

Anglian Water Gender Pay Gap Report 2022



Introduction

A welcome from our gender sponsors



Welcome to Anglian Water's 2021/22 gender pay gap report. During the reporting period, our gender pay gap increased. There are a number of reasons why, and this report explores them all. As a utility company with a male-dominated workforce, many of whom spend their entire working lives with us, improving the gender balance and closing our gender pay gap is a marathon, not a sprint.

As Anglian Water's lead Board Members for gender, we focus on improving gender inclusion across our business. It is our duty to ensure no one feels excluded from applying for a role because of their gender and there is no 'glass-ceiling' for anyone. As parents, the thought of our daughters being excluded from a future role or career choice or having less earning potential is completely unacceptable. Although we are seeing an increasing number of young women joining us, we still have a high proportion of men in senior leadership positions in our business. As allies, we are using our position to influence cultural and organisational change.

Our long-term inclusion strategy supports our Purpose to bring environmental and, crucially, social prosperity to our region. We are proud of our low turnover and the recognition we've received over the years for being a great place to work. However, it also means that we have a responsibility to equip the next generation of our people with the skills our industry needs. We're taking action

from the ground up, working with primary schools to encourage girls to consider STEM subjects, all the way through to engaging mothers and women in general to consider working in the water industry.

And our efforts are steadily coming to fruition, with an increasing number of women joining us in STEM roles; in 2021/22, 71% graduates who joined us were women. This is also reflected in our senior leadership too. Emily Timmins joined us on the management board in June 2022, leading Water Recycling. An advocate for senior women in STEM, Emily's appointment is a positive step forward.

We are committed to closing our gender pay gap, and this report demonstrates the many changes we are making today, even though some may take generations to bear fruit. We're focusing on becoming a best-in-class employer for women; offering excellent benefits, flexible working options, supportive working policies and ongoing progression opportunities. We believe a diverse workforce brings a multitude of benefits, and we know there's more we can do.

Jason Tucker | Director of Strategic Delivery and Commercial Assurance

Robin Price | Director of Quality and Environment



Creating our constellation

In 2020 our Inclusion community was founded with the vision of building a workforce where all our employees feel valued and welcomed during their time at Anglian Water. Since then, we've seen a ten-fold increase in membership and have introduced a range of inclusion initiatives, many of which have been in response to feedback we've received from the women in our workforce. This includes a diverse programme of events throughout the year, a flexible annual leave policy where colleagues of other faiths can swap Christian religious holidays for those of their own faith, and changing our dress code policy and introducing a much wider range of Personal Protective Equipment to ensure everyone can be their authentic self at work.

This year we were delighted to see our efforts reflected in our annual employee Love to Listen survey, with 87% of women saying they believe Anglian Water is an inclusive company to work for regardless of gender, age, race, disability, religion or sexual orientation.

However, we know we have more to do. The American activist and author Mariam Kaba once said, "why be a star when you can make a constellation?", and that captures our approach to inclusion – if we can harness our strengths as a diverse collective then we create the right conditions where everyone can shine.

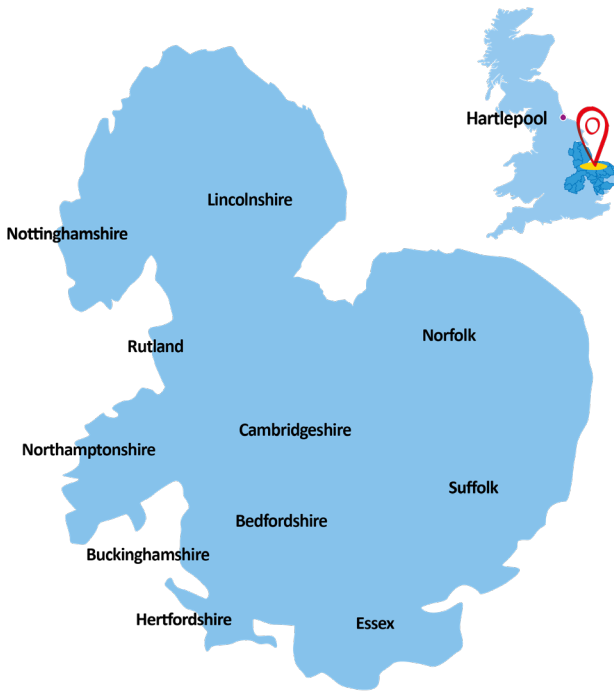
Victoria Bannerman | Inclusion Lead



Just 17% of the energy and utilities workforce are women - around two-thirds less than in the overall UK workforce.



Who we are



Anglian Water is the largest water and water recycling company in England and Wales by geographic area. We supply water and water recycling services to almost seven million people in the East of England and Hartlepool.

We were the first major utility to enshrine our Purpose in the fabric of our company constitution by changing our Articles of Association. This locks public interest into everything we do, and went on to become our Purpose: To bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop.

This is a bold idea about the role we want to play in the world. It acts as a north star for our team and is a genuine promise to our customers, partners and shareholders. We're constantly challenging ourselves to be the best company we can be, and to make a real and meaningful impact for our customers, communities and the planet. What's powerful about a north star, is that it's forever pursued, but always out of reach,

and that keeps us striving and challenging ourselves to go further.

Everything we do as a business, including for our employees is guided by the values that drive our continued progress: Together, we build trust; We do the right thing; We are always exploring.

Our vision is to build an inclusive workforce where all our employees feel valued and welcomed during their time working with us, and one that is representative of the community we serve. It is important to note that our view is long-term as we shift the culture of our business, which operates in a traditionally male-dominated industry. However, we recognise that a third of our male workforce is due to retire in the next decade, and we need to act now to create our workforce of the future. We are working to improve our gender balance across our entire workforce.


This report covers the period from 6 April 2021 to 5 April 2022 and covers employees of Anglian Water Services.



Our gender pay gap at a glance:

← **9.5%** →
our mean gender pay gap

Median



our median gender pay gap
16.4%

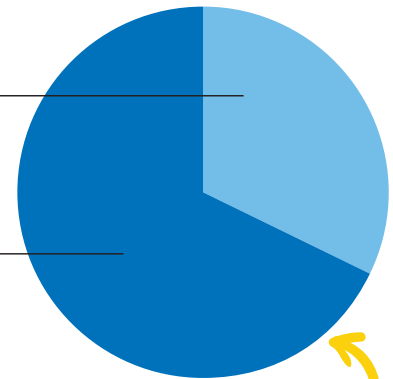
13%
of women who joined us this year are in **STEM**-related roles

46%
of senior hires were women

71% 
of graduates who joined us in 2022 were women

32%
women

68%
men



Our workforce composition

82% 

of women who took part in our 2022 employee 'Love to Listen' survey would recommend us as a place to work

87% 

of women believe Anglian Water is an inclusive company to work for regardless of gender, age, race, disability, religion or sexual orientation (2022 Love to Listen survey)

90% 

of women feel that they are treated with dignity and respect at work (2022 Love to Listen survey)

What is our gender pay gap for 2022?

This year, our gender pay gap increased by 3.9% in the median gender pay gap, and 1.7% from the mean pay gap.

Mean gender pay gap

9.5% (1.7% up from 7.8% in 2021)

Median gender pay gap

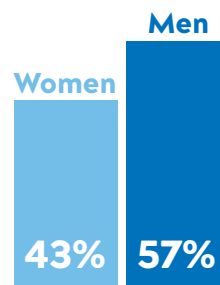
16.4% (up 3.9% from 12.5% in 2021)

The main reasons for our gap are:

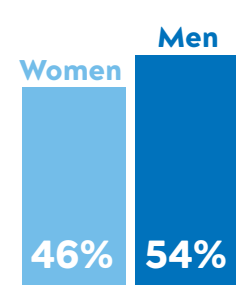
- Like many organisations in the UK, this year we have had significant challenges with the recruitment and retention of Large Goods Vehicle (LGV) Drivers. We reviewed our offering and increased pay for these roles - of which 93% are filled by men.
- Our total workforce composition as of April 2022 is 32% women and 68% men. The water industry as a whole is male-dominated, particularly in operational and engineering roles. Around 1,600 employees are in technical roles with skills-linked pay progression, where pay increases as skills develop. The vast majority of these roles are held by men, with just 17% of women in these posts. See more on page 8.
- We had a higher number of women joining our business this year, 42% in comparison to 35% in the previous reporting period. However, many of those new appointments were lower-paid positions.

However, through our continued efforts, the composition of our workforce is changing. This year, the proportion of women in senior positions increased by 3%, through a combination of new starters joining and internal promotions. We are also pleased to report that 13% of women who joined our business are in positions that are considered STEM-related, roles that historically, would have been filled by men. This is still promising progress on improving our composition, and an area we are committed to continue to make the generational shifts needed. On page 12, we explain how we are encouraging more women into STEM-related careers.

New hires gender split



Senior hires gender split



What is the gender pay gap?

The gender pay gap is the average difference between the pay of men and women working for an organisation. It is not the same as equal pay, where legally if men and women are performing equivalent work, they must be paid the same. If they are not, we must be able to legally justify why there is a difference. We are confident that we comply with our legal obligations in relation to equal pay. In line with regulation, the data we record changes year-on-year due to new joiners, leavers and where people take time out of the business.

What is the difference between the mean and the median figures?

The mean is calculated by adding up all of the pay elements of employees in a company and dividing that figure by the number of employees. This means the final figure can be skewed by a small number of individuals at either end of the pay scale.

The median is the number that falls in the middle of a range when everyone's pay is lined up from smallest to largest and is more representative when there is a lot of variation in pay. This is especially true with Anglian Water, as we have more than 5,000 employees across our region.



The arrival of our new Director of Water Recycling, Emily Timmins, is a welcome addition to our business. Alongside our other board sponsors, Emily will act as champion for inclusion role modelling, demonstrating inclusive behaviour. She is on our Management Board. Owing to her start date, Emily's role is not reflected in this year's data and will instead be included for the 2022/23 report.

Pay across the organisation

As is required for cross comparison, we have divided our workforce into four quartiles: Lower, Lower Middle, Upper Middle and Upper, based on pay bands. The table below shows the proportion of men and women as a percentage of full time, relevant employees within each quartile.

Quartile	Women 2022	Men 2022	Women 2021	Men 2021
Lower	53.3	46.7	49.4	50.6
Lower Middle	26.1	73.9	24.3	75.7
Upper Middle	17.8	82.2	17.8	82.2
Upper	32.1	67.9	31.4	68.6

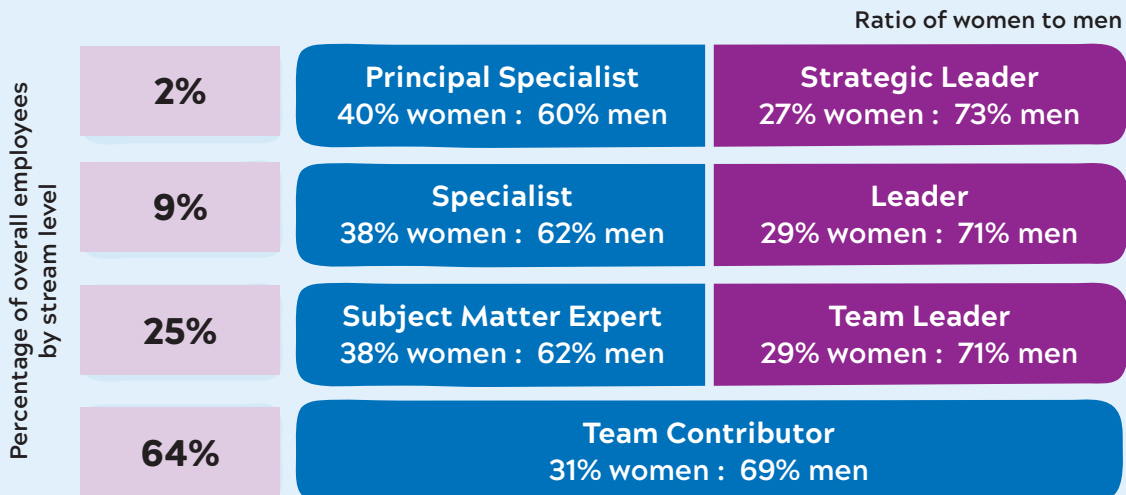
This year we have seen a slight rise in women across all quartiles apart from Upper Middle, which has remained the same. This reflects our composition, where we have a higher number of men in more senior and engineering/technical operational roles. Within the organisation, around 1,600 employees are in technical roles with skills-linked pay progression, where pay increases as skills develop. The vast majority of these roles are held by men, with just 17% of women in these posts.

This is further reflected in our average of just under 25% of women across the Upper Middle and Upper quartiles. This is behind the current average of 48% amongst the 301 UK companies that had submitted their information (data as of October 2022).

Gender split across our role framework

In 2020, we introduced a new grading structure, streamlining our previous 15 role levels to four levels. The new structure provides greater transparency, helping us identify and manage talent across gender and other demographics, including opportunities for progression.

When compared to 2021, we have seen a 7% increase in women moving into Principal Specialist roles, and a 2% increase of women in Strategic Leader roles. Excluding team contributors, the total number of employees in specialist roles is 72%. We are working on improving the numbers of women in leadership positions.



Developing a pipeline of talent

Our development programmes help to create a pipeline of senior leaders within the business.

In 2021, we ran our first Aspire to Lead programme. The programme equips aspiring leaders with the skills, knowledge and behaviours needed to move into leadership roles. 35% of those who took part were women, which is a higher percentage of women that are currently in leadership roles.

Since 2013, 46% of the people to go through our Institute of Leadership Management Level 5, are women. The 15-month

programme provides an external perspective to high-potential employees and creates a talent pool for senior leaders.

We also support high-potential individuals to undertake a Masters of Science (MSc) in Strategic Leadership, which is delivered by Loughborough University. Of the 21 places offered, 33% have been taken up by women.

In addition to our development programmes, we have a wealth of e-learning available to all of our employees.

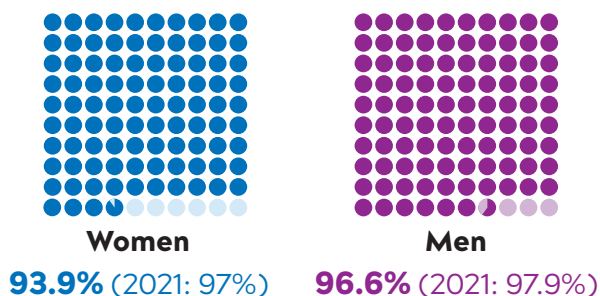
Bonuses and long-service awards

The bonus gender gap between our men and women has increased this year. Bonus calculations are directly linked to salary, so the impact of a higher proportion of women in lower pay quartiles and a higher number of men in long-serving, senior roles meant our male employees received bigger bonuses. Bonus calculations are also based on individual personal performance and this year, we saw an increase in men's performance ratings. Another factor for the gap is that many of our new starters were not yet eligible for a bonus.

This year, 222 men received an average of £337 for long-service awards (which are included in our bonus figures) compared to 83 women, who received an average of £228. Although the average award value has decreased for both genders as a result of shorter anniversaries reached, the proportion of women receiving an award has decreased this year. This reflects the shorter service milestones achieved by women rather than performance. We anticipate this will change over time as the gender makeup of our workforce evens out.

Part-time working also impacts our bonus figures. Current regulations do not allow us to make calculations on a pro-rata basis that considers part-time workers.

Employees receiving bonuses



Mean gender bonus gap

27.7% (Up 10.2% from 17.5%)

25.1% (adjusted to remove impact of part-time working)

Median gender bonus gap

18.7% (Up 10.2% from 8.5%)

13.2% (adjusted to remove impact of part-time working)

Steps we're taking to close the gap

Being an employer of choice for women

Our aim is to have equal numbers of men and women employed at all levels across Anglian Water. We continue to work on developing talent internally, raising the profile of inclusion across the business and implementing policies that support our employees across all facets of their lives.

Our approach to flexible working is designed to support employees to flourish in their careers and outside of work, taking heed of research that shows

individuals perform best when able to maintain a healthy balance between work and other aspects of their lives.

With the pandemic accelerating our move towards agile working, many of our people have the option to work flexibly. In fact, thousands of our people now work remotely or in a hybrid way, and all employees can discuss working flexibly with their line manager.

We have proactively championed part-time working to all employees as an option to consider. 7.5% of our employees work part-time. However, 80% of those working part-time are women, compared with 20% of men. Of women in senior roles, 16% work part-time compared to just 3% of men in senior positions. We are aware of the impact that part-time work has on our bonus figures and pensions.

Our approach to flexible working is designed to support employees to flourish in their careers and outside of work.



We offer a suite of family-friendly policies to attract and retain women in our workforce.

Our family friendly policies include:

- Enhanced maternity or adoption leave package of 13 weeks full pay and 26 weeks statutory pay. If our employees lose their baby after 24 weeks of pregnancy, they are entitled to our full maternity leave policy.
- Mothers returning to work after birth or adoption can apply for flexible, part-time or shared working via our Flexible Working Policy.
- Shared parental leave enables our employees to take up to 50 weeks off, with statutory pay provided from three to 39 weeks, with the opportunity to take the remaining time as unpaid leave.
- Paternity leave entitles all men to two weeks off at full pay after the birth of their child.
- We offer unpaid Time Off for Dependants.
- We also offer Elder Care support for employees through a specialist support service. This is provided in partnership with leading experts Best Doctors, LifeWorks and Morgan Ash and is completely free of charge to employees and their dependant parents or parents-in-law.

“

My role is really varied, which I like as every day is different... sometimes I'll be the only woman in the room, but I never really think about it to be honest.

”

Hannah Brunsdon

Water Recycling Project Manager Intern

“

Our team is a mix of office and field-based colleagues. I split my time between working from home, working in the office and out on site. I try to do two days in the office, one on site and two at home each week. I would really encourage people to come and work for Anglian Water.

I think the environment we create is a positive one and people are always there to help you. I've never felt uncomfortable asking someone for support or advice. Everybody's always really friendly and wants you to achieve.

”

Lauren Knight

Joined us on the graduate scheme and now works as Head of Operational Technology

“

When I applied for the job, it was clear from the advert that part-time was an option. At first, I was quite fearful of the perception that if you're working part-time, you're not fully part of an organisation or team. Combined with hybrid working, it really adds to that stress of feeling integrated. But the reality is not like that at all. The team and I regularly touch base, see each other in person and we stay in touch via Teams. We also pick things up for each other. That was another of my concerns, that if I start a project, being part-time, I won't be able to follow it through - but you do get to see things through and you're part of something much, much bigger. Anglian Water have been so understanding to my other commitments. It is a really lovely organisation to work for. And, it's little touches like this that really make people stay with the organisation.

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Nandani Shinh

Recruitment Co-ordinator

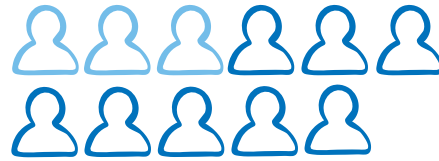
Leading from the top

We want to see an increase in the diversity of our employees at Anglian Water, including equal numbers of men and women. Our inclusion and diversity strategy provides the roadmap to achieving this.

Our management board leads our gender and diversity strategy. We have several key senior women on both our Anglian Water Board of Directors and Management Board.

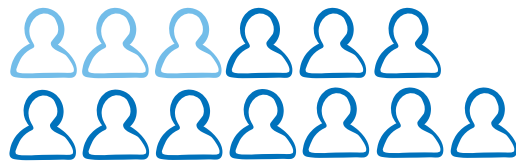
Across the UK, an average of 30.1% of boards seats are held by women (Deloitte, 'Women in the boardroom: A global perspective' 2021). We know there is more to do to improve representation at board level.

Executive Board



3 out of 11 are women (27%)

Management Board



3 out of 13 are women (23%)

Early careers

Around a third of Anglian Water's workforce will retire in the next decade. We must ensure we are recruiting and developing our future leaders: the engineers, technicians, data analysts and scientists our industry needs. Our early careers programmes for graduates, apprentices and interns helps us build our workforce of the future. Inspiring and recruiting more women into these roles now help make the generational changes we need to balance our composition.

We know that the most effective way to encourage women into STEM careers is through early engagement. We have a robust programme to encourage new starters into careers at Anglian Water. We do this by showcasing Anglian Water through careers fairs, insight events and media. Our attraction and selection strategy encompasses a future-focused selection process which moves away from candidates' past experiences and focuses on their future potential. We believe this supports social mobility and results in a more diverse candidate pool.

Our graduate and apprenticeship programmes provide early careers and career change opportunities. This year, we



have seen a jump in the number of women graduates joining our business, from 33% in 2021 to 71% in 2022. The number of women apprentices in our business has increased too, from 10% to 24%. Our even gender split intake of interns (50:50) is a positive trend we wish to see continue.

We offer a range of apprenticeships across our business: from core operations through to IT, from levels two to six. We currently employ around 200 apprentices in our business. There is an overall split of 90:10 (men-women) across operational and professional apprentices. (Operational is 95:05 and professional is 60:40 men-women). We are constantly striving to

improve these ratios with programmes of action with schools, school leavers, and in our application and interview processes. For example, our future leaders and graduates sit on our apprenticeship recruitment panels, which helps us showcase the diversity of people joining our business and the direction their careers can take.

Our graduate programme saw us named second in TheJobCrowd's top 50 Companies to work for list, and first in the Energy and Utilities sector (2021). We came top in TheJobCrowd's 2022/23 'Best Company for Apprentices to work in' in the 'Energy and Utilities' and 'Environmental and Ethical' categories. Similar to Trip Advisor for jobs, theJobsCrowd is reviewed by graduates and apprentices.

We run our 12-month long internships across many areas of our business, from brand and communications through to sustainability and environment.

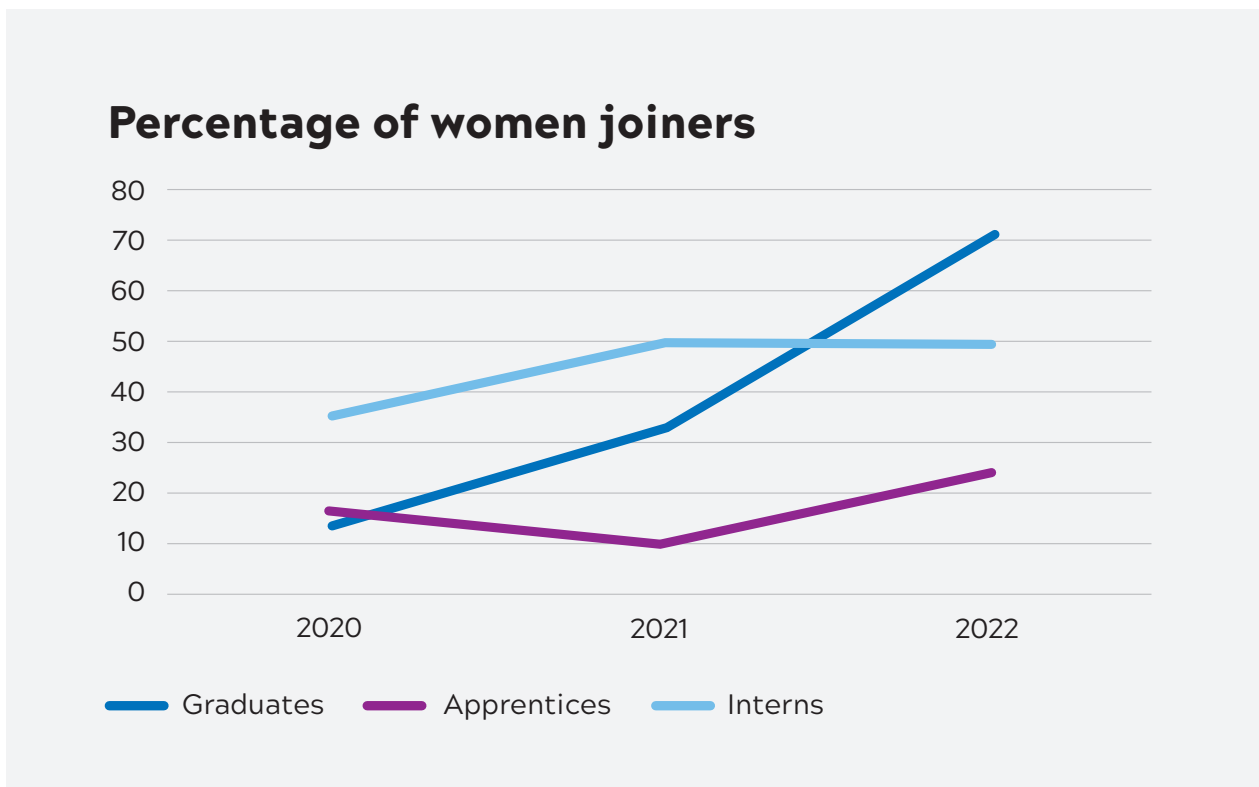
Promoting STEM in schools

Research shows gender biases in STEM subjects can be seen as early as primary

school age, which is why our education programme is so important for our own composition and talent pipeline, core to our value set and delivering on our Purpose, too.

Our Education Team supports schools and their students, promoting different careers in STEM. They work with educators and students from primary school level upwards, acting as a positive influence for young children to engage with STEM subjects.

Our work in secondary schools sees us focus on employability skills and routes into employment, in addition to our focus on STEM. Over the year, we've delivered virtual, blended and face-to-face programmes and activities. From April 2021 to March 2022, 31,000 students benefited from our sessions.



Our gender balance plans for the future

We know we need to attract from a wider talent pool and we are actively recruiting for a diverse workforce. However, we always recruit for quality and do not positively discriminate. To attract talent from as wide of a pool as possible, some of the steps we are taking include:

Attraction strategy

- Using a language decoder to ensure our job adverts don't appeal specifically to any gender.
- Increasing the number and variety of job boards that we advertise on.
- Specifying in job ads if the role is full time or part-time, or if a role could be modified to part-time.
- Ensuring our imagery represents people from a variety of backgrounds.
- Using web accessibility and translation software (Recite me) to ensure our careers site is accessible.
- Offering flexibility of virtual interviews at early stages. Around 75-80% of our job interviews now take place online.
- Attending events to attract women into engineering and working with educators and students to show the wide range of careers in STEM.



Hiring process

- Directing hiring managers to undertake unconscious bias training as part of our Recruitment and Interviewing Skills training course.
- Making interview panels diverse.
- Closely monitoring the gender split at application as well as at various stages within the assessment and selection pipeline (particularly for early careers) to ensure we are attracting from as wide a talent pool as possible.
- Our careers site shows candidates our key policies, such as our flexible working policy, parental leave policy and transgender and transition policy.

I really liked the representation on the Anglian Water Careers website, with a mix of men and women in different internship roles. There's also a lot more women in my team than men. For me, having women in my team who are in senior roles helps encourage more women to apply. Knowing that, it kind of inspires you – I can work my way up and be in the same position as them.

Tanisha Bisla
Change Management Intern

Our Inclusion Strategy

At Anglian Water, inclusion means creating a culture where everyone feels heard and valued. We continue our efforts to increase diversity in our workforce to reflect the demographics of the region we serve. Our Inclusion Community is growing and provides a space for colleagues to learn about all aspects of diversity and inclusion and find support. Our community has grown ten-fold in just two years.

We recently introduced our holiday swap policy, where colleagues of other faiths can swap Christian religious holidays for those of their own faith. Our policy was shortlisted for a 2022 Water Industry Award for delivering greater inclusion.

We've also made practical changes following our 'Ways of Working' project. We contacted a number of colleagues across the business to gather their feedback on our PPE. As a result, we have tailored our PPE to be more inclusive, introducing a better range of female-fit clothing (including maternity and modesty wear) and safety shoes. We're also moving to one colour of polo shirts to drive the message of one team.

Raising awareness

We invite guest speakers to educate and inform our people through sharing their lived experiences. In the last year, speakers have included Shaka Hislop on racism and Nic Hamilton on disability.

International Women's Day

For International Women's Day, we ran a series of sessions led by keynote speakers from three female CEOs in the water industry: Sarah Bentley, CEO Thames Water, Lila Thompson, CEO British Water and Christine McGourty, CEO Water UK.

National Inclusion Week

We ran a week-long series of events for National Inclusion Week, including talks with internal and external speakers. Elliot Rae, the founder of the parenting platform MusicFootballFatherhood delivered a talk on what it means to be a man in 2022, discussing themes of allyship, equality and masculinity.

Strength in Diversity

Our Strength in Diversity programme seeks to diversify our business by targeting specific towns in our region and working with schools, community groups and jobseekers to support them into work.

We recently launched our programme in Peterborough, where we have attended jobs fairs, ran CV and interview coaching, hosted a Women in STEM Day for Peterborough School and invited 18 pupils from the school to take part in tailored work experience activities.



Zarin Patel, our Independent Non-Executive Director, took part in a webinar for National Inclusion Week 2022, speaking to our employees about her experience as a woman of colour, with a hidden disability, in business.

About the gender pay gap

We confirm that the information and data reported are accurate and in line with the UK Government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. This statement has been produced with reference to the Regulations and the associated guidance issued by ACAS and the Government Equalities Office, entitled Managing Gender Pay Reporting. Learn more about Gender Pay Reporting by visiting www.acas.org.uk/genderpay

The Regulations require all organisations to make calculations based on employee gender annually. We complete our annual calculations using our HR and payroll records. All employees can confirm and update their records online or by contacting the HR Team.

We are required to carry out calculations that show the difference between the average earnings (as defined by the Regulations) of men and women in our organisation. This does not involve publishing individual employees' data.

There are many objective reasons for pay differentials such as seniority, experience, location and, in a small number of cases, personal pay protection. The important point in any pay system is that it is fairly and equally applied considering these different factors.

We review our pay differentials to eliminate these gaps over time. We regularly review our policies, procedures and practices to ensure they are fair and reasonable.



Declaration

I confirm that this statement is true to the best of my knowledge and belief.

Signed: 

Susannah Clements | Group Director of People



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