

Gender Pay Gap Report

Snapshot date
31 March 2023

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 2023.



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 2023.

What is the difference between mean and median?

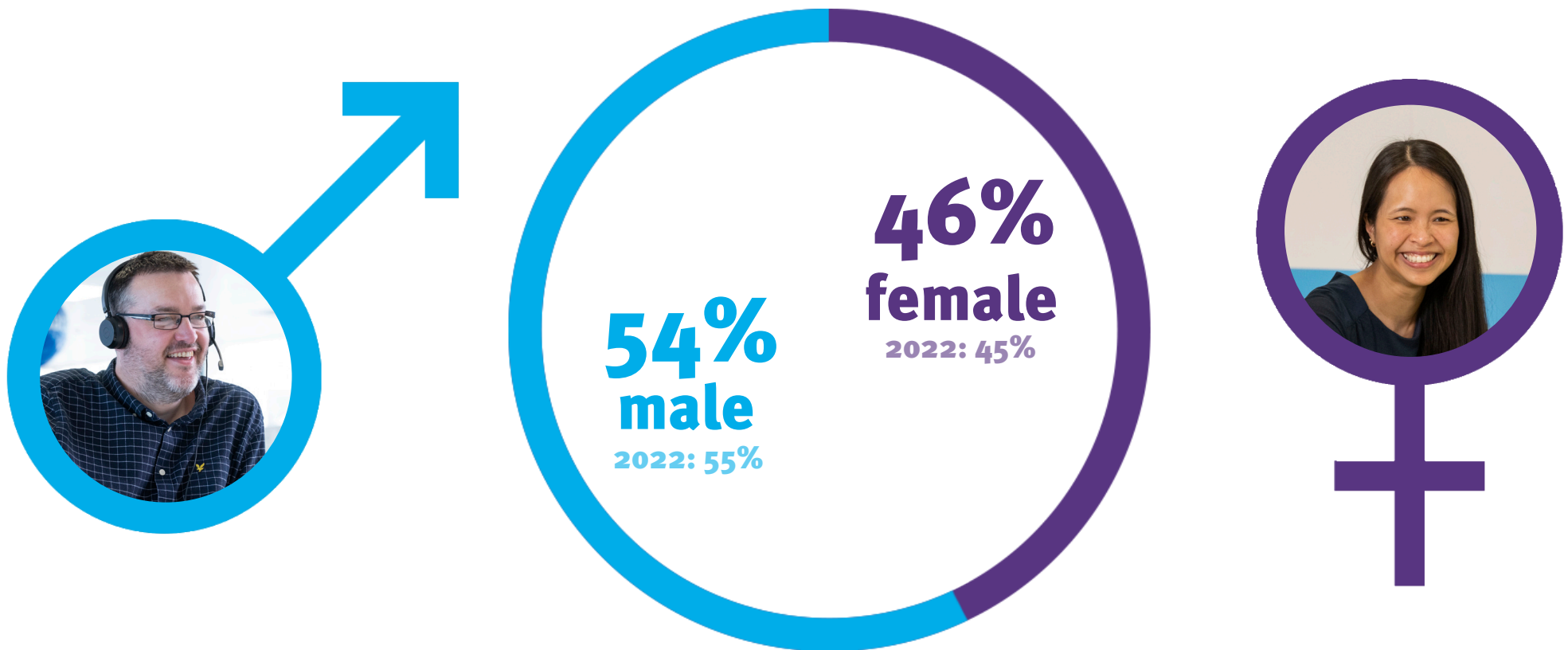
The **mean** gender pay gap is the difference in the average hourly rate of pay between men and women employed by Business Stream.

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.



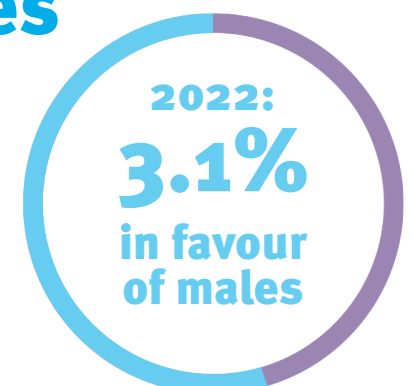
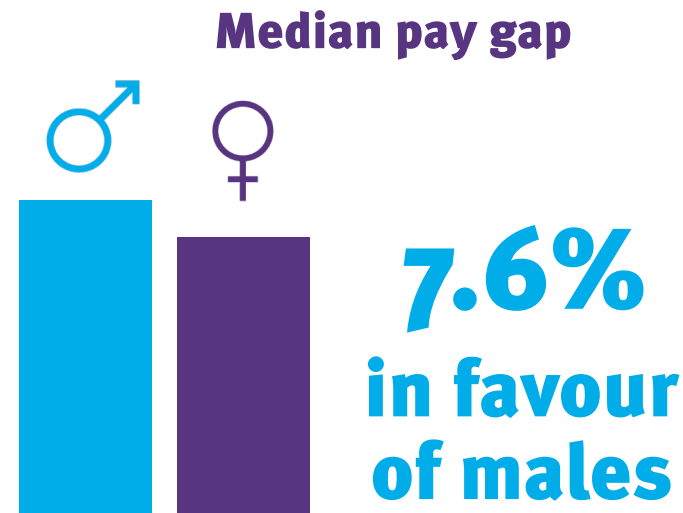
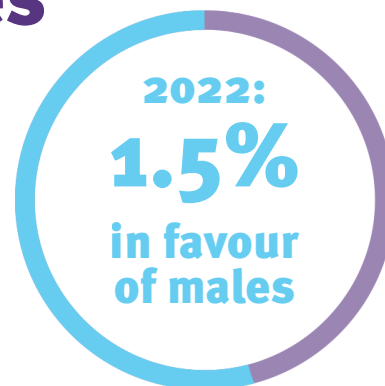
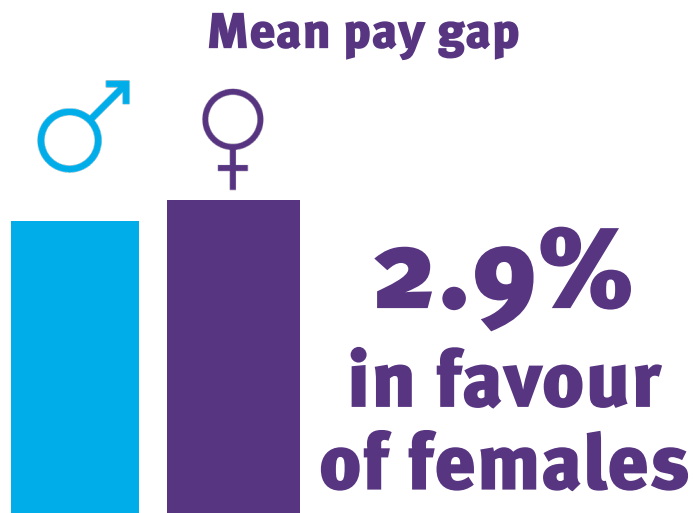
Our workforce

Business Stream has c.315 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 gender balance has remained fairly consistent over the past few years. On our snapshot date of 31 March 2023, 46% of our employees were female and 54% male (170 males and 145 females).



What is Business Stream's gender pay gap?

Our gender pay gap results for hourly pay for the year 2022/23 are shown below. On average, our female colleagues were paid 2.9% **more than** males which is the first time we've seen a shift in this direction. The median pay gap has widened a little, increasing to 7.6% in favour of males. However, our results are significantly better than the national average gap of 14.9%* in favour of males.

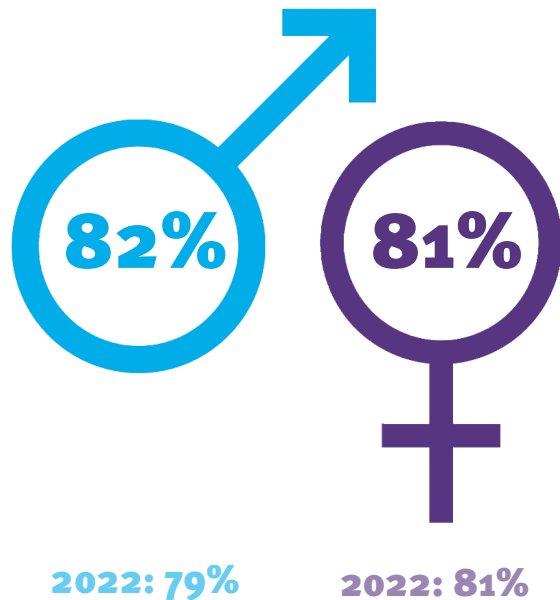


*Office for National Statistics 2022 estimated Gender Pay Gap.

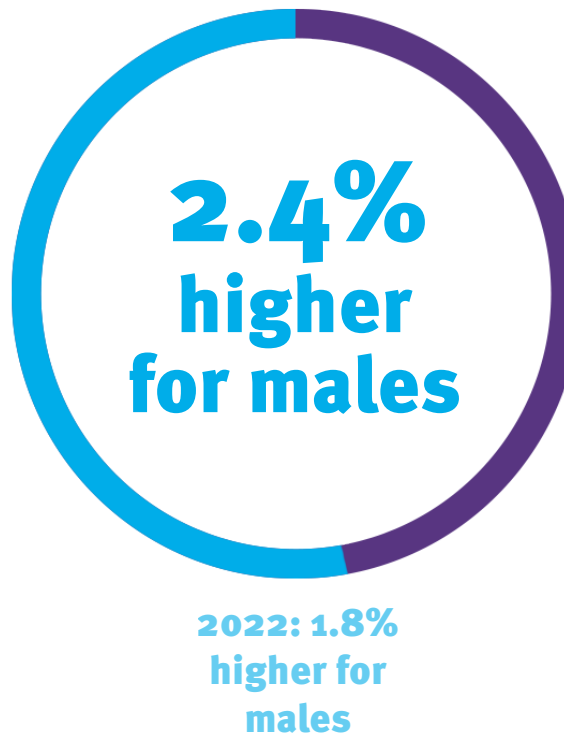
What is Business Stream's gender bonus gap?

The bonus figures reported reflect the bonus paid in May 2022 to colleagues who were eligible for bonus for the 2021/22 financial year. The proportion of males who received a bonus was 1% higher than females at 82%. This bonus was marginally (2.4%) higher for males than females. The median bonus pay gap was 12.1% higher for males (which equates to less than £500). Our figures include 30 part-time colleagues who received a pro-rated bonus based on their contracted hours, this included 27 females and three males. The higher proportion of pro-rated bonuses for females pulls the average bonus down marginally, relative to the average for males.

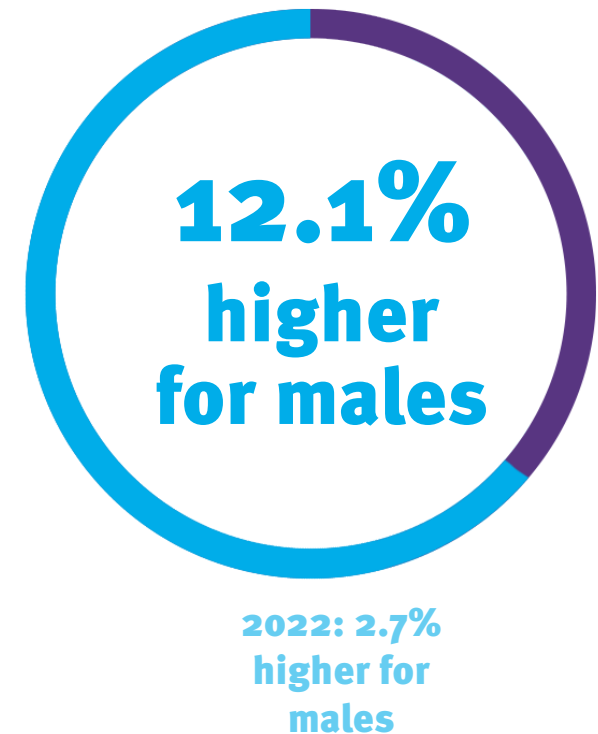
Proportion of males and females receiving a bonus



Mean bonus gender pay gap



Median bonus gender pay gap



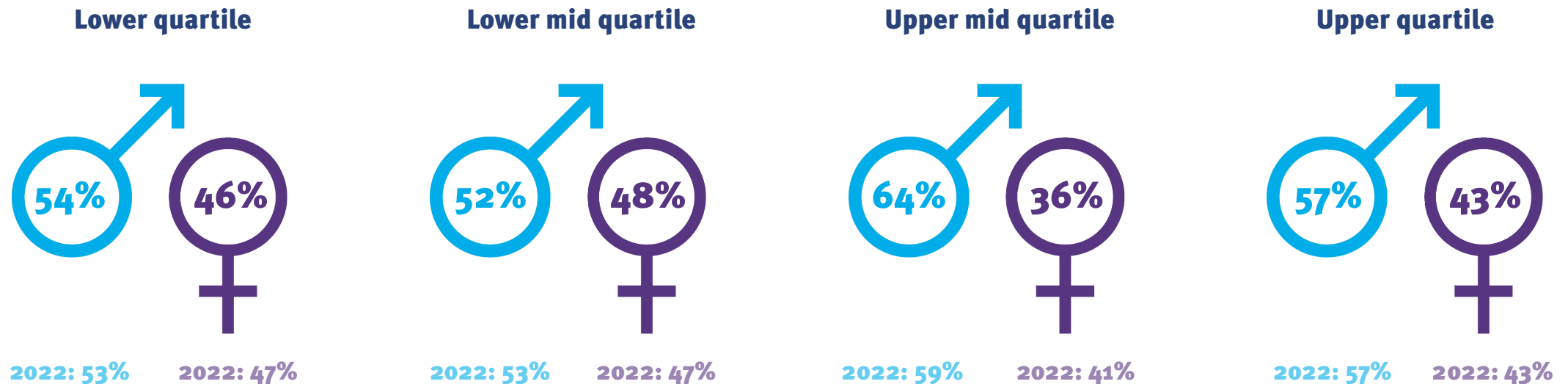
Pay quartiles

The diagrams below outline the proportion of males and females in each pay quartile at 31 March 2023. 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 54% males and 46% females. The one exception is in the upper mid quartile where only 36% of the group are female. This quartile includes a number of specialist roles, including Technology and Transformation roles which remains a challenging sector to recruit females within.

We had 38 males in the upper quartile pay band at 31 March 2023 versus 29 females however, the average pay gap for that quartile was 7.8% higher for females reflecting positively the number of females employed in executive roles.

Percentage of males and females in each pay quartile



Next steps

We're proud of the progress that we've made on gender pay in the past year and acknowledge that there are still improvements that can be made. We have an exciting agenda ahead to create a more inclusive culture within our business focusing on the following areas:

- **Equity, diversity and inclusion (ED&I)** - Work with external partners to build an action plan to deliver our ED&I strategy and ambition of creating a more inclusive culture. Equipping our colleagues with the necessary awareness to create an inclusive environment will be key to the success of this and we will be extending our ED&I programme of learning to all colleagues to help with this. To further support our ED&I ambitions, we also have a number of initiatives planned to enhance the experience of under represented colleagues in our workforce.
- **Recruitment and attraction** - We're refining our candidate attraction and selection strategies and our employee value proposition to ensure that inclusivity is embedded within them. This will include our commitment to improving the gender balance of candidate pools particularly in areas where we have a gender bias.
- **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'll ensure that every colleague has a development plan and access to learning and development so that they can build their careers within our business. We'll also develop our early careers strategy to ensure our future talent pipeline supports our diversity agenda.
- **Reward** - We're committed to ensuring our pay and remuneration practices are fair and transparent.
- **Analysis** - We'll look beyond the requirements of statutory reporting by reviewing our total employee demographic through all parts of the employee life cycle to obtain more data and insight so that we can reduce our gender pay gaps further.

And we will refine and adapt our plan to reflect best practice observed in other sectors and organisations.

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.

