



Gender pay gap report 2020

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 for 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
- the relative proportions of male and female employees in each quartile pay band of the workforce.

This report is based on a snapshot of our workforce on 5 April 2020. On this day, we had **1,326 employees: 62% male and 38% female.**

We are proud that Affinity Water benefits from having so many loyal employees – our average length of service is just over nine years.

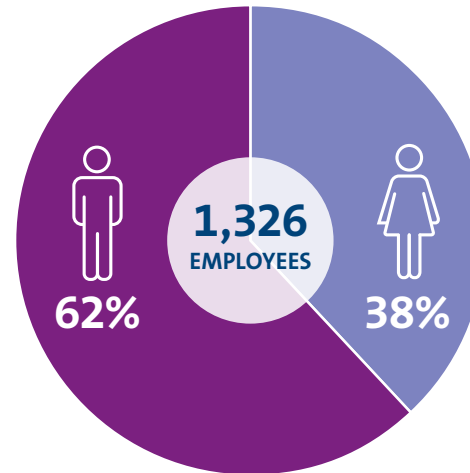
Affinity Water is committed to building a diverse and inclusive workplace. We believe that all employees should be treated equally, regardless of gender, ethnicity, age, religion, sexual orientation or disability.

Like many companies in the water sector we employ a higher proportion of males with a high density within operational areas. Our focus for the future is to provide a more balanced workforce and one that represents the communities we serve.

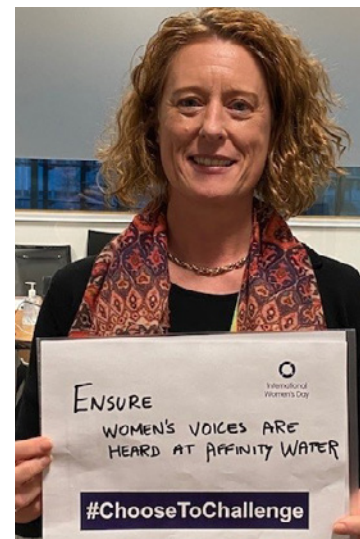
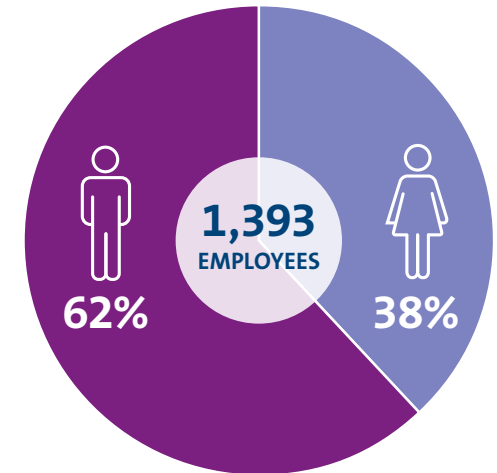
We are committed to closing the gender pay gap with long-term solutions that are both impactful and sustainable, with a focus on creating a gender-balanced talent pipeline and ensuring we support more women into senior roles.

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

2020



2019



Pauline's pledge:
 "Ensure women's voices are heard at Affinity Water."

Andy's pledge:
 "I will seek out approaches which ensure inclusivity."

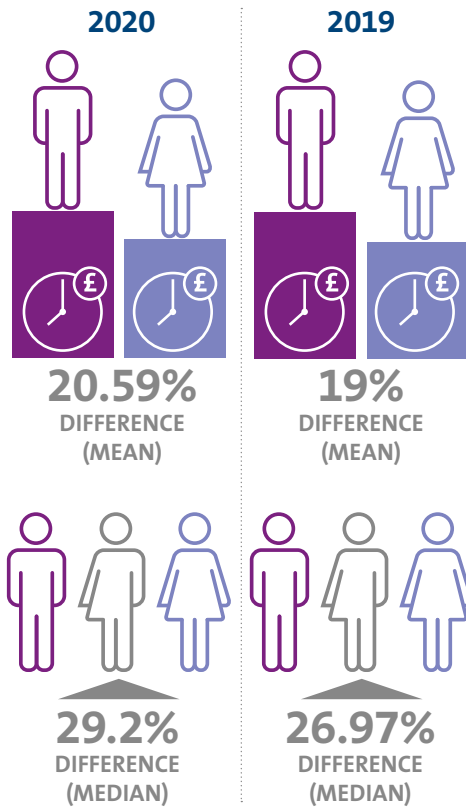


#ChooseToChallenge Pauline Walsh, CEO, and Andy Morris, Chief Information Officer



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 **20.59%** (2019: 19%, 2018: 22.5%).



The difference between the median hourly rate of pay of male employees and that of female employees is **29.2%** (2019: 26.97%, 2018: 27.8%).

The median hourly rate of pay is the middle value when rates of pay are placed in numerical order.

Since we started reporting on the gender pay gap, the mean gap has improved from 24.8% in the 2017 snapshot to 20.59% in the latest survey. The ratio of female to male employees has an impact on the pay gap and we have seen a marginal increase from 2019 on the employee base. Although the number of women in managerial roles has remained at similar levels between 2019 and 2020, we have seen a movement in salaries in the top two quartiles. This shows that our focus on management development is beginning to have an impact.

Through our EDI Committee we are actively looking at how we can attract more females into the company and into those roles where we have a higher density of males. We are also looking at succession planning and how we can



Sarah's pledge:

"I pledge to challenge and call out bias, and ensure unconscious bias is understood."

Dean's pledge:

"I am always here for anyone and will try my utmost to help and bring a positive vibe to anyone's day."



#ChooseToChallenge Sarah Menday, Head of Organisation Development, and Dean Whiten, Customer Service Technician and Culture Ambassador

develop and promote more females into leadership roles.

As a company we are aware that this is an industrywide area of development. Our Energy and Utilities Skills Committee, which encourages data/knowledge sharing between fellow sector companies, has provided useful insights into the focus areas likely to have the most positive impact.



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 **20.77%** (2019: 16.43%, 2018: 63%). This is attributable to more males being employed in very senior roles, which provide the opportunity for greater bonus awards than those applicable to less senior roles.

The proportion of our male employees who received a bonus is **83%** (2019: 87%, 2018: 81%).

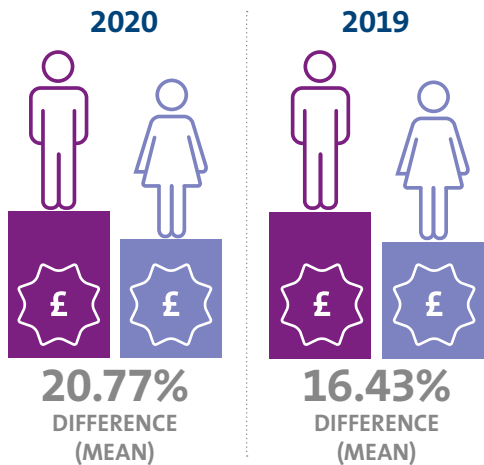
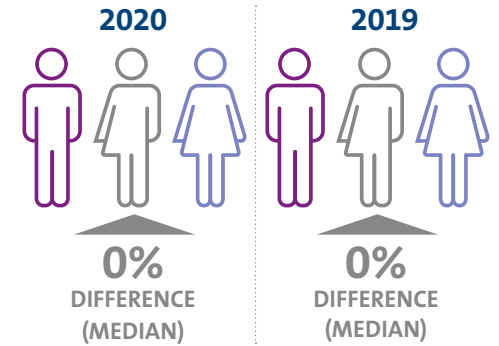
The proportion of our female employees who received a bonus is **76%** (2019: 82%, 2018: 76%).

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%** (2019: 0%, 2018: 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. This is reflected in 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.



“We recognise and celebrate the diversity and inclusion we have already. The Equality, Diversity and Inclusion Committee actively encourages staff to set up networks that are close to their heart and will enable them to bring their full self to work.”



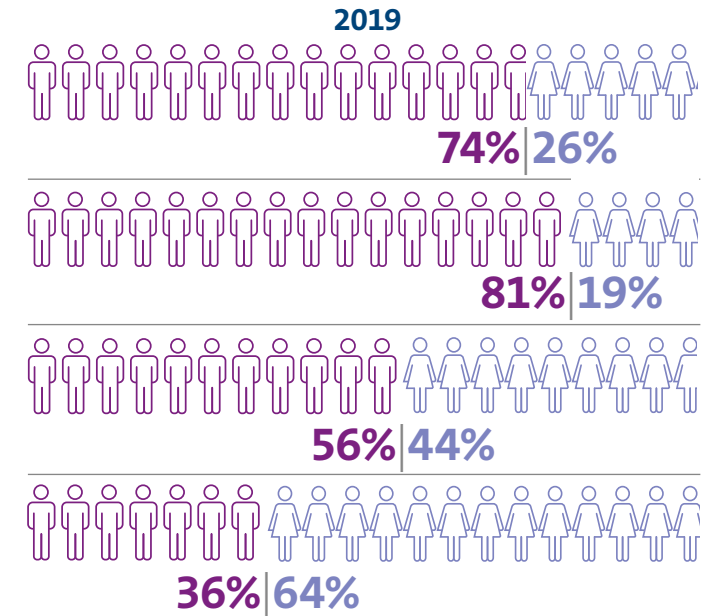
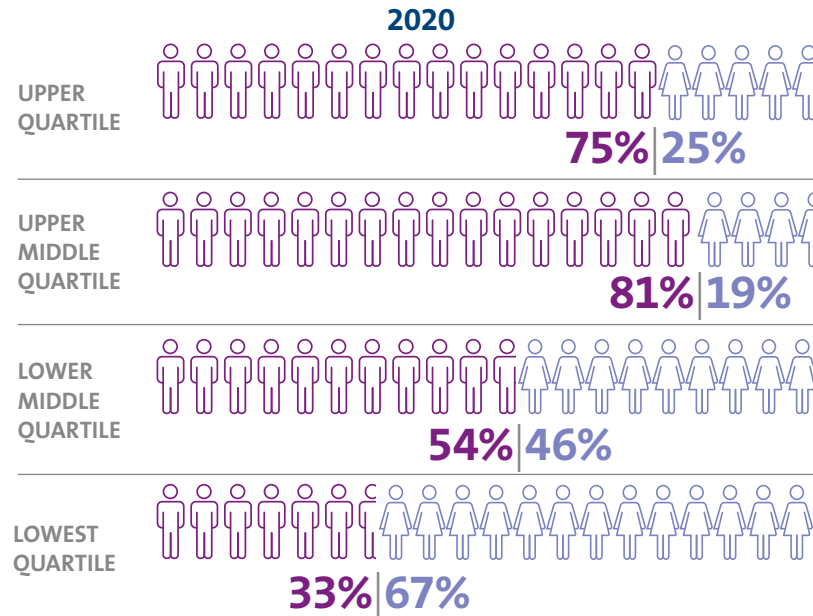
#ChooseToChallenge Alice Elder and Phil Barnaby, EDI Ambassadors

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 lowest, lower middle, upper middle and upper quartile pay bands are shown on the right.

Male employees outnumber females in all but the lowest quartile. The proportion of females at the two lowest quartiles increased in 2020.



#ChooseToChallenge Catherine Brookes, Mark Owen, Kirsty McEvoy, Kate Allday and Katie Porter, Internal Communications team



EDI commitment and vision

More diverse and inclusive workplace

In October 2020, the Executive Management Team approved Affinity Water’s Equality, Diversity and Inclusion (EDI) Commitment statement. It describes the vision of what our EDI recommendations will strive towards.

- **Equal**
For there to be a zero pay-gap when we look across our company and the protected characteristics.
- **Diverse**
To represent our communities in terms of the demographics of our employees.
- **Included**
For all employees to feel valued, supported and respected at work.

In 2021 we will raise awareness of the vision, to improve inclusion and promote that everybody belongs at Affinity Water.



EDI Committee

During 2020 the EDI Committee – a network of staff members – ran events and campaigns to promote equality, celebrate diversity and make employees feel included.

In collaboration with the Culture Ambassadors and in light of the impact of Covid-19, in 2020 the EDI Committee set up a Parenting Chat. It provides an opportunity for a timely, open and informal conversation between what colleagues are experiencing in relation to work-life balance and connecting colleagues in order to develop a support network across the company.

Planned actions

- **Targeted analysis**
The gender profile is markedly in favour of males in the middle and upper quartiles of Affinity Water. We will conduct root-cause analysis at this level to focus on the actions that need to be taken to increase the recruitment and progression of women to more senior levels of the workforce.
- **Engagement Survey**
To reflect the importance of and understand employees’ feelings around inclusion, the 2021 Engagement Survey will include questions in relation to equality, diversity and inclusion with the aim of understanding where action needs to be taken.
- **Developing women into management roles**
In 2019 we introduced our Management Development Programme: 67 managers have completed it so far and 43% of them are women.

In the coming year, the EDI Committee will be setting up more specific staff networks, including a Women’s Network with a focus on providing support and mentoring.

“I feel passionately about creating an equal, diverse and inclusive culture at Affinity Water and about the steps proposed in our commitment to get there so that everybody who works at Affinity can bring their true selves to work and reach their full potential.”



Pauline Walsh,
Chief Executive Officer

“I believe we can build a company strategy designed to attract and promote more women into both operational and leadership roles.



We’re currently reviewing our external and internal hiring process. With the support of the EDI Committee we will focus on actions that will introduce change and reduce the gender pay gap. I am confident that we will make great strides in ensuring we have a diverse and inclusive workplace for all.”

Sue Flower,
Director of HR and Culture