

GENDER PAY GAP REPORT 2020

INTRODUCTION

In what has been an unprecedented year for so many reasons, we cannot help but reflect on the impact our Equality, Diversity and Inclusion (ED&I) programme has had on our business. Despite the disruption of the COVID-19 pandemic, NNL has remained 100% committed to our ED&I mission and, in particular, supporting gender equality.

In the midst of the first lockdown we published our first ever ED&I strategy, aligned to our purpose, core business objectives and HR lifecycle. The strategy sets out a five-year delivery plan to achieve our ED&I vision and details the governance around our ED&I programmes.

The COVID-pandemic created different communities within our workforce. Many of our colleagues had to work from home, juggling personal caring commitments with work. Whilst others, who were essential to the operation and delivery of key nuclear research remained in our facilities and had to adapt to changing working conditions and controls as the virus altered our ways of working.

We have supported our colleagues throughout the pandemic in a large variety of ways with our Inclusion programme being central to our response, providing numerous opportunities for people across the business to feel supported and connected. In many respects the pandemic has demonstrated the importance of having an ED&I programme and it has prompted conversations on how we can deliver on our purpose and support people in the business

better. Early in summer we rolled-out our first ED&I e-learning course to everyone in the business, this provided an opportunity to raise awareness on ED&I principles and topical subjects and again we welcomed open and honest conversations on ED&I issues affecting our organisation.

As part of our 2019 people plan, we have started a review of our people policies, the added momentum of the pandemic provided us with the opportunity to pilot them. This was a great success. Our flexible working policy and new parental leave procedures will officially be launched in 2021, formalising our commitment to equalising the benefits offered to both men and women who have caring responsibilities.

We recognise that to further reduce our gender pay gap we need to attract and support women to progress their careers through all levels in our organisation. Towards this aim we undertook a full review of our early career pay scales and removed any age-related connections. We also introduced a job evaluation process to ensure all roles are assessed fairly and in-line with best practice. We are confident that we remunerate all our people fairly based

on competence and that fair and equitable processes are fundamental to helping address our gender pay gap in NNL.

We are now in our 4th year of gender pay gap reporting, providing us with the opportunity to start to look at data trends and to begin to really understand what affirmative actions we must take in order to support gender parity both within NNL and wider in the entire nuclear sector.

In our 2019 gender pay gap report, we referred to the fact that it is hard to recruit large numbers of women with a STEM background into the nuclear sector. However, we have remained committed to achieving the government's gender targets for the nuclear sector and are proud to report that we are on track to achieve the first target; 50% of apprentices recruited in 2021 to be women, with our 2020 recruitment campaign reaching a 48%:52% split. We are also in the process of launching a specific post-graduate early career development programme, with the aim of supporting individuals to accelerate their career in some of the most challenging leadership roles the nuclear sector has to offer.

Working with other organisations in our sector, particularly the Nuclear Skills Strategy Group (NSSG) ED&I focus area and Women in Nuclear (WiN) we are able to share best practice, ensuring that we are doing all we can to help achieve gender parity and maximise our positive impact on the communities we operate within. NNL sponsored WiN throughout 2020 and supported it to become a stand-alone organisation. We will continue to provide executive support and leadership to both WiN and NSSG in 2021. Championing diversity and inclusivity across the sector will be key to achieving a more gender balanced workforce within NNL, where we are committed to providing equal opportunities for everyone to thrive in a business that is supportive, compassionate and caring.

We can confirm that the data presented in this report has been calculated according to the requirements of The Equality Act 2010 (Gender Pay Gap Information Regulations 2017) and is accurate and correct to the best of our knowledge and ability.



Paul Howarth
Chief Executive Officer

A handwritten signature in black ink.



Clare Barlow
Chief HR Officer

A handwritten signature in black ink.

CONTEXT AND DEFINITIONS

We have produced this report to comply with The Equality Act (Gender Pay Gap Information Regulations 2017) that requires all organisations with more than 250 employees in the UK to report on their gender pay and bonus gap each year. During 2020 NNL employed 931 people.

UK gender pay gap regulations require reporting on six key metrics, which are explained below. In this report we will compare the difference between pay for our men and women, as well as the difference between bonus pay for each gender. We also provide some additional figures to give more insight into our UK employee demographic and pay structures, comparing this year's data to that of 2019, 2018 and 2017.

To help understand the data the following definitions may be useful:

Gender pay and equal pay

Gender pay legislation requires us to report on the difference in pay and bonus payments between men and women across all roles in the organisation. In accordance with the requirements, pay data is taken on a snapshot date, and bonus data is based on payments made between April 2019 and April 2020.

Gender pay gap is different from the issue of equal pay. An equal pay analysis considers whether men and women are paid equally for performing similar roles. We have committed to undertaking an equal pay review to be sure that men and women are paid equally for doing equivalent jobs across our organisation.

Full-pay relevant employees:

All employees who were paid their usual full pay in the pay period considered, are referred to as "full-pay relevant employees."

Mean and median

Mean: the mean pay, and bonus pay gaps takes the pay for all men in the organisation and adds the amounts together before dividing this by the number of men. The same calculation is done for women. The difference between the two values is then calculated by subtracting the mean pay for women from the mean pay for men. This number is then divided by the mean pay for men and shown as a percentage.

Median: the pay and bonus pay for men is ordered high to low, and the mid-point is selected. The same is done for women. The difference between the two mid-points is then calculated by subtracting the pay mid-point for women from the pay mid-point for men. This number is then divided by the median pay for men and shown as a percentage.

Quartile pay bands:

Quartile pay bands refer to the proportion of men and women in our lower, lower middle, upper middle and upper pay bands. Each pay band represents a quarter of our overall pay scale.

In order to work out the quartile pay bands, we divide up our workforce into quarters according to their full-time equivalent salary. The lowest paid quarter is referred to as Quartile 1 and the highest paid quarter of the workforce is referred to as Quartile 4. The percentages of men and women in each quartile is then calculated.

NNL staff

In 2020, NNL had 931 full-pay relevant employees, split by gender as shown in the table below, with 28% of staff identifying as women. As can be seen our total headcount in NNL has remained consistent over the last four years, with similar attrition rates. The proportion of NNL staff who are women is the highest level ever recorded for NNL for performing similar roles.

Gender split of NNL staff

Year	2017	2018	2019	2020
Men	634	699	678	674
Women	235	246	247	257
Total	869	945	925	931
% Women	27%	26%	27%	28%

Gender pay gap

In 2020, our mean gender pay gap was 10.9%, meaning women at NNL are paid on average 10.9% less than men. This is a slight increase on last year, attributed to some staffing changes in senior management. Since we are confident that people working full time at the same pay point level receive equal pay, this number reflects the fact that at NNL we have more women in lower paid roles than men.

Gender pay gap

Year	2017	2018	2019	2020
Mean	8.4%	11.0%	9.1%	10.9%
Median	16.9%	16.8%	16.8%	16.9%

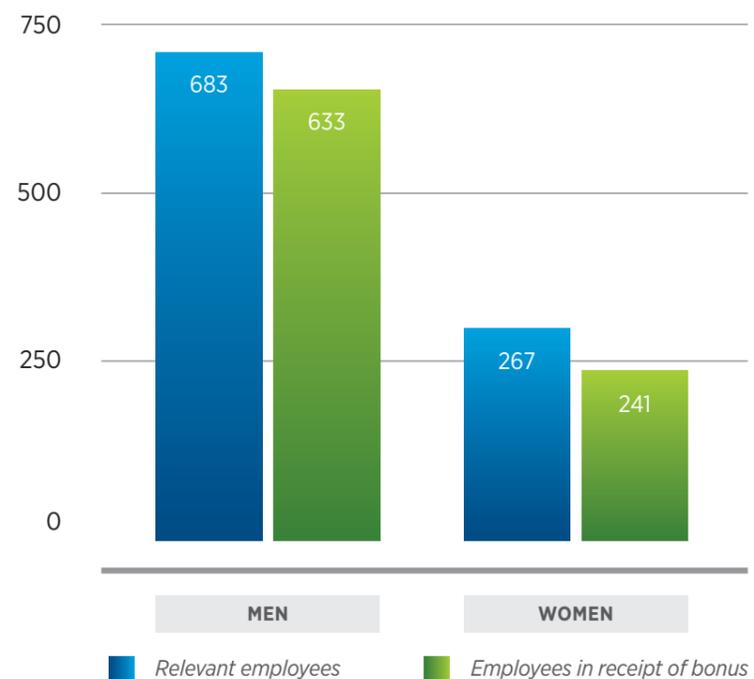
With our total headcount and gender split remaining consistent over the last four years and our low attrition rate it is not surprising that our mean gender pay gap remains around 10% (and median around 17%). Whilst we are putting into action some initiatives which we hope will improve the representation of women across the business, it is likely to take several years before these initiatives impact our gender pay gap.

Bonus pay gap

Considering all types of bonuses within NNL, year-on-year we have seen an increase in the total number of colleagues who receive a bonus. Such that in 2020 more of our workforce were eligible to receive a bonus than in previous years, with the biggest increase seen for women.

Percentage of eligible workforce in receipt of a bonus of any type

Year	2017	2018	2019	2020
Men	84%	82%	93%	93%
Women	83%	83%	88%	90%



Number of employees who could have received a bonus (in blue) next to those who did (in green) split by men and women.

NNL has a company-wide Target Achievement Scheme (TAS), which most of the workforce are eligible to receive. This bonus scheme pays the same amount to all eligible employees thus producing a median of zero.

Mean and median TAS bonus pay gap

Year	2017	2018	2019	2020
Mean	6.8%	11.2%	14.3%	13.8%
Median	0.0%	0.0%	0.0%	0.0%

NNL has approximately 300 staff who are eligible to receive a personal bonus. The bonus amount differs depending on scheme rules and on the basic pay of those who receive it.

Mean and median personal bonus pay gap

Year	2017	2018	2019	2020
Mean	-25.1%	-18.1%	-4.7%	-11.0%
Median	2.2%	4.4%	-0.8%	-9.6%

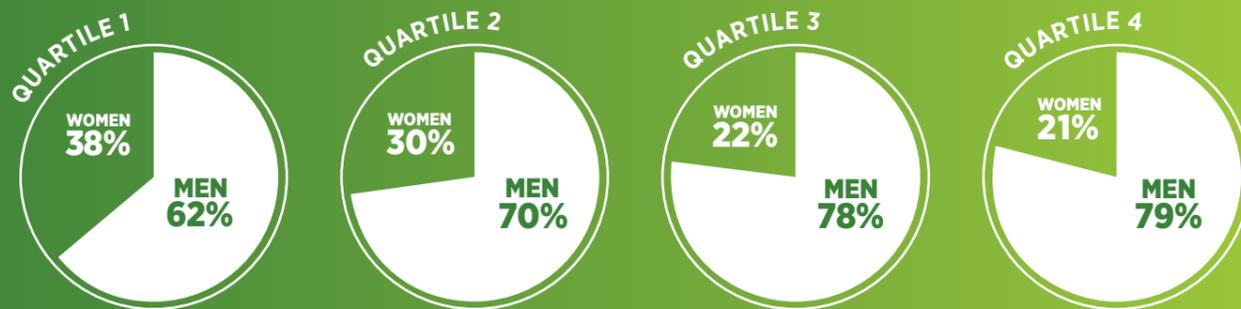
For the personal bonus, women have higher mean and median bonus payments than men (negative values show the gap is in favour of women).

OUR DATA

Pay quartiles by gender

The charts below illustrate the proportions of men and women in four quartile pay bands as described above. They show the gender split in 2020. Quartile 1 represents the lowest paid quarter of the workforce, while Quartile 4 represents the highest paid quarter.

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



	MEN	WOMEN									
2017	64%	36%	2017	74%	26%	2017	74%	24%	2017	80%	20%
2018	64%	36%	2018	75%	25%	2018	76%	24%	2018	77%	23%
2019	64%	36%	2019	73%	27%	2019	77%	23%	2019	79%	21%
2020	62%	38%	2020	70%	30%	2020	78%	22%	2020	79%	21%

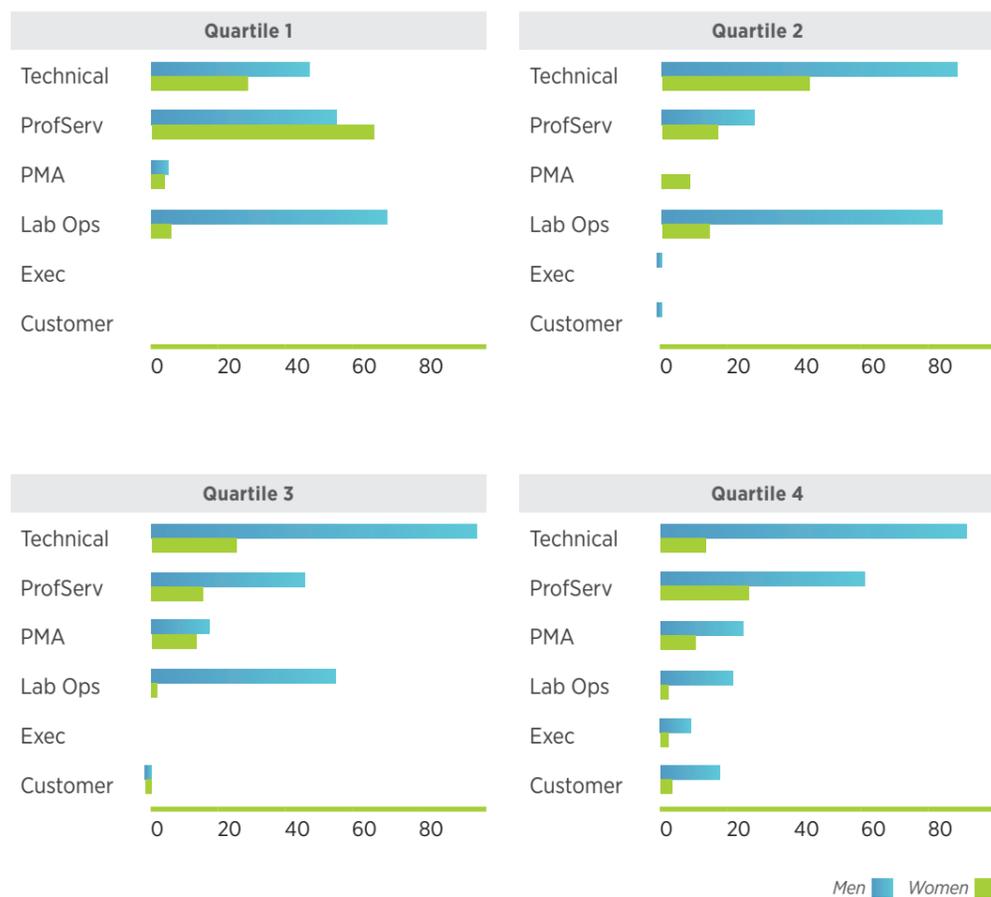
As can be seen, these data show that we have a higher percentage of women in the lower quartile of our organisation compared to the highest. This supports our analysis that it is the under-representation of women in highly skilled/paid roles that is the main source of our gender pay gap.

At NNL, roles within the professional and support services are (on average) paid less than our technical and operational roles. We have a higher proportion of women in the former roles. In addition, many of our lower-paid technical roles attract additional allowances for working in high-hazardous areas. This further skews the data in favour of men because such roles are typically in our most heavily male-dominated facilities.

Representation of women in quartiles 1 and 2 are increasing over the years but the same trends are not visible for quartiles 3 and 4. Whilst, the overall figure of 28% of NNL's workforce being women compares favourably to the nuclear industry average of 22%, the breakdown of split by quartiles, shows that we must do more to support women in the mid-level roles to progress.

Previous gender pay gap reports have highlighted difficulties in recruiting diversely in STEM roles. In support of our hypothesis that we pay equally and promote fairly throughout our organisation, we have undertaken some further analysis to understand our gender balance in each area of our business.

The figure below shows the gender split by quartile as number of staff by business areas. These are Technical, Professional Services, Project Management Authority (PMA), Laboratory Operations, Executive and support staff, and Customer Executive.



Gender split of employees in each business area and pay quartile

Exec includes PA's, company secretaries and support staff to the executive team

For the Technical business area, there are clearly more men across all the quartiles but, in quartile 1, the gender split is more even. This reflects the improving balance in our early career new starters, including apprentices, mirroring the gender balance seen in the applicants in more recent years.

Professional Services see a more even gender split in quartiles 1 and 2, but they again have more men in quartiles 3 and 4, implying more of the senior leadership in this area are men. Laboratory Operations, including engineering and craft teams, has the biggest gender imbalance across NNL. The split over the quartiles is quite constant but highlights a high impact area where gender diversity needs to be addressed.

The PMA, Exec and customer executive teams are smaller areas where most staff are men and sit in the upper quartiles 3 and 4.

We recognise the enormity of the challenge to increase representation of women across NNL. It is important to acknowledge that the STEM talent pool from which we recruit is somewhat male-dominated and we continue to focus our efforts in supporting organisations and initiatives that help encourage participation of women in STEM activities with the aim of increasing the flow-through of women into our sector in the future.



Case Study:
Ellie Greatbanks
(Business Apprentice)

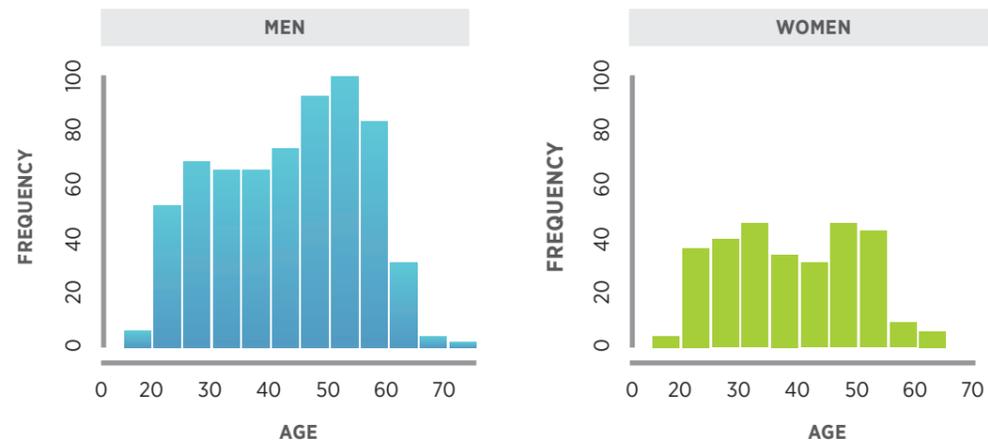
I started my career at NNL this year as a Business Administration Apprentice. Starting a new job is nerve-racking at the best of times, so I was anxious to start in September in the middle of the COVID pandemic. I initially applied to four organisations but NNL stood out above the others as they kept me updated on their apprentice application process and they reassured me on how they would support me whilst negotiating the difficulties the pandemic provided. Before I even started my journey at NNL I felt incredibly supported. I was concerned about starting a new job working from home, but everyone has made me feel so welcome and the company has been incredibly flexible providing us with everything we need to continue our apprenticeship and work effectively.

When thinking of starting a career in the nuclear sector I would have assumed it was very male dominated; this opinion was based on the stereotypical idea that anything regarding science was typically a male area, reinforced in me from a young age.

As a young woman entering a traditionally male dominated area, it was natural for me to worry about my career progression however, after just a week at NNL I realised that I had nothing to worry about and in fact I was surrounded by strong, enthusiastic and supportive women who were just as passionate about their careers as their male counterparts. I am excited to continue my career at NNL, to be a part of evolving clean nuclear energy to benefit society and to see what opportunities NNL has for me and my career and I would encourage other apprentices who are considering a career in the sector to jump at the opportunity!

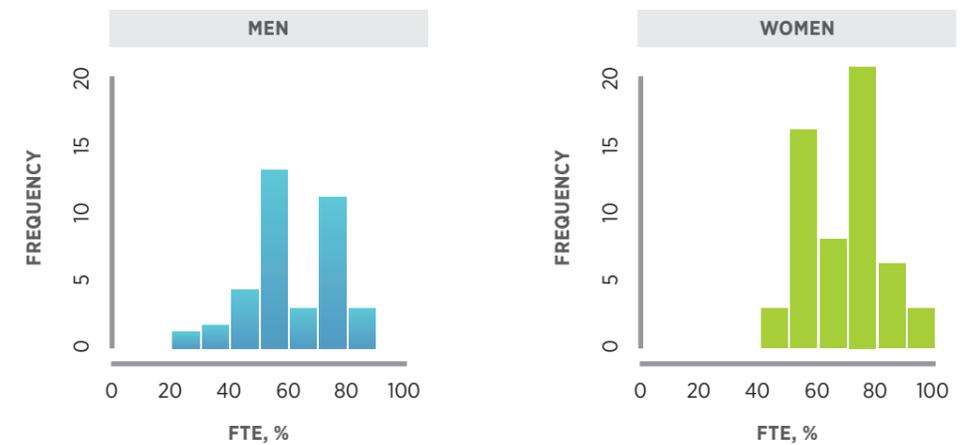
UNDERSTANDING DIVERSITY IN NNL

We have distinct differences in the age distribution between men and women within our workforce, as shown below. We anticipate that a large proportion of men may retire in the next ten years and hence we acknowledge that the age and gender demographic will shift as a result of this.



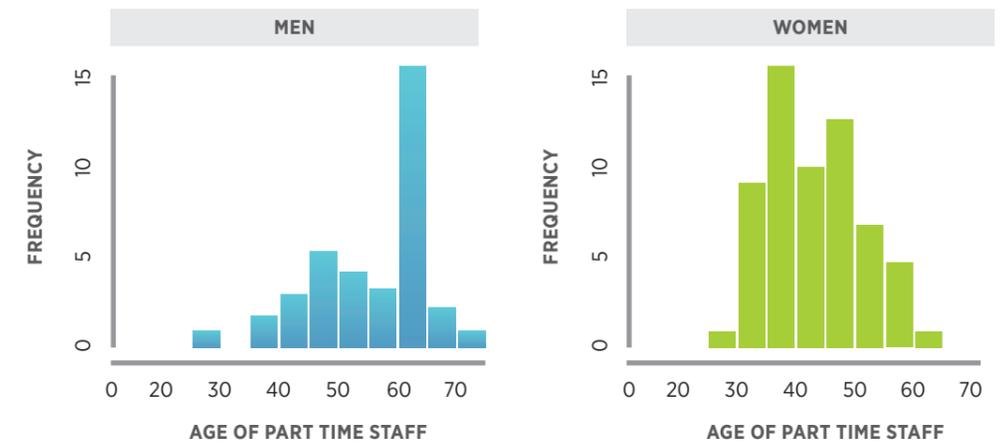
Number of employees in each age range split by gender (Note for example an employee who is in the 20-to-30 age range would be more than 20 years old and up to 30 years old).

We know more women at NNL work part time (23%) versus men (5%). Our data shows that women who work part-time are weighted towards the lower quartile more so than men. They are also not represented to the same proportions in our highest job bands.



Number of employees (frequency) working part time, split by gender against the percentage of a full time role that they work

In fact, the age distribution of the part time workers shows that more men who are working part time are nearer to the end of their career, whereas part time work among women peaks in mid-career. This aligns with the belief that men reduce their hours before retirement and more women choose to work part time to cover childcare when they are in their mid-careers.



Age distribution of employees working part time

As we review and promote opportunities around flexible and agile working, we hope to see a shift in the distribution presented above. Show-casing career options and removing unconscious biases around taking career breaks, working part-time or flexible hours will help to demonstrate that women are equally valued in NNL. Doing this effectively without jeopardising career progression whilst still meeting our organisations business aspirations will help to remove our gender pay gap.



Case Study:
Alessandro Mirabella
(Parental Leave)

I have always loved children and always wanted to be a dad. When my wife and I discovered we were to be blessed with a child, the only thing that made me sad was the thought that I would have to return to work just two weeks after he was born. As a first-time dad I had no idea how hard being a new parent was going to be and I wanted to provide as much support to my wife as I could. Hence, I was delighted to find out about the Shared Parental Leave (SPL) policy as it meant that I could enjoy the experience of becoming a father and support our family without the constraints of juggling work at the same time.

Making the decision to take shared paternity leave was not easy. I worried about what my work colleagues would think, and I didn't want it to impact my career. However, I'm so pleased that we made this decision as a family. Trying to adjust to a "new life" with a baby was hard. Being at home allowed me to create a special bond with my son and gave us the opportunity to make many special family memories together.

When I did go back to work, I felt far more ready to deal with the demands of my role. I've developed new levels of patience and resilience and I feel I'm better equipped to support my colleagues family needs' as I understand other people's perspectives more.

I believe society still sees parenting in a more traditional manner; focussing on the mother to take maternity leave and the father to continue to work. However, sharing parental leave was the best decision we could have made as a family as it allowed us to bond as a family together. I hope over-time more fathers will take advantage of SPL and it will become much more normal. Although I appreciate it may not be for everybody (depending on circumstances) I would do it again and can only recommend it to others.

HOW WE ARE CLOSING OUR GENDER PAY GAP

Whilst we recognise that closing the gender pay gap is a key target for us in NNL, we are mindful of the need to grow our workforce in order to be able to meet our business aspirations. To do so requires us to recruit and develop a wide range of skilled individuals and we have developed exciting and innovative early careers programmes to meet this ambition. Whilst these programmes may actually in the short-term hinder our pay gap ambition, they will undoubtedly support our overall aim of increasing representation of women across the business. In the long run this will lead to better representation throughout all our pay quartiles and enable a future that brings benefit to society.

The Government's 2018 Nuclear Sector Deal set four diversity targets, which we embraced. In response to these targets NNL has initiated some specific programmes and initiatives. Two years in and we are making some great progress. Some of our steps to achieving the targets include:

Target 1: To attract, develop and retain a diverse workforce, we have:

- Launched our first ED&I strategy.
- Rolled-out ED&I e-learning training to all employees.
- Supported a 360-degree review of ED&I related policies and procedures across the organisation.
- Initiated the collection of ED&I demographic data for all applicants to NNL as well as all employees.

Work against this target will be maintained and improved, continuously at NNL.

Target 2: 40% of the UK Nuclear Workforce to be women by 2030, we have:

- Initiated a job evaluation process to ensure everyone will be paid and remunerated fairly for the role that they do.
- Reviewed our recruitment processes to remove gender-bias and show our commitment to supporting diversity in our hiring processes.

NNL is currently putting measures in place to predict when we may achieve this target.

Target 3: The proportion of women in senior management to be 25% by 2030, we have:

- Launched a leadership framework programme to support the development of all people leaders across the business.
- Developed a career pathway tool to provide help and guidance on the knowledge, skills and behaviours expected for all roles within the organisation.

NNL is set to achieve this target by 2030

Target 4: 50% of all apprenticeships to be held by women in 2021, we have:

- Developed an apprentice programme aligned to our corporate values.
- Expanded the range of apprenticeships and levels offered at NNL.
- Supported the development of trailblazing apprenticeship standards.

NNL is set to achieve this target by September 2021



Case Study:
Denise Calleja
(Career Change)

After more than twelve years working in safety within the Rail Industry, in 2014 I was given the opportunity of a career change in the Nuclear Industry joining NNL as a part of the Human Factors Team within Safety Engineering and Assessment.

Over the past six years I have been involved in several projects which include Human Factors Safety Case Substantiation in support of taking a new facility into active operations. Undertaking Human Factors walk throughs and ergonomic assessments to support the design of plant and equipment. In addition to analysing the effects of fatigue on shift workers to develop a suite of assessed shift patterns recommended for implementation within NNL facilities.

Over the years my career has stretched over many different and diverse working environments, which has presented different challenges as a woman working in some predominantly male dominated environments. I have often found myself in meetings where I have been the only woman in the room and thought about why women are the minority in such disciplines and industries. As a result, this has made me very passionate about a diverse and inclusive workplace. So last year when the opportunity arose to be seconded to the Equality, Diversity and Inclusion Team I jumped at the chance!

Being part of the ED&I Team and becoming involved in ED&I research has really opened my eyes to a broad range of topic material relating to gender and equality. I believe that all workplaces should have a culture that embraces ED&I.

NNL already has a strong culture that embraces ED&I and is committed to embedding and promoting diversity and inclusion across the business. Such as being a sponsor of Women in Nuclear supporting the expansion of women across the sector and the commitment in addressing diversity and inclusion.

It's evident that there is still a long way to go with regard to gender disparity within the sector, but I'm optimistic that more equal opportunities are created at NNL through career progression and recruitment, in addition to the fantastic apprenticeship and graduate schemes which encourage young people to pursue exciting careers in an inclusive and diverse place to work.

CONCLUSION

Our five-year ED&I strategy provides a blueprint for us to work towards meeting our commitment to equality and deliver on our purpose to bring greater benefit to society. We are doing several things to attract, retain and develop women in the nuclear sector. This includes:

- 1) Continuing to encourage more women into STEM roles in the sector through apprenticeships, graduate and post-doctorate development programmes.
- 2) Revising our flexible working policies to offer a higher number of part-time/ job-share or agile working hour roles.
- 3) Building long-term partnerships with sector-wide initiatives such as Women in Nuclear, and NSSG.
- 4) Embarking on a process to become accredited to the National Equality Standard (NES).

Our focus this year has been to build a community-feeling within NNL where everyone feels valued, is treated with respect and where there is clarity on our organisation's direction and purpose. We believe that by removing some of the barriers women may experience both before joining and whilst progressing their career ambitions we will make great strides forward in removing the gender pay gap and we are 100% committed to do so in alignment with the target timescales set out by the nuclear sector deal.

