



Gender Pay Gap Reporting 2025

Xylem Water Solutions UK Ltd

What is it and why are we doing this?

Since April 2017 legislation determines UK employers with more than 250 employees should calculate and publish their gender pay gap annually.

What is included?

There are certain elements of data we have to publish:

- The gap between the mean (average of hourly salaries) and median (middle of the group of hourly salaries) for men and women.
- The distribution of men and women by quartile. Our data is split into four equal groups based on earnings and displaying the proportion of each gender in the four quartiles.
- The percentage of men and women who received a bonus during the relevant period, along with any gender gap in bonus payments.

This Report provides both statutory disclosures required by law and additional information and background on gender pay at the legal entity of Xylem Water Solutions UK Ltd. We have included data for people employed by the legal entity both on fixed-term and permanent contracts. We have not included anyone working via a third-party contractor or agency.

What do we have to report on?

Mean gender pay gap	• The difference between the mean hourly rate of pay of male employees and that of female employees
Median gender pay gap	• The difference between the median hourly rate of pay of male employees and that of female employees
Mean bonus gap	• The difference between the mean bonus pay paid to male employees and that paid to female employees
Median bonus gap	• The difference between the median bonus pay paid to male employees and that paid to female employees
Bonus proportions	• The proportions of male and female employees who were paid bonus pay during the relevant period
Quartile pay bands	• The proportions of male and female employees at different levels i.e. in the lower, lower middle, upper middle and upper quartile pay bands

Definitions:

The gender pay gap is the difference between the hourly pay rate of male and female employees, represented as a percentage.

It's important to note that the Gender Pay Gap is different to Equal Pay which evaluates the earnings of men and women where they are doing like-for-like work / work of equal value. The Gender Pay Gap is simply reporting pay differences between men and women, regardless of the role they are doing.

Mean vs Median

The Gender Pay Gap reporting regulations require us to report on both the mean and median for gross pay and bonus separately. The mean is the overall average of the entire data and therefore can be affected and potentially skewed by any outlier high or low salaries. The median however, demonstrates the midpoint of the data.

Example for data: 13, 18, 13, 14, 13, 16, 14, 21, 13

The **mean** is the average, so total the value and then divide by the number of elements:

$$(13 + 18 + 13 + 14 + 13 + 16 + 14 + 21 + 13) \div 9 = \text{Mean is } 15$$

The **median** is the middle value, so first rewrite the list in numerical order:

13, 13, 13, 13, 14, 14, 16, 18, 21

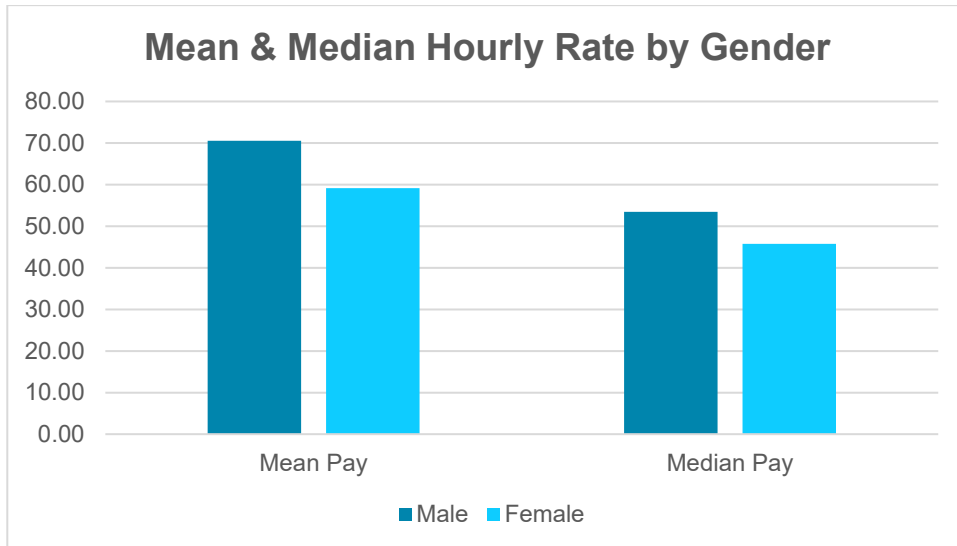
There are nine numbers in the list, so the middle one will be the 5th number:

$$13, 13, 13, 13, 14, 14, 16, 18, 21 = \text{Median is } 14$$

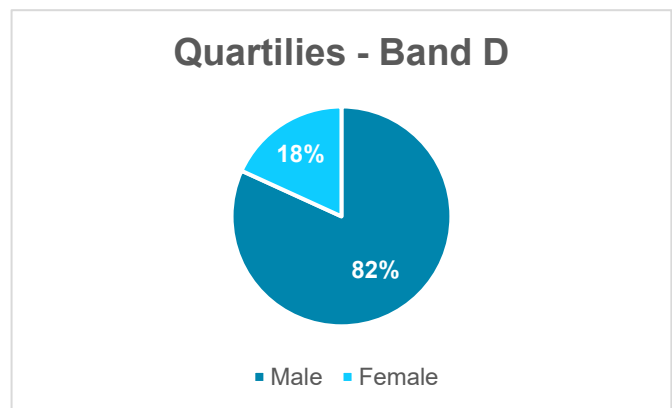
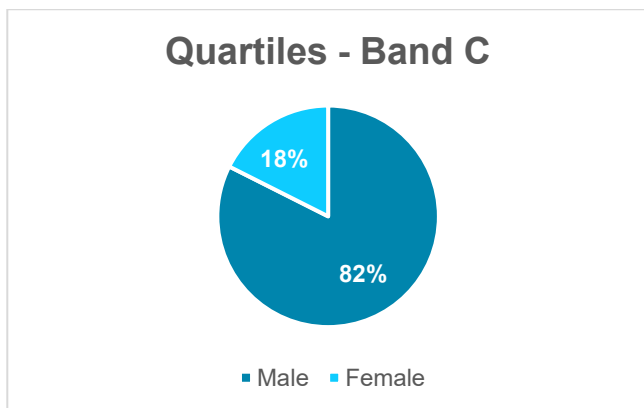
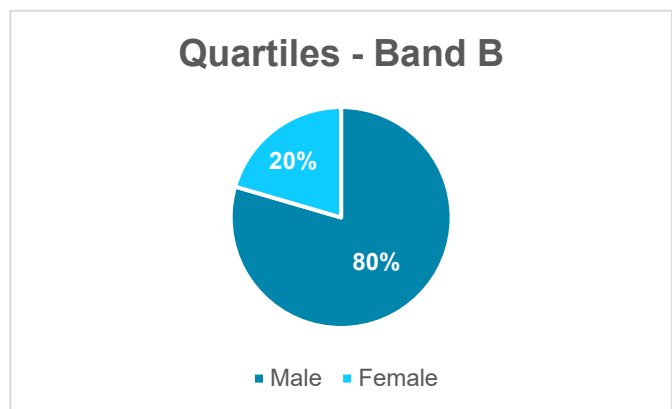
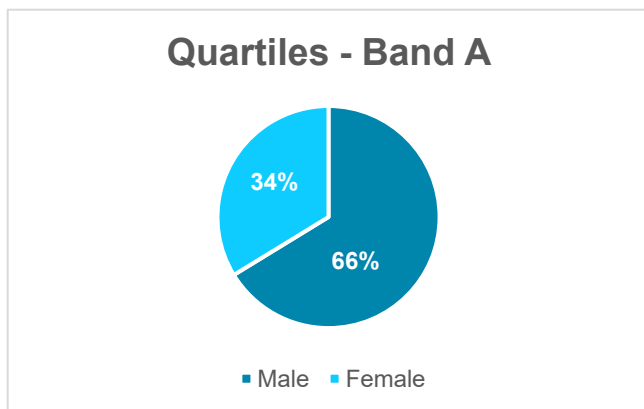
What are our results?

This data refers to a snapshot taken on 5th April 2025 based on a total of 662 employees.

The below graph demonstrates what the mean and median pay is in the hourly pay between men and women:



The below charts demonstrate the upper, upper mid, lower mid, and lower quartile bands of hourly pay between men and women (Band A is lowest with Band D being highest):



What do the figures mean?

The below table demonstrates what the mean and median gap is with pay and bonus data.

	Mean Gap	Median Gap
Pay Gap	16%	14%
Bonus Gap	19%	16%

Our gender pay gap is 16% using April 2025 data. Women are 23% of the workforce. Women are most highly represented in the lowest quartile (Band A).

The UK National Gender Pay Gap, as reported by the Office of National Statistics 2025, is 6.9%. Our gap is 9% higher than the national average.

Comparison to 2024

- In 2024 our gender pay gap was 11%, this has now increased to 16%.
- The total number of employees decreased from 667 to 662 and a population of 54 employees were added to the total number of employees in 2024 due to the absorption of one entity into Xylem Water Solutions UK Ltd. The Gender breakdown of employees absorbed in the Company is broken down as follows:
 - 48 Employees
 - 36 Male employees – 75%
 - 12 Female employees – 25%
 - 65% of this population were in the Upper Banding. Of these 84% were male employees
- The UK National gender pay gap in 2025 decreased to 6.9%, down from 7% in 2024.
- The Xylem Water Solutions UK Ltd workforce has decreased by 0.75%. The breakdown of the workforce by gender has broadly remained the same for 2023, 2024, with a slight increase in female employees in 2025 with circa 77/23 split in favour of men.
- The mean pay for men in 2024 was £62.77 per hour and in 2025 it increased to £70.57 per hour, this is a 12.4% increase. For women the mean pay was £55.89 per hour in 2024 and increased to £59.15 per hour for 2025, an increase of 5.8%.

How do we compare to similar businesses?

Employer	Employer Size	Hourly Rate (Mean Gap)	Hourly Rate (Median Gap)
FLOWSERVE GB LIMITED	250 to 499	19%	9%
GRUNDFOS PUMPS LIMITED	250 to 499	19%	22%
XYLEM WATER SOLUTIONS UK LTD	500 to 999	16%	14%
SULZER PUMPS	500 to 999	4.58%	9.44%

Bonus Gap

Regardless of role level or seniority within Xylem everyone is responsible for contributing towards the Company's performance, and we have a bonus plan to reflect this. For the period we have identified, 97% of men and 96% of women received a bonus. Those who did not receive a bonus were ineligible based on their start date after the 1st October 2024.

This table demonstrates the comparison of the percentage of bonuses paid to women and men in the years of 2024 and 2025:

	2024	2025
Male	96%	97%
Female	97%	96%

Pay Quartiles

We have apportioned each employee into a quartile. This was distributed by splitting the entire population into four equal groups from highest to lowest based on earnings.

This table demonstrates the different in the pay quartiles in the years of 2022, 2023, 2024 and 2025 for both women and men:

Quartiles	2022 Male	2022 Female	2023 Male	2023 Female
Upper	89%	11%	83%	17%
Upper Mid	76%	22%	84%	16%
Lower Mid	77%	19%	74%	26%
Lower	71%	30%	67%	33%

Quartiles	2024 Male	2024 Female	2025 Male	2025 Female
Upper	80%	20%	82%	18%
Upper Mid	84%	16%	82%	18%
Lower Mid	79%	21%	80%	20%
Lower	65%	35%	66%	34%

There has been a marginal decrease in the proportion of women in the upper quartile.

The percentage of men and women in the lower quartile has remained broadly consistent.

Why do we have a Gender Pay Gap?

In 2024 our gender pay gap was 11%, this has now increased to 16%. The increase in the Gender Pay Gap in 2025 is predominantly the consequence of the transfer into the Company of a cohort of employees which was largely composed of highly paid male employees.

We will continue to take steps to address the Gender Pay Gap, including the following:

- Continuing to review upper quartile recruitment to ensure we have a purposeful diverse slate of candidates.
- Continuing to ensure that access to talent development opportunities and internal promotions are considered through a diversity and inclusion lens.
- Growing our graduate and apprenticeship schemes, focusing on attracting diverse talent.

- Implementing the annual Corporate pay equity program to ensure that men and women in like work are recompensed equally.

Additionally, Xylem's pay gap reflects factors that are historically common to our industry including:

- More men in senior roles/management.
- Fewer women in STEM (science, technology, engineering, and maths). *
- We also have a low proportion of female employees (23%).
- Xylem works within the Manufacturing and Engineering industry, a traditional sector, reliant on the knowledge and skills of those from STEM-related areas of work. Women make up 27% of all people employed in STEM industries, demonstrating that women are significantly underrepresented within this industry. **

The majority of our female employees operate in Scheduler, Service Coordinator, Entry Level Finance positions or administrative roles which attract less pay when compared with the higher-paid External Sales and professional engineering roles.

There is some inequity in the way in which we are required to do the calculation. The figures include those with a car allowance but not those with a car benefit, so we are only comparing earnings rather than the total reward package someone may receive (pension, benefits, car etc.)

Bonus Comments

At Xylem Water Solutions every permanent employee is eligible for a discretionary bonus scheme.

- There will be people who did not receive payment as they did not qualify either due to the start date (after 1st October) or some other reason due to the criteria e.g. disciplinary.
- The scheme is based on company, team, and individual financial and project targets. An individual's own performance will influence their exact payout.
- We also made other payments that fall under pay, for example, retention payments associated with re-organisation activities in the prior year, recognition awards or recruitment (recommend a friend) which may distort the data slightly.

How are we addressing the gap?

We are committed to the Equality Act 2010 and ensuring both applicants and employees have equal opportunity and fair treatment.

- At Xylem we conduct our annual merit reviews based on individual performance and review the outcomes for bias and action accordingly. Detailed guidance is provided to managers.
- We are continuing with a commitment to ensure that all leadership and management recruitment have diverse slates of applicants in respect of gender.
- To ensure that all employees understand the importance of diversity and inclusion in the workplace all meetings start with a diversity and inclusion tip.
- We train our people managers annually in discrimination and diversity and inclusion.
- When hiring we pay with reference to market, skills, and qualifications avoiding current salary considerations to avoid risk of continuing gender bias from other employers.
- We have launched a mentoring scheme for employees with high potential and a focus on diversity. Additionally, we are actively participating in the 30% club.
- We have established a Women's Network focused on supporting and encouraging aspiring female managers and leaders.

- We actively participate in Recruitment/Career events at local schools, colleges, and universities to encourage a STEM (Science, Technology, Engineering and Maths) career and train our hiring managers in unconscious bias when hiring.
- We have reviewed and expanded our talent pipeline through graduate and apprenticeship programs focusing on attracting diverse and marginalised talent within this sector.
- We continue to cultivate a flexible working culture to enable balance in life and part-time working at all levels.

Sources:

Women In STEM Statistics: Progress and Challenges - (www.Stemwomen.com) *

Resources & Statistics - WISE (wisecampaign.org.uk) **