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Chief HR Officer

This year marks a significant milestone for UKNNL's commitment to equality, diversity and inclusion (ED&I). For five years now we have been working to improve our ED&I performance, make UKNNL more welcoming and supportive for everyone and use our diverse workforce to drive our progress as an organisation. This has taken a great deal of commitment from people across UKNNL and has resulted in us receiving National Equality Standard (NES) accreditation not once, but twice.

As we celebrate what we have achieved in our first five-year ED&I strategy, it's a

useful exercise to review where we have come from and what we still have to do. In the last five years, we have developed our data analysis capacity to enable us to effectively track our performance. We have secured the support of leadership throughout UKNNL and we have built a solid foundation for the next five years of progress.

Over the coming years, UKNNL will continue to challenge itself to embody inclusivity in all we do in line with our purpose of Nuclear Science to Benefit Society.

#### Introduction

We need a diverse and inclusive workforce to create a strong organisational culture, to motivate employees and show them they are valued, and to ensure the success of our business.

Data that allows us to measure our progress in ED&I is vital in understanding our current position as an organisation, the effectiveness of the changes we make and to highlight the areas where we need to focus our future efforts.

This report gives an overview of where we are on our ED&I journey, our progress so far, and how this links to the ongoing work we are doing to further improve. In the 23/24 financial year we achieved NES reaccreditation. The accompanying analysis of our ED&I performance shows we have improved in many areas since the initial accreditation three years ago. You can find more details in the case study in this report.

We recognise data is essential for our progress, so, over the last financial year we have focused on driving the completion of our internal ED&I data, to allow analysis looking at characteristics beyond gender. From this we have been able to compare our working population to industry average and the UK population, identify measures that have been effective and where we need to focus our efforts going forward.

Employees across UKNNL have joined in, which has enabled us to report on our ethnicity pay gap for the first time in 2024, with the plan to extend this to other areas of ED&I going forward.

We recognise that whilst we have grown as a workforce in previous years, which has allowed more scope for positive improvement, this year our headcount has remained about the same. As the demographics of those recruited approximately match those who have left, our workforce gender demographics have remained similar to last year and the proportion of women in the business has stayed consistent. Previously, the proportion of women working at UKNNL increased each year since 2017 as the business has grown. This highlights the importance of employee retention in making long-term sustainable change in ED&I.







Our internal ED&I data completion reached 97%, for the first time at a high enough level to carry out ED&I analysis beyond gender.

We are more diverse than the nuclear sector average but are working towards being representative of the UK population.

The proportion of women in the business remains the same as last year at 32% due to headcount remaining almost constant and recruitment demographics matching attrition demographics.

Our mean and median pay gap has increased on the previous year but is still lower than the national median pay gap of 13.1%. As in previous years, this is due to the lower proportion of women in more senior roles compared to junior roles.

The proportion of women in our non-STEM roles has increased. In STEM roles, the number of women has stayed about the same. We need to continue to focus on attracting more women to the nuclear sector and to UKNNL particularly.

The proportion of women in the highest paid quartile has increased.

The ethnicity pay gap is at 8.3% for both mean and median, this is impacted by fewer employees from an under-represented ethnic minority background being in the most senior positions.

In the appendix to this document, we include the context and definitions that describe how we make our calculations and explain some of the key terms we use.

### ED&I Data

This year, for the first time our internal ED&I data is robust enough to look at the demographics of our workforce and carry out further analysis, with an average of 97% completion rate across all questions (with prefer not to say responses included in completion figures).

The Table shows the proportion of UKNNL employees who identify within an under-represented group for each of the ED&I characteristics that we collect data for at the end of the 23/24 financial year.

We compared our internal demographics to sector demographics (where available) and UK demographics from the 2021 census. We can see that while we are more diverse than the nuclear industry average, we need to make more progress to achieve a workforce that is representative of the UK population.

The ratio indicates how representative we are compared to the census, with a value above one meaning the proportion of those from an under-represented

characteristic is greater than the census, whilst below one means we are less representative than the census data.

From this summary, we identified that nationality and ethnicity are the areas requiring the greatest focus. Due to requirements for security clearance, nationality is more difficult for us to address, so we have chosen ethnicity as our next data focus. To highlight this, we have included the ethnicity pay gap recording in this report for the first time.

ED&I Characteristic	% Identifying as a less common demographic			Ratio
	Census	UKNNL	Sector Average	Tialio
Nationality	12	5	0	0.42
Ethnicity	18	9	5	0.50
Gender	50	32	21	0.64
Religion	11	7	0	0.64
Disabilities	10	9	6	0.90
Carer	9	9	0	1.00
Sexual Orientation	3	5	3	1.67
				0.97

We recognise that whilst we have grown as a workforce in previous years, which has allowed more scope for positive improvement, this year our headcount has remained about the same. As the demographics of those recruited approximately match those who have left, our workforce gender demographics have remained

similar to last year and the proportion of women in the business has stayed consistent. Previously, the proportion of women working at UKNNL increased each year since 2017 as the business has grown. This highlights the importance of employee retention in making long-term sustainable change in ED&I.

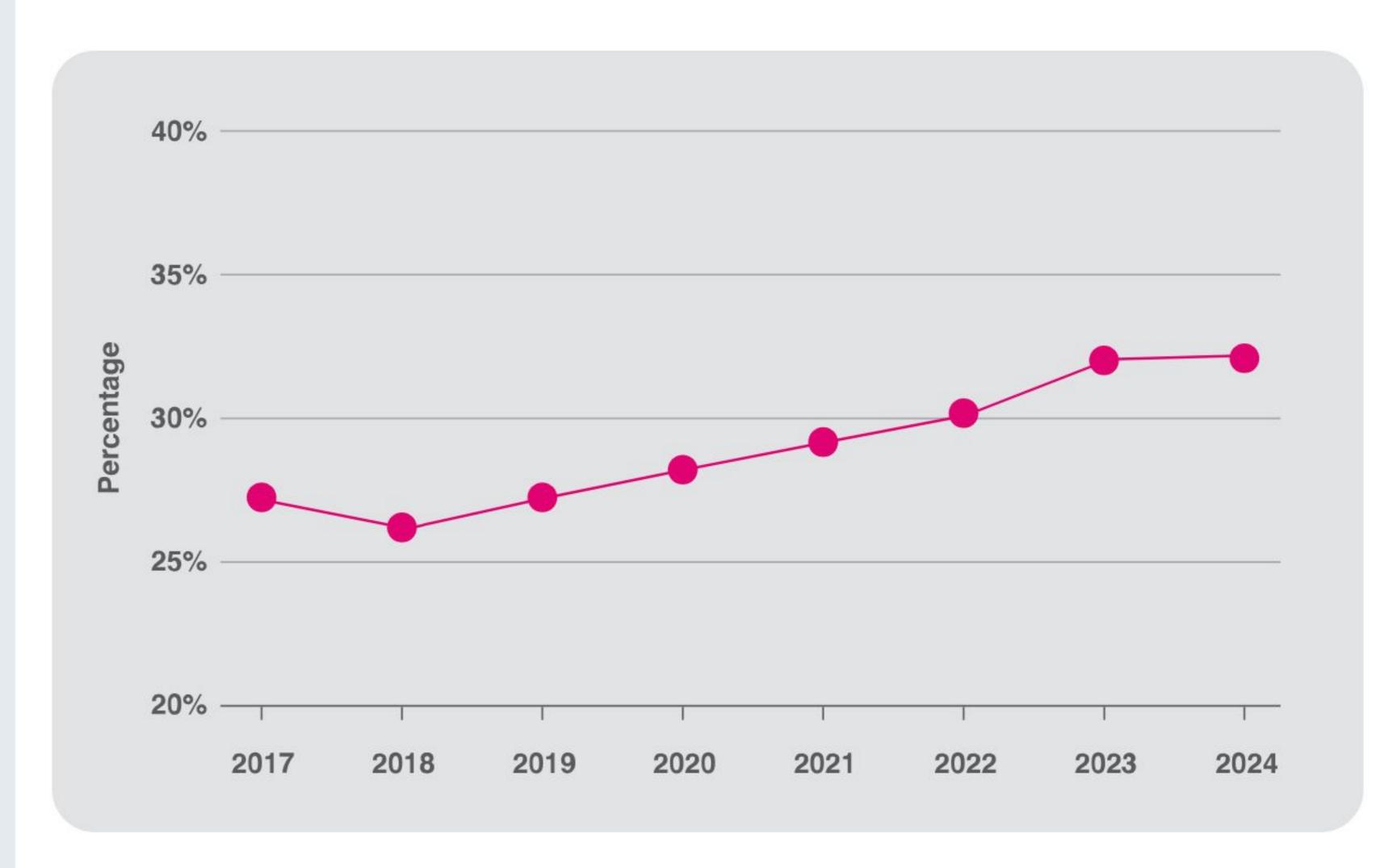
We have analysed our recruitment data to identify areas in which we need to focus our efforts on better attracting under-represented groups to our workforce, through means such as targeted outreach or promotion of job opportunities.

In contrast, we have also been reviewing the areas in which our applicant pool is diverse but that is not reflected in the hiring pool. We have been trialling measures such as CV anonymisation and educational business-wide comms to address these areas.

# Gender Pay Gap

This year, the proportion of women in the business has stayed constant compared to the previous year for the first time since 2018. The increased proportion of women in the business from 2018-2023 was due to increased recruitment and business growth during that period.

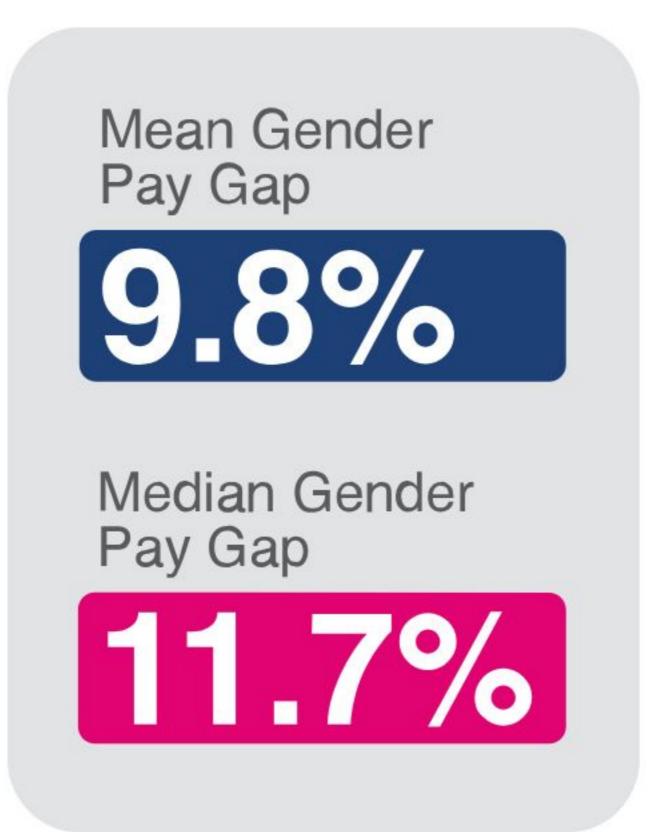
This year's employee headcount is approximately the same as this time last year and the gender split of those being recruited into the business is like those leaving the business.



This has limited our ability to further increase the proportion of women in the workforce and highlights the importance of employee retention in being able to make sustainable, positive change. With this in mind, we have amplified our

inclusion activities, reviewing and updating our core policies and seeking feedback through exit interview tracking to determine what improvements we need to make.

We report both mean and median pay gaps as they tell us different things about our pay distribution. The mean shows us the overall average difference, but can be significantly affected by a small number of high earners. The median shows us the difference between the 'typical' woman and man in our organisation, and is less sensitive to extreme values.





Both our mean and median pay gap are lower than the UK median gender pay gap of 13.1%.

The mean gender pay gap has been approximately 10% for the last three years, whilst the median gender pay gap has increased on the previous year but is still lower than the years prior to that.

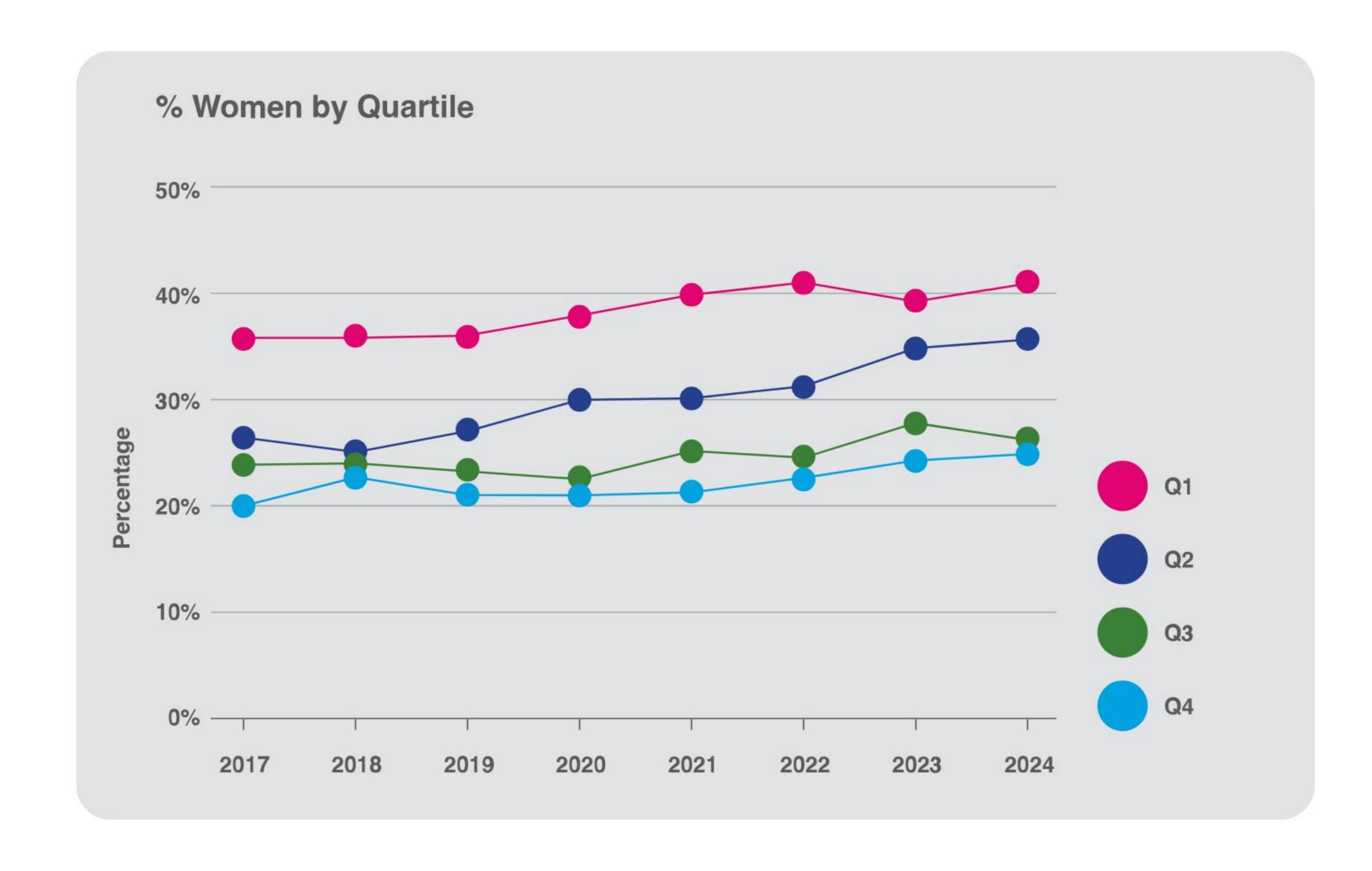
Similarly to the trends observed in previous years, women are predominantly in the lower two quartiles in both STEM and non-STEM roles.

In non-STEM roles, 60% of posts are held by women. In the lowest paying quartile, 89% of employees are women. This gender split reverses

in favour of men in the highest paying quartile, where only 40% of employees are women.

Women hold 25% of STEM roles and whilst the same trend is seen, the difference is not as large with 29% of STEM roles in Q1 and Q2 being held by women, which decreases to 20% for Q3 and Q4.

The percentage of women in each quartile has increased from 2017, when we started collecting and reporting on this data. This shows that we have increased the number of women in our workforce across all levels of seniority.



#### Gender

# Bonus Gender Pay Gap

At UKNNL, most employees receive the standard Target Achievement Scheme (TAS) bonus each financial year.

This bonus is the same for all employees, with those who have been recruited in Financial Year 22-23 or those who work part-time receiving the bonus on a pro-rata basis.

Those who joined in the Financial Year covered by this report will not receive any bonus until the following financial year as bonuses are paid after the close of the financial year. The percentage of employees receiving a bonus has

increased for men and women to a similar level as the gender split of the workforce has been consistent over the last year. In previous years a greater proportion of women in the business were new starters.

Mean Gender Pay Gap

14.8%

Median Gender Pay Gap

The median total bonus pay gap is zero as many employees receive this standard TAS bonus whilst the mean total bonus pay gap has decreased compared to the previous year to 14.8%. This decrease is likely a combination of a decrease in the personal bonus pay gap and an increase in the proportion of part-time employees who are men.

Alongside the TAS bonus, employees in more senior roles receive a personal bonus. The mean gender pay gap for personal bonus pay is calculated in the same way as the bonus pay gap, but rather than looking at total bonus, focuses only on an employee's personal bonus. This is defined as any extra bonus an employee receives, excluding the standard TAS bonus.

The mean and median personal bonus pay gap have decreased from the previous year. However, these figures fluctuate year on year as a small number of position changes in senior roles can affect this.

Mean Gender Pay Gap

12.86% 4.99%

Median Gender Pay Gap

# Part Time Working

More women work part-time than men, despite women making up only 32% of the business. For both men and women, the majority of part-time employees are in the highest paying quartile.

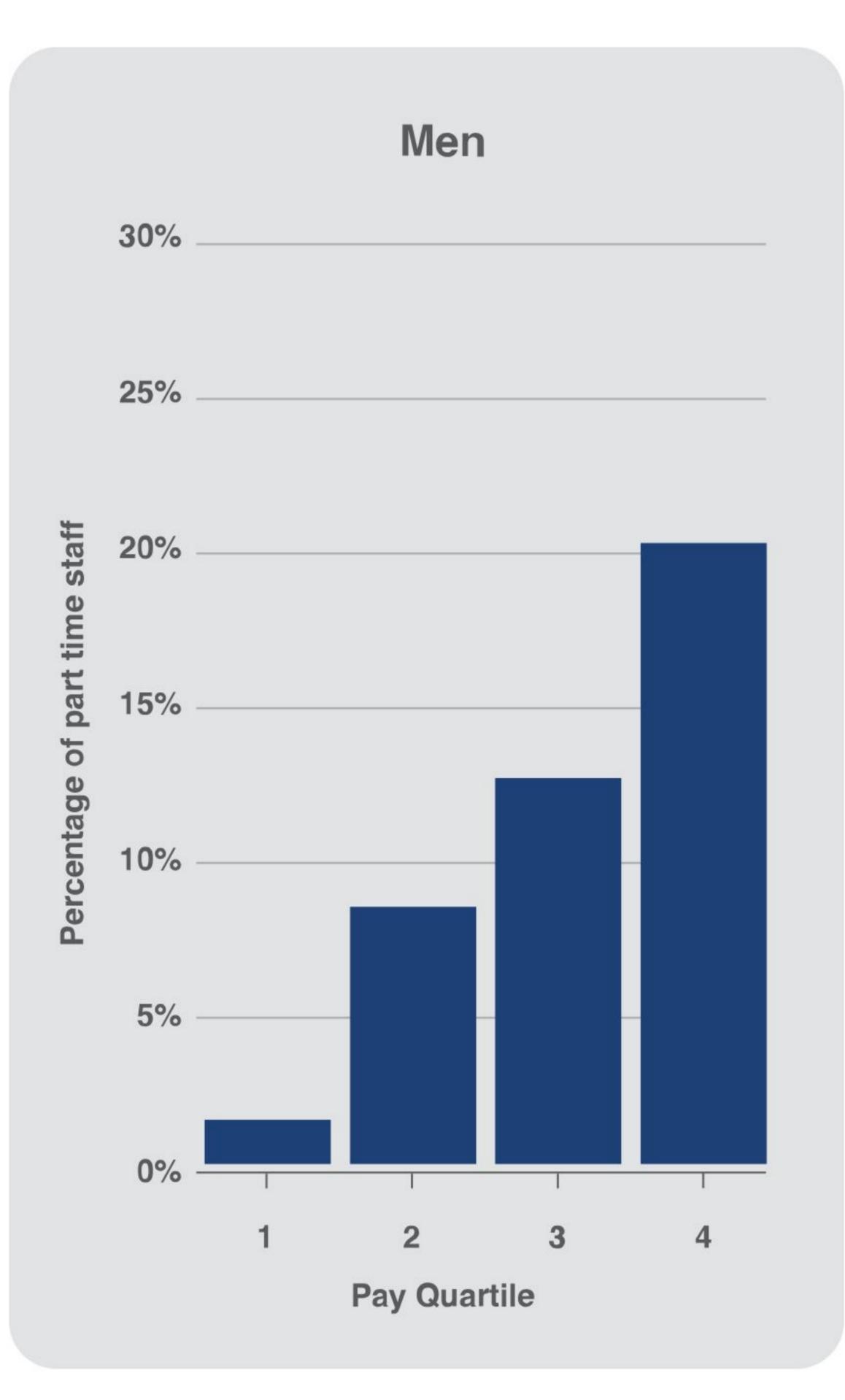
The predominant age range of part-time workers is different for men and women, but the general trend for both has stayed relatively consistent over the last three years Specifically, the majority of men working part-time are approaching retirement age, whereas women are predominantly working part-time at mid-career ages.

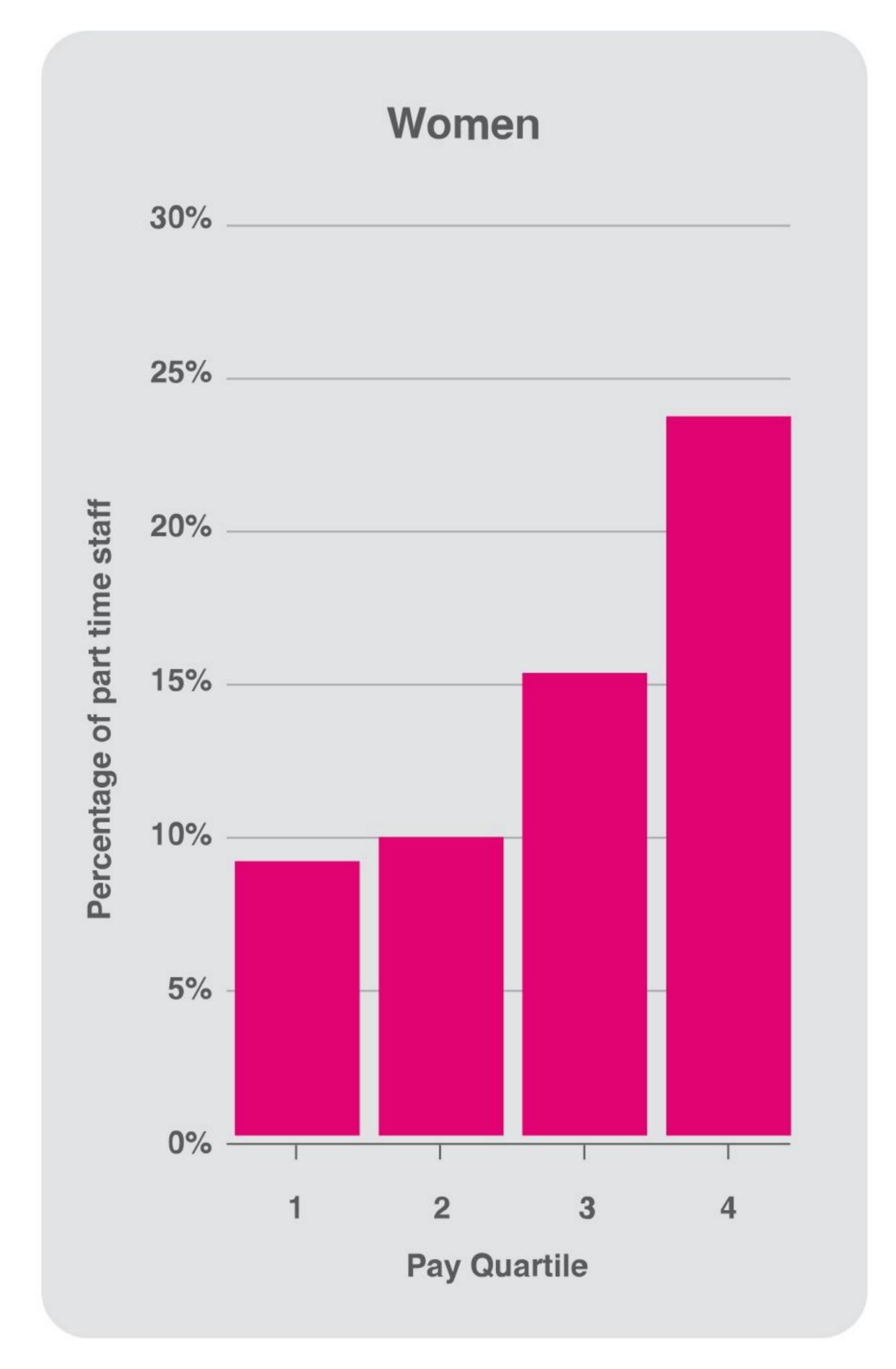
This year we have seen an increase in men choosing to work part time at younger ages, which may be indicative of an increasingly positive culture around part-time working. We've included a case study to bring to life the benefits of part time working for mid-career men. Most men working part-time have been with the business less than 10 or more than 30 years. The largest proportion of women who are part-time have been with the business between five to 15

years. We hope that increasingly everyone feels able to access part time working at any stage of their career.

Employees also tend to work part-time after being at UKNNL for a period of time with over 50% of part-time employees having been in the business for more than 15 years, but the majority of full-time staff have been with the business less than 10 years. This shows that facilitating part-time working in the business helps with retention.

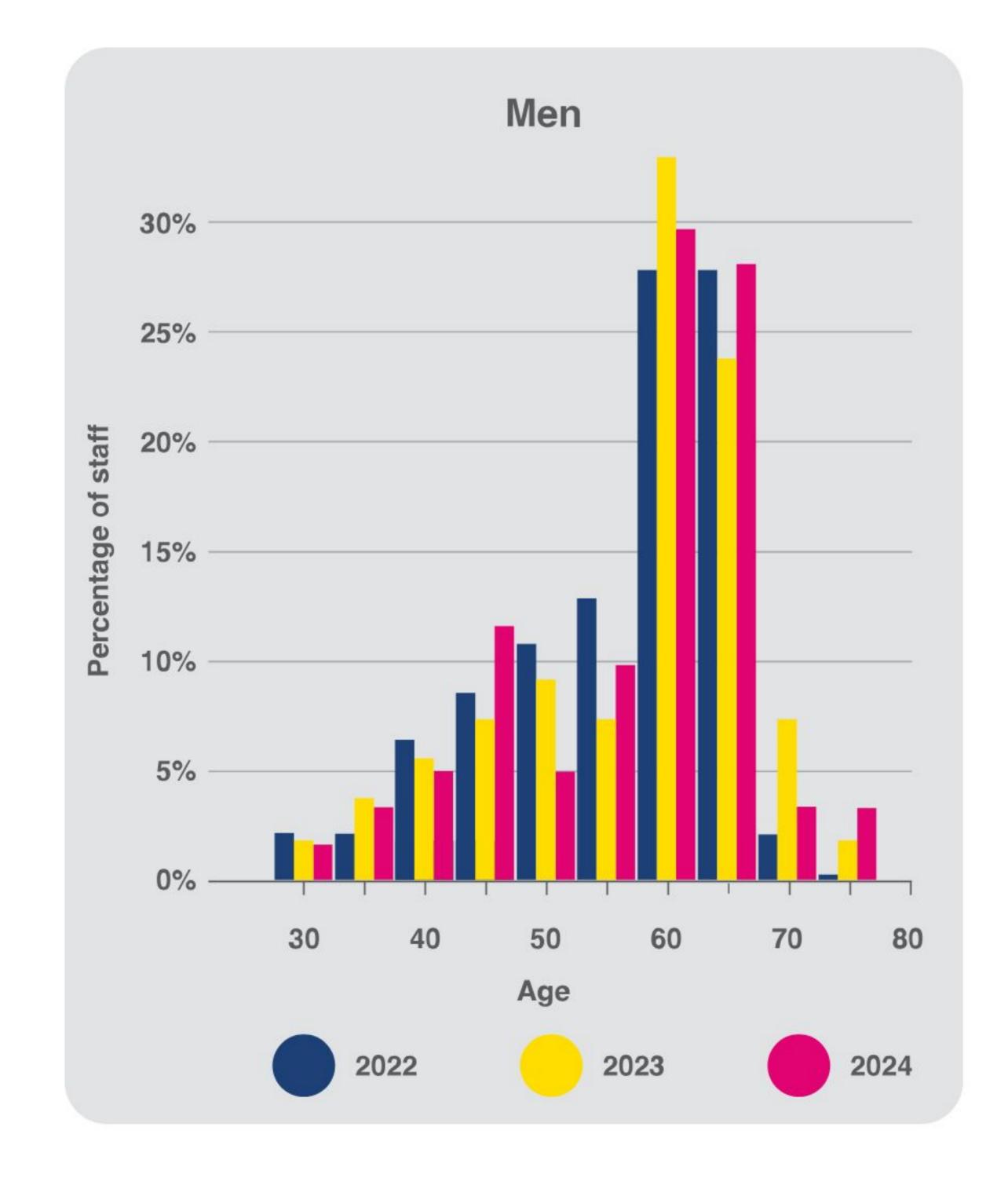
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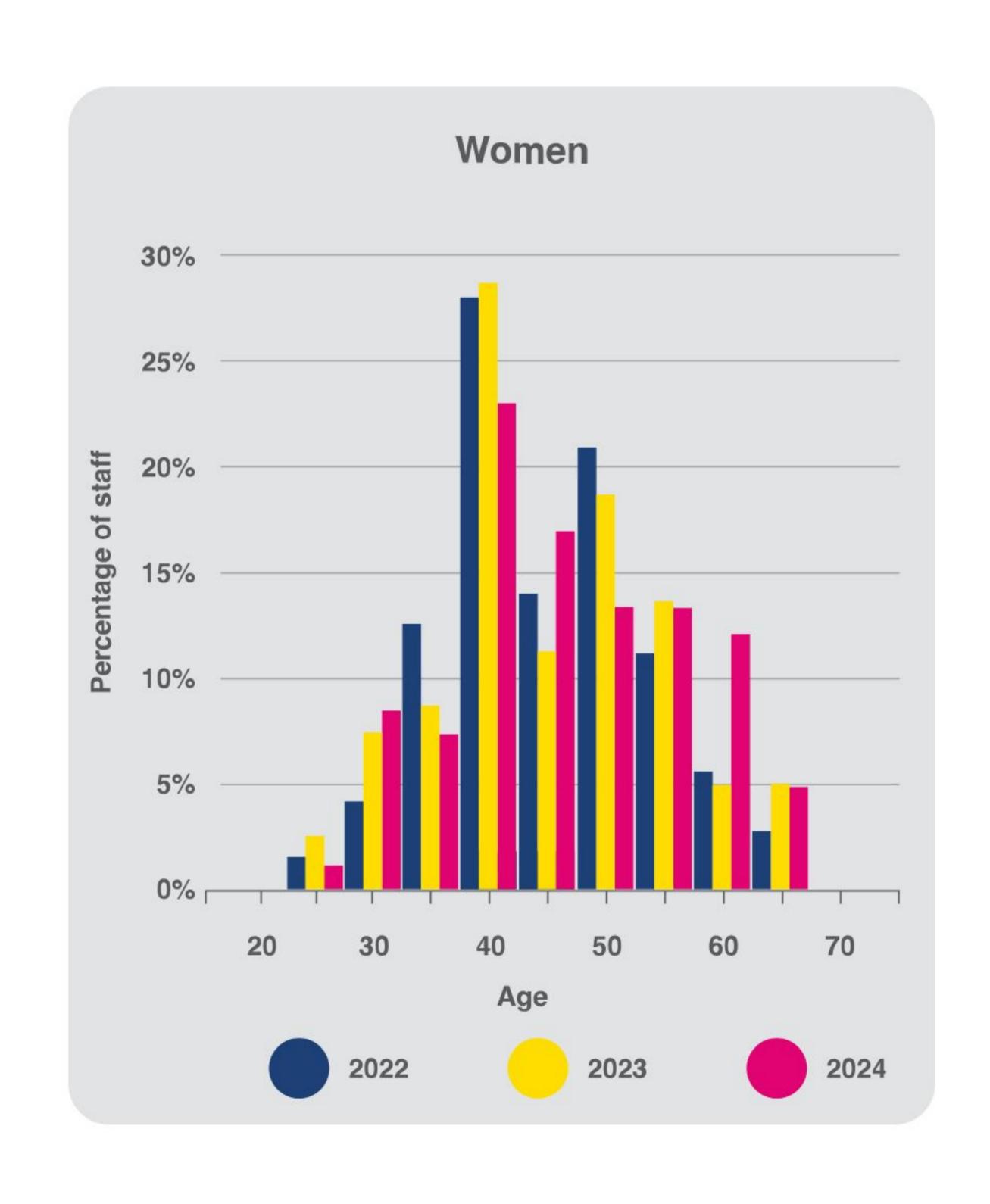




Age distribution of part-time employees for the previous three financial years.

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#### Recruitment

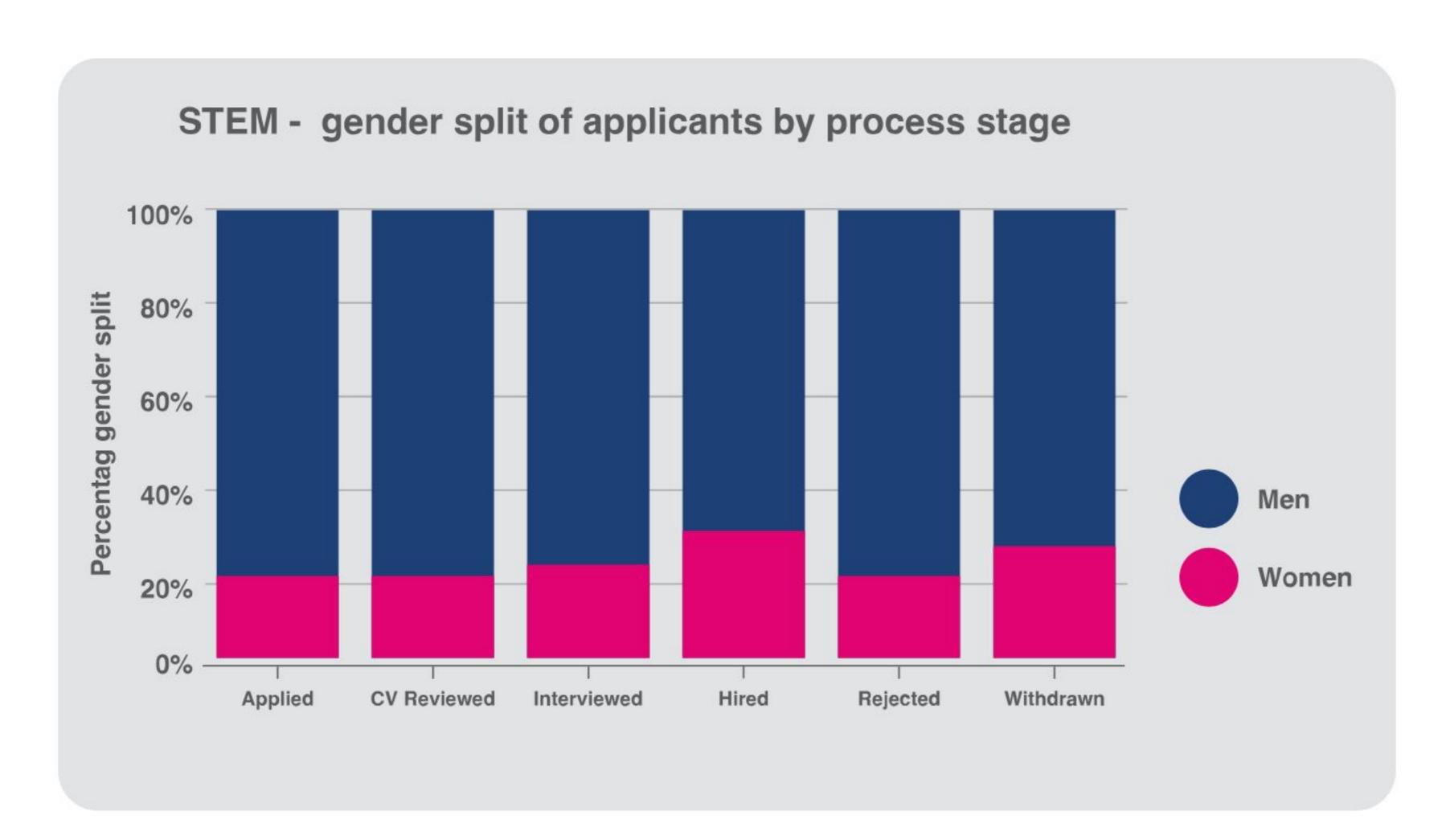
When looking at our recruitment data, we see that the proportion of women increases at each application stage from applied to hired for both STEM and non-STEM roles.

For STEM roles women made up 23% of total applicants and 30% of total hires. This increase in the proportion of women hired compared to applied was not seen last year, when the proportion of women was consistent across all application stages.

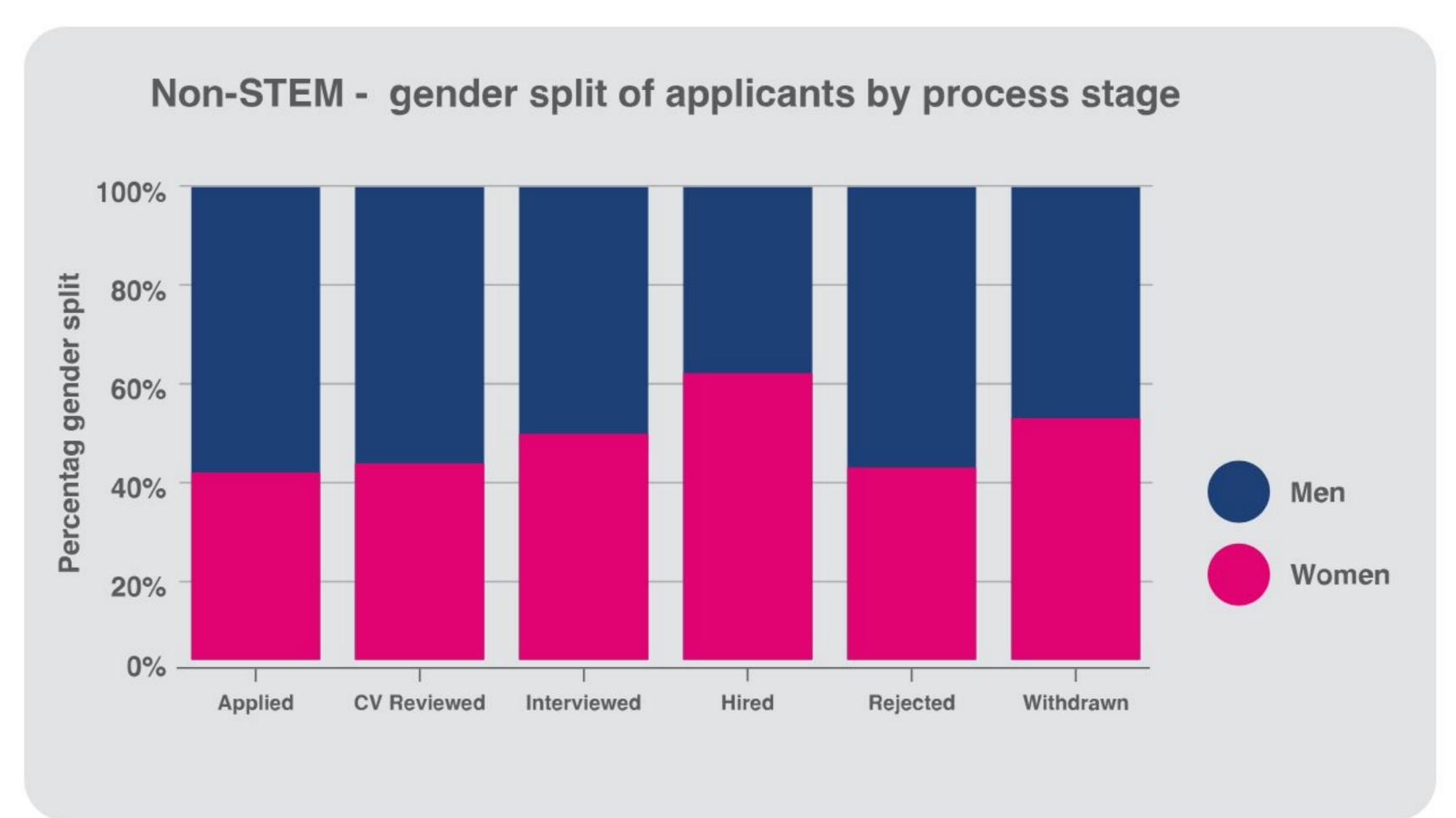
For non-STEM roles women made up 43% of applicants and 61% of hires a greater increase than for STEM roles.

This data shows that to increase the proportion of women in our STEM roles, we need to focus on attracting more women into these roles. As women more

commonly take on caring responsibilities, we ensure our jobs are advertised as flexible roles where possible. We are also increasingly investing in coordinated, collaborative STEM outreach in areas around our sites to try to broaden our pipeline for the future, leading to long term, sustainable change.

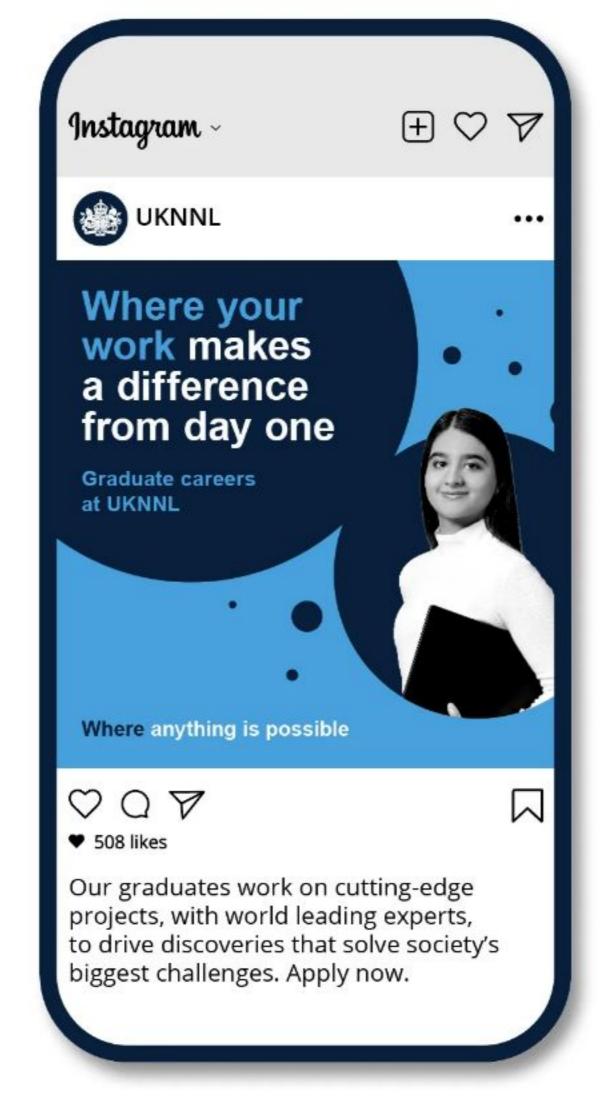


Gender split across each application stage for STEM roles.



Gender split across each application stage for non-STEM roles.



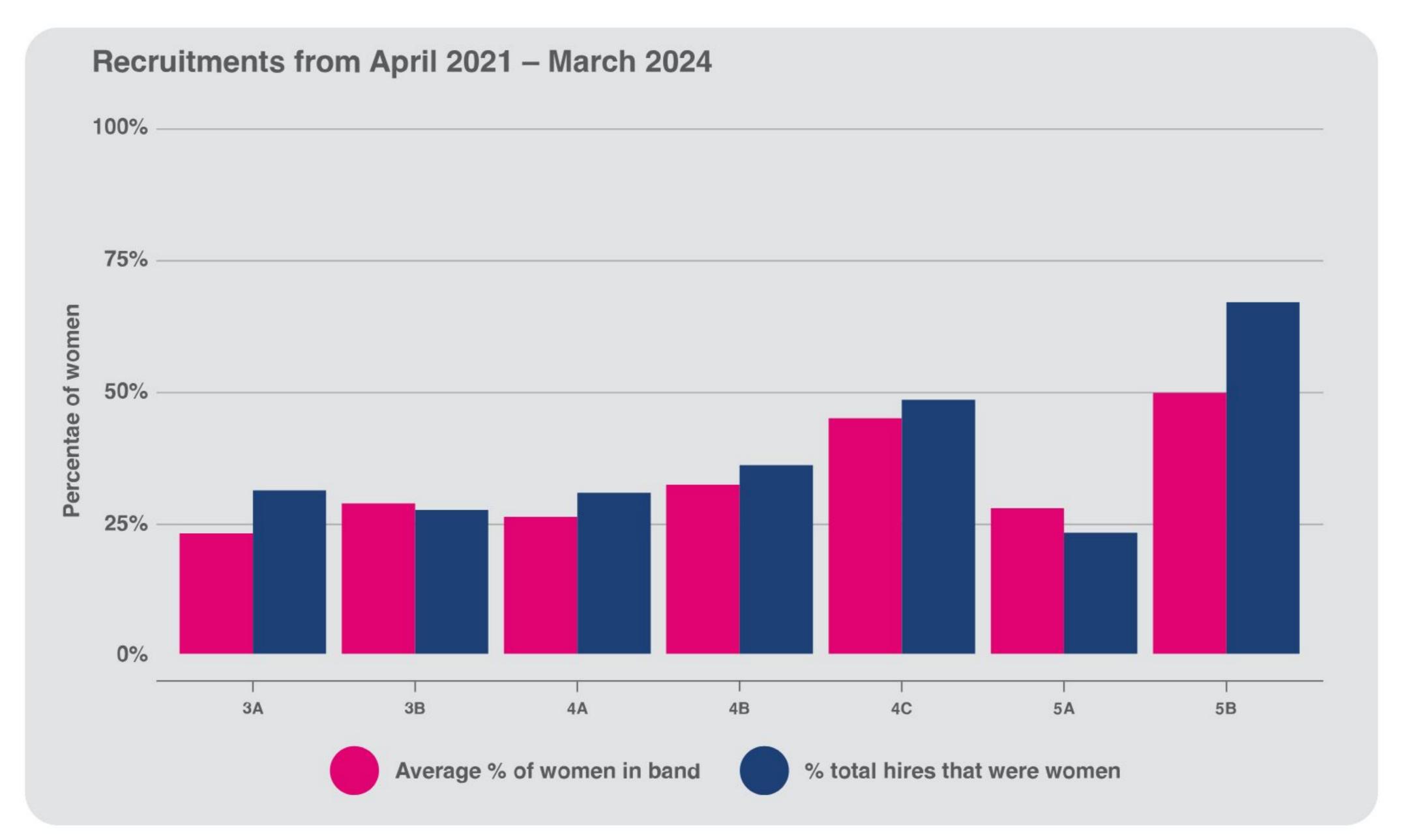


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Percentage of women recruited into each band compared to percentage of women in band.

The highest proportion of women recruited is at band 5B, the lowest paying band Since we started collecting and reporting on this data in 2022, most hires into band 5B have been women. That proportion increased further this year to 82%.

Generally, all bands have seen an increase in the proportion of women being recruited since 2022. We see that band 4C recruits approximately half women, but the higher paying bands still recruit less than 50% women. We recognise there is still work to do to broaden the pipeline of women available for recruitment at all levels of seniority.

#### Gender

#### Promotion

The graph below shows the proportion of women promoted from the previous three financial years (April 2021 – March 2024), compared to the average proportion of women in the band.

For the highest paid bands, the proportion of women being promoted is similar to the proportion of women in the band and 4C is the only band where women are proportionally promoted less.



Although this trend has been in evidence over the last three years, the numbers of people are still too small to determine whether we have a "broken rung" effect as identified by McKinsey 2021 Women in the Workplace report, for example. This effect could also be due to women making up more of the non-STEM workforce but men making up most of the STEM workforce, as roles and opportunities for progression differ across the business.

We have worked to ensure our approach to promotion and progression is consistent across the business to build confidence in our career systems. Last year we updated the guidance for line managers and employees to enable them to benefit more from their performance reviews, with progression and development now formally logged in the corporate data system. Over time, this will allow us to assess the equitability of our promotion processes across all employees and areas of the business.



# Ethnicity

# **Ethnicity Pay Gap**

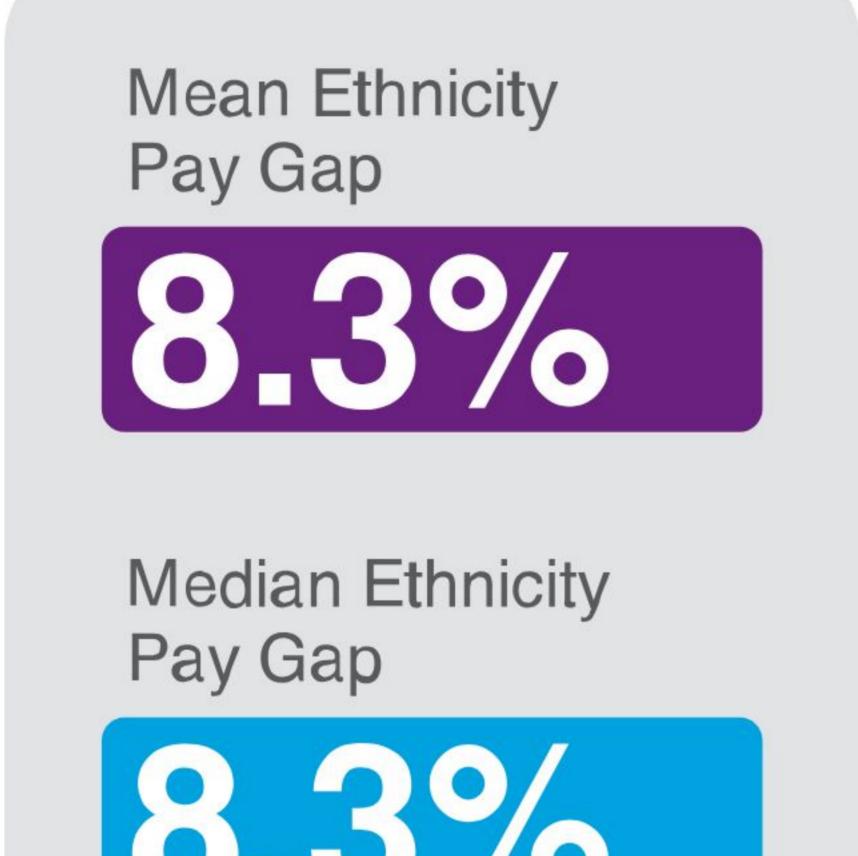
Now that our ED&I data completion rate is at 97%, this year we have been able to link ethnicity data to pay data and carry out pay gap analysis in a similar way to gender pay gap reporting.

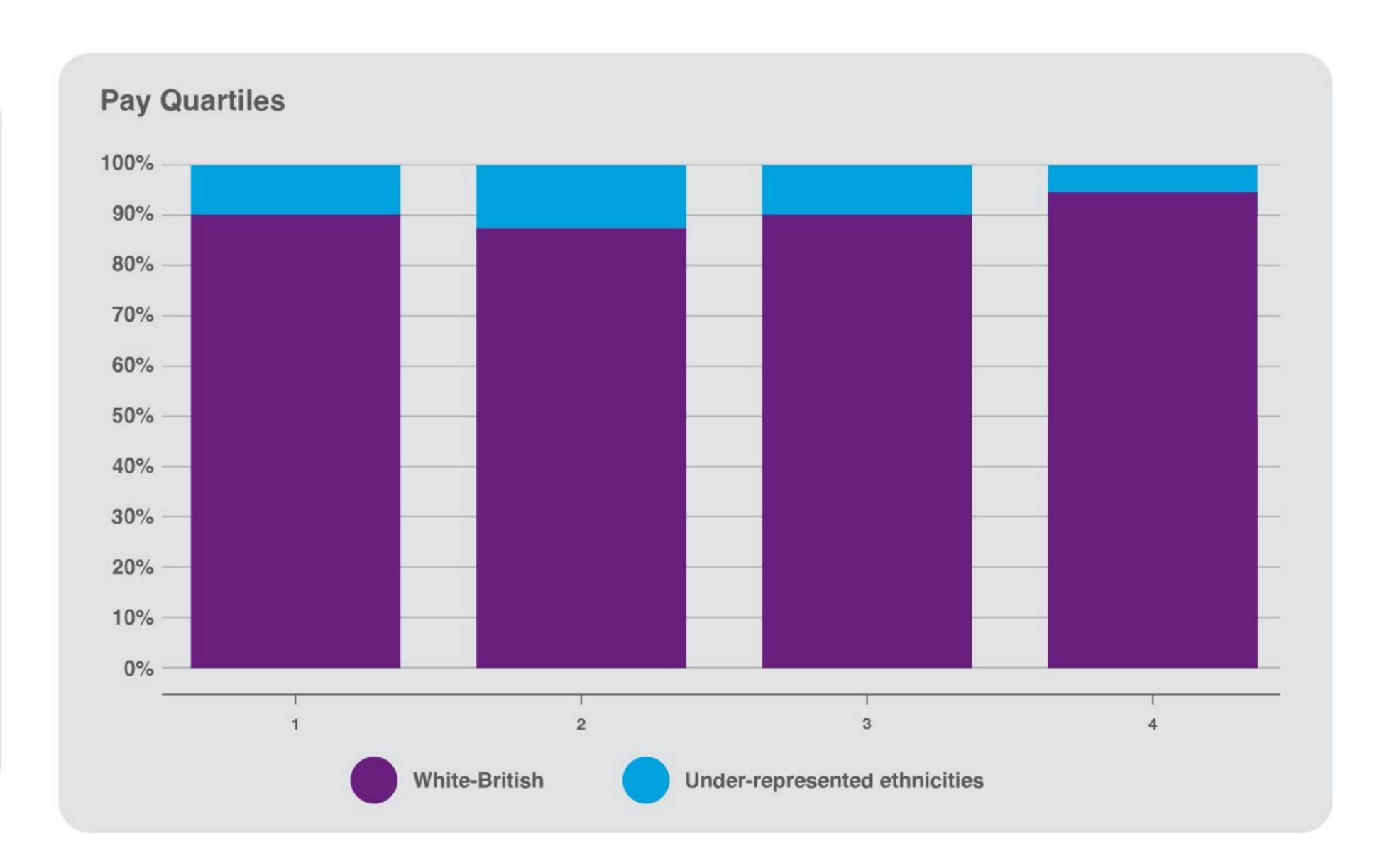
While this is not a mandatory figure to report, we recognise the benefit of expanding our ED&I analysis beyond gender and aim to use our data in the most effective way possible.

Given that ethnicity is one of the areas where UKNNL is least representative of wider society, it is a key focus for us and we have been trialling several initiatives to widen the pool of applicants, improve the recruitment process and the sense of inclusion within our business. **The case study** focuses on one such initiative.

Overall, 9% of employees identified as being from an under-represented ethnic minority background as compared to

18% from the 2021 UK Census and 5% across the nuclear sector. This proportion is relatively consistent across pay quartiles one to three but lower in in quartile four, the highest paying quartile, which corresponds to roles from band 3B lower, such as line managers and subject matter experts (SMEs). This leads to a lower pay gap than seen for women, albeit a substantial one.





Percentage ethnicity split by pay quartile.

Those from underrepresented ethnic
minority backgrounds
made up 9% of
promotions, indicating
that promotion rates
appeared to be equal for
white employees and
those from underrepresented ethnic
minority backgrounds

We cannot currently calculate the ethnicity bonus pay gap without compromising both anonymity and data integrity. This is because the bonus pay gap is largely influenced by personal bonuses as many employees who are not in receipt of a personal bonus receive the standard TAS bonus. Due to the small number of employees who receive these personal bonuses and the small number of employees from an under-represented ethnic minority background, the bonus pay

gap is particularly sensitive to changes to an individual position and there is not sufficient data to determine a trend.

Those from under-represented ethnic minority backgrounds made up 9% of promotions, indicating that promotion rates appeared to be equal for white employees and those from under-represented ethnic minority backgrounds. We will need to collect several years of data to look at this by band as we have done for gender.

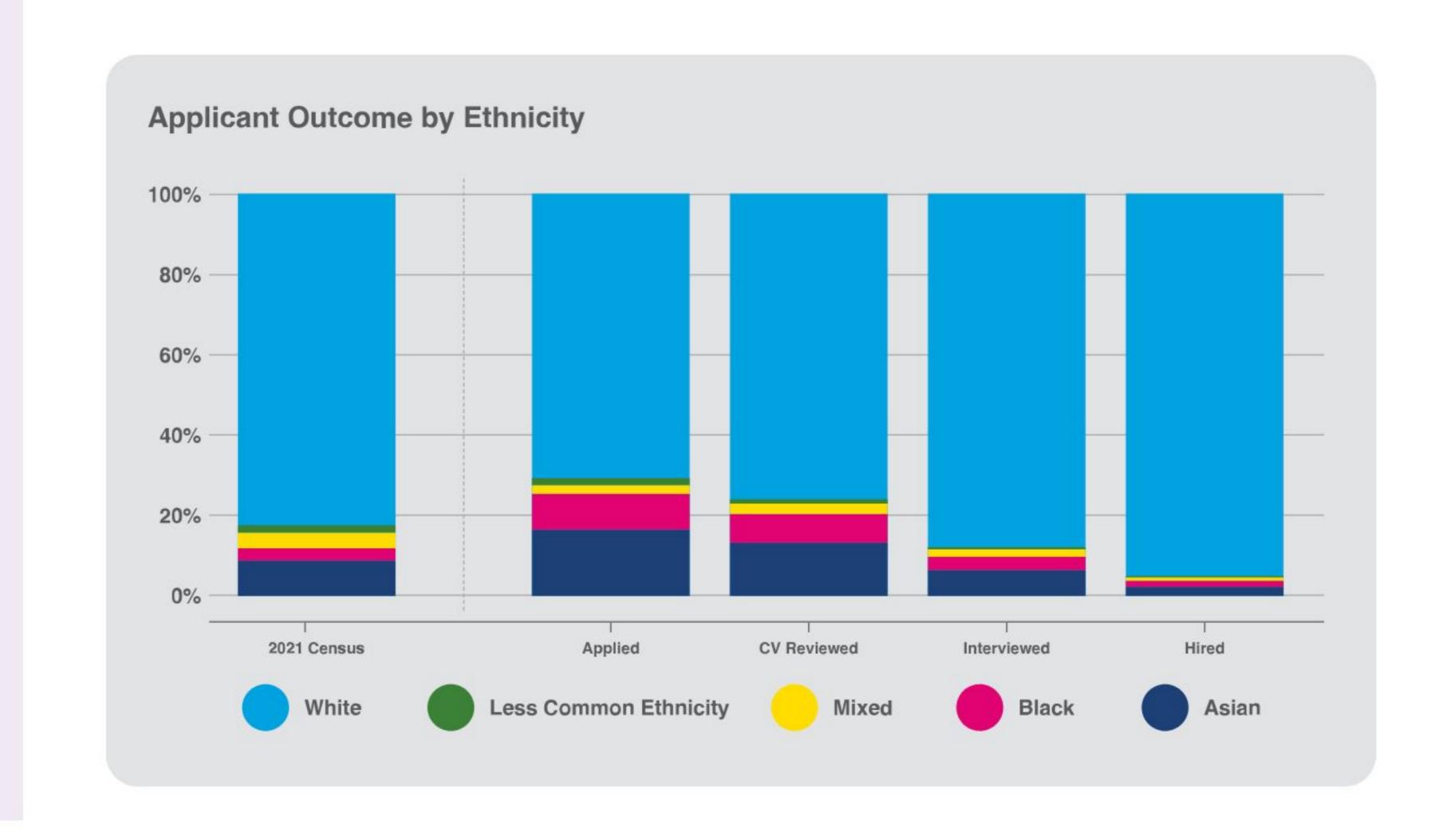
#### Recruitment

Analysis into our recruitment pipeline identified that the proportion of applicants from under-represented ethnic minority backgrounds decreased at each stage of the application process.

70% of applicants identified as white, compared to 95% of those hired (and 82% of the UK population) Compared to the previous year, the proportion of applicants from under-represented ethnic minority backgrounds increased from 23% to 30% but decreased from 8% to 5% in the hiring pool.

This trend is highlighted when looking at the proportion of applicants from each ethnicity that were rejected Those identifying as Asian, Black, or from other ethnic minority backgrounds have higher rejection rates than white applicants or

those with a mixed ethnic background. This indicates that whilst we are attracting ethnically diverse candidates to our roles, those candidates were not progressing through our recruitment processes in equivalent proportions.

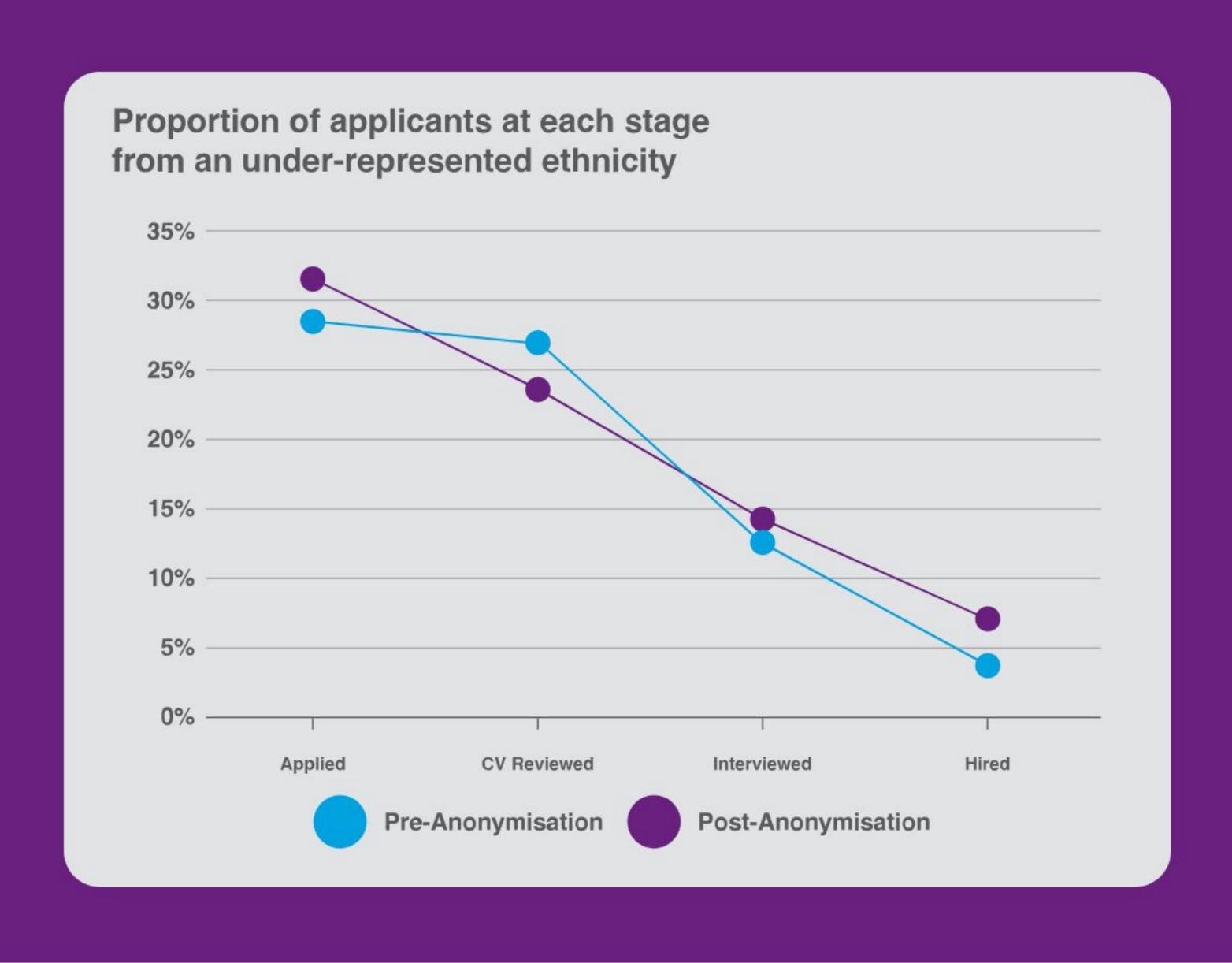


#### Proportion of applicants rejected by ethnicity.

Proportion rejected (%)		
97		
99		
91		
90		
98		

We introduced application anonymisation in October 2023 with the aim of eliminating any unconscious bias that may be present when hiring managers were reviewing applications. This meant that information such as name, school, etc. was not visible to the recruiters until the interview stage.

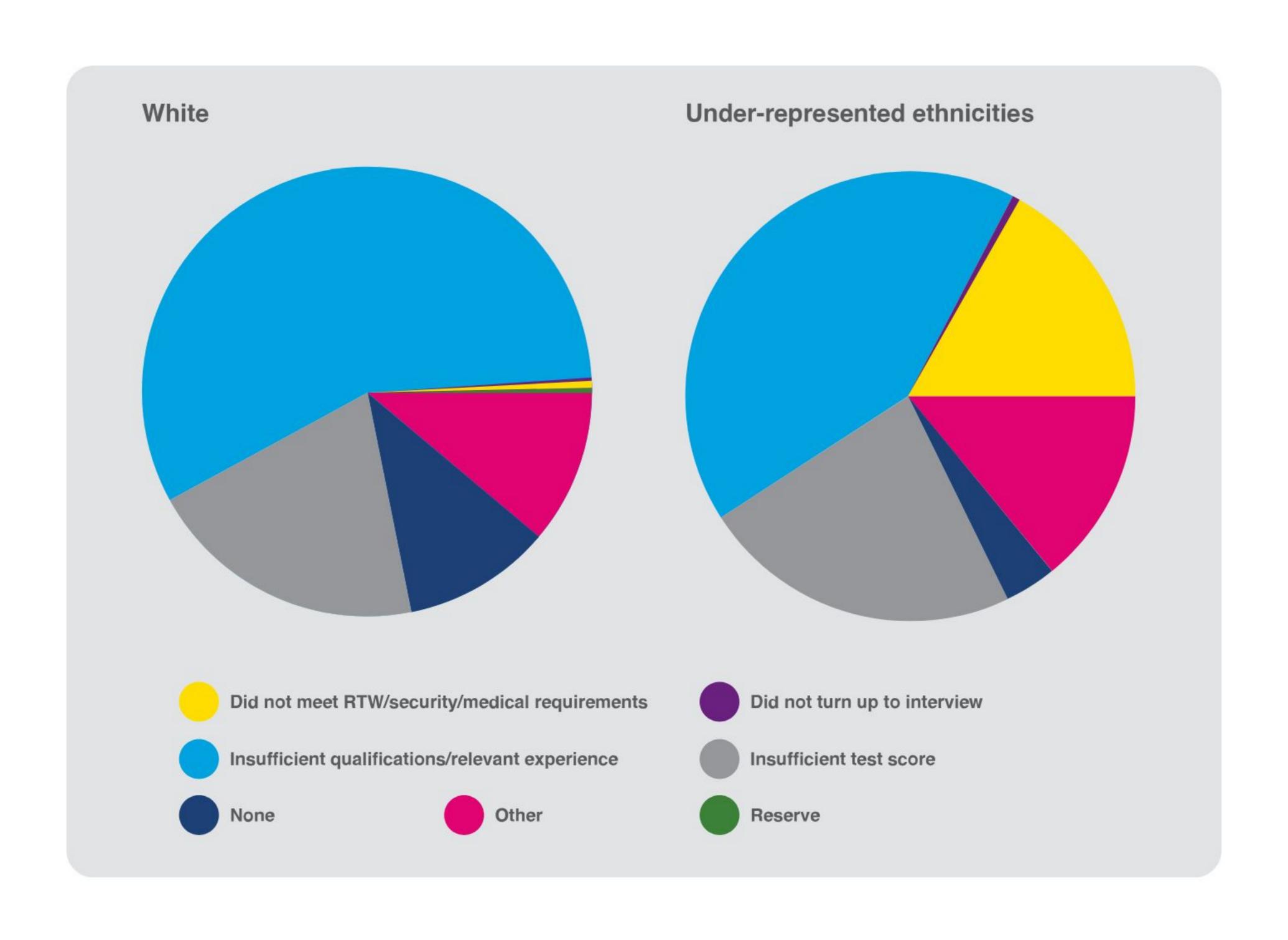
Unfortunately, this anonymisation has not proved effective in eliminating this trend which is still in evidence in both pre and post anonymisation.



When we analysed the reasons people were rejected, we found that the top two rejection reasons were the same from white applicants and applicants from under-represented ethnic minority backgrounds However, 17% of rejections of applicants from under-represented ethnic minority backgrounds were due to candidates not meeting Right to Work (RTW), security or medical requirements, whereas this was only 1% for white applicants. When we removed all

candidates with dual or non-British nationality (i.e. where Right to Work, or security clearance could be a legitimate concern), this reason for rejection reduced to the similar level for candidates from an ethnic minority background as for white candidates but the drop off in the recruitment pipeline was still in evidence. We have provided further guidance to the business on the rules surrounding Right to Work and security clearance to help tackle any

unconscious bias associated with this process and will look to embed this further. We have also sought feedback from our colleagues from ethnic minority backgrounds about which parts of the application process they felt may be causing the issue. This identified that in some cases people don't feel confident to speak out in group exercises. As a result, we are reviewing our recruitment processes and developing additional guidance for candidates.



#### Conclusion

We have continued our steadfast commitment to ED&I – reaccrediting with the National Equality Standard, showing significant improvement according to their assessment and launching our next three-year strategy, which sets out how we are going to continue to do our part in making the nuclear sector more inclusive.





This report highlights our deepening understanding of ED&I in UKNNL. We have more data, can see the trends and levers that impact them across demographic distribution over time and we are starting to see how changes in recruitment and pipeline size affect our ability to drive gender representation and equity through all levels of our business.

For the first time, we have analysed our business in terms of ethnicity and we are pleased to find that we are more diverse than the wider sector; however, the distribution of people through our business (i.e. the drop off in representation in the uppermost quartile) and the issues we see in our recruitment pipeline mean this is a priority area for ED&I in UKNNL.

As our internal ED&I data reached a 97% completion rate, we were able to look for the first time at our workforce demographics compared to the sector and UK Census data. This means that every year we will be able to deepen and extend our analyses across more demographics.

# Appendix

## **Context and Definitions**

The UK gender pay gap, as defined by UK government regulations, requires reporting on key metrics relating to the difference between pay and bonus pay for men and women.

In accordance with these requirements, UKNNL take a data snapshot at the beginning of each financial year to explore pay and bonus payment information.

Our diversity data is available for staff to complete but we are not yet in the position where we can include, or account for, non-binary gender identities.



In this report we go beyond just comparing the difference between pay and bonus pay for men and women. We use this annual opportunity to delve further into the data than is mandated by government to give more insight into our employee demographic and pay structures.

Exploring our data in this way helps us consider gender diversity across our employee pipeline, looking at recruitment, promotion, and attrition. It also helps us understand if there are particular areas of the business, pay grades, or groups of employees (for example those working part-time) which we should target to determine whether our report's high-level observations are true throughout our business. This report also includes a comparison to previous years' data to identify trends.

Gender pay gap and equal pay

The Gender Pay Gap looks at the difference in average pay between men and women across the company in all roles, whereas an equal pay analysis considers whether men and women are paid equally for performing similar roles. Therefore, equal pay does not automatically lead to a zero gender pay gap.

Full-pay relevant employees

As defined by the gender pay gap guidance, all employees who were paid their usual full salary in the pay period considered are referred to as "full-pay relevant employees". This means those employees that are in receipt of full normal pay. Therefore, this excludes those on long-term unpaid (or reduced pay) leave, such as career breaks or those on parental leave beyond the period where they are in receipt of full pay.

Mean and Median gender pay gap

Mean gender pay gap: The pay (or bonus pay for the bonus gender pay gap) for all men is summed and divided by the total number of men in the organisation. The same is done for women. The difference between the two values is then calculated and divided by the mean pay for men to give the percentage gap.

Median gender pay gap: The pay (or bonus pay for the bonus gender pay gap) for men is ordered high to low and the midpoint is selected. The same is done for women. The difference between the two midpoints is then calculated and divided by the median pay for men to give the percentage gap.

Note that mean and median values alone do not give the full picture of the gender pay gap. We therefore investigate the data further to help us better understand the pay gap and where we should focus our efforts.

Mean and median ethnicity pay gap

The ethnicity pay gap was calculated using the same methodology as the gender pay gap.

Quartile pay bands

Quartiles are determined by dividing our workforce into quarters according to their full-time equivalent salary. The lowest paid quarter is referred to as quartile one and the highest paid quarter of the workforce is referred to as quartile four.

Science, Technology, Engineering and Maths (STEM) and non-STEM Roles For the purposes of the gender pay gap reporting, roles within the business have been classified as STEM and non-STEM based on business areas.

This is simple within our technical functions, which will all fall under STEM.

Areas such as project management, human resources and procurement, fall under non-STEM.

In some areas, such as facility-based teams and executive teams, there could be a mix of both STEM and non-STEM roles. In those cases, we make a judgement call and while this means that the method is not completely accurate, it still allows us to look at the trends in our data more closely.

# Appendix - Case Study

#### **NES** accreditation

As part of developing our people through our ED&I programme, the National Equality Standard (NES) reaccreditation process this year was led by our mid and early career professionals (Leah York our ED&I Career Development Workstream Lead who guided Lucy James and Jemma Atkinson two of those who are on or completed our Apprentice Programme).



NES carries out a comprehensive review of policies, practices and employee feedback within an organisation. They shone whilst supporting the process, presenting the results our Executive Leadership Team and Board.

UKNNL were delighted with the outcome of the process as we achieve National Equality Standard (NES) reaccreditation, improving from the results outlined in the initial accreditation in 2021. As such, it is a real endorsement of our approaches and continuing progress in ED&I. The report highlighted UKNNL's provision for mental health and wellbeing and improving accessibility, so all colleagues have a fair and equal chance in the workplace. It also noted we are a good influence on the sector. We continue to grow the presence of ED&I within the organisation to develop a diverse and inclusive workforce. This includes focusing on the areas of improvement recommended by NES, allowing us to embed ED&I further and provide improved support to colleagues with caring responsibilities.

# Appendix - Case Study

# Flexibility to support family life, for everyone

"The best thing about working at UKNNL is the feeling that you're contributing to something positive."

Tom Bell, Strategy Manager

I joined UKNNL in November 2019 as a strategy manager. I work four days a week, with my day off on Monday. I say 'day off', but I'm looking after two small children, so it doesn't always feel like it.



UKNNL has always been really open to me working flexibly: I've been able to change my working pattern easily, several times, to manage the childcare needs of the moment. When my children are a little older, I know I will be able to return to full time working if I choose.

As part of the strategy and insight team, my job is to help define the business's longterm objectives, and plan out how to achieve them. We also make sure that people have the right information – about the nuclear landscape, government policy,

and so on – to make good decisions. My team helped UKNNL define its purpose statement, 'nuclear science to benefit society', which allows us to make informed decisions based on that purpose. It gives us a STEM subject at university - so being able more flexibility to pursue the right thing, projects that are in the national interest, rather than following a purely commercial strategy.

I knew nothing about UKNNL before I joined. I'd spent 10 years in the Army, then worked in management consultancy. I was keen to move in-house, into a more

strategy-focused role, so when a recruiter approached me about the role at UKNNL I was really interested. I've always loved science and technology - I regret not doing to do strategy for a science and technology organisation was the perfect combination. Since joining, I've had the opportunity to work with lots of incredible people and support the amazing research they do. I find it all fascinating – when someone asks me how work's going, it can sometimes be difficult to stop me talking!

# Appendix - Case Study

# Working with Racial Equality in Nuclear (REiN) to engage parents as well as students

At UKNNL we are working to optimise the social value component of government funded bids and use these to support specific activities highlighted by the pan-sector Nuclear Advocacy groups such as Racial Equality in Nuclear (REiN) as good initiatives for broadening the diversity of the sector's pipeline.





REIN representatives and the outreach team from UKNNL spoke to high school students and their parents/carers in Bolton to spotlight different job opportunities in the nuclear industry. REiN is eliminating the barriers preventing ethnic communities from thriving in the nuclear industry, and engaging with pupils at an early stage ensures we can attract diverse talent to drive an inclusive transformation of the sector. After the evening, 83% of parents/carers were more supportive of their child embarking on a career in the nuclear industry. Several pupils' perspective

of the nuclear industry shifted from negative to positive after speaking with our group.

Emin Veron, President of REiN, said:
"Through engagement with parents, as a sector, we can start to understand what students and the communities they are part of might think or experience – which might not be visible or obvious to us – and this is so important when we start to look at how to attract and retain skilled people who live at the many intersections of our society."