

AffinityWater

Gender and ethnicity pay gap report

2024

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.

The report also includes information on ethnicity pay gaps. The publication of this information is in line with good practice and our commitment to further increase transparency on equality, diversity, and inclusion. The ethnicity pay gap information includes:

- percentage of employees of Asian/Asian British, Black/Black British, Mixed/Multiple, White/White British, and Other ethnicities [corresponding to Census 2021 ethnic categories];
- percentage of employees who did not disclose their ethnicity;
- the mean and median hourly pay gaps for Asian/Asian British and Black/Black British employees compared to White/White British employees.

In line with the good practice guidance, pay comparisons are only included for ethnic groups where we have 50 or more employees who have disclosed that they are of that ethnicity.¹

The pay gap information in this report is based on payroll and employee data during the pay period covering 5 April 2024, as the Gender Pay Gap Regulations and the ethnicity pay gap guidance requires.

In section 2 of this report, we have set out the actions we have been taking to narrow the pay gaps. This is contained in a wider report on how we are progressing against our 'Diverse Voices. One Team' Strategy which we published in October 2023. The data and information in this section goes up to the present date [February 2025].

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

Keith Haslett
CEO

K Haslett

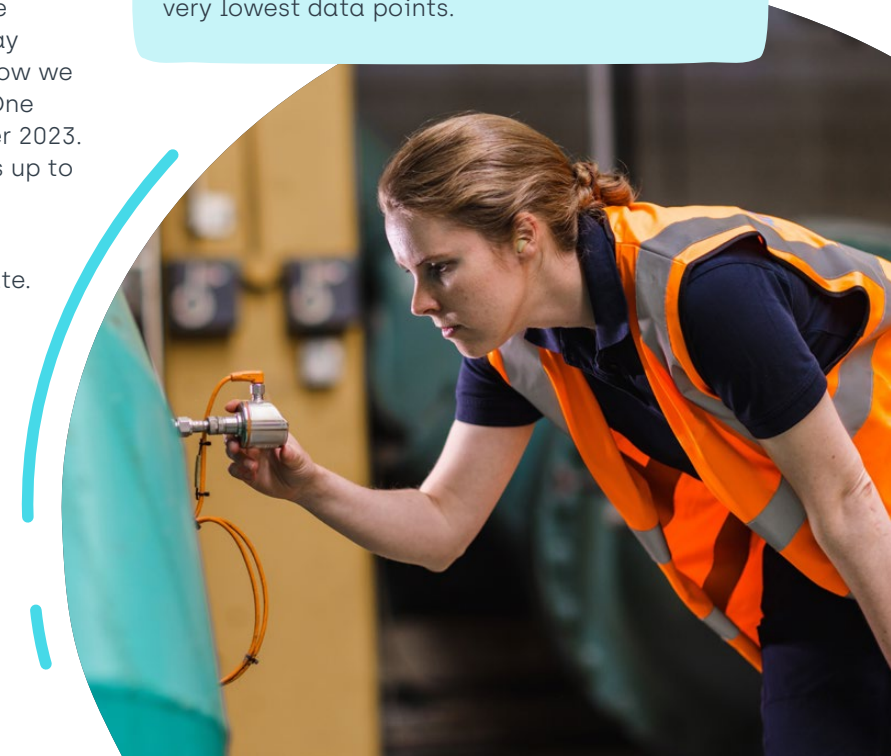
¹ This refers to the government guidance for employers on ethnicity pay reporting: <https://www.gov.uk/government/publications/ethnicity-pay-reporting-guidance-for-employers>

What's the difference between mean and median?

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

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 that list. This measure is not skewed by the very highest or very lowest data points.

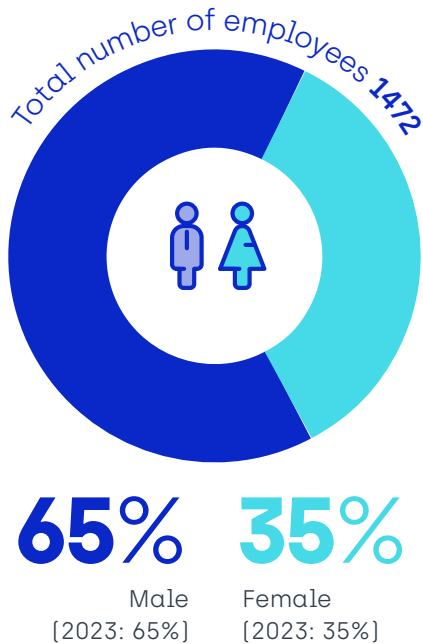


Gender pay information

What is the gender pay gap?

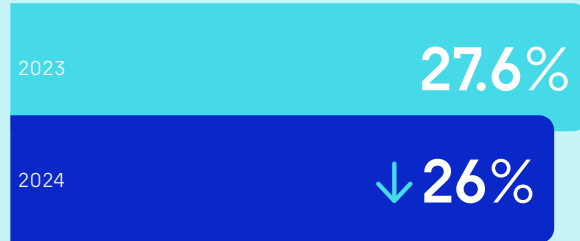
The gender pay gap is the difference between the average hourly pay of all male employees and the average hourly pay of all female employees, regardless of the jobs they do. Pay includes any basic pay, bonuses, or allowances, but excludes overtime and expenses.

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 things like the skills, knowledge, effort, and responsibility involved.



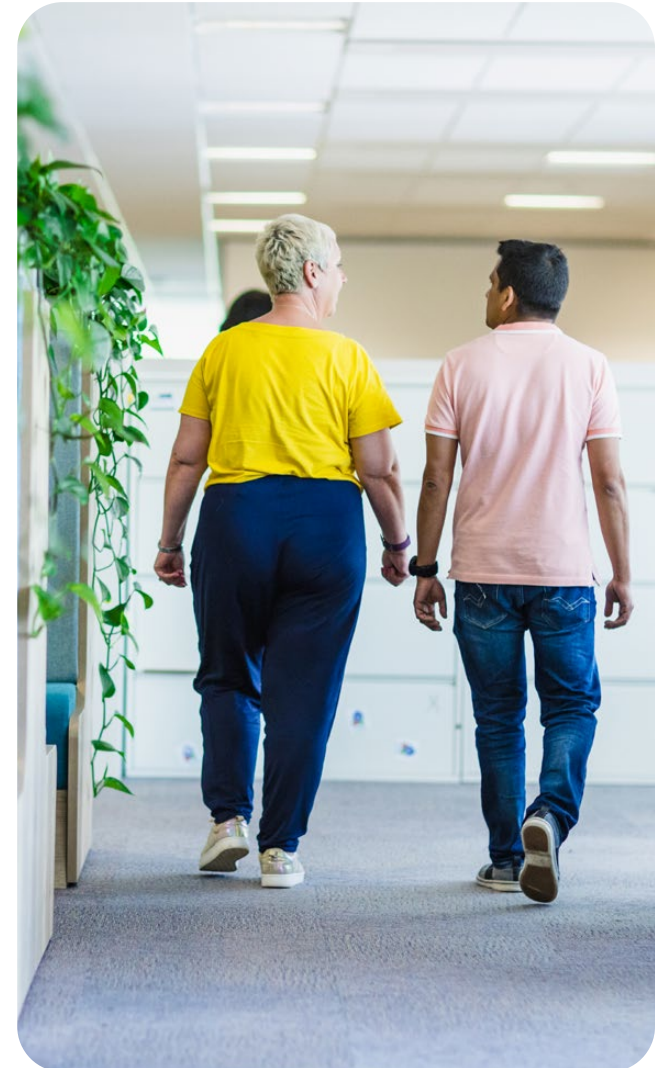
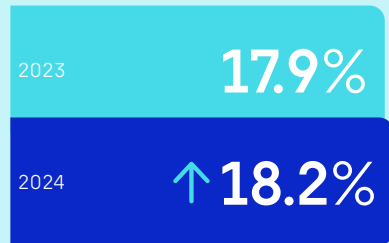
Median gender pay gap

Our median gender pay gap based on hourly pay was 26.0%. This gap has decreased by -1.6 percentage points compared to 2023.



Mean gender pay gap

Our mean gender pay gap based on hourly pay on 5 April 2024 was 18.2%. The gap increased by +0.3 percentage points compared to 2023 when it was 17.9%.



Proportion of male and female employees in pay quartiles

The table below shows the percentage of male and female employees in each pay quartile on 5 April 2024 and how this compares to 5 April 2023.

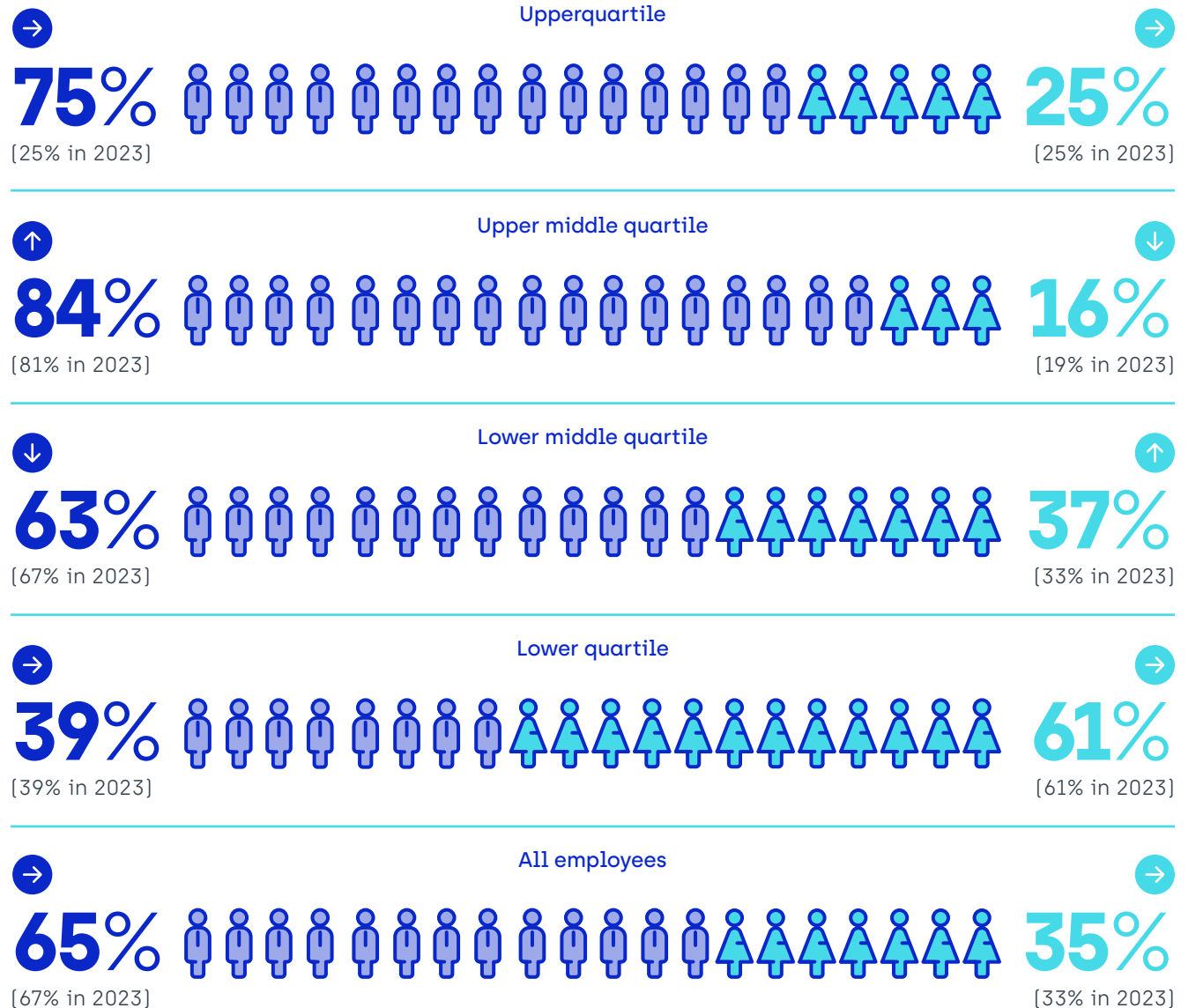
It shows that women outnumbered men in the lowest pay quartile. In all other pay quartiles men outnumbered women.

Compared to the previous year, there was no change in the upper quartile, and the proportion of women decreased in the upper median quartile.

The proportion of female employees increased in the lower middle quartile and stayed the same in the lowest quartile.



Pay quartile gender breakdown



Bonus pay

This report covers bonuses paid in the 12 months up to 5 April 2024. As the annual bonus is paid in June this report mainly refers to bonuses paid in June 2023.

Employees were eligible to receive a bonus if they had completed one full quarter and were still in employment when the bonus was paid in June 2023. The amount payable was based on whole company performance.

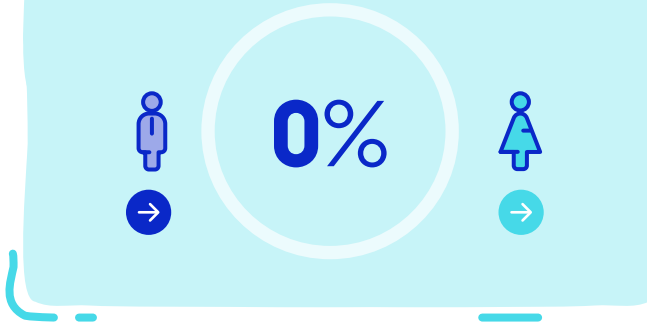
In addition, our executive management team and senior leaders were eligible for bonuses based on the achievement of business performance metrics plus an element of reward tied to individual performance.

In total, 90% of male and 87% of female employees were eligible for a bonus. This was up from 82% of male and 76% of female employees in the previous year.

Males and Females receiving bonus pay



There was no gender gap in median bonus pay. This was because all employees at the midpoint would have received the same amount based on whole company performance.



There was a 43% gap in mean bonus pay. This was because the directors who were eligible for the highest bonuses in this period (June 2023) were mainly men (92% of male compared to 33% of female directors were eligible for a bonus).



Influences on our gender pay gap

Differences in the types of roles men and women are employed in and their seniority level is a major influence on the whole company gender pay gap.

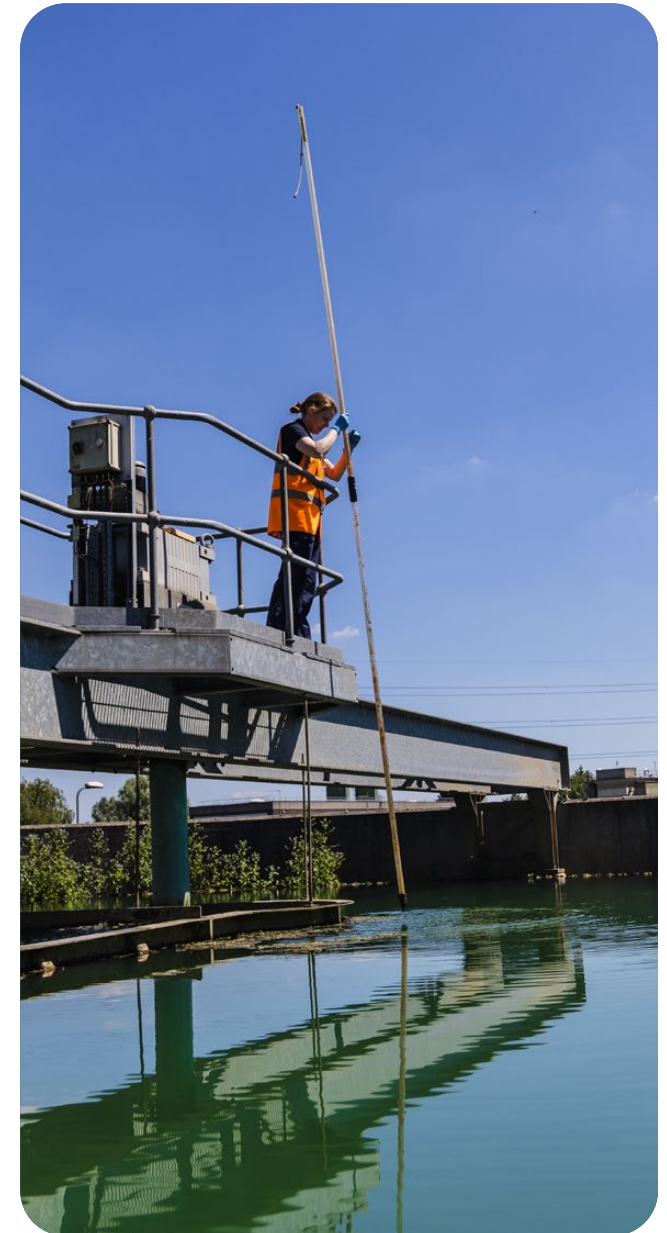
The upper median pay quartile, which has the highest proportion of men, includes skilled technician roles which are still predominantly occupied by men. They also involve standby which attracts additional pay. 82% of employees who work standby are male and only 18% are female.

In terms of seniority, 30% of senior leaders and directors and 30% of managers were female, compared to 35% of all employees in April 2024. The proportion of female senior leaders and directors was unchanged compared to April 2023, while the proportion of female managers increased by 1 percentage point. At the time this report was prepared (January 2025), the proportion of female senior leaders and directors was 34%, close to reflecting all employees, and the proportion of female managers had improved further to 31%.

As we move towards implementing global grades across the company, we were able to compare pay within some of these grades when doing the April 2024 analysis for the first time. This shows that when comparing the average for male and female employees within these grades, gender pay gaps were notably narrower. For example, in grades covering our professional and managerial roles, the mean gender pay gaps vary from -2.4% to 8.0%, and in two out of the five grades, the mean hourly pay for women was slightly more than for men.

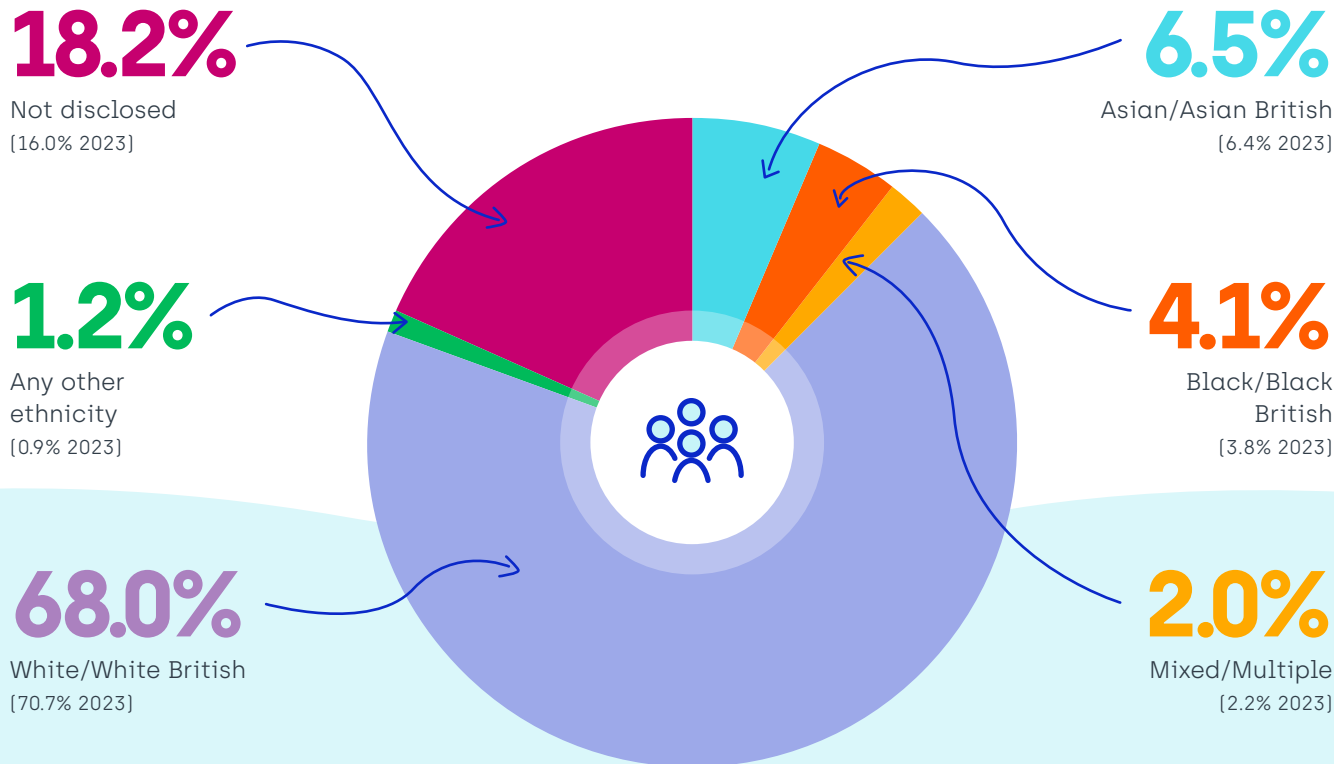


Within grades people will be doing roles that are more similar in terms of skills, knowledge, and responsibilities. However, some pay differences may still exist between individuals, for example, due to differences in experience in role or market factors.



Ethnicity pay information

Ethnic diversity of employees



What is an ethnicity pay gap?

An ethnicity pay gap compares the average hourly pay for all employees who have an ethnicity that is in a minority in the UK with the average hourly pay of employees who are White/White British.

This report publishes pay comparisons for employees who are Asian/Asian British and Black/Black British because these are the ethnic groups with 50 or more employees in them.

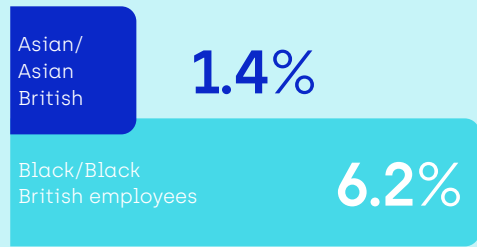
As with the gender pay gap, ethnicity pay gaps do not compare the pay of people doing the same or similar roles, they compare the pay of all employees of a minority ethnicity with the pay of White/White British employees, regardless of roles.

An added caution about the ethnicity pay gaps is that only employees who had voluntarily shared their ethnicity data with us could be included in the calculations. In April 2024, 18.2% of our employees had not shared their ethnicity data so their pay was not included in the figures.

Median ethnicity pay gaps

For the pay period including 5 April 2024, the median hourly pay for Asian/Asian British employees was 1.4% lower than for White/White British employees. This gap is 1.2 percentage points narrower than in April 2023.

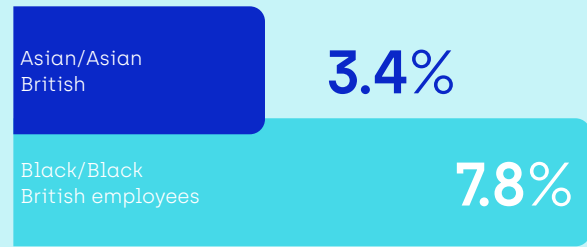
The median hourly pay for Black/Black British employees was 6.2% lower than for White/White British employees. This gap is 2.5 percentage points narrower than in April 2023.



Mean ethnicity pay gaps

For the pay period including 5 April 2024, mean hourly pay for Asian/Asian British employees was 3.4% lower than for White/White British employees. This gap is 0.8 percentage points higher than in April 2023.

The mean hourly pay for Black/Black British employees was 7.8% lower than for White/White British employees. This gap is 1.1 percentage points higher than in April 2023.



Influences on ethnicity pay gaps

Again, a key reason for differences in average hourly pay will be the types of role people from different ethnicities do and their level of seniority in the company. An additional factor is the younger age profile of Asian/Asian British or Black/Black British employees compared to White/White British employees, which means more are likely to be in early career roles.

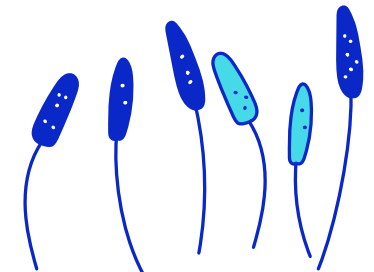
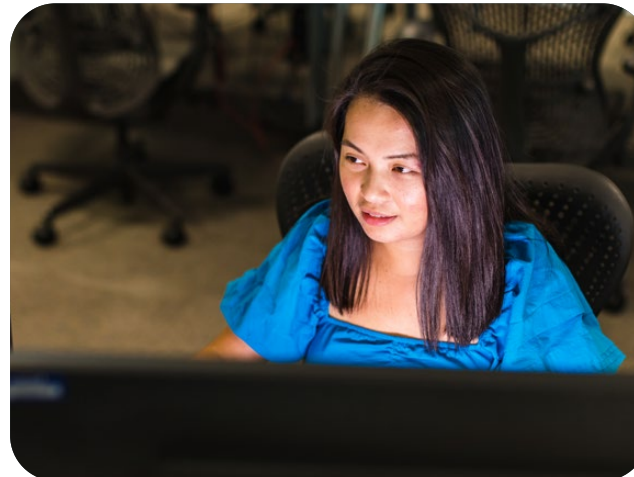
In April 2024, of the senior leaders and directors who shared their ethnicity and were included in the pay gaps calculations: 6.0% were minority ethnic. Among managers who shared their ethnicity, 8.6% were minority ethnic. This compares to 16.9% for all employees.

Between April 2023 and April 2024, the proportion of minority ethnic senior leaders and directors dropped slightly [-0.7 percentage points], whilst the proportion of minority ethnic managers increased [+1.9 percentage points]. At the time this report was prepared [January 2025], the proportion was unchanged for senior leaders and directors and had increased by +0.4 percentage points for managers.

In April 2024, among our employees who were under 35 and shared their ethnicity, 22.9% were minority ethnic, whilst for those aged 35 or older, 14.6% were.

Intersection of gender and ethnicity

The sample sizes are too small to publish intersectional pay data on gender and ethnicity, however, mean hourly pay for women across the three ethnicities was very similar. Whilst at the median, the hourly pay for White/White British women was lower than for women in the other two ethnic groups.



Progress against our 'diverse voices, one team' strategy

In September 2023, we published our 'Diverse Voices, One Team' strategy (available on our website). It brought together and built on the efforts that we had made to ensure that we are recruiting talented people from across our diverse local communities, providing fair development and progression opportunities, and building an inclusive culture so we can benefit from all the different insights and perspectives our people bring.

It set out five priority themes:

- Action to narrow the gender pay gap.
- Embedding equality, diversity and inclusion in our talent acquisition and development.
- Becoming Disability Confident and neuroinclusive.
- Ensuring dignity at work and building an inclusive culture.
- Improving our data collection and analysis.

The following pages provide an update on progress against our planned actions and the impact they are having.



Action to narrow the gender pay gap

In summary

- Since 2022, our gender pay gap has narrowed.
- Our maternity returner rate has improved.
- More men are taking extended leave after having a child and the majority of those taking carers leave are men.
- We are achieving good rates of female participation in our mentoring scheme and our manager and leader development programmes.

Family leave and menopause support policies

Action →

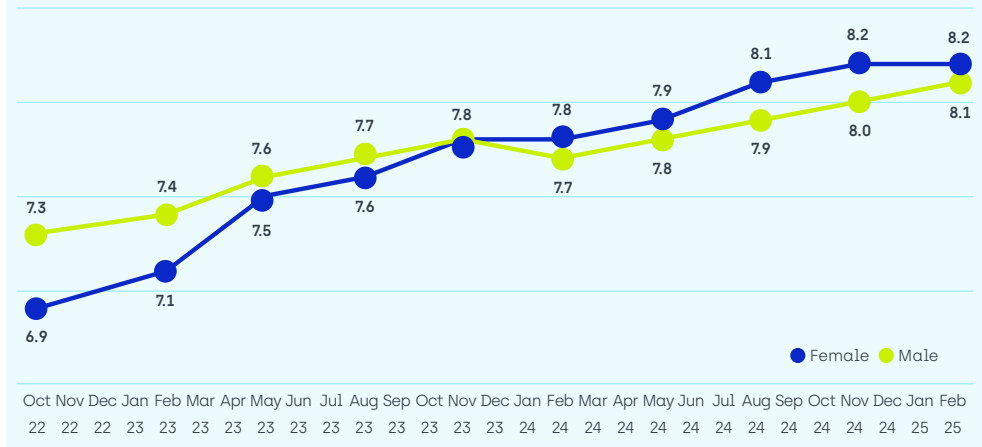
In March 2023, we introduced new policies that:

- Provided 6 months' full pay for maternity and adoption leave.
- Provided up to 3 months' full pay for shared parental leave.
- Provided 5 days or 10 half days of fully paid carers leave.
- Outlined support for women going through menopause.
- Provided paid leave and support for employees going through fertility treatment.

In May 2024, working with our women's network, we developed and launched our 'All Things Family' pack and an accompanying 'All Things Family' manager checklist. These aim to make it easier for people to understand their entitlements and the support available, and for managers to navigate the journey better.

In 2024, our women's network organised a number of well-attended workshops on menopause and women's health. And in November 2023, we published a podcast on the experiences of fathers at work, involving one of our male directors and another employee who had

How likely is it you would recommend Affinity Water as a place to work?



recently benefited from our new family leave policies.

We are still working to develop a buddying scheme, with our women's network, for those returning from extended leave.

Later in 2025, we plan to review how well our family policies are operating since their launch two years ago and introduce a policy to support those affected by miscarriage.

Impact →

These changes have helped us retain female talent. In the past two years our maternity return rate has improved to 89% from 77% in the previous two years.

We have also seen more fathers and partners taking extended leave. The number of people taking shared parental leave has increased from zero to 7 since we started providing enhanced pay in Spring 2023. One father said: "Affinity Water have done such a great job simplifying the



shared parental leave policy. In understanding and then having it myself, it's made a huge difference to the start I've had with my daughter."

Paid carers leave has been used by 39 employees since we introduced it – two-thirds of whom are men.

These policies are providing more choice and support for all our employees and their families. They are likely to also impact our culture, changing assumptions about gender and care roles.

Since we began our 'Tap In' quarterly engagement survey (see box on p.19), in October 2022, the score for the flexibility question ['I'm satisfied with the amount of flexibility I have in my job role'] has improved. The improvement has been greatest for female employees who initially lagged furthest behind. Female scores have gone from 7.5 [out of 10] in October 2022 to 8.4 in February 2025, whilst male scores have improved from 7.9 to 8.5.

Our overall retention of female employees has improved in 2024/5. The percentage of leavers who are female is 33% - in line with the percentage of all employees – and compares to 44% a year ago.

Better access to networking, mentoring and career development

Action →

Our women's network relaunched in 2023 and has organised some well-attended events, including International Women's Day events and a webinar on overcoming imposter syndrome in 2024.

We have encouraged women to participate as mentors and mentees in our formal mentoring scheme which was launched in autumn 2023.

Since 2023, we have partnered with the Women in Utilities Network, which gives women access to industry-wide mentoring and networking opportunities.

Impact →

Our women's network has grown to around 200 members, including some male allies.

44% of mentors and 47% of mentees are women. Women's participation in our manager and leadership development programmes is also higher at 47% than their representation among all employees [35%].

Over 2024/5, the proportion of women in management positions has increased to 31% and in senior leader positions to 34%. We have also seen in the past year, more women moving roles internally.

34% 
women in senior leader positions

As well as seeing significant improvements in overall female engagement scores since we began our quarterly online listening survey in October 2022, we have seen female scores for the career path question ['I see a path for me to advance my career at Affinity Water'] improve from being below median to being at the top 25% for the utilities sector.



Implementing job-evaluated grades

Action →

We are introducing global grades to classify roles requiring similar levels of skills, knowledge, experience and responsibilities. When complete this will provide greater transparency about job requirements and organisational structure across the company, enable better career planning and talent management, and helps ensure internal pay equity and external comparisons with the market.

Impact →

Work is ongoing in this area. Although we have already seen some improvements in our employee engagement scores. In October 2022, we were below benchmark for the question 'The processes for determining pay seem fair and unbiased', whereas in our most recent survey we are top 25% for the utilities sector. Scores have improved on whether employees feel able to have constructive conversations about pay with their manager too.

Embedding equality, diversity and inclusion in talent acquisition and development

In summary

- We have increased opportunities for career moves and progression internally in 2024/5 and there has been a good gender balance and mix of ethnicities among those moving internally.
- The ethnic diversity of our new hires appears to be increasing, although it is still some way off being fully reflective of the increased diversity in our local population.
- There is good representation of different ethnicities among our mentees, however, our mentors are not as ethnically diverse as our wider workforce.
- We have had a higher proportion of people from minority ethnic backgrounds in our leader and manager development programmes in the past two years. However, we are yet to see much change in the ethnic diversity of our manager and senior leader population.

Preventing bias in recruitment and attracting a wider range of candidates

Action →

We have taken a range of steps to prevent bias influencing recruitment decisions. For example, since November 2022, managers are required to do training before they recruit. The training includes a focus on the potential impact of bias and how to avoid it.

Since January 2023, we have used name-blind shortlisting in our recruitment portal, screened the wording of our job adverts for gender bias, and ensured that we are including the full range of leave and benefits we provide.

We will continue to review our recruitment data regularly to ensure there are fair and inclusive processes, and we are committed to take steps to address any shortcomings identified.

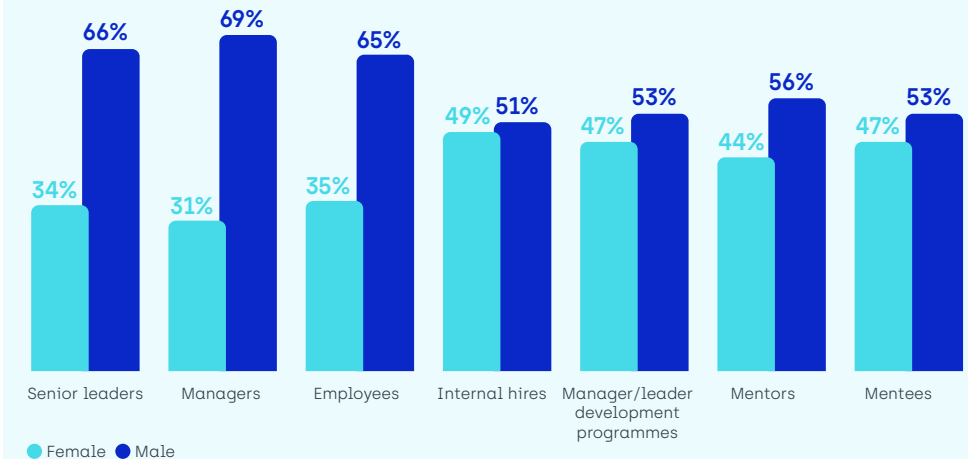
In 2025, as part of our work to become Disability Confident, we are taking steps to improve the accessibility of our recruitment process. And we are working to further improve our ethnicity data capture to make analysis of how fair and inclusive our processes are easier.

Impact →

An example of how changing the wording of a job advert can positively impact recruitment was seen with one of our hard-to-fill vacancies in autumn 2023. After failing to attract suitable candidates to a water sampler role in one of our regions, we changed the wording of the advert, which resulted in female candidates applying and two women being recruited on part-time hours.

Since April 2023, as part of our commitment to provide career progression for our employees, we have encouraged internal hiring. Over this period, around a third of our hires have been internal. A recent review of our internal hiring data shows that in 2023/4, our internal hires were 35% female and 65% male. In 2024/5, the balance has been 49% female and 51% male. Looking at pay uplifts by gender following an internal move,

Talent pipeline by gender 2024/5



both the median and mean have been around 2.5 percentage points higher for women than for men.

We only have ethnicity data on our internal hires for 2024/5. It shows that the proportion of internal hires who are White/White British is 63%, which is the same as for all employees. The proportion who are of a minority ethnicity appears to be higher: 7% of internal hires are Asian/Asian British (6.3% of all employees); Black/Black British is 7% (4% of all employees) and Mixed/Multiple and other ethnicities is 5% (3% of all employees). However, 23% of all employees in 2024/5 have not yet provided ethnicity data, compared to just 13% of people who have moved role internally this year.

Looking at overall recruitment, it appears that there is greater ethnic diversity among all new joiners. However, we only have data on 30% to 40% of candidates and recent joiners, so there is some caution about the accuracy of this data. The most recent Census (2021) shows that there is increased ethnic diversity in our local communities, especially among younger age groups – 31% of the population is of a non-white ethnicity – so we should expect to see greater ethnic diversity reflected in our future workforce.

Building equality, diversity and inclusion into our mentoring and development programmes

Action →

Since early 2023, our development programme for newly promoted people managers (i-Enhance) has included a one-day module to build awareness of equality legislation and the confidence of our managers in understanding diversity and working in an inclusive way.

In 2024/5, we are implementing a new leadership behaviour framework. Over the next two years, all managers and leaders will attend a series of one-day workshops as part of the roll-out. Valuing diversity and building inclusion is integrated into the module on 'fostering teamwork'.

As there is evidence that formal mentoring schemes can be particularly beneficial to women and those from minority groups (who often find it harder to connect with a mentor informally), we have been sure to encourage participation in the mentoring scheme. For example, we promoted the benefits of mentoring at an internal event hosted by our ONE network following publication of our ethnicity pay gap in 2024.

In 2024, we began a reverse mentoring pilot with a small number of directors and senior leaders being paired with employees of different

generations or lived experience. The aim was to share different perspectives and build connection and confidence in managing diverse teams in an inclusive way.

Impact →

Over the past two years, 18.2% of participants in our manager and leader development programmes have been minority ethnic which is slightly higher than among all employees (17.4%).

67 managers have been trained on i-Enhance over the past two years and the module on equality, diversity and inclusion has scored an average of 4.4 out of 5.

Among those taking part in our mentoring programme and for whom we have ethnicity data, 15% are minority ethnic (compared to 17.4% of all employees). However, among our mentors only 5.7% are minority ethnic.

Following a positive evaluation of the reverse mentoring pilots at the end of 2024, we plan to build opportunities for 'mutual mentoring' into our mentoring offer. We will change the name to mutual mentoring – as we found there had been valuable two-way learning in the pilot. Senior leaders who took part (the reverse mentees) said it had opened their

eyes to biases people might experience, they felt more tuned into diversity, and it had reiterated the need to treat people as individuals. They also appreciated the confidentiality and space to explore topics. For the reverse mentors, they had gained insights into the role of senior leaders, how they had progressed, and their top-down perspective.



Becoming Disability Confident and neuroinclusive

In summary

- There is increased knowledge and confidence around disability and neurodiversity as more than 3 times as many employees have shared they have a disability or long-term condition now compared to two years ago.
- We have rolled out Read&Write software for all employees and their families and have trained ten champions in the company to support people and we are continuing to review the provision of other assistive technology.
- We are on track to become a Disability Confident Employer in 2025.

Implementing a reasonable adjustment policy

Action →

In November 2023, we implemented a Reasonable Adjustment Policy to provide clear guidance on how we will support people with disabilities or long-term mental, physical or neurodivergent conditions.

In 2024/5 we have been reviewing all our health-related policies. One aim is to further improve and create a more supportive and easier-to-navigate experience at work for people with disabilities and long-term conditions.

In developing our policies and approach to adjustments we have worked closely with our newly formed Disability & Neurodiversity Network. Members of the network have hosted webinars on deaf awareness, shared articles about their experiences and adjustments. During Disability History Month in 2024, the network hosted an event sharing information about different impairments and common adjustments that could help.

Impact →

Since 2023, we have seen increasing numbers of employees become more aware of what impairments may be classed as a disability and more employees requesting adjustments.

In 2022/3, just 1.5% of employees shared that they had a disability when completing diversity monitoring information. By January 2025, this had increased threefold to 5.1%.

5.1%

of employees shared that they had a disability when completing diversity monitoring information



Provision of assistive software

Action →

In 2024, we made Read&Write software available to all employees and their families. This means anyone can benefit from its accessible features without having to tell us they have a disability or neurodivergent condition.

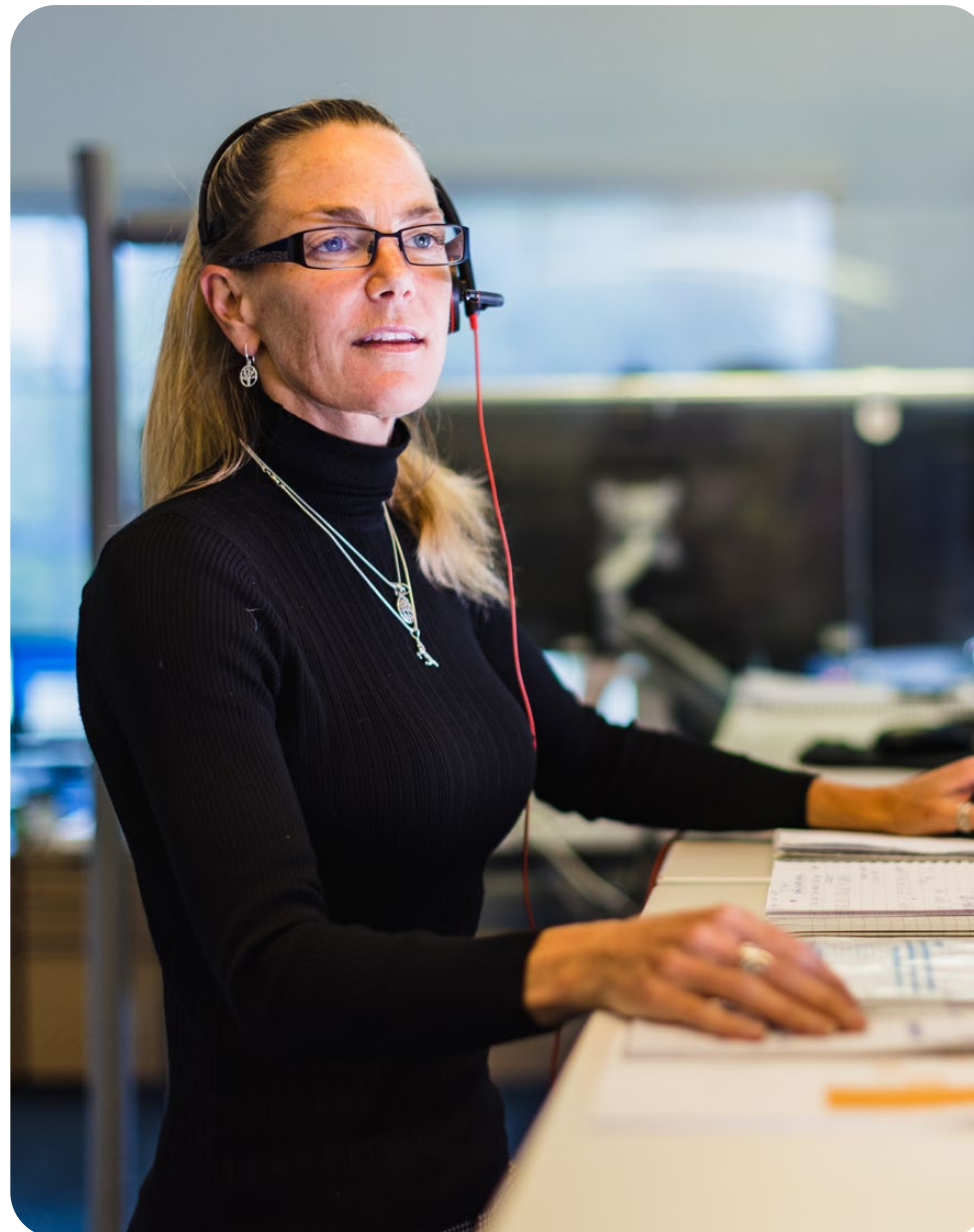
We have trained 10 champions across the company to support people who want to use Read&Write software.

We have joined the Neurodiversity in Business Forum so we can learn from other organisations and continue to improve.

We will continue to review and improve our provision of assistive technology.

Impact →

Some feedback we have had from employees on the rollout of Read&Write software: "Read&Write has allowed me to focus more on the content of my work and ideas.. It has truly boosted my confidence over the last couple of months and allowed me to contribute more effectively." And "This is brilliant - I will share with my granddaughter who has just started college - sometimes it can take a while for support in the education system, so to get this through work is just amazing."



Disability and neuro-inclusion training

Action →

Our HR, Talent Acquisition, L&D, and Health & Safety teams have had training on disability inclusion and adjustments.

In 2025, we will launch a new equality, diversity and inclusion e-learning for all employees. It has been designed in-house and includes guidance on disability and neurodiversity and how to access workplace adjustments.

Following the current review of all our health policies, we intend to provide further training for all managers.

Impact →

We are on track to become a Disability Confident Employer [Level 2] in 2025.



Ensuring dignity at work and building an inclusive culture

In summary

- Most employees are very satisfied with our efforts to support diversity and inclusion and we are now top 25% in the utilities sector.
- A gap that previously existed between White/White British and minority ethnic employees' perceptions of inclusiveness has closed over the past two years.
- All employees, but especially women and minority ethnic employees, have become more confident that they will not experience discrimination and that we would respond appropriately if they did.
- The gender gap that existed in overall engagement scores two years ago has closed, with the improvement in women's engagement being significantly higher.

Updating our Dignity at Work policy

Action →

In 2024, we adopted a new Dignity at Work policy, in which we made clear that in line with our values of doing the right thing, being customer-focused and working as one team we expect people to show kindness and respect to others. As a company committed to zero harm, we cannot tolerate bullying or harassment. The new policy outlines how anyone with concerns about unacceptable behaviour can raise them and signpost to support available.

To support the policy, we produced a 'Drawing the Line' video featuring a wide range of our people from across the company, giving simple examples of what's ok and not ok at work. It received 550 views when it was published on the intranet. The video is included in a new e-learning for all employees on equality, diversity, and inclusion to be launched in 2025. It will provide further clarity about what bullying, harassment and discrimination are and how to avoid such behaviours.

We have also reviewed in 2024, how the processes for raising and investigating bullying or harassment concerns work in practice and will be making improvements. In 2025, further training will be provided to those involved in investigations, and we will be briefing our Mental Health First Aiders, inclusion networks and others who may be first points of contact for people experience bullying or harassment.

Impact →

In February 2025, our employees scored us an average 8.5 out of 10 for non-discrimination. This covers the questions: 'I believe I won't be discriminated against at Affinity Water' and 'Affinity Water would respond appropriately to instances of discrimination'. This puts us at the median for the utilities sector. When this question was first asked two years ago, we were scoring just above the bottom 25%.

8.5



score for non-discrimination

There are no significant differences by gender in response to these questions now. Men score 8.5 while women score 8.6. When this question was first asked in early 2023, women scored -0.4 below men.

By ethnicity, White/White British employees scored us highest at 8.5, while Asian/Asian British employees scored us 8.3, Black/Black British employees scored us 8.4, and employees of Mixed/Multiple ethnicities scored us 8.3.

Over the past two years, there has been a bigger improvement in the non-discrimination score for minority ethnicities, especially Black/Black British employees who scored just 7.1 compared to White/White British employees who scored 8.2.

Building an inclusive culture

Action →

Inclusion has been a strong part of the wider work that has been done to develop our company culture and refresh our values. It underpins our new People & Culture Strategy and is a part of the new leadership behaviour framework.

We have supported people who have been under-represented and less visible in the company and wider water industry in forming networks based on their shared experiences. There are now four inclusion networks: our women's network, ONE network (ethnicity and cultural heritage), Proud AW network (LGBTQ+) and disability & neurodiversity network. All the networks' activities are inclusive and open to anyone to join. The networks have held well attended events in the past year for International Women's Day, South Asian Heritage Month, Black History Month, Pride Month, and Disability History Month. They have also inputted into the development of some of our people policies and processes, contributed to Learning at Work Week sessions, supported the reverse mentoring pilot, volunteered at local community events like Herts Pride or with local women's charities.

Impact →

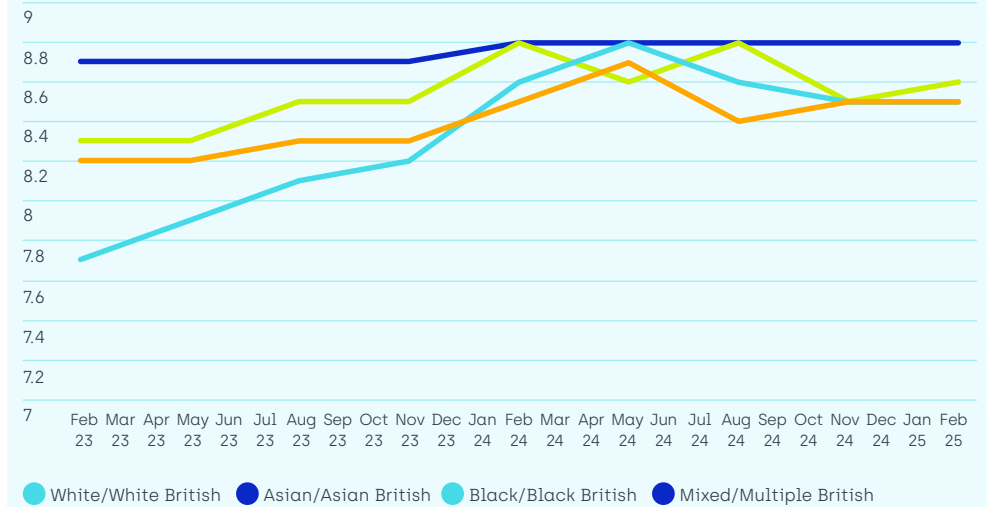
At present, there are about 300 employees signed up to the different Teams sites for our four inclusion networks.

Since February 2023, when we first included a question set on diversity and inclusion in our quarterly engagement survey, we have moved from being a median employer to a top 25% employer in the utilities sector, scoring 8.5 out of 10. In our latest survey in February 2025, 60% of employees were scoring us 9 or 10 for diversity and inclusion, and only 12% scored us a 6 or below.

In response to the specific questions on inclusiveness: 'At Affinity Water people from all backgrounds are accepted for who they are', 'I feel a sense of belonging' and 'I feel valued', we have improved from 7.8 which was below median to 8.3 which is just below the top 25% of utilities companies. Scores for female and male employees on inclusiveness are similar at 8.4 and 8.3.

We have seen an ethnicity gap that existed two years ago in response to the question 'At Affinity Water people from all backgrounds are accepted for who they are' narrow. In February 2023 Black/Black British, Asian/Asian British and employees of mixed/multiple ethnicities scored us between

At Affinity Water people of all backgrounds are accepted for who they are



-1.0 and -0.4 lower than White/White British employees, whereas in February 2025, scores across all ethnicities were much more similar [ranging from 8.5 to 8.8]

In addition, when we began our engagement survey in October 2022, there was a gender gap in engagement. Over the past two years this has closed as female engagement has improved by +1.3 while male engagement has improved by +0.8. Currently, female engagement is now 8.2 while male engagement is 8.1.

8.3 
Inclusiveness score

Improving our data collection and analysis

In summary

- We have expanded the amount of characteristic data we are collecting and response rates for newer fields is low, but forthcoming changes in HR systems and onboarding should improve data completion.
- Our Peakon employee engagement survey has excellent response rates and has provided us with valuable insights and metrics on how inclusive our culture is.



In 2022/3, we began collecting a wider range of diversity and inclusion data.

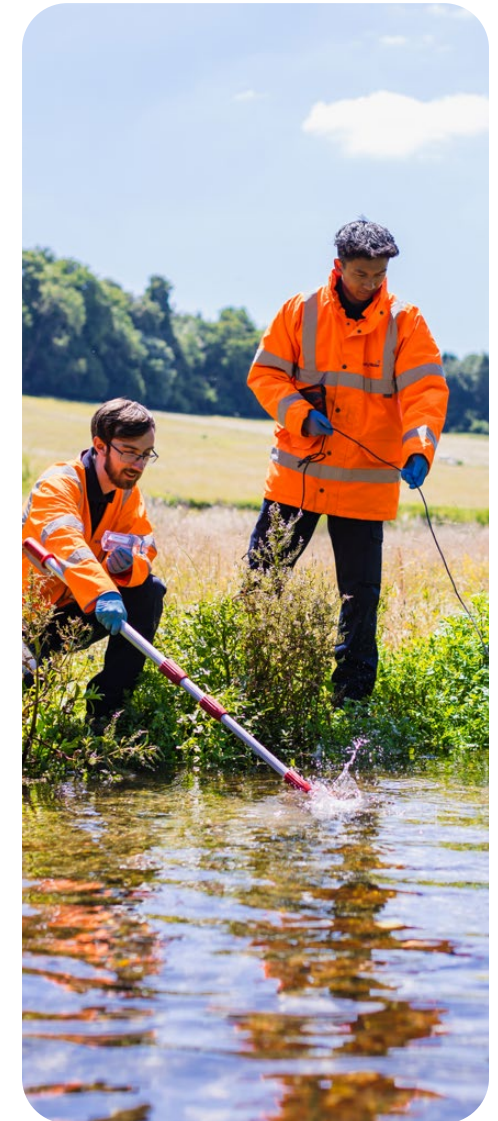
Action →

New fields included sexual orientation, gender identity and religion or belief. In 2024/5, we will be launching better onboarding processes and integrating our HR systems better. These system changes will also enable us to analyse more of our people processes through a lens of equity and fairness.

Since February 2023, we have included a diversity and inclusion question set in our employee engagement survey (see box on p.19). This has given us more understanding of employee sentiment and metrics on how inclusive our culture is. Employees can leave anonymous comments as well to explain the reasons for their scores and this has provided valuable insights for the company and for managers, who are able to acknowledge or respond to comments, to provide reassurance or clarify our approach.

Impact →

Only around a third of employees have completed data for these newer fields and for disability. There is much lower levels of completion of ethnicity data for employees with under two years' service too. This is despite different email or messaging campaigns. One of the barriers is the lack of simplicity and familiarity with the system in which the data is collected and stored. This should improve as we take action to improve the onboarding experience and join up our HR systems.





More about our Tap In employee engagement survey

In October 2022, we began using the Workday Peakon online employee listening platform to keep track of how engaged our employees were feeling. We use it to run our quarterly 'Tap In' survey which is sent out to all employees. In each round we have had between 76% and 82% of employees taking part, which makes the results highly accurate.

Where there are more than 5 responses, scores can be viewed by gender. And at whole company level, we can view results by major ethnic group (Peakon integrates with ethnicity data collected via our HR systems).

From February 2023, we incorporated a specific Diversity & Inclusion question set to give us more insight on how we are doing on this driver of engagement. This includes the following questions:

Main diversity & inclusion question:

→ I'm satisfied with Affinity Water's efforts to support diversity and inclusion (for example, in terms of gender, ethnicity, disability, socio-economic status).

Diversity:

→ A diverse workforce is a clear priority at Affinity Water (for example, in terms of gender, ethnicity, disability, LGBTQ+, socio-economic status).

Inclusiveness:

- At Affinity Water, people of all backgrounds are accepted for who they are.
- I feel a sense of belonging at Affinity Water.
- I feel like I'm valued as a person at Affinity Water.

Non-discrimination

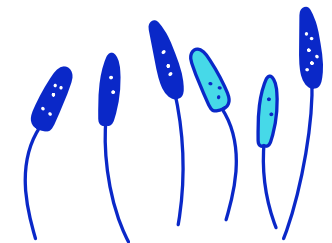
- I'm confident I won't be discriminated against at Affinity Water.
- I believe Affinity Water would respond appropriately to instances of discrimination.

Affinity Water compared to the utilities sector (2024)

Affinity Water takes part every year in an Inclusion Measurement Framework run by the Energy & Utilities Skills Group. This enables us to benchmark our workforce diversity data against the wider sector. The table below shows how the composition of our workforce compared to the whole utilities sector in the UK in the year to 31 March 2024.

	Affinity Water	Utilities sector
Gender		
Female	35%	28%
Male	65%	72%
Ethnicity		
Asian/Asian British	6.5%	4.4%
Black/Black British	4.1%	2.2%
Multiple/Mixed	2.0%	2.3%
Other ethnicity	1.2%	1.0%
White/White British	68%	66.5%
Non-response	18.2%	24.6%
Disability		
Disabled	5.9%	2.3%
Not disabled	26.5%	44.4%
Non-response	67.6%	52.3%

	Affinity Water	Utilities sector
Sexual orientation		
LGB+	2.1%	2.0%
Heterosexual	31.9%	39.9%
Non-response	66.0%	52.8%
Religion or belief		
Christian	12.4%	18.3%
Hindu	1.3%	0.9%
Jewish	0.2%	0.1%
Muslim	1.4%	1.5%
No religion	15.3%	22.6%
Other	0.8%	2.4%
Non-response	68.2%	54.3%



AffinityWater