



Gender pay gap report 2019

Affinity Water Limited



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”).

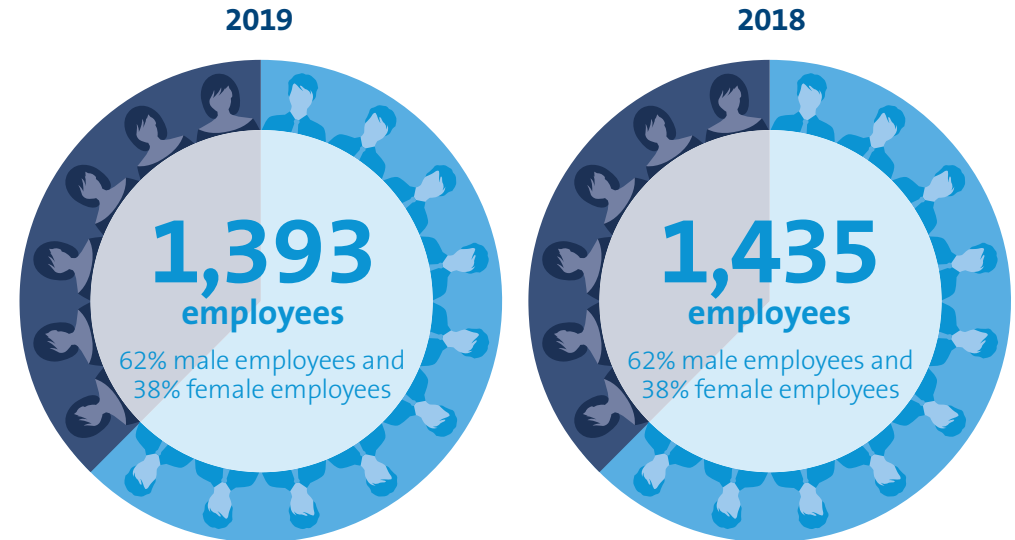
The Regulations require employers with 250 or more employees to publish information relating to the gender pay gap in their organisation. In particular, employers are required to publish:

- the difference between the mean and median hourly rates of pay paid to male and female employees;
- the difference between the mean and median bonuses paid to male and female employees;
- the proportions of male and female employees who receive bonuses; and
- the relative proportions of male and female employees in each quartile pay band of the workforce.

This report is based on a snap shot of our workforce on 5 April 2019. On this day, we had **1,393 employees**; **62% male employees** and **38% female employees**. We are proud that Affinity Water benefits from having so many loyal employees; our average length of service remains at 10 years.

We held our second International Women’s Day event on 4 March 2020 which was also the launch of the Affinity Water Women’s Network. The theme for this day was **#EachforEqual**, the worldwide campaign calling for a more gender balanced world. Affinity Water demonstrated its continued commitment by hosting a brunch that included staff sharing their experiences alongside external speakers from the Women’s Utility Network, Energy and Utility Skills with interactive workshops on topics including unconscious bias, self-promotion and confidence. The launch of the women’s network was supported by a session with colleagues to describe what they would like from a network.

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



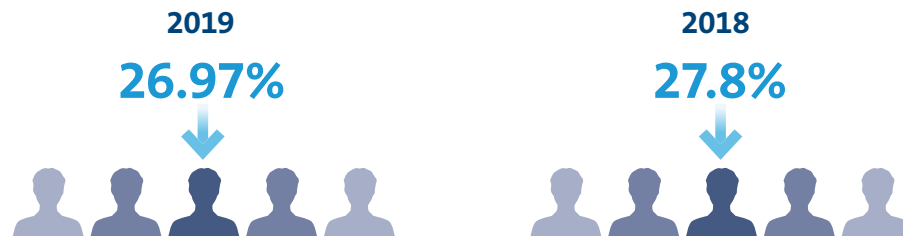
#EachforEqual Alice Elder, Diversity and Inclusion Ambassador

Hourly rates of pay

The difference between the mean (or average) hourly rate of pay of our male employees and that of our female employees is 19.0% (2018: 22.5%, 2017: 24.8%).



The difference between the median hourly rate of pay of male employees and that of female employees is 26.97% (2018: 27.8%, 2017: 28.6%).



Our analysis suggests that **these differences are attributable to factors which are common to our industry.** These factors include:

- more male employees in senior roles
- more male employees in roles where allowances are paid that relate to the working patterns of their roles.

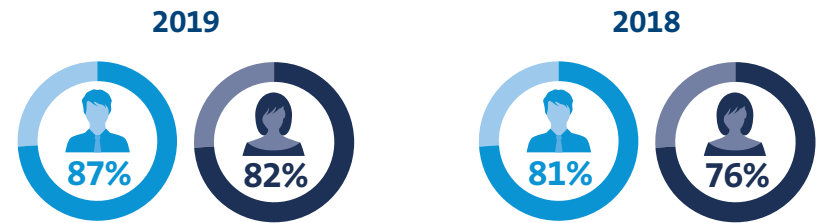
Over the three snap-shot years the gap is narrowing. Over the same period there has been a change in gender profile in certain levels of the organisation. As at 5 April 2019, three of the executive team were female and there has been a growth of female employees within both professional and managerial roles in the organisation.



Bonuses

All of our employees are eligible to receive a bonus based on company performance. **The difference between the mean (average) bonus paid to our male employees and that paid to our female employees is 16.43% (2018: 63%, 2017: 63%).** Our analysis suggests that this difference is attributable to more males being employed in very senior roles which provide the opportunity for significantly higher potential bonus awards than those applicable to less senior roles. The change in the bonus gap over time relates to the changes in demography of senior positions.

The proportion of our male employees who received a bonus is 87% (2018: 81%, 2017: 74%) and the proportion of our female employees who received a bonus is 82% (2018: 76%, 2017: 76%). To be eligible for payment of a bonus, employees must be employed at the end of our financial year.



The difference between the median bonus paid to our male employees and that paid to our female employees is 0% (2018: 0%, 2017: 0%). The median bonus is the middle value when bonuses are placed in numerical order. There is no difference between male employees and female employees, reflecting the company-wide bonus scheme we operate which rewards most employees according to the performance of the business rather than individual or team-based performance.



#EachforEqual Lucy Hurst, Diversity and Inclusion Ambassador

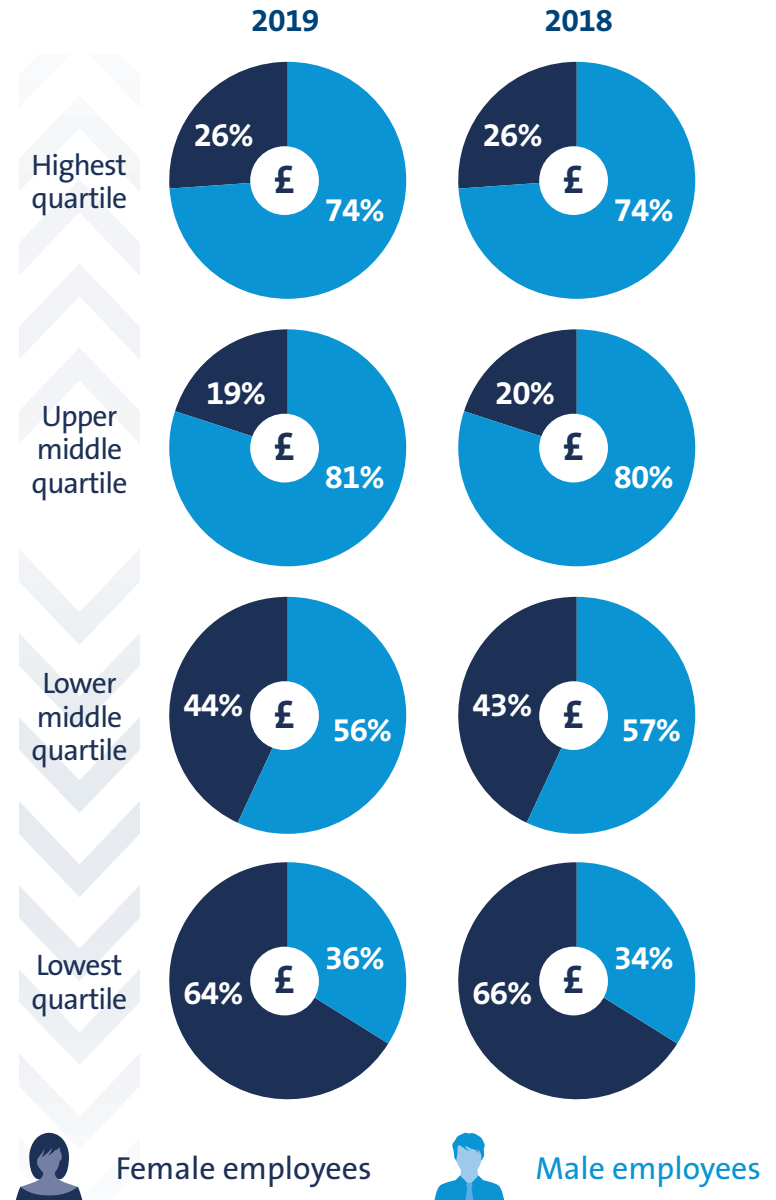


Pay quartiles

We have ranked the hourly rate of pay for each of our male and female employees in order from lowest paid to highest paid.

The proportions of male and female employees in the lower, lower middle, upper middle and upper quartile pay bands are shown on the right.

This shows we have more male employees than female employees in higher paid roles and more female employees than male employees in lower paid roles.



What are we doing to close our gender pay gap?

More diverse and inclusive workplace

Since signing up to the Energy and Utilities (EU) Skills inclusion commitment, in 2019 we formed a Diversity and Inclusion Committee. This has the full commitments of the board and 12 ambassadors have been appointed and a Diversity and Inclusion Policy will be agreed in 2020.

The Diversity and Inclusion Committee was formed as consultative group to provide insights, suggest improvements and to influence a companywide approach to diversity and inclusion late 2019. Their remit is to support all aspects of inclusion.

Measuring progress

As part of the EU Skills commitment to build an inclusive culture, Affinity Water will be undertaking data reporting improvements. This will enable measurement and transparency about progress by using the framework that is scheduled to be launched in June 2020.

Recruiting more females into the business

External marketing material is continuing to be reviewed to ensure we are representing more women in key roles to attract more females into the company. Key actions that have been undertaken include:

- Hiring managers are supported by Human Resources at the vacancy stage to consider whether the role can be undertaken flexibly, such as by job share or on a part time basis
- Applying gender neutral language and enlisting website tools as part of the recruitment process to ensure that language in adverts is attractive to female candidates
- Utilising mixed gender recruitment panels
- All director level shortlists require at least a 30-50% female profile.

Developing more females into manager roles

In 2019 we introduced a management development programme at Affinity Water which is continuing into 2020. This was completed by 54 managers in the business of which 41% were women. The programme includes a session on unconscious bias as part of the programme with the aim of reducing the impact of potentially harmful and discriminatory judgement.

Following the demand from colleagues, the Affinity Water Women's Network was launched 4 March 2020 as part of International Women's Day. This is a staff led support network that will be developed further in 2020.



"Affinity Water is committed to building a more inclusive culture where every member of our workforce can bring their true selves to work, confident that they will be valued. Our ambition is to enable our employees to thrive and to reach their personal best and in so doing, enhance the culture of our business and encourage everyone to strive to deliver in line with our strategy and business plan."

Pauline Walsh,
Chief Executive Officer Affinity Water Limited

"Affinity Water is committed to ensuring we create the culture we need to attract the workforce of tomorrow. We encourage colleagues across the company to get involved, share thoughts, opinions and get involved in our networks including our newly formed Culture Forum to make sure that this is a two-way exchange."

Sue Flower,
Director of HR and Culture

