



South Staffordshire Water PLC

Gender pay gap report 2023/24

About this report

As an employer with more than 250 employees, South Staffordshire Water PLC is required to publish gender pay gap data in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. These regulations require us to report on our gender pay gap each year – in this case, for the ‘snapshot’ date of 5 April 2023.

Following guidance published by the UK Government, we have based this report on the headcount of the individuals employed by South Staffordshire Water and not on full-time equivalents. As such, it includes anyone who we treat as employees for payroll purposes. This includes all full- and part-time employees.

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Managing Director's foreword

Thank you for taking the time to read our gender pay gap report for 2023/24. In what is a traditionally male-dominated sector of the economy, I'm pleased to see the strides we're making to improve our gender pay gap and provide a welcoming and inclusive workplace for all our people. And while there's much for us to celebrate – like our mean gender pay gap dropping below the national average of 7.7% – we remain committed to closing our gender pay gap even further.

Key to this are some of the initiatives we've implemented or are planning to implement in the year ahead. This includes our Young Innovators' Panels, which give young people in our Cambridge and South Staffs regions the opportunity to learn more about who we are and what we do, while challenging themselves to tackle a real-world issue and develop ideas that we can take forward in our business.

It also includes creating a Women's Network, providing wide-ranging support and mentorship opportunities, regardless of gender or life stage. And it means making sure all our people have the

resources, insight and help they need to do their jobs effectively and develop their careers in a way that best suits them.

We'll continue to build on our existing approaches to recruiting and retaining the best people. People who help to drive our business forward and enable us to deliver our ambitious plans for customers and the environment, now and in the future.

Andy Willcott
Managing Director



"I'm pleased to see the strides we're making to improve our gender pay gap and provide a welcoming and inclusive workplace for all our people."

Welcome from our Head of People



“We have gender parity on our Executive team and currently have 29 women on our wider leadership team (compared with 55 men).”

As the Head of People at South Staffordshire Water, I'm pleased to present our gender pay report for 2023/24. This report is testament to our commitment to transparency, equality and continuous improvement in fostering a diverse and inclusive workforce.

Overall, I'm pleased to report that our gender pay gap has reduced compared with the previous year. This positive trend reflects our ongoing efforts to create an equitable work environment. In addition, our dedication to equal pay remains unwavering. We continue to make sure that all our people are compensated fairly – regardless of gender – for their skills, experience and the contributions they make to our business.

We've also continued to make great strides to enhance gender representation across South Staffordshire Water. Our focus on creating equal opportunities for professional growth is evident in the increased diversity within leadership positions across the business. For example, we have gender parity on our Executive team and currently have 29 women on our wider leadership team (compared with 55 men).

But while we celebrate our achievements, we recognise there is always room for improvement. So we use the feedback from engagement with our people to identify areas where we need to do more and refine our strategies to help ensure an inclusive and supportive workplace for everyone. We remain committed to addressing any disparities and making sure our workforce is truly reflective of the communities we serve and of our values as a business – that is, we are professional, trusted, impactful and community focused.

We believe that diversity is not just a goal but an integral part of our identity. We will persist in our efforts to create an environment where everyone can thrive.

Sara McCann
Head of People

A handwritten signature in black ink that reads "S McCann".

Our commitment to our people

We are committed to running a business where people are happy in their jobs and where there are opportunities to develop in an environment that is equitable, welcoming, supportive and inclusive.

In common with the other water companies in the England and Wales water sector, our business is largely STEM-based, with a strong emphasis on engineering. As such, many of our technical, field-based or manual roles have traditionally been carried out by men. But we have been changing that narrative, and in recent years we have taken a number of steps to bring more women into the business and close our gender pay gap. This includes:

- re-shaping the way we present ourselves and attract new talent – for example, using gender neutral language in our job adverts and focusing instead on skills, ability and opportunities for development as a way of attracting more female applicants;

- working proactively with schools, colleges and universities in our Cambridge and South Staffs regions – for example, by attending careers fairs and also through our Young Innovators' Panels, which give young people the opportunity to tackle some of the real-world challenges currently facing our business;

- adopting a hybrid working model for our office-based people, and actively encouraging more flexible working opportunities to enable us to recruit and retain the right people to drive our work programmes in the future; and

- working collaboratively with other organisations within and outside the water sector to increase representation across the business – for example, we are a signatory of both the Energy and Utilities Skills' Inclusion Commitment and the Social Mobility Pledge.

But we know there is more we can do, and on page 12 we outline some of our plans for the year ahead.



Young Innovators' Panel

Securing your water future



Engaging with future water consumers: our Young Innovators' Panels

Since 2017, we have delivered a step change in our engagement with customers and stakeholders. As part of this, we launched a Young Innovators' Panel in our South Staffs region in 2018 and in our Cambridge region in 2019. These align to our commitment to engage with more young people across both regions, encouraging them to learn more about the water sector.

In 2023, we welcomed 25 young people from Sixth Forms across our South Staffs region onto our Young Innovators' Panel. Over two days in June and July, they gained a greater insight into the work of the water sector and were given the opportunity to feedback on our plans for 2025 and beyond.

In the first session, the Panel were taken through how we operate and took part in group discussions with subject experts

from across the business. Topics covered included water efficiency, pollution, the impact of climate change on water resources and global water security. They were then organised into four teams and briefed to create an educational resource for us.

The Panel reconvened in July to pitch their ideas in front of a number of senior executives, an independent Board member, the Chair of our External Challenge Group and a number of 11- to 14-year-old students (Key Stage 3) from a local secondary school. We have developed the winning idea into a workshop, to use in our education outreach programme during the year.

We will look to reconvene our Young Innovators' Panels in 2025.

Our gender pay gap

In 2023, our mean gender pay gap was 6.7%, a drop from 8% in 2022. This means that, on average, female employees earned 6.7% less than their male counterparts across the business. The reduction indicates the positive progress we have made to reduce the disparity in average earnings between male and female employees over the reporting period.

At the same time, our median pay gap was 14.2%, a drop from 15% in 2022. Again, we see the narrowing of this gap as a positive thing, which reflects our commitment to address the disparity in median earnings between male and female employees across the business.

There are a number of factors that have contributed to the change in our mean and median gender pay gaps. These include us introducing more flexible working arrangements to support our people, accommodate diverse needs and help to promote a positive work/life balance.

We think it is essential that we continue to implement initiatives that will enable us to build on our success to date. We are committed to our ongoing efforts to further reduce the mean and median gender pay gaps and create a workplace where all employees, regardless of gender or life stage, have equal opportunities and fair compensation.

What is the gender pay gap?

This measures the difference, excluding overtime, between average hourly earnings of men and women as a proportion of men's average hourly earnings, expressed as a percentage of men's pay. The gender pay gap is measured across all jobs in the UK. It does not measure the difference in pay between men and women for doing the same job.

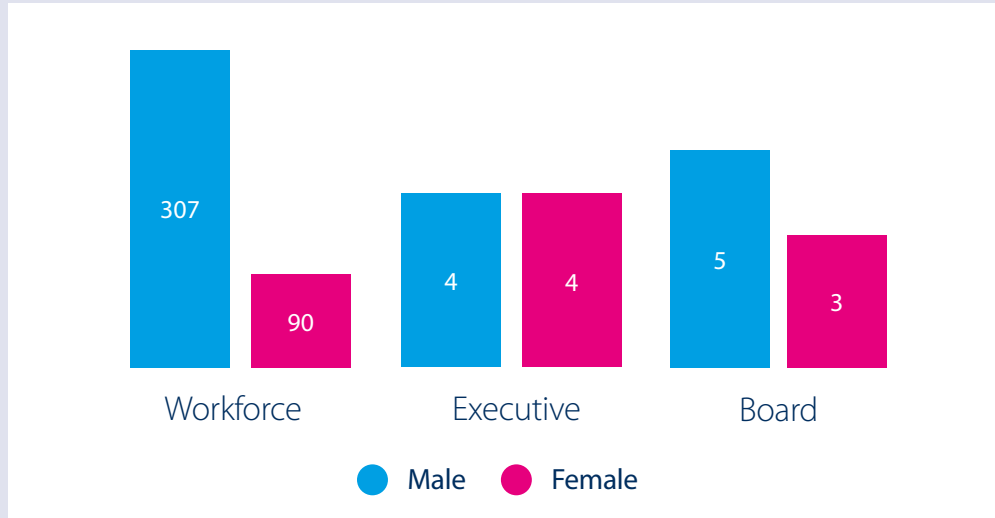
In the UK, the mean gender pay gap has been declining steadily over time. In the past ten years, it has fallen by around a quarter among all employees, standing at 7.7% in April 2023.¹

What are the mean and median values?

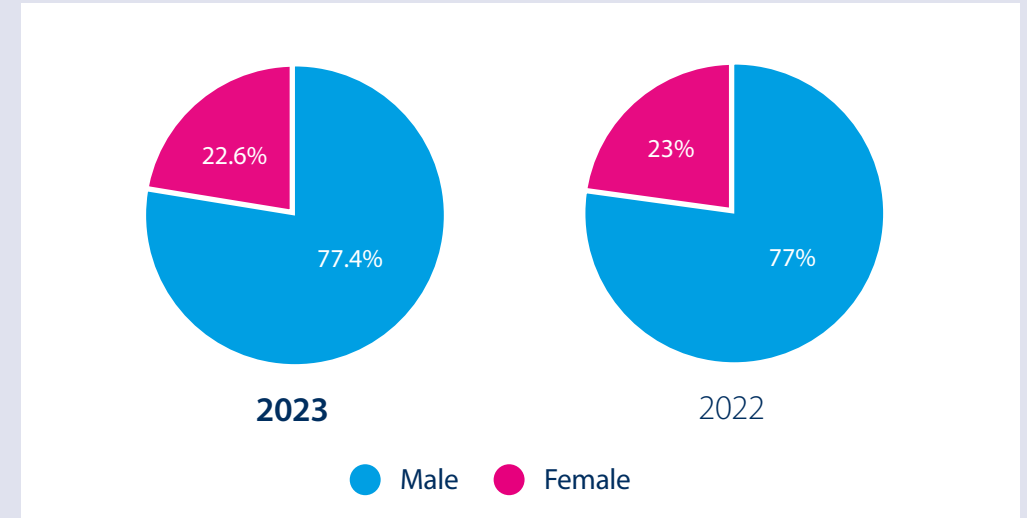
We use mean and median statistical values to measure our gender pay gap. The mean value represents the difference between the average hourly pay for all men and women across the business, while the median value represents the difference between the midpoints in the hourly pay ranges of all men and woman across the business.

¹Gender pay gap in the UK: 2023; Office for National Statistics, 1 November 2023.

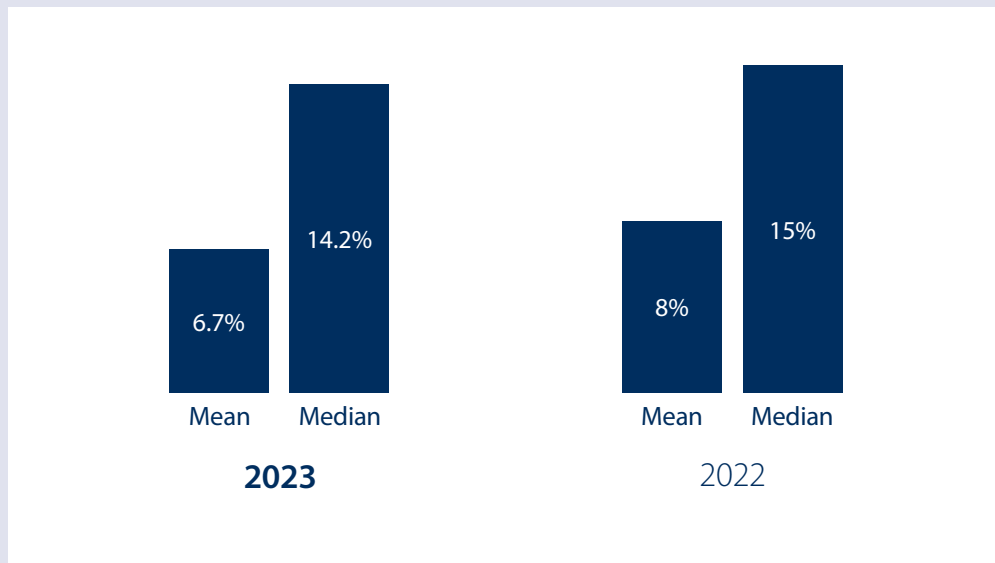
Workforce profile



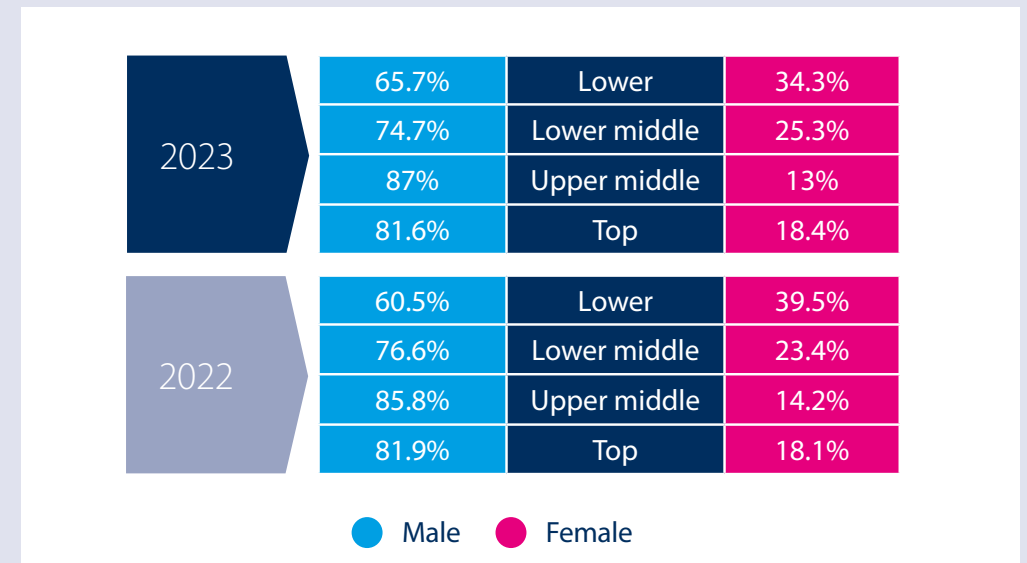
Workforce split



Gender pay gap



Percentage of men and women within each pay quartile



Our gender bonus gap

In 2023, our mean bonus pay gap was -0.9%, compared with 38% in 2022. This means that, on average, female employees received slightly higher bonuses than male employees during the reporting year. It also represents a significant achievement in promoting fairness and equity in bonus payments across the business.

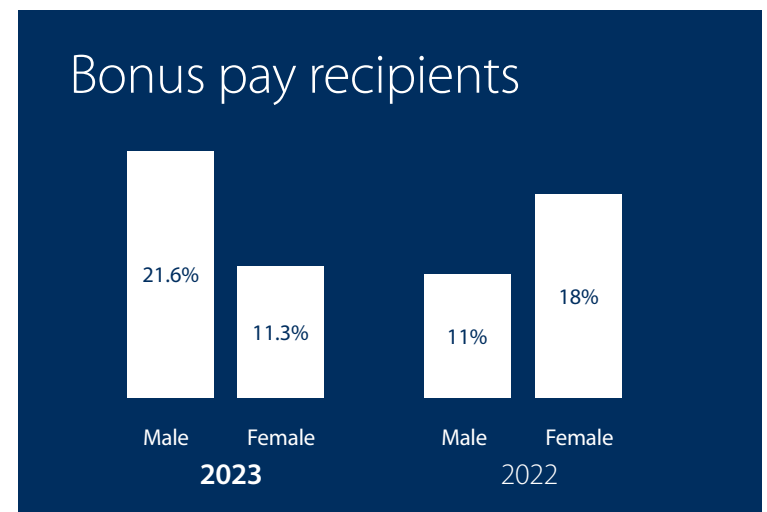
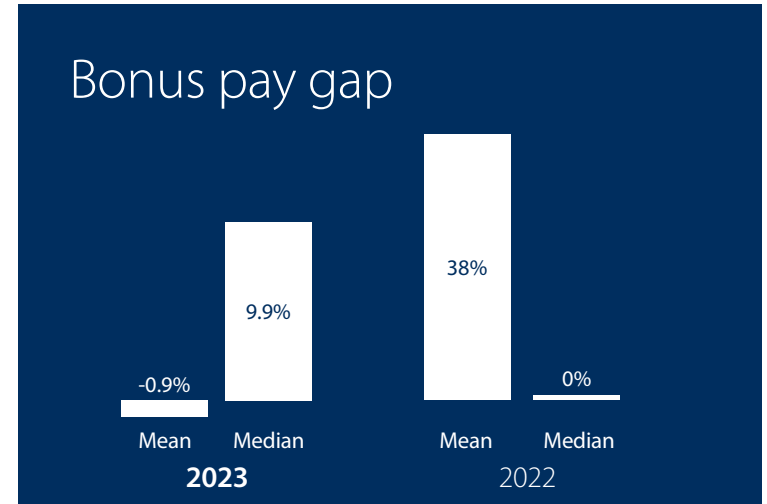
One of the key reasons for this shift since 2022 has been the work we have carried out to review and adjust bonus structures to ensure they are allocated fairly. Our bonuses are linked to performance and are measured objectively, irrespective of gender.

On the other hand, our median bonus pay gap has increased from 0% in 2022 to 9.9% in 2023. We think the main reason for this is the

reduction in the number of women eligible for a bonus and an increase in the number of eligible men. As we noted earlier, we expect this gap to reduce as a result of the increase in the number of women in senior leadership roles across the business. We remain committed to our ongoing efforts to eliminate any disparities in our bonus payments and maintain a fair and equitable bonus distribution system.

What is the gender bonus gap?

This is the difference between the mean or the median values of bonus pay for men and women across the business over the reporting year. It is expressed as a percentage of the bonuses paid to men.



Living our values



Pamela Allison, Project Management Office Lead

"I joined South Staffordshire Water in 2017, after spending 22 years in the financial sector. Although this presented a significant challenge for me, I was pleased that my change management skills were transferable and added value to the business. I started my journey as the Business Insight and Improvement Manager, working in the area of business transformation and change. I feel encouraged that the business is striving towards continuous improvement to deliver great service to customers, alongside valuing and supporting the wellbeing of people across the business.

"Following a positive personal life change, I recently changed my working pattern to better support my work/life balance and have condensed my working hours into four days a week. I feel this has had a beneficial impact on my wellbeing and I'm so much happier with the flexibility this approach has given me. I'm grateful to have first-hand experience of the business investing in supporting its people with their wellbeing and working together to make a good work/life balance a reality."



Caroline Cooper, Strategy and Regulation Director

"I joined South Staffordshire Water in 2003 as an Asset Management Analyst, where I was responsible for understanding and predicting how our underground pipe network performed. This was a key evidence point for our 2004 price review (PR04) business plan submission to the regulator Ofwat. Little did I know that I would go on to be involved in a further four price reviews after this one – including leading our PR19 submission and being appointed our Strategy and Regulation Director for PR24.

"I've been really fortunate to benefit from some amazing leaders, who have coached and supported me throughout my 21 years with the business. This support has been vital in enabling me to progress through the business. The people here are everything. We only succeed when we do so together – the five-yearly regulatory price review process is a brilliant example of this. I'm really proud to work for such a progressive organisation that recognises and supports woman across all areas of the business."



Mary Porter-Chorley, Retail Market Lead

"I joined South Staffordshire Water in 2022 as a Retail Market Analyst, working closely with the Retail Market team on analysing and scoping continuous improvement activities to ensure we deliver an effective service for non-household customers and retailers. In March 2023, my role was reshaped as Retail Market Lead, where I support the Head of Business Retail Market with the management of our wholesale contract and work with a range of stakeholders, including Ofwat and the retail market operator MOSL.

"The business has always supported my development. I participated in the Institute of Water's 'Rising Stars' programme in 2022 and have presented at leadership roadshows across the business. I've had many opportunities to develop and learn new skills – and to get involved with other activities that I'm interested in, such as the People Forum. Even now, my development is continuing to accelerate as I grow into my current role, through mentoring and the internal and external relationships that I've developed."



Angie Neal, Programme Manager

"I joined South Staffordshire Water as a Programme Manager in the Asset Management team in October 2023. I had previously worked as an Asset Manager for another water company, and was very excited to bring that knowledge and experience to my new role.

"I feel that I've joined the business at an ideal time as we prepare for the next regulatory planning period covering the five years from 2025 to 2030 (known as AMP8). I've thoroughly enjoyed forging strong working relationships across all parts of the business, as well as being presented with great learning opportunities with people who are also passionate about delivering the best service for all our customers. I'm really looking forward to being part of the South Staffordshire Water family for years to come!"

Our plans for the year ahead



Looking ahead, we will continue to focus on initiatives that promote diversity and inclusion across our business. We have developed a strategic roadmap, which includes:

- carrying out further analysis of our pay structures to identify and address any potential gender disparities;
- continuing to attract, retain and develop female talent;
- expanding our training programmes to raise awareness and understanding of biases (both conscious and unconscious);
- continuing to build on our efforts to enhance diversity in recruitment and talent acquisition processes;
- advertising jobs on a flexible basis, where job sharing is encouraged;
- creating employee resource groups to gather insights from our people and encourage an even more inclusive workplace;
- implementing targeted initiatives and programmes to address gender-related challenges, such as mentorship programmes, diversity training and policies aimed at promoting a more inclusive workplace; and
- improving our family leave and other policies to make sure there is equity across the wider South Staffordshire Plc Group.



Creating a Women's Network

A key initiative for us is the launch of a Women's Network.

The purpose is to cultivate a dynamic and inclusive environment that empowers women from all parts of the business at every stage of their careers. The network will foster professional growth, enable networking opportunities and advocate for gender equality so that women are supported, inspired and equipped to achieve their full potential, and – in turn – to contribute to the success of our business.

Our commitment is to champion gender equity, break down barriers and build an organisational culture that recognises and values the unique contributions of women.



Declaration

We confirm that the information in this gender pay gap report is accurate and has been prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Andy Willcott
Managing Director

A handwritten signature in black ink, appearing to read 'Andy Willcott'.

Sara McCann
Head of People

A handwritten signature in black ink, appearing to read 'Sara McCann'.

4 April 2024

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