

Gender pay gap report 2021



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 2021. At that point we had **1,400 employees: 884 men and 516 women.**

What's the difference between mean and median?

We use the mean and the median to calculate average hourly pay and bonuses at Affinity Water in two different ways.

To work out the mean, we add up all the numbers and divide the total by how many numbers there are.

The median is the middle value. To work it out, we arrange all the data in numerical order and then see which number is in the middle of the list.

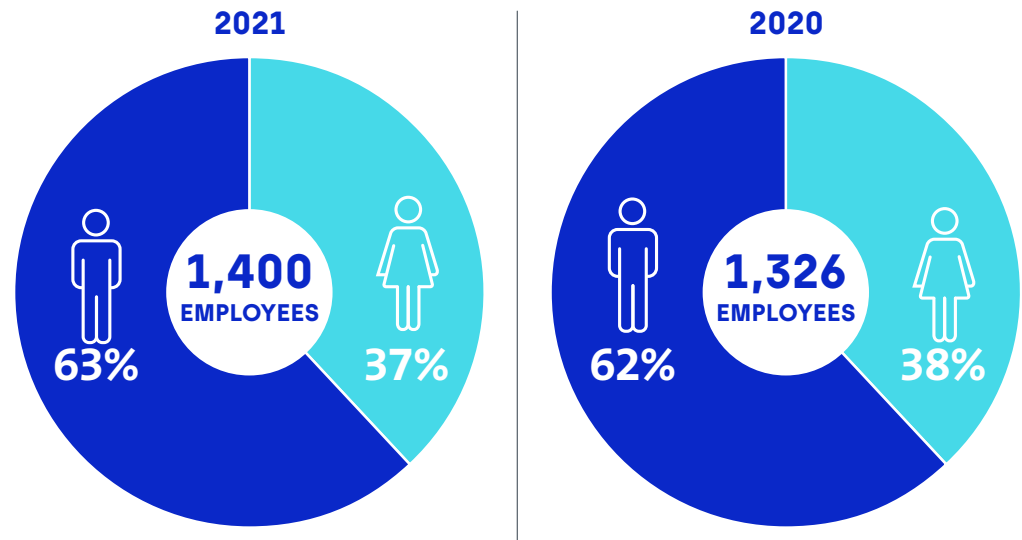
The gender pay gap is not the same as equal pay

The gender pay gap is the difference in average earnings between men and women, regardless of the work or job role they do.

Equal pay focuses on the differences between men and women who do the same (or comparable) work.



#BreaktheBias



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



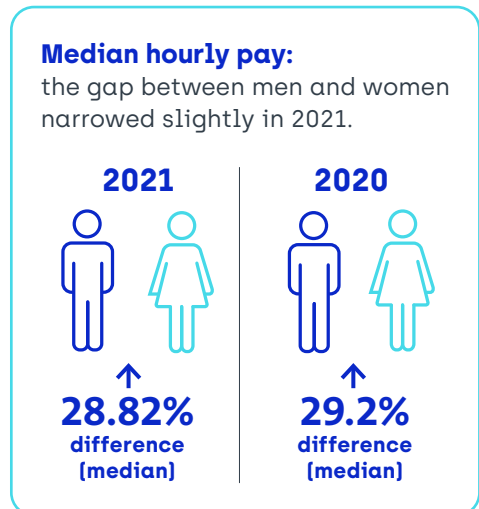
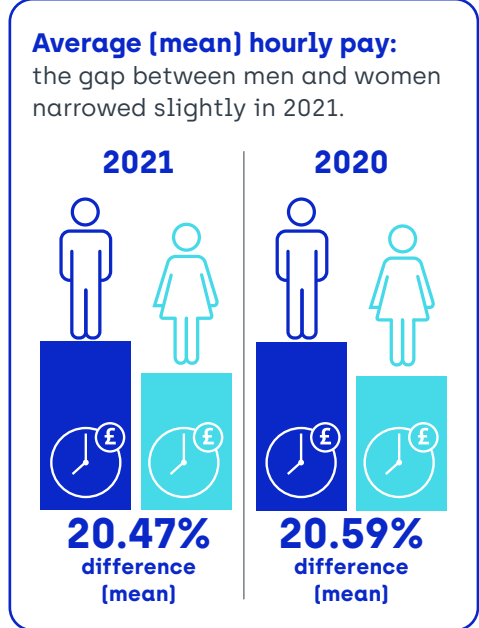
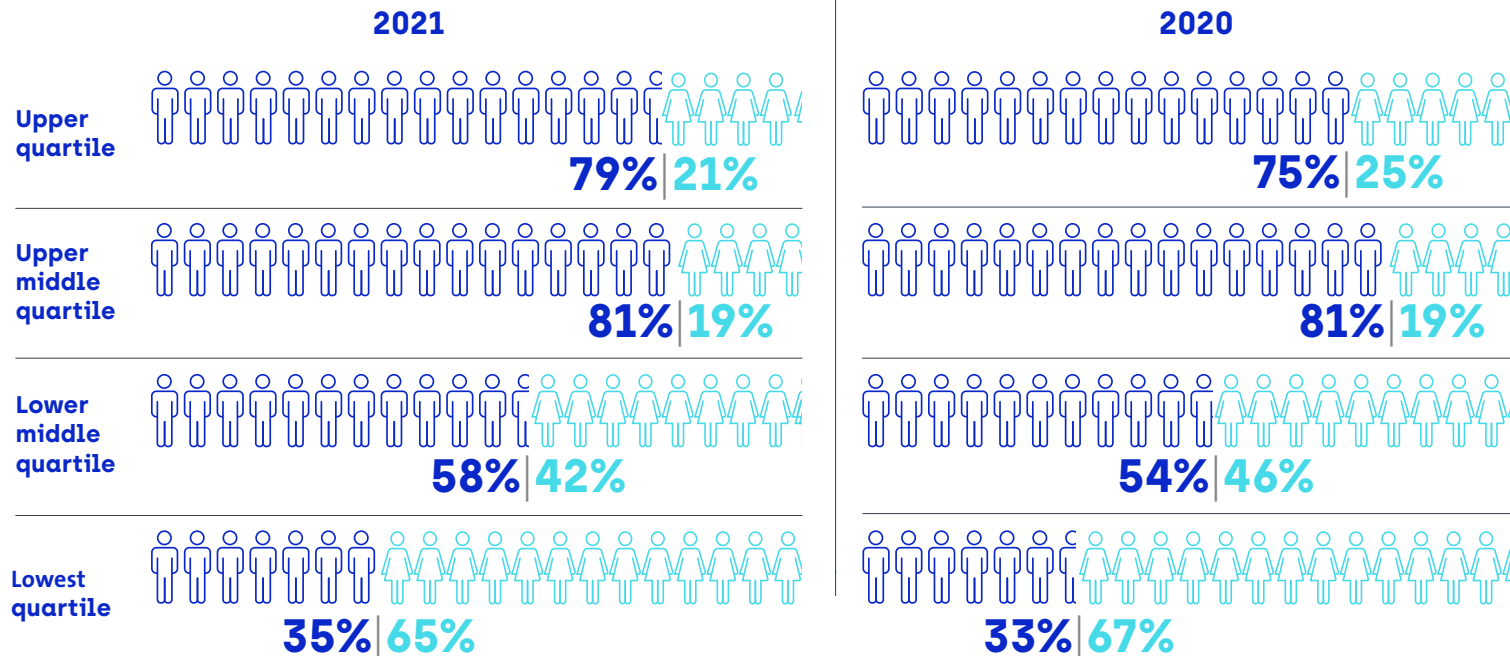
Hourly pay

We ranked the hourly pay for every man and every woman in order, from lowest paid to highest paid.

The diagram below shows the percentage of men and women in each quartile pay band. As you can see, men still outnumber women in all but the lowest quartile.



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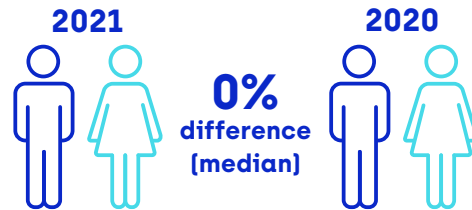


Bonus pay

Employees are eligible to receive a bonus based on company performance if they have completed one full quarter and are still employment when the bonus is paid out in June.

Our company-wide bonus scheme rewards most employees according to the performance of the business, rather than the performance of a team or individual.

The median bonus paid to men in 2021 was identical to that paid to women.



"I pledge to champion women across our business and support women to achieve their potential"

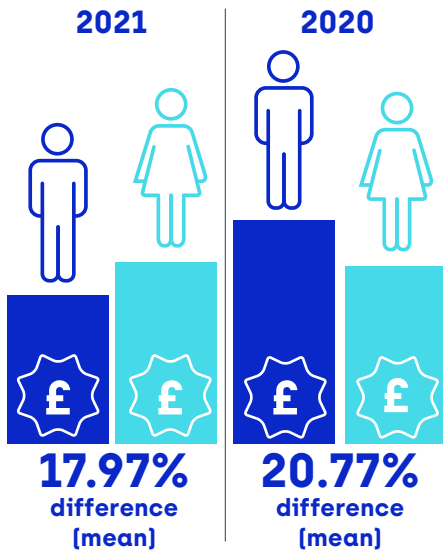
Stuart Ledger, CEO

International Women's Day

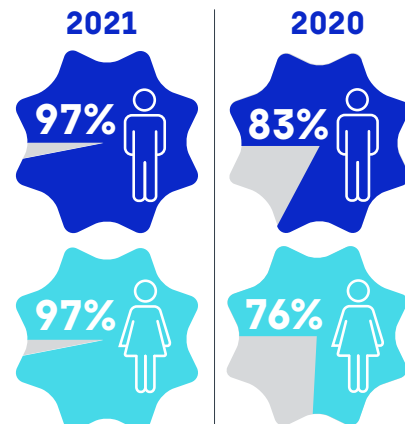
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Average (mean) bonus paid: in 2021 the gap was in favour of women.



Eligibility and bonus pay: in 2021, 97% of all eligible employees received a bonus. This marks a big improvement from 2020, with a 14% rise in payments to men and a 19% rise in payments to women.



#BreaktheBias



"I pledge to support and celebrate other women and to make sure that all our people policies and processes are free from bias"

Rachael Hollings, People Director

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How we approach EDI

Our EDI vision

We aim to achieve equality, diversity and inclusion (EDI) in all that we do. Our EDI vision is to:

- have a zero pay gap when we look across our company and the protected characteristics (equality)
- represent our communities in terms of the demographics of our employees (diversity)
- enable employees to feel valued, supported and respected at work (inclusion).

We're passionate about closing our gender pay gap

We aim to:

- make sure we have a workforce that reflects the communities we serve
- remove gender stereotyping in relation to job roles
- encourage more women into STEM roles
- demonstrate that there are opportunities for everyone who works here.

We're making progress...

Adjusting our gender balance will take time. Just 37% of our workforce are women.

We have a higher-proportion of men in more senior roles and more men in STEM-skilled trades and higher paid roles. We have more women in our contact centres, with many working on a part-time basis.

We have relatively long-serving employees, particularly in our technician and senior management levels.

When combined with low rates of employee turnover in these areas, this means that our gender balance remains broadly the same, year on year.

Our EDI commitment

We support and recognise the importance and benefits of greater diversity in our workforce. We strive to acknowledge and celebrate the breadth of difference between us as individuals.

We support our differences because they can help to make us a better business by creating new opportunities for innovation, collaboration and engagement.

We're committed to building a more inclusive culture where every colleague can bring their true self to work, confident that they will be valued.

Our ambition is to enable our employees to thrive and reach their full potential – this in turn will enhance our culture and our business.

Why is our commitment important?

We aspire to build a company that reflects the diversity of the communities we serve and enables us to become the leading community-focused water company.

A more representative and diverse workforce will help us improve our business, by helping

us to understand and care for our customers and our community and by underpinning innovation.

We aim to treat all people fairly at work and to make sure discrimination in any form is neither tolerated nor present in our employment, development and remuneration practices.

EDI developments

We have made great progress on the EDI front, but we still have a long way to go. Shown below are the key actions we took in 2021, as well as our plans for the coming months.

Launching more networks

We want all employees to feel valued, supported and respected at work. To help us achieve this, in 2021 we launched the Women's Network, the Men's Network and the ONE Network (for Black, Asian and minority ethnic employees).

All our networks are open to colleagues who identify with a particular network, as well as colleagues who want to help the group achieve its goals.

Every network is sponsored by an Executive Management team member. This year we'll be launching two more networks: Pride and Neurodiversity.

Reviewing our policies

We want all our policies to be the best in industry. Our Policy team has embarked on a comprehensive review of company policies from an EDI perspective, supported by an EDI Committee member. The team's first output is a new improved Menopause Policy. We'll be launching it in June, along with an informative campaign.

We're reviewing our family-friendly policies, including neonatal leave and infertility. We'll be removing the need to be employed for 26 weeks to request flexible working. And we'll be improving our support for members of the reserve forces: colleagues will receive up to two weeks' pay during training and full pay if mobilised.

Conducting a root cause analysis

We wanted to understand more about our EDI performance and how to improve it. We also wanted to gain insights about how other organisations approach EDI, what their challenges are and how they are responding.



We did a lot of research during 2021, to help us understand more about the diversity of our workforce and how to provide fair and equal opportunities for all our colleagues. We also promoted the importance of inclusion through a range of webinars, celebration days and education.

To achieve this, we partnered with Inclusive Employers, an inclusion and diversity specialist with expertise in root cause analysis. Its specialists engaged with more 10% of the business, using round tables and interviews to gather and quantify feedback. They also looked at existing data and insights and did a lot of benchmarking. We're using the findings from their analysis to build our EDI strategy for 2022.

Sharing best practice

We have joined the Inclusive Employers organisation. It will use its understanding of the unique inclusion and diversity challenges our organisation faces to deliver tailored, action-focused support on our journey to make inclusion an everyday reality.

We are also a member of the employer-led Energy and Utility Skills organisation and have attended network meetings to share EDI best practice and collaborate in addressing EDI across the sector. We have started working on new initiatives with the Greater London Authority too.

Improving our recruitment framework

We've made some big changes:

- our new applicant-tracking system has enhanced our reporting and is helping us to identify how well we are doing in attracting a diverse range of candidates
- our new careers website positions us as an employer of choice, celebrating our people and EDI commitments
- our EDI Committee supported the Talent Acquisition team to develop interview training with a firm focus on EDI awareness and unconscious bias. It has been rolled out across the business.