

Gender Pay Gap Report

Snapshot date 31 March 2022

Naturally *different.*

business stream
A SCOTTISH WATER COMPANY



Introduction

Business Stream is fully committed to providing equal opportunities for everyone to learn, develop and progress, regardless of their gender, ethnicity or age. We are passionate about providing a working environment that encourages equality, diversity and inclusion at all levels of our organisation.

Statement

I confirm that the details included in this report are an accurate reflection of our gender pay position as at 31 March 2022.



Johanna Dow
Chief Executive



Why are we reporting these numbers in this way?

From 2017, organisations who employ 250 people or more are required to publish statistics on their gender pay gap annually.

Understanding the gap

There are six metrics that must be published annually. The figures are calculated using a 'snapshot date' which in our case is 31 March 2022.

What is the difference between mean and median?

The **mean** gender pay gap is the difference in the average hourly rate of pay between men and women employed by Business Stream.

The **median** gender pay gap compares the hourly pay of the median man and the median woman. The median for each is the man or woman who is in the middle of a list of hourly pay, ordered from highest to lowest paid.



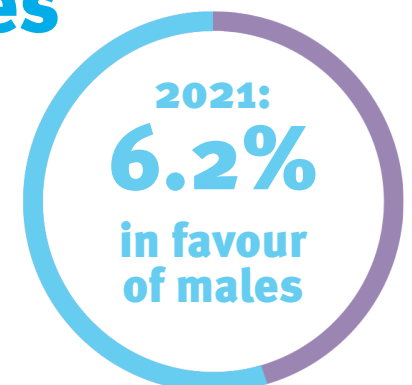
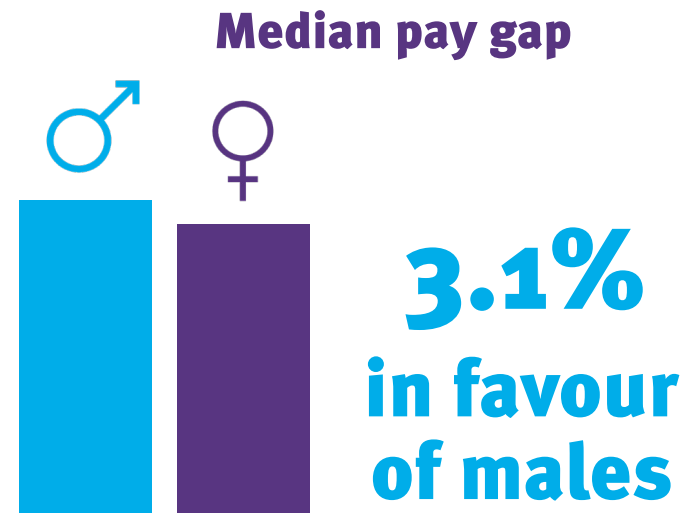
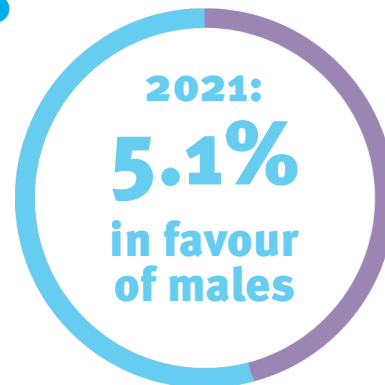
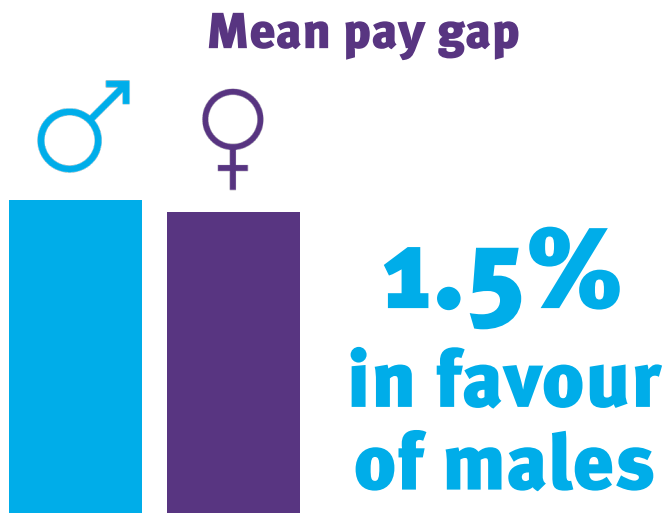
Our workforce

Business Stream has a workforce of c.350 colleagues across a range of operational and support roles. We're trusted by over 300,000 business customers to provide water and waste water services with the highest levels of customer service. Our workforce gender balance has remained fairly consistent over the past few years. On our snapshot date of 31 March 2022, 45% of our employees were female and 55% male (192 males and 154 females).



What is Business Stream's gender pay gap?

Our gender pay gap results for hourly pay for the year 2021/22 are shown below. On average, females were paid 1.5% less than males for the year which is an improvement on last year. The median gap has also improved, reducing from 6.2% in favour of males in 2020/21 to 3.1% in 2021/22. Our results are significantly better than the national average gap of 15.4%* in favour of males.

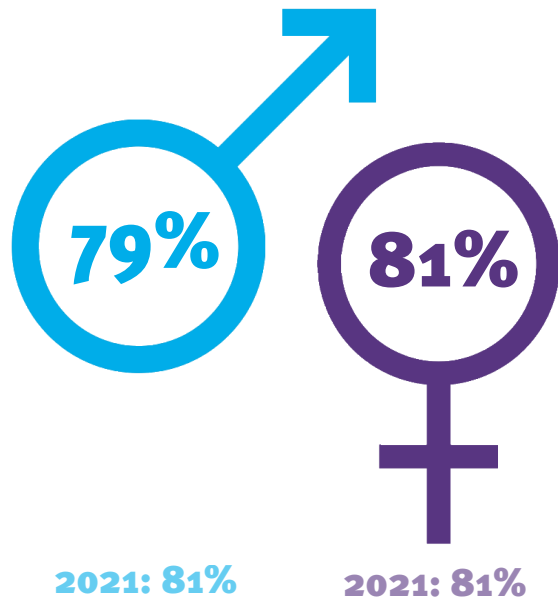


*Office for National Statistics 2021 estimated Gender Pay Gap.

What is Business Stream's gender bonus gap?

The bonus figures reported reflect the bonus paid in May 2021, which relates to the 2020/21 financial year. The proportion of females who received a bonus was 2% higher than males at 81%. The average bonus paid was marginally (1.8%) higher for males than females. The median bonus pay gap was 2.7% higher for males which is an improvement from the 6.6% reported in the previous year. Our figures include 38 part-time colleagues who received a pro-rated bonus based on their contracted hours, this included 33 females and 5 males. The higher proportion of pro-rated bonuses for females pulls the average bonus down marginally, relative to the average for males.

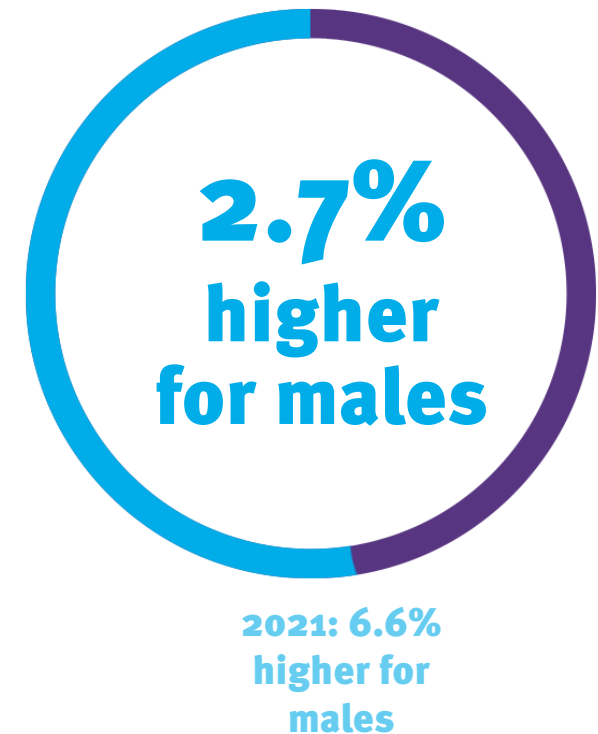
Proportion of males and females receiving a bonus



Mean bonus gender pay gap



Median bonus gender pay gap



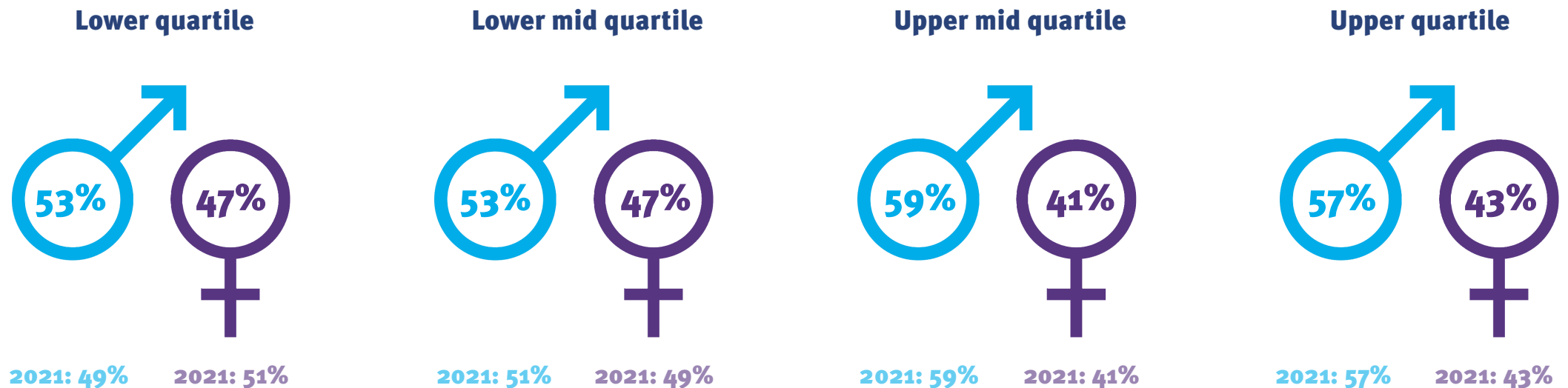
Pay quartiles

The diagrams below outline the proportion of males and females in each pay quartile at 31 March 2022. Using hourly pay, the quartiles divide the list of earners – ordered from lowest to highest – into four equal groups. This provides a picture of where male and female employees are in the pay hierarchy.

The proportion of males to females in each pay quartile is broadly consistent with our overall workplace gender balance of 55% males and 45% females. The one exception is in the upper mid quartile where only 41% of the group are female. This quartile includes a number of specialist roles, including a number of Technology and Transformation roles which remains a challenging sector to recruit females within. Of the 15 new starters within this quartile, only six were female.

We had 50 males in the upper quartile pay band at 31 March 2022 versus 37 females however, the average pay gap for that quartile was 6.7% higher for females reflecting positively the number of females employed in executive roles.

Percentage of males and females in each pay quartile



Next steps

While we're pleased with the continued progress we have made in the past year, we know that we can't afford to be complacent. As we move into 2022/23, we want to go even further to embed equality, diversity and inclusion within our business. To do that we will focus on the following key areas:

- **Engagement** - Empower colleagues to contribute to our equality, diversity and inclusion work: sharing ideas, driving new initiatives and championing existing initiatives, reinforcing the message that we all have a role to play in creating a truly inclusive workplace.
- **Recruitment and attraction** - We're continuing to review and refine our candidate attraction and selection strategies to improve our gender balance, particularly in areas where we have traditionally had a higher proportion of males, for example roles in Technology and Transformation and mid tier management roles.
- **Development, talent and succession** - We'll continue to ensure our talent management and succession processes and our leadership development programmes drive actions that help to reduce our gender pay gap. We're developing training for managers which will help them to have good conversations with colleagues returning to work following a period of long-term absence so that they feel supported and engaged, with equal opportunities to progress.
- **Equality, Diversity and Inclusion (ED&I)** - We're currently in the process of broadening our focus on ED&I to ensure our leaders and line managers have an increased understanding of the subject so that they can be positive role models and actively encourage and promote ED&I within their teams.
- **Flexible working** - During the pandemic we launched a new flexible working policy which created the opportunity for 80% of our colleagues to work in a hybrid home/office working pattern if they choose to. Our guidance also outlines additional opportunities available including flexible working patterns, part-time working and job shares. We'll continue to promote flexible working opportunities, specifically seeking to create more opportunities for part-time roles across our organisation.

We're passionate about providing a working environment that encourages diversity and inclusion - where all colleagues have access to the same opportunities and are encouraged to reach their full potential.

Naturally different.

