Beck has historically, alongside many other organisations, struggled to recruit females into engineering positions that typically represent a pay premium, this is primarily due to the lack of females being trained as engineers in the UK. To combat this imbalance Lowri Beck are continually looking at ways to improve the female engineering population, by continuous review of our diversity statistics and engaging a range of DE&I programmes to combat decreasing numbers.

Lowri Beck recognises that there is an imbalance of gender in senior operational roles, this will continue to be a clear focus for the business through 2021 and beyond and we are taking direct action by to influence the disparity by introducing initiatives such as a large-scale career mapping programme. The programme is designed to strengthen the talent pipeline of women into more senior positions. Alongside career mapping Lowri Beck are continuing to focus on broader diversity initiatives with the introduction of a DISC - Diversity & Inclusion Steering Committee to support the business in identifying areas of improvement and driving cultural change to ensure we provide a truly inclusive environment that supports all diversity including supporting and empowering all women within our business.

[signature]

Sean Latus
Group CEO



Overview

What is the gender pay gap?

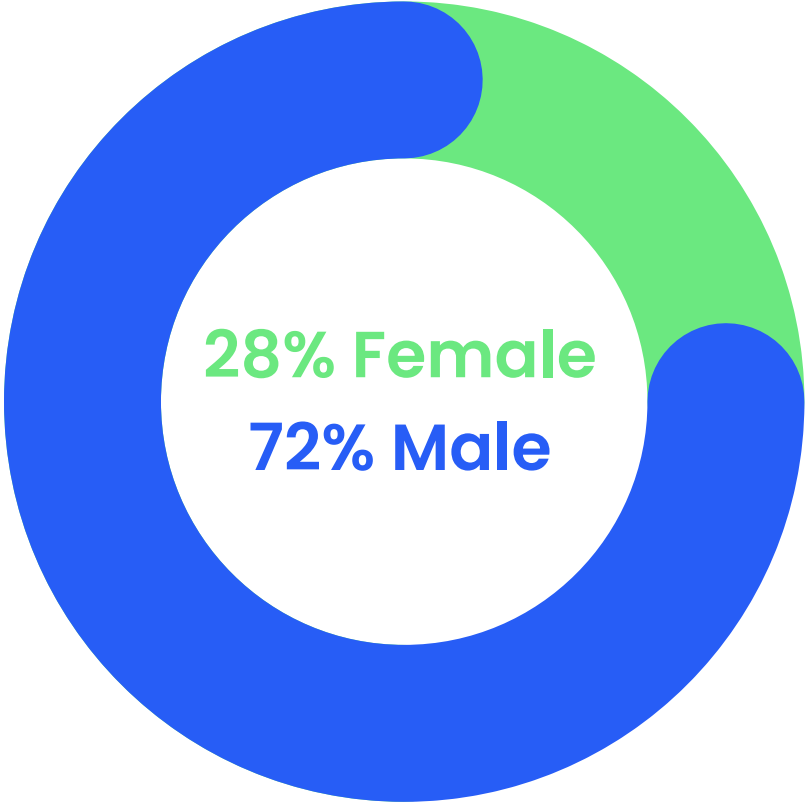
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Reporting on the Gender Pay Gap?

Lowri Beck's gender pay gap report follows the guidance from the Government's Equalities Office with regard to employees who were on Furlough leave during the snapshot date. The data is captured in our internal HR & Payroll system and all figures reported are from the snapshot date of 5th April 2020.

Workforce Representation

Lowri Beck collected our data on the 5th of April 2020, when our workforce consisted of 349 women and 1263 men. Our female employee population represents 28% of the total workforce.



Lowri Beck Gender Pay Gap Reporting

As required, Lowri Beck Gender Pay gap reporting focuses on three specific areas:

Lowri Beck Hourly Rate

How our hourly rate differs for men and women presented as an average (the mean) gender pay gap and as a central cut (the median) gender pay gap.

Lowri Beck Pay Quartiles

Ordered from top to bottom by hourly rate, what percentage of the quarter is men and women.

Lowri Beck Bonus

The percentage of men and women receiving bonus pay and how it differs for men and women presented as an average (mean) gender bonus pay gap and median gender bonus pay gap.

Gender pay gap reporting during the COVID-19 pandemic

2020 saw the challenge of the COVID 19 global pandemic resulting in a large proportion of Lowri Beck employees being furloughed at the snapshot date. Reporting requirements for this year have been amended to take account of this. Furloughed employees receiving less than 100% of their pay must be included in the three bonus pay calculations but excluded from the remaining three required statistics.

Lowri Beck Gender Pay Gap

Lowri Beck: Hourly Rate

The difference between gross hourly earnings for all men and all women.

The mean is calculated by adding all employees' hourly rates of pay together and dividing by the total number of employees. The mean includes the lowest and highest rates of pay.

The median is the measurement used to calculate the average pay, by finding the midpoint in all employees' hourly rates of pay. Therefore, half of the employees will earn a rate above the midpoint and half will earn a rate below the midpoint.



Lowri Beck Mean and Median

Our mean pay gap is currently 29%. The primary reason is that there are more males than females in senior roles (as indicated by our pay quartiles on the next page).

29%

Mean

31%

Median

Lowri Beck Gender Pay Gap

Lowri Beck Pay Quartiles

In comparison to the Lowri Beck gender pay gap report 2019, we recognise that despite our efforts, the gender pay gap has increased slightly over the last few years. The increase is mainly due to a critical increase in rates of pay for our technical field roles, enabling Lowri Beck to continue to remain competitive in attracting and retaining our engineering workforce.

The disparity evident across the upper middle quartile is typical of a sector that traditionally attracts a predominantly male workforce with fewer females entering the sector at field work force level. Additionally, more males are employed in technical field roles. Lowri Beck receives significantly fewer applications from females than males for our roles requiring variable or non-standard working patterns, these roles pay premium competitive rates and attract additional payments for emergency work and additional technical skills.

Our pay rates are appropriate to the complexity of roles we recruit, meaning that regardless of whether posts are held by males or females, they will be paid the same.

In the top two quartiles the number of available positions in any given year are fewer than at the lower middle and bottom quartile, therefore it is difficult to influence these areas easily. It is however encouraging to note that since starting to report our gender pay gap in 2017, we have seen an increase in the number of females employed and will continue to focus on attracting females to our business. This is challenging as it can be difficult to attract females into technical roles, due to a UK wide lack of females entering engineering as a career choice. 2019 saw a female % of 19.1 enrolling in engineering, therefore this is reflected across the industry and is not unique to Lowri Beck.

*The data is split into 4 equal quartiles showing the pay equality in each quartile. Q1 being the lowest paid and Q4 being the highest paid

Lowri Beck Bonus (excluding furloughed employees)

Not all employees working for Lowri Beck receive a bonus payment. On the snapshot date of those employees eligible 84% were male and 16% female. This is reflective of the lower number of females in roles that historically operate a bonus related pay structure. The opportunity to earn bonus is predominantly (however not exclusively) amongst our field technical and data reading roles.

2020 sees a positive increase for the second consecutive year that the bonus pay gap has closed slightly in terms of both the mean and median. This is encouraging and is as a result of increased numbers of females along with the introduction of a pilot bonus scheme for non-field-based roles where there is a more equal split of male and females.



Lowri Beck Gender Pay Gap Action Plan 2019 to 2020

Unfortunately, Covid 19 and the requirement to furlough a significant amount of workforce employees impacted the action plan to improve areas of our male female ratio. However, we recognise that the action plan to tackle areas of focus is now as important as ever, and the action plan has been reinstated.



2019 Actions

- Review of recruitment practices to attract more females to consider working for us.
- Survey and set up a focus group with our women to ensure we identify and address any barriers to entry and /or progression.
- Introduce a business wide incentive scheme to improve access to business across the whole team.
- Introduction of development plans to and career progression planned for Autumn 2019.

Updates

This review was delayed and has now been incorporated into the overall ED&I review.

Delayed due to furlough.

Pilot bonus scheme has commenced and is to be reviewed.

Development plans delayed, Career Mapping programme roll out in progress.

What next?

At Lowri Beck, we are committed to improving and learning how to increase our representation of all demographics of diversity, including female representation. Due to the lack of females entering engineering positions, Lowri Beck career mapping programme is designed to focus on developing and supporting employees into more senior roles over the long term. However, in the immediate term an increase in females entering the sector in field and engineering roles is unlikely to change sufficiently to influence our gender pay gap results. However, we continue to be committed to encouraging females to undertake these roles which would undoubtedly be the biggest factor driving a reduction in our pay gap.

Whilst it is pleasing to see some progress with the gap closing on the Lowri Beck bonus median we recognise that there is a requirement for improvement across other areas. A key area of attention is the attraction strategy, by attracting females into our industry addressing the stereotype of roles that have traditionally been undertaken by men.

Our current action plan will contribute towards this however our belief is that this will continue to be a slow steady increase that will take some time to impact on our gender pay gap report.

We are an equal opportunities employer and are in the process of undertaking a full review of our ED & I strategy to ensure there is no bias in our recruitment and career progression opportunities.

We continue to support the development of our people and career progression within our organisation to enable all regardless of gender to be able to progress and take more senior roles within our organisation if they wish to.

We confirm that the information contained in this report is accurate.

David Taylor
COO

Lowri Beck Services

David Donnelly
HR Director

Lowri Beck Services

