

# First Utility

## First Utility annual gender pay gap report

Published February 2018 (covering the period between 5 April 2016 and 4 April 2017)

As part of steps to highlight the issue of gender pay equality, the Government has required all companies with more than 250 employees to report their gender pay gap. First Utility believes this is a positive move and one we wholeheartedly support as more transparency will help to focus companies on steps they can take to improve.

This document shows the Gender Pay Gap at First Utility, highlights the reasons for this and outlines some of the steps we're taking as a company to redress the imbalance.

### What is the gender pay gap?

The gender pay gap is the difference between the average of all earnings paid to men and all earnings paid to women. This is different to equal pay, which is paying the same for the same work.

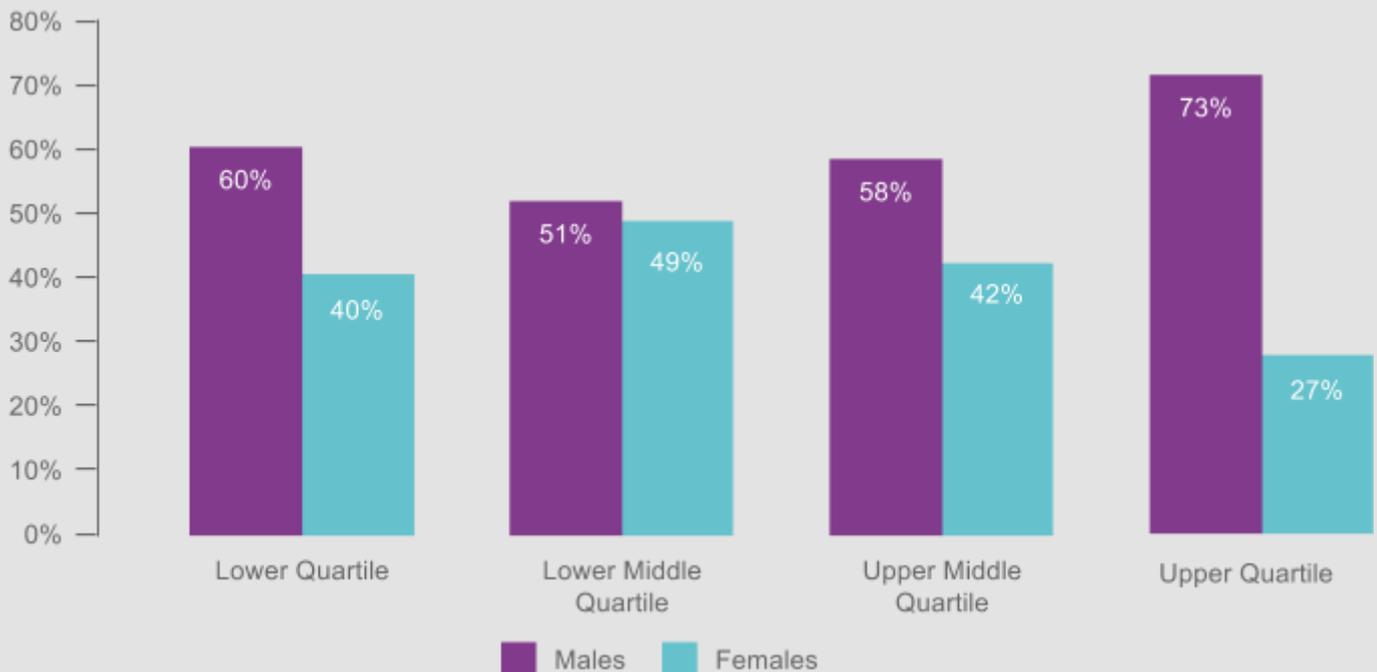
While men and women are paid equally for equivalent work, a higher number of men in senior roles, or in roles with higher pay, will mean higher average pay for men than women.

### How does First Utility perform?

**Mean pay gap = 20%** This means that the average of all earnings (calculated at an hourly rate of pay) paid to women is 20% lower than the average of all earnings paid to men.

**Median pay gap = 10%** The median value shows the difference between the midpoint in levels earned by men and women. This has the effect of removing the highest and lowest earnings which can skew the data and explains why the median gap is much lower. The reasons why a gap exists at all, and what First Utility is doing about it, is explained below.

### Pay Quartiles



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## Bonus Pay

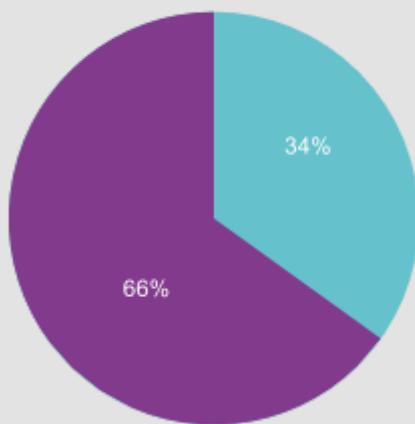
Approximately one quarter of all employees are eligible to participate in the company's annual bonus plan. First Utility's bonus scheme is linked to overall company performance not individual performance. The gap reflects the fact that more men than women participate in the bonus plan and men hold more of the senior (higher paid) positions within the business.

**Mean gap in bonus pay = 16%** This shows that the average of all bonuses paid to women is 16% lower than the average of all the bonuses paid to men.

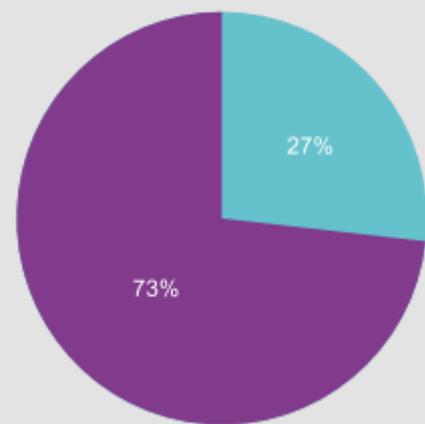
**Median gap in bonus pay = 33%** This metric removes the impact of very high and very low bonuses, which in our case includes a number of women who received very high bonuses. The median gap provides a view of the difference between the midpoint in bonus amounts paid to men and women and is influenced by the fact that a large proportion of bonus recipients are in our technology team (an industry sector which is traditionally male dominated, quite highly paid as a result of the overall shortage of skills, and suffering in particular from a well documented shortage of female developers).

34% of men and 27% of women received a bonus in 2017

Proportion of males receiving a bonus payment



Proportion of females receiving a bonus payment



■ No bonus ■ Bonus received

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## Why does First Utility have a gender pay gap?

It's important to reiterate that this doesn't mean that men are paid more than women for equivalent work but it does show that there are more men in higher paid roles than women, something we continue to seek to redress. There are two main causes for that at First Utility:

1. We have disproportionately more men in senior positions with the highest salaries. This is a legacy issue as our three founders are all men, but we have made progress here with our female Chief Business Operations Officer having been promoted onto the Executive team.

2. As a technology company at heart, we employ a large number of developers who tend to command higher earnings. While we have some very talented women in this part of our workforce, the reality of the UK labour market means that there are far fewer women available for these roles and the shortage of talent overall means that those working in IT command higher earnings.

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## What have we been doing about this?

We want to close our gender pay gap and have been actively working on addressing these two main causes.

- **Powerful Women.** We've pledged to increase our proportion of female executives to at least 30% and the proportion of women in senior roles to 40% by 2020 as part of the Powerful Women initiative. Currently one in five of our executive team is female.
- **Women in IT.** We are active in attempting to inspire women to consider a role in technology in addition to developing our talent. Our female IT leaders have been shortlisted for the Women in IT awards for the last two years and provide mentoring and coaching for other women in the sector.