

AffinityWater

Gender
pay gap
report
2022



About this report

This report is prepared by Affinity Water Limited ("Affinity Water") under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (the "Regulations").

The Regulations require employers with 250 or more employees to publish information relating to the gender pay gap in their organisation, including:

- the difference between the mean and median hourly pay for men and women
- the difference between the mean and median bonuses paid to men and women
- the percentage of men and women who receive a bonus
- the relative proportion of men and women in each quartile pay band of the workforce.

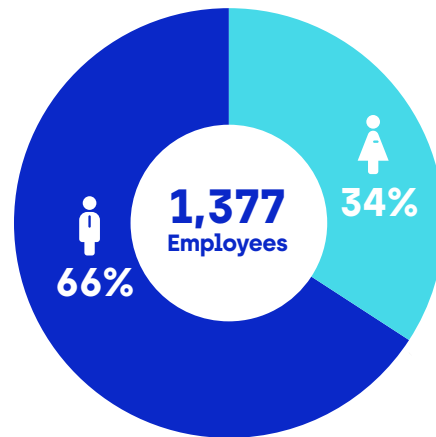
This report was calculated using our payroll data from 5 April 2022. During that pay period, the company had 1,377 employees, 911 male employees and 446 female employees.

Affinity Water confirms that the gender pay gap information published in this report is accurate.

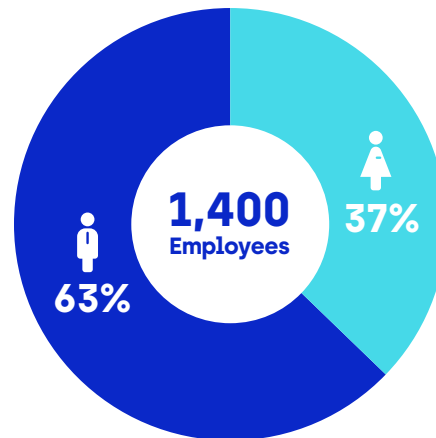
Keith Haslett
CEO



2022



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What is the gender pay gap?

The gender pay gap is the difference between the average hourly pay of all male employees and the average hourly pay of all female employees, regardless of the jobs they do. Pay includes any basic pay, bonuses, or allowances, but excludes overtime and expenses.

It is not the same as equal pay which compares the pay of men and women doing the same or similar jobs, or jobs that are different but of equal value in terms of the skills, knowledge, effort, and responsibility involved.

What's the difference between mean and median?

The mean and the median are two different ways of calculating the average.

Mean pay is calculated by adding up the pay of all employees and then dividing it by the total number of employees.

Median pay is calculated by lining up the pay of all employees in numerical order and then finding the middle point in the list.

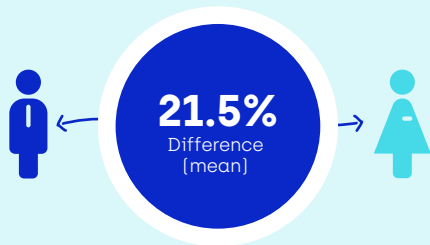


Pay gap information

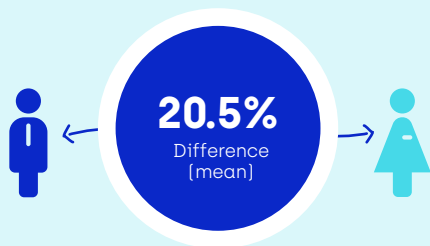
Mean gender pay gap

Our mean gender pay gap based on hourly pay on 5 April 2022 was **21.5%**. The gap has increased since the April 2021 report when it was **20.5%**.

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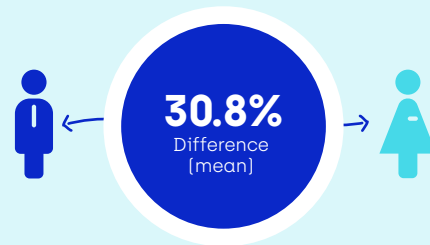
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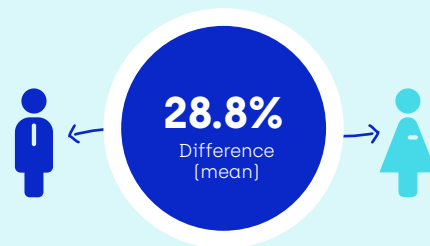
Median gender pay gap

Our median gender pay gap based on hourly pay on 5 April 2022 was **30.8%**. This gap has increased from **28.8%** in April 2021.

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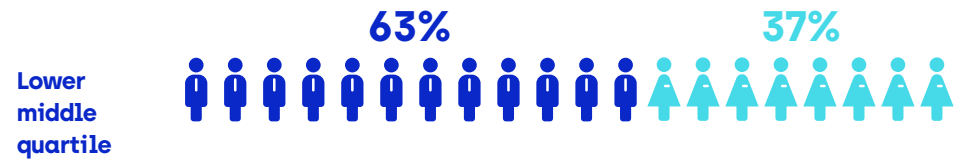
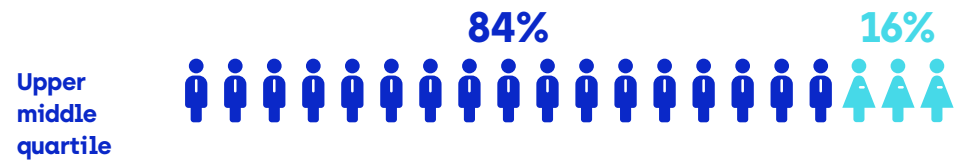
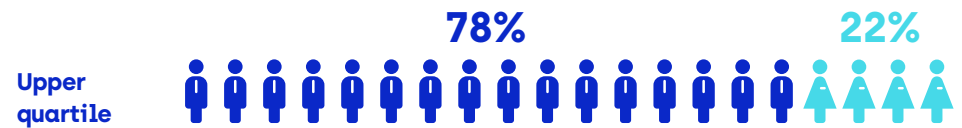


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Distribution of male and female employees

The diagram below shows the percentage of male and female employees in each pay quartile on 5 April 2022. It shows that men outnumber women in all but the lowest pay quartile.



Bonus pay

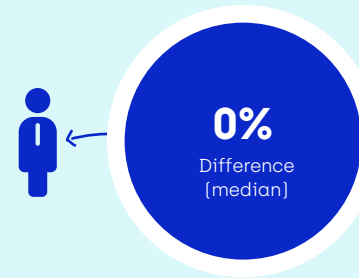
Employees are eligible to receive a bonus based on company performance if they have completed one full quarter and are still in employment when the bonus is paid out in June. This bonus scheme rewards most employees, and the amounts paid are based on whole company performance, rather than varying according to the performance of an individual or team.

Our executive management team and senior leaders are eligible for additional bonuses based on the achievement of business performance metrics, as well as including an element of reward for individual performance.

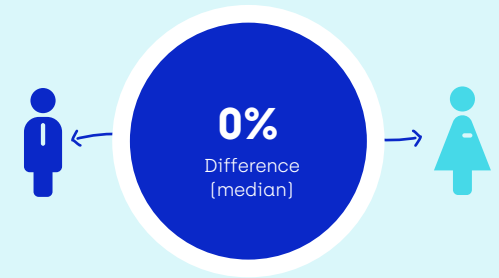


During the bonus period that includes 5 April 2022, **94%** of our male and **94%** of our female employees were eligible for a bonus. In 2022, there was no gender pay gap in median bonus pay. This was also the case in April 2021. There is no gender gap in bonus payments at the midpoint because of the whole company bonus scheme.

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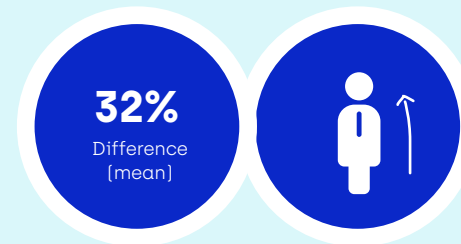


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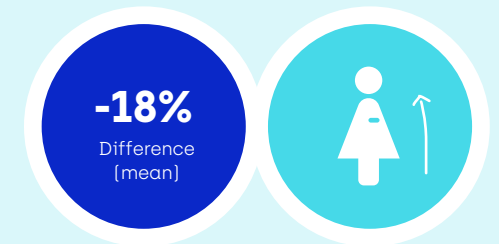


In 2022, there was a **32%** gap in favour of men in mean bonus pay. In April 2021, there was a **18%** gap in favour of women in mean bonus pay. This reflects variability in the bonus payments received by senior leaders and the executive management team, and the change in the gender make-up of this group between April 2021 and April 2022.

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Influences on our gender pay gap

A range of factors influence movements in the pay gap from year to year, such as changes in workforce composition, turnover in particular roles, and changes in pay policies.



Female representation

The decline in female representation in our workforce between April 2021 and April 2022 will have contributed to the widening in the gender pay gap in this period. The decline was across all the pay quartiles, including at executive level.



Proportion of women employees

Since April 2022, the proportion of women employees has begun to rise, and we are taking steps to further improve diversity in recruitment and to improve the retention, development, and progression of women.



Actions we are taking

We understand that the purpose of gender pay gap reporting is to drive change and improve equality, diversity, and inclusion in our workplace.

Over the past year, we have taken some important steps to progress and embed EDI in the business. In August 2022, we appointed a Head of Culture & EDI to ensure we had the internal expertise to develop and drive an EDI strategy. The creation of this senior role was one of the recommendations made by Inclusive Employers in a gender pay gap audit, which they completed for us in early 2022.

The Inclusive Employers' audit, together with a further review of other data and insights and consultation with our women's network, has helped us identify priorities for action in the immediate and longer term.



Recent actions we have taken

- Introduction of name-blind shortlisting, screening the language of job ads for gender bias, and compulsory EDI training for all hiring managers.
- Implementing a new career path framework, which will give more structure and transparency to pay and progression.
- Increasing the fully paid period for maternity and adoption leave from 3 to 6 months.
- Introducing up to 3 months' full pay for shared parental leave to improve flexibility and gender equality in our leave policies.
- A new carers policy that provides 5 full days or 10 half days of paid leave a year to those with significant caring responsibilities.
- A new menopause support policy.
- A new fertility leave policy for those going through fertility treatment.
- Amending our flexible working policy so that a formal request for flexible working can be made from day one of employment.

We have agreed new terms of reference for our EDI Committee to provide governance and oversee development and implementation of our EDI strategy. The Committee includes one of our shareholders, EMT representation, diverse lived experience and representation of key functions in the business.

Terms of reference for the women's network have also been updated with the aim of improving visibility and engagement. It plays a valuable role in creating a supportive space, helping to create an inclusive culture, and acting as a collective voice. With the women's network and colleagues in Procurement and Health and Safety, we are improving PPE options for women working or visiting sites.

Since April 2022, the proportion of women employees has increased with more women joiners. There has also been a decline in the proportion of women leavers. We hope to see this improve further as some of the recently introduced changes outlined above have an impact.

A priority for the future is improving women's career development and progression within the business. This was a focus of our International Womens Day webinar on 8 March 2023, which was led by our CEO who made clear his commitment to progressing gender equality at every level. The event included a panel session of women at different stages in their careers with us – a female Director, two graduate trainees, and two mid-career women who had progressed within the company. We also held breakout sessions and gathered feedback from employees to shape future action to improve gender equality in career development and progression.

Why equality, diversity, and inclusion matter to Affinity Water

We provide a service that is essential to everyone's lives. We must do the right thing, treat people fairly and with respect, and be accessible and responsive to different needs.

We must attract, retain, and develop talented people from across our diverse communities, ensuring everyone has an equal chance to progress. This will help us build trust and better serve our diverse customers.

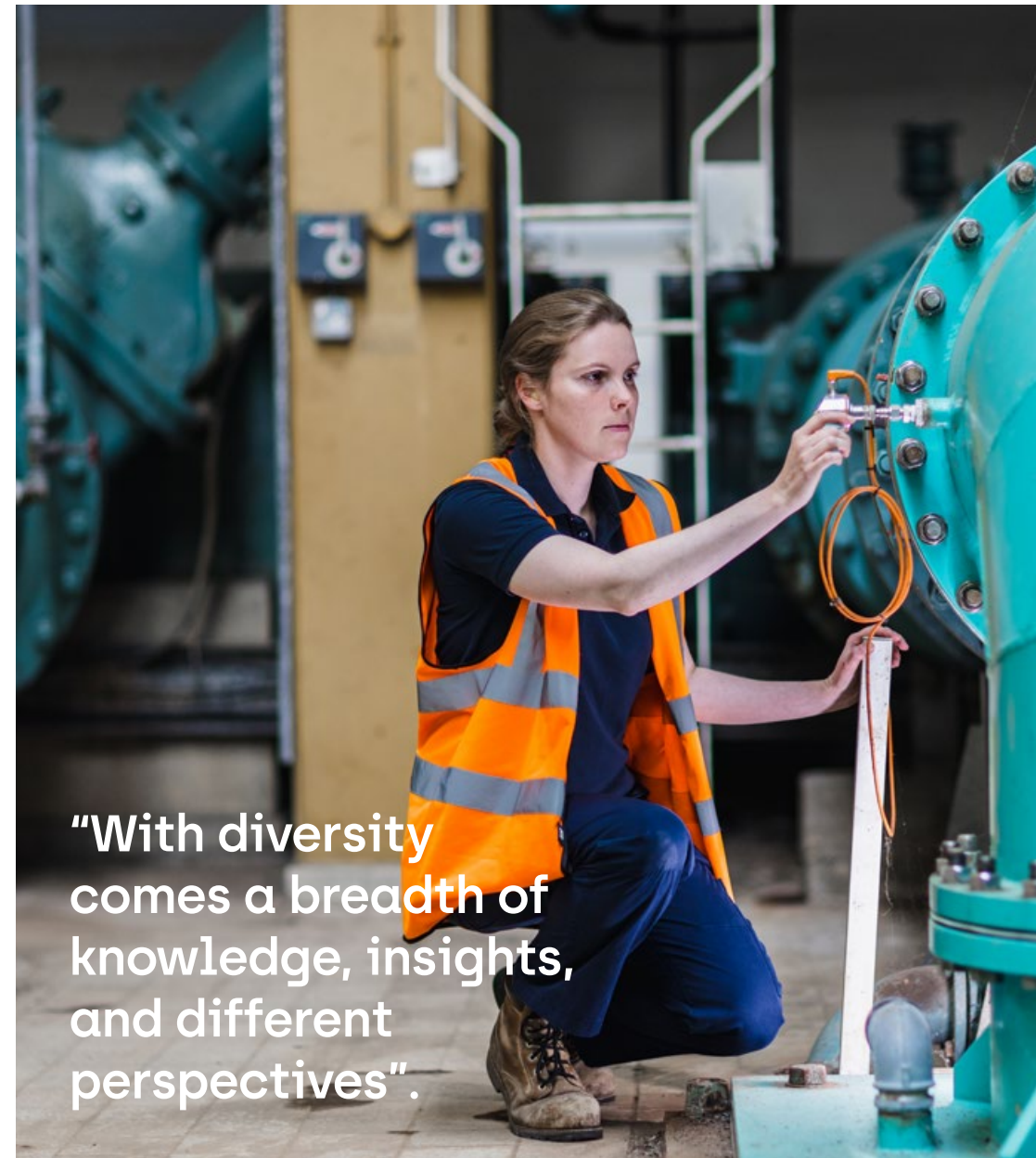


With diversity comes a breadth of knowledge, insights, and different perspectives. This will help us innovate and meet the big challenges we face, supplying high-quality water to a growing population, while ensuring sustainability and achieving net zero.

To get the benefits of diversity, we need to be inclusive and show we care. When people feel valued and accepted for who they are, they feel safe sharing ideas and voicing concerns, and confident taking on challenges and learning from feedback. This is essential to achieving high performance and safety at work.

Everyone counts. We all have a role to play. We will deliver the best experience for our customers when we value each other as individuals and work well together as one team.

Research demonstrates that a diverse workforce and inclusive culture improve performance and will ultimately lead to enhanced service for all our customers.



“With diversity comes a breadth of knowledge, insights, and different perspectives”.

Affinity Water

