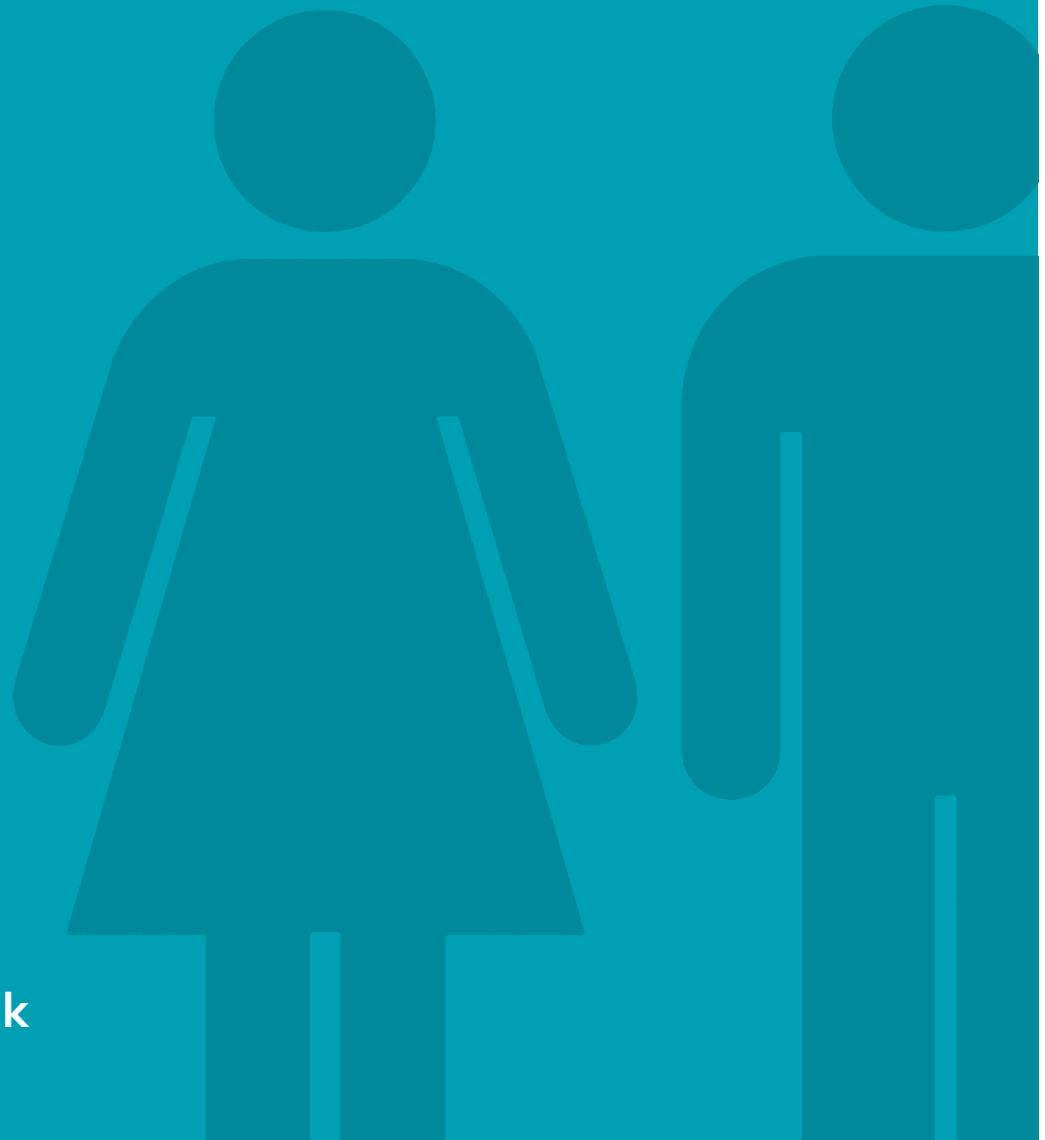




BRISTOL
WATER

Bristol Water Gender Pay Gap

Snapshot date: 5 April 2021



bristolwater.co.uk

Introduction

At Bristol Water, growing our people and our business is a key strategic aim. Recognising that diversity and inclusion is a critical part of any successful business, our aspiration is for all of our people to be able to reach their full potential.



Mel Karam, Chief Executive Officer

As a proud part of our local community, it's important to Bristol Water that our people are valued, recognised, and rewarded for the hard work they do. We know that it is our people that help us excel and deliver as a business for our customers. In return we want to continue to reward them with job satisfaction, career development and an environment in which they can thrive.

We believe in creating a diverse and gender-balanced workforce which ensures equal opportunities for all employees aligning to our core values of being proud, respectful, supportive, ambitious, trustworthy, professional, and accountable. Doing so reflects our purpose and social contract which includes having a positive impact on our colleagues, customer, and the community beyond the delivery of water. To support this, we are signed up to the 'Social Mobility Pledge' and the 'Energy and Utility Skills Inclusion Commitment'.

Like many businesses, 2021 continued to be a difficult year with the COVID pandemic but we have maintained our focus on our longer-term strategy of growing capabilities and careers within not only Bristol Water, but the Water Industry as a whole. We continually strive to address the lack of female representation in certain roles and have started to invest in leaders of the future through our Aspire programme. Engagement with local schools, colleges and universities continues to grow with our mentoring programme and the availability of Internships and work experience.

I am pleased therefore to present to you our gender pay gap report for this year which shows a further reduction in our gender pay gap and illustrates some of the positive steps Bristol Water is taking as a company, in the community and in the industry as a whole.

The Gender Pay Gap

Gender Pay Gap reporting is a legislative requirement introduced in 2017 for all employers with more than 250 employees. Bristol Water published its Gender Pay Gap report for the first time in 2018 based on data as at 5 April 2017. This report is based on the data of employees of Bristol Water as at 5 April 2021.

The Gender Pay Gap identifies the difference in average earnings for all men and all women across the whole organisation.

Gender Pay should not be confused with Equal Pay. Gender Pay focuses on the average earnings of all of the men in the organisation as compared to the average earnings of all of the women in the organisation. Equal pay is focused on the right for men and women to be paid at the same rate of pay for work that is of equivalent value.

The analysis

This report complies with the analytic requirements of the legislation which considers two calculations of the average, the 'mean' and the 'median'.

The mean is calculated by adding up every value and dividing the total by the number of people.

The median is calculated by listing every value in numerical order and identifying the value that sits in the middle.

Whereas these measures give an indication of what the data says, it's important to recognise that as values of average, they do not tell the whole story without appropriate context.

Bristol Water's Gender Pay Gap

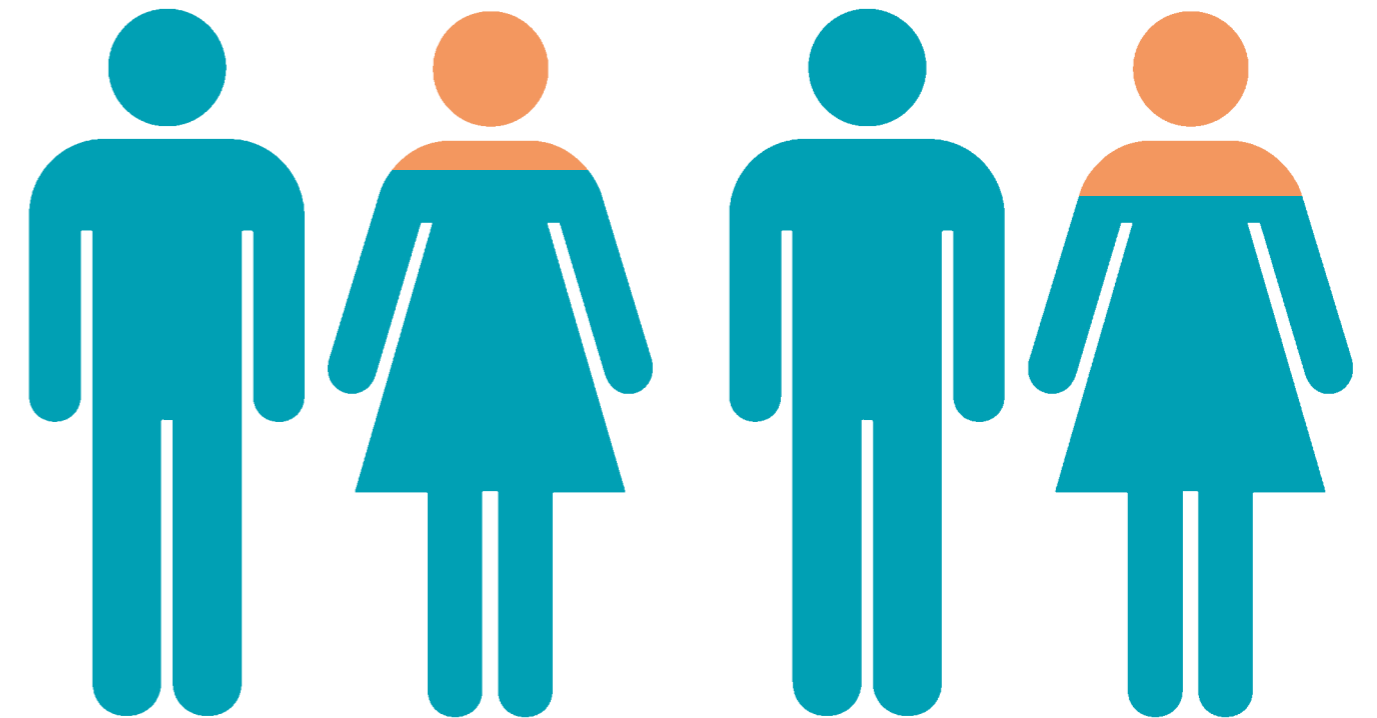
The Gender Pay Gap as reported here is the difference in the average hourly pay between men and women.

The mean difference is:

11.18% mean gender pay gap

The median difference is:

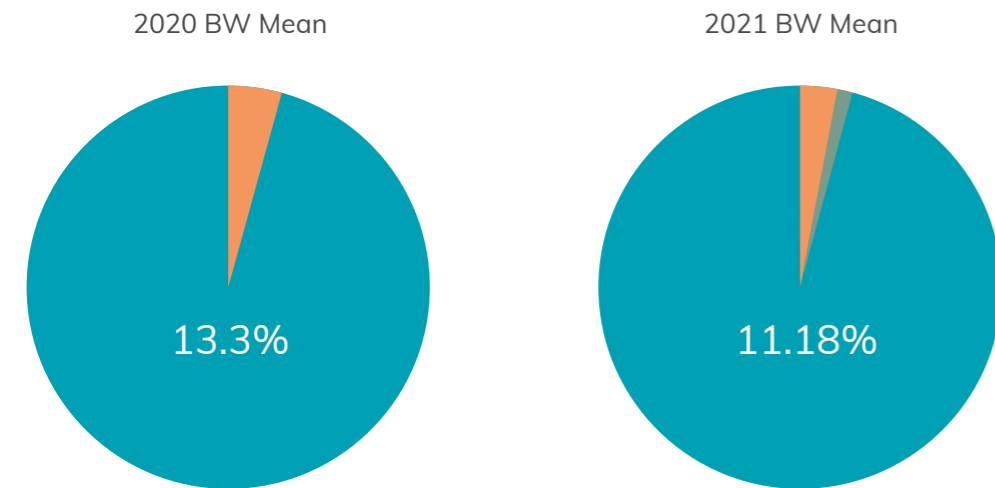
14.41% median gender pay gap



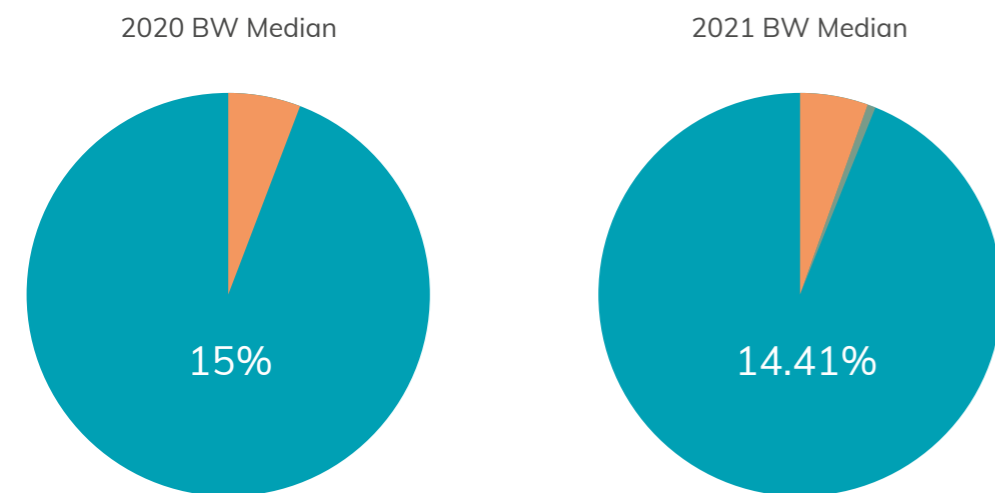
How does this compare?

In 2020, Bristol Water reported a mean gender pay gap of 13.3% and a median gender pay gap of 15%. **For 2021, our figures have improved as a result of the positive work that has been done in recruitment.**

Mean Gender Pay Gap



Median Gender Pay Gap



What is included in the Gender Pay Gap calculations?

The Gender Pay Gap calculations encompass all relevant employees within Bristol Water on 5th April 2021. Employees on reduced pay which includes sick or maternity pay or shared parental leave are excluded from the calculations.

Hourly pay is calculated to include basic pay, allowances and shift payments and other supplements. Excluded from calculations are overtime, redundancy pay and termination of employment payments and benefits in kind.

Annual bonus payments are recorded and reported separately in this report.

Context to our Gender Pay Gap

As with many UK companies Bristol Water currently has a Gender Pay Gap. For context, on 5th April 2021 Bristol Water had fewer women in senior roles in the Company which is not uncommon in the utilities industry as the STEM fields historically have been predominately viewed as male occupations and we have more men in positions where they can earn additional shift related pay, often in field operations. When analyzing basic pay only across the organisation, the gap stands at just 2%, highlighting the focus needed in improving representation in field operations.

As a company, we are committed to positively influencing this in the long term and our collaboration with local schools, colleges, universities and charities is part of this strategy.

We have implemented flexible and hybrid working policies to attract and retain talented people. In addition to developing our existing colleague's skill sets through development led training and job specific training, we will continue to review our advertising channels in relation to our vacancies to ensure we reach an increasingly diverse group of candidates.



Our Gender Bonus Gap

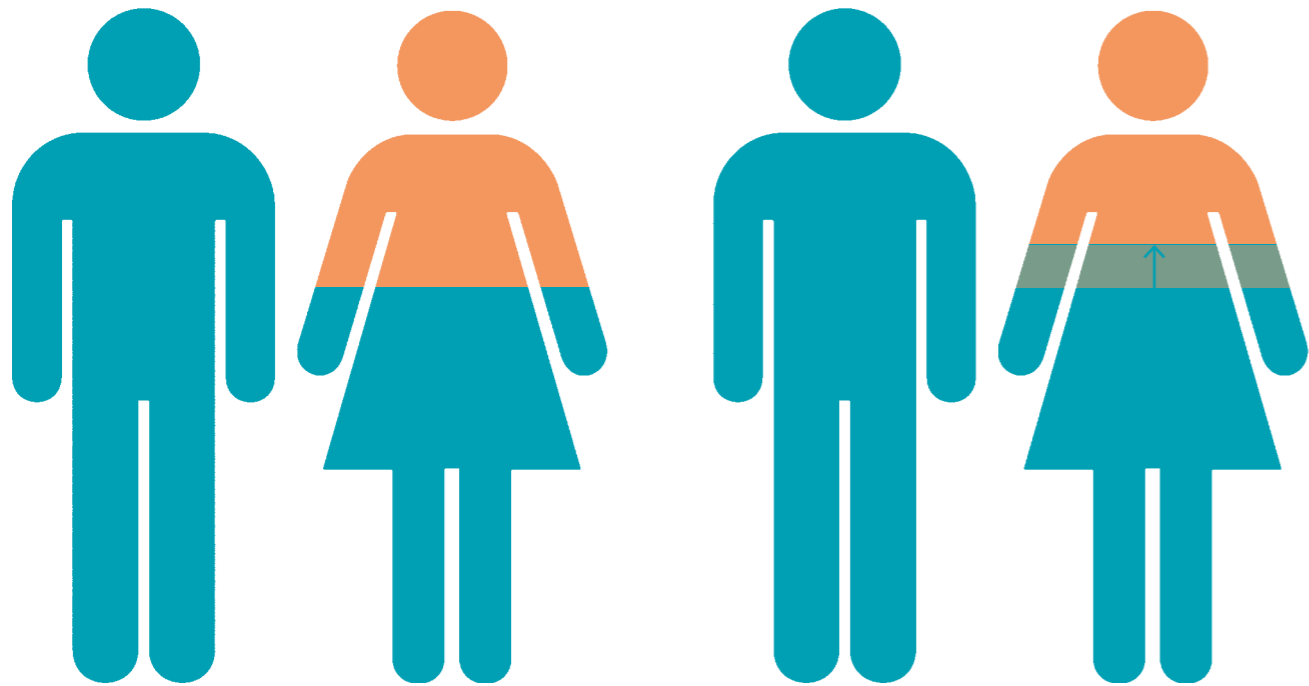
The Gender Bonus Gap is the difference in the average bonus received between all men and all women. We have reported this in both mean and median values.

The mean difference in bonus is:

25.6% mean gender bonus gap

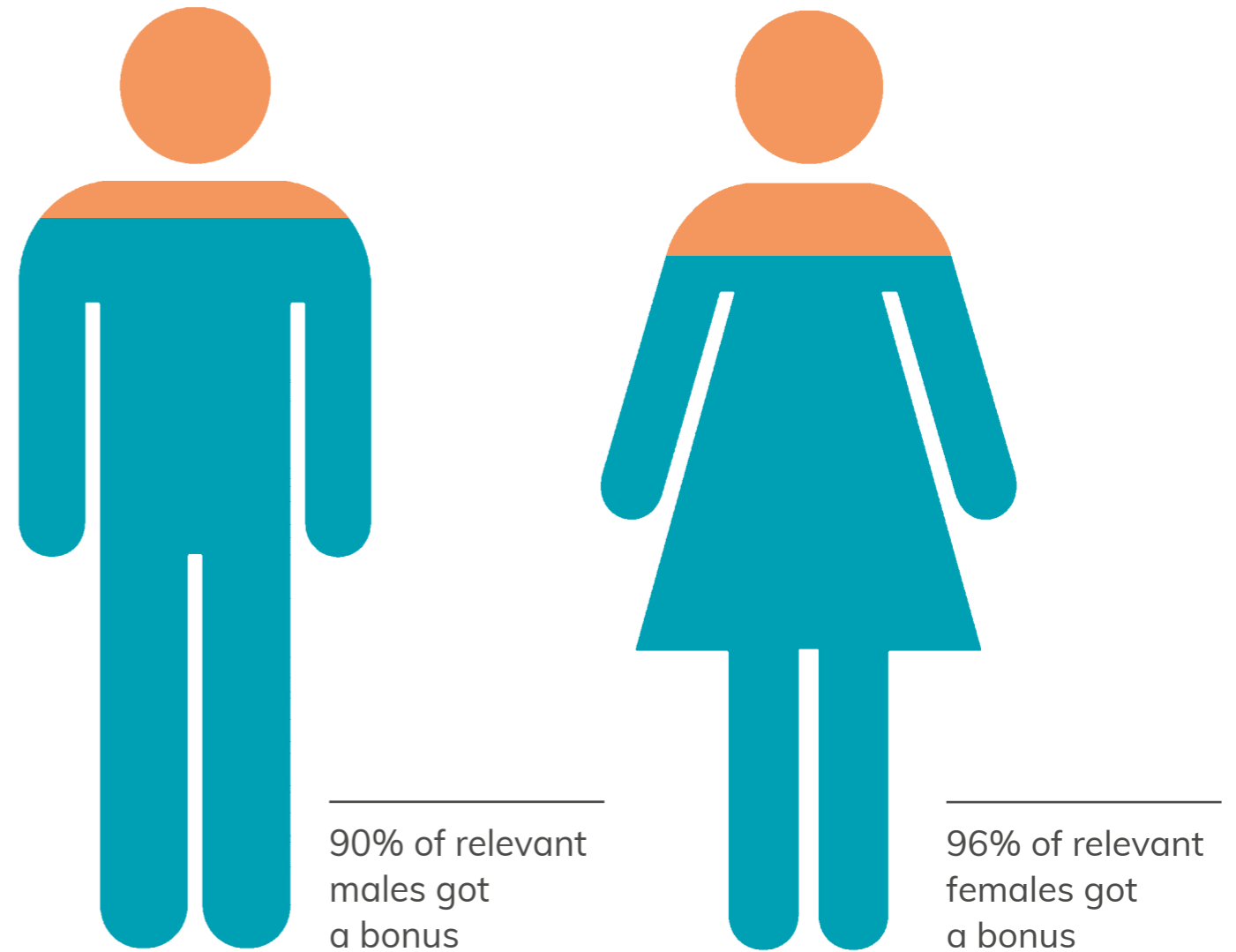
The median difference in bonus is:

19.4% median gender bonus gap



Our Gender Bonus Gap

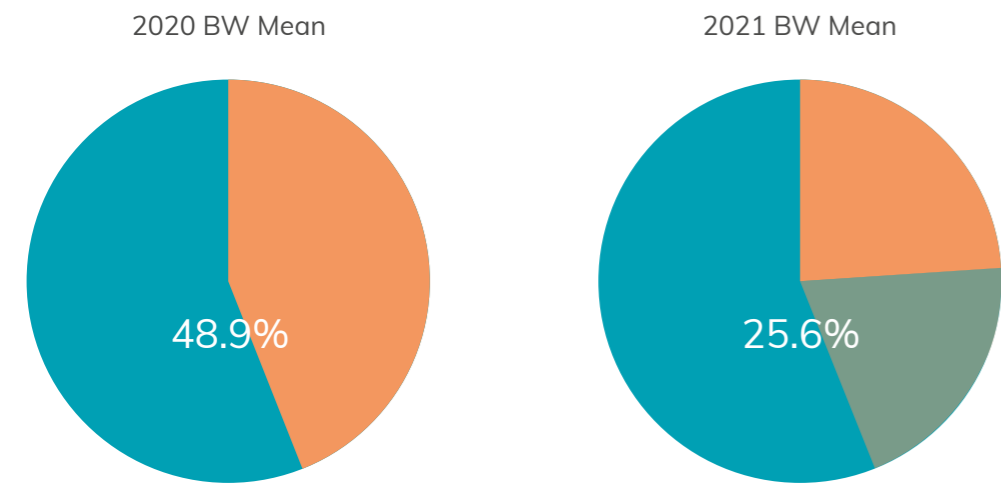
In the 12 months before 5th April 2021, 90% of relevant males and 96% of relevant females received a bonus.



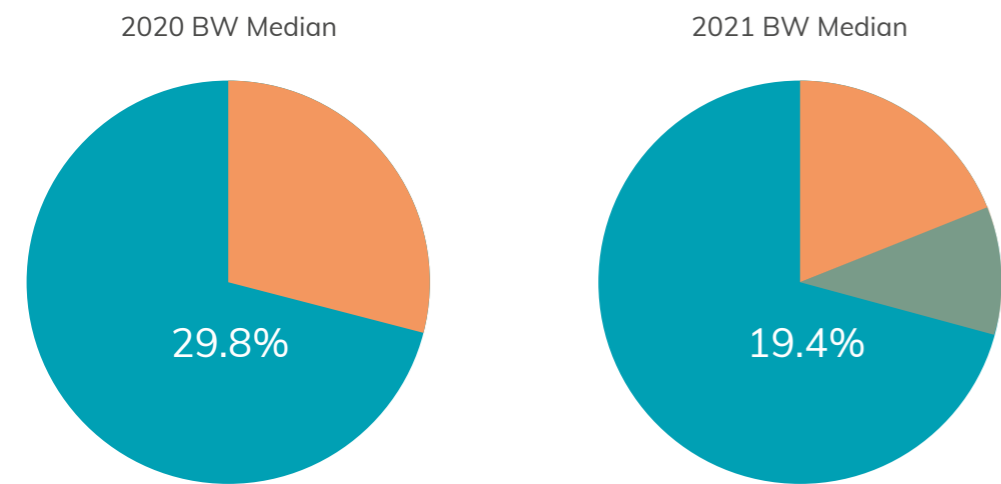
How does this compare?

In 2020, Bristol Water reported a mean gender bonus gap of 48.9% and a median gender bonus gap of 29.8%. **These figures have dramatically improved in 2021 due to the improvement in recruitment practices and the hiring of more senior females into the business.**

Mean Gender Bonus Gap



Median Gender Bonus Gap



Context to our Gender Bonus Gap

There are many relevant factors to consider when reviewing our Gender Bonus Gap. Most significantly a larger Gender Bonus Gap remains due to the fact that more men than women hold senior roles, therefore attracting higher bonus payments.

This does not mean males and females working at the same level are receiving different rates of bonus, this figure represents a value of the average of all females and all males regardless of role and seniority.

In addition, whilst all employees are eligible for a bonus payment each year, only 7 females and 38 males received no bonus due to insufficient length of service or contract type. This is an improved position from 2021.

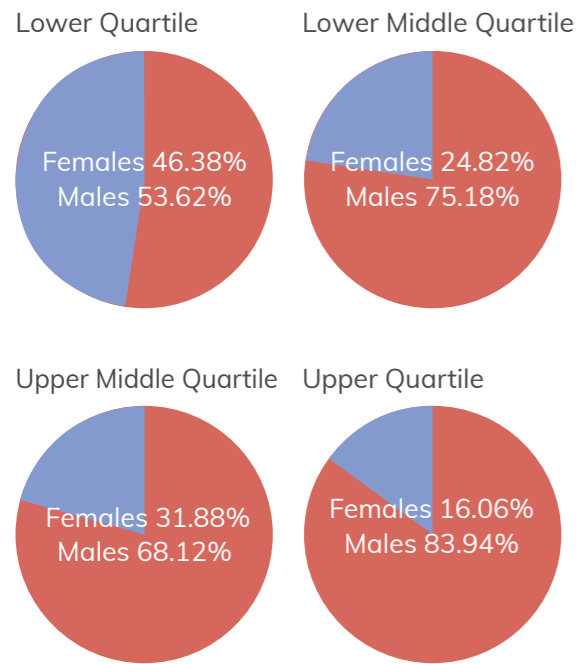
With the introduction and increase in flexible and hybrid working options to help us retain and attract a more diverse workforce, more employees have opted for part time or condensed hours working. However, more females work part time in the organisation than males which again contributes to the Gap as bonus is based on their pro-rata salary rather than the full time equivalent.

We are pleased to confirm that women on maternity leave or men/women on shared parental leave are still entitled to receive their bonus. This is representative of just one of our policies to promote equality amongst all employees.



Pay Distribution Quartiles

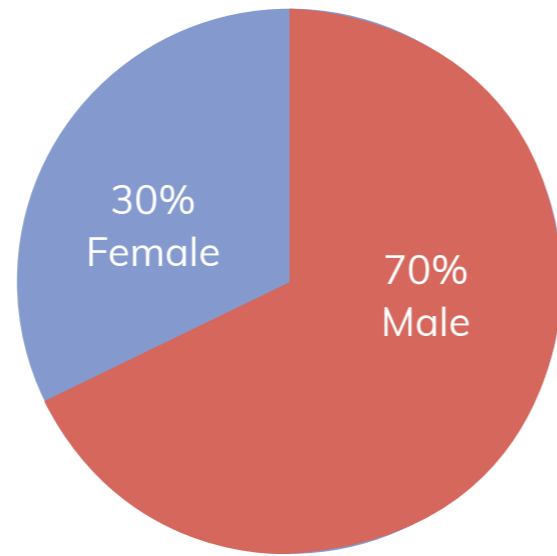
The 4 Quartiles of pay distribution



Quartile pay band distribution is calculated by listing the highest paid to the lowest paid employee and assigning them a position in a list. This list is then divided into 4 equal parts (quartiles) and the percentage of males and females falling within each quartile is calculated.

The quartile pay band distribution for Bristol Water is illustrated above and colour coded for ease.

Workforce split



As demonstrated, females are underrepresented in each of the four quartiles and not just at senior levels. This correlation is to be expected as the company workforce contains significantly higher numbers of males. At Bristol Water on 5th April 2021, 30% of the workforce was female and 70% were male. This is a decrease of 2% in the female population since 2020. Bristol Water is committed to working with the industry and other UK companies to improve gender representation across the full spectrum of roles.

How does this compare to 2020?

The reduction in Gender Pay Gap reported is pleasing to see and reflects the hard work that has taken place in attracting females into the business. There has been an increase in female representation at senior leadership level as well as into roles that predominantly viewed as 'male' occupations.

Although the reported numbers are in line with the regulations, we still have a gender pay gap to address. It is likely to be some years before the benefit of our additional focus and investment is realised. It is anticipated that UK wide it may take decades to completely close the Gender Pay Gap. We are hopeful that Bristol Water will achieve this much sooner. We understand that some of the issues are inherent to sectors and markets and that long-term investment and intervention is needed to provide a balance.



What are we doing to address the gap?

As previously explained, having a Gender Pay Gap does not mean that men and women are being paid different amounts for the same work. It does however bring several factors to light that enable the organisation to better focus its efforts.

These include:

- Only 30% of the workforce is female
- The Upper Pay Quartile within the workforce is 83.94% male
- That there are many more males in roles benefitting from shift premiums than females and this impacts our Gender Pay Gap

With this information there are several steps the company has taken and will continue to take as part of a longer-term ambition to close the Gender Pay Gap in Bristol Water. Some positive context to report includes;

- Gender neutral advertising to attract male and female candidates equally to roles;
- Competency based interviewing to ensure candidates are scored against consistent and objective measures
- Interview guidance through our LEAD management training programme which highlights the issues of unconscious bias and the steps available to mitigate
- Company-wide engagement to support diversity, equality and inclusion awareness. This is a key focus for 2022 which will encompass training, networks, blogs and external keynote speakers;

- Engagement with local schools and educational establishments to inform students of prospective career opportunities in the Water sector and at Bristol Water;
- Mentoring of students at local colleges and universities and offering work experience placements and Internships
- Partnering with local charities to support social mobility and opportunities for all
- Participating in Women in Work events

Finally, in 2021/22 we have launched our 'Aspire' programme to help develop future leaders at Bristol Water. Pleasingly, the split of males to females on the course is almost equal which shows our commitment to reducing the pay gap in the future, and developing more female leaders for the water industry.

Since the data was captured in April 2021, we are pleased to report that a further two females are now in post in senior positions.

Bristol Water remains committed to employing the most suitable candidate for each role whilst being determined to achieve the longer-term ambition of reducing the Gender Pay Gap. Our activities of increasing education and awareness amongst young people of the career opportunities in the Water Industry remains a key part of our ongoing strategy to inspire more young women to choose a career in Operational Water roles in the future.