

# Equity, Diversity and Inclusion (ED&I) Report 2023





Water for the North West

We're delighted to share our first Equity, Diversity and Inclusion (ED&I) Report, demonstrating the progress we've made, and our commitments and plans to go further still.

We need fantastic people to help us provide great water for a stronger, greener and healthier North West. We want our team here at United Utilities to reflect the local communities we serve, with all colleagues feeling welcomed, valued and included, regardless of their gender, age, race, religion and belief, disability, sexuality or social background.

We're proud of how far we've come, and in our 2023 internal engagement survey 89% of colleagues said that United Utilities supports diversity and inclusion in the workplace – scoring higher than both the UK norm and Utilities norm benchmarks and recognising our drive to be an inclusive workplace of choice. As people director I take great pride in sponsoring the overall equity, diversity and inclusion plan, which sets out our bold, long-term targets to be achieved by 2030, and tracks its progress with the executive team. We've been recognised as one of the top 15 FTSE company performers when it comes to women in leadership. At 44%, we've exceeded the 40% target for Women on Boards in 2023, set by the FTSE 100 Women Leaders Review.

For 2023 we were included once again in the Bloomberg Gender-Equality Index, which tracks the performance of public companies committed to transparency in gender-data reporting. We are one of 484 companies across 45 countries and regions committed to more equal and inclusive workplaces.

We're pleased to have seen a positive improvement in our pay and bonus gap since we started reporting. Our mean gender pay gap is 4.7% and our median gender pay gap is 14.3%, showing the steady progress we're making in improving the gender balance within our organisation.

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Adrienne McFarland People Director



### Contents

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A message from our People Director	2	
Our ED&I headlines	4	
How ED&I works at United Utilities	5	A.
Our ED&I goals and commitments, and our plan	6	(and the second
Leadership development and encouraging openness	7	
Resetting and refreshing	8	
Bringing the outside in	9	
Amplifying our colleagues' voices	10	
Our gender pay and bonus gap	12	
Developing a strong pipeline of female talent	14	
Embracing ethnicity	15	
Recognition	16	1 Contraction
What's next?	17	-
Appendix: Gender pay report by business	18	
Appendix: Useful definitions	19	-



### **Our ED&I headlines**

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### **Creating an inclusive culture**

**89%** of colleagues say United Utilities supports diversity and inclusion **91%** of females would recommend United Utilities as a great place to work

**94%** of females say United Utilities is an inclusive workplace **9%** of colleagues have told us they have a disability or long-term health condition

We've recruited a **pastoral support lead** for our increasingly diverse apprentice programme

We're working to **AA web content accessibility** standard, bringing digital learning to the widest audience

### Inspiring future generations

We've appointed our first ED&I manager

Over **600** people attended our first careers fair

We've welcomed over **35** interns from the '10,000 Black Interns' programme in the last two years We've set **ED&I goals** for 2030

We inspired thousands of students with outreach activity totalling **£695,000** in social value

**95%** of those taking part in our 'Aspiring Manager' programme have been promoted

### Building a pipeline of diverse talent

We've appointed our **first female CEO,** from within the company

44% of our Board

members are female

We've recruited our most

Our executive team is **40%** female

**41%** of all vacancies in 2023 were filled by females

Our apprentice intake in 2023 is **33%** female

diverse intake of graduates, with **48%** female and **48%** from an ethnic minority

> Across our combined apprentice and graduate intake in 2023, **9%** had specific ability needs

Robust governance is essential to the success of our ED&I strategy. Our ED&I governance structure is designed to ensure accountability and improve performance and delivery of our plan.

Environmental, social and governance committee	Regular updates are provided to this board sub-committee for support and challenge, and to make sure we're making strong progress on our goals and commitments.
ED&I executive sponsor	Our people director is our executive sponsor for ED&I, emphasising that from the very top we have the right strategic priorities that will make our workplace more inclusive.
Executive directors	Our executive directors drive the delivery of the ED&I strategy and role model inclusivity across the organisation with visible leadership.
Executive sponsors	Each of our colleague networks has two executive sponsors, who provide support, role model ED&I, listen to colleagues' views and enable action.
Inclusion steering group	The inclusion steering group is responsible for the overall ED&I plan, providing updates, escalating issues and tracking our progress.
Colleague networks	Our colleague networks meet with executive sponsors as a group, to review progress of our ED&I plan. They meet with the people director to provide insight on lived experiences and feedback on progress, and review the plan and next steps with the ED&I manager.
ED&I manager	Our ED&I manager works alongside business areas and colleague network groups to deliver our plan, raising awareness internally and externally.

For the first time, we have set long-term measurable and actionable ambitions with bold aims for ED&I. While our goals are focused initially on prioritising gender and ethnicity, we remain focused on fully supporting candidates and colleagues from all characteristics and social backgrounds.



Our ED&I commitments have formed the creation of five strategic workstreams, each one playing an integral part in the equity, diversity and inclusion journey to 2030.

Everything we do in ED&I is connected with one or more of these categories.

1 Leadership development	2 Encourage openness	3 Reset and refresh	<b>4</b> Bring the outside in	5 Amplify our colleagues' voices
Support leaders to drive inclusion across our business	Encourage colleagues to share and take action	Weave equity, diversity and inclusion into everything we do	Educate and raise awareness of inclusion	Provide a safe space for all colleagues to be heard and take action

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We're supporting leaders to drive inclusion from the top down. Here are some of the things we've been doing...

#### Inclusive leadership training

Our online inclusive leadership training has helped people managers understand the impact and influence they have on inclusion. 98% of managers who attended the training would recommend it to others.

#### Disability awareness training for managers

This face-to-face training is delivered by Dave Thompson MBE DL MBA, Chief Executive of Warrington Disability Partnership. Dave said: "From what I've seen, UU are a great organisation who care about their people and customers. The training has resulted in additional policy changes, improving ways of working for people at United Utilities with differing abilities, which is fabulous to see."

#### People dashboards

Our people dashboards allow senior leaders to identify gaps, develop ED&I action plans and track their progress. They've been specifically designed to give access to real-time, secure ED&I data including new starters, attrition, training and colleague annual opinion survey feedback on inclusion. We've made strong and steady progress over the last few years to evolve our workforce profile. We encourage colleagues at all levels to share their data with us so that we can continuously improve and provide better support and services for our people. Our 'All About Me' questionnaire ensures we capture relevant data under gender, ethnicity, religion and belief, disability, LGBT+ and social mobility, which helps us develop our support for everyone that works at United Utilities, now and in the future.

	s diversity data ·e-survey)		ies diversity data oost-survey)
Number of colleagues <b>5,491</b>	Gender 66% male 34% female	Number of colleagues <b>6,211</b>	Gender 64% male 35% female <1% other
Ethnic minorities 2%*	Disability and lifelong conditions 2%*	Ethnic minorities 3%*	Disability and lifelong conditions 9%*
Social mobility Not recorded pre-survey	LGBT+ Not recorded pre- survey	Social mobility <b>29%*</b>	LGBT+ 5%*

\*of those declared

\*of those declared

### **Resetting and refreshing**

#### Our people-friendly policies

We use inclusive language in our policies which focus on supporting all our colleagues to achieve a balance between home and work life, with enhanced family-friendly and special leave options plus maternity benefits that are better than those that employers in the UK have to provide by law. We have improved our flexible-working policy, plus colleagues can now apply for flexible working from day one of their employment.

The introduction of **transitioning and menopause policies** brings us closer to providing a working environment that is free from discrimination, harassment or victimisation.

We have also listened to feedback from our colleague networks and extended the level of cover on our colleague healthcare scheme to support with everyday healthcare costs.

### Improving how we recruit our apprentices and graduates

In 2023, we saw an increase in applications from ethnic minority candidates for our apprentice and graduate programmes – specifically in engineering, now at 11% (an increase of 6%).

#### Other improvements we've made

We've recruited a pastoral support lead for our increasingly diverse apprentice programme.

Our commitment to accessible digital learning conforms to the international level AA of the World Wide Web Consortium's (W3C) Web Content Accessibility Guidelines.



Our British Sign Language (BSL) level 1 training pilot has given us positive feedback in the hope of offering BSL training to provide additional support for colleagues and customers in years to come.

### Our 2023 apprentice intake



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Collaborating with partners and other organisations ensures we'll always discover new ways of looking at our business and the people that work here. They help us to shape it for the future and create new areas to expand into.

These partnerships and memberships cover a range of diverse and inclusive subjects, including ability, gender, multicultural differences, sexual orientation, social mobility and the armed forces – giving us access to specialist knowledge and skills that might not ordinarily be available within our organisation, and unbiased perspectives.



### Amplifying our colleagues' voices

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We are committed to providing a supportive and inclusive working environment for all of our colleagues and we recognise that leaders have a clear role when it comes to championing equity, diversity and inclusion. Our leadership team has taken an active part in sponsoring each of our colleague networks, which support colleagues within underrepresented communities and focus on educating, raising awareness and celebrating key events – such as Black History Month, International Women's Day and National Autism Week.

Through our networks we have hosted live Q&A sessions with external speakers, including speakers via our external partnerships. We also host monthly cafés around the topics of hearing loss, neurodiversity and menopause. We introduced menopause and neurodiversity training that everyone in the company can access, and we continued to roll out our 'Pride in the workplace' and 'Race at Work' training, designed to help break down barriers and improve confidence to talk about LGBT+ and a variety of different cultures in the workplace.



## Amplifying our colleagues' voices

Multi Cultura

#### LGBT+ Together Network

Helping to create a safe, inclusive, and diverse working environment for the LGBT+ community.



be affecting them, provide valuable support to each other,

and help to create an environment in which colleagues feel able to bring their whole selves to work.

#### **Ability Network**

Raising awareness and providing support for colleagues living with a range of abilities and needs.

The network supports those who live with a range of physical challenges or health conditions. It provides a safe, supportive and judgement-free place for colleagues. It also works to raise the profile and understanding of the different types of challenges and the impact they can have on people's working and home lives.



The network supports colleagues and educates the wider workforce on cultural differences, by providing insight and stories from a range of backgrounds. It focuses on coming together to celebrate cultural events and on building an inclusive culture.

#### **GENEq Network**

Providing support, mentoring and development to inspire people to champion gender equality for all.

science, technology, engineering and maths.

The network aims to create an open environment to discuss gender topics, share experiences, promote success and make change. It also works hard to inspire the next generation, attracting diverse and talented individuals with an interest in

Ability

### Our gender pay and bonus gap

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#### What is the gender pay gap?

The 'gender pay gap' is the difference in pay between men and women. It highlights the difference between the average hourly pay for men and women across the workforce, and we summarise this in the statistics shown in this report.

The 'gender pay gap' is different to 'equal pay', which is a legal requirement to pay men and women the same for work that is of equivalent value.

We have a clear pay and grading framework for all roles in the company, supported by a fair job evaluation methodology, and pay and conditions at each level are standardised. This gives us confidence that gender cannot affect the way pay is set. We also follow other best practices that can help make sure our processes do not discriminate against anyone and that stereotyping does not influence our pay decisions.

#### Reporting on our performance

The following statistics relate to gender pay for the whole United Utilities group, as this provides the most meaningful picture of how we operate and how our actions and plans for gender diversity affect the whole company.



# Percentage of women and men overall in each quartile of the pay range (figures for 2023 and 2022)



#### Our gender bonus gap

Colleagues at all levels within the organisation are eligible for our bonus scheme, with the same performance measures of success applying. Bonuses are calculated using the actual salary that a colleague earns, so bonuses for part-time workers are based on their part-time earnings. The vast majority of our part-time workers are female (89%), so this affects the bonus gap calculation, which does not take into account how many hours colleagues work.

We've seen a positive improvement in our gender bonus gap, but these statistics vary each year due to the volatility of incentive pay-outs from year to year. This is particularly relevant at a senior level where variable pay makes up a greater proportion of overall pay.

#### Our median gender bonus gap over time



# Proportion of women and men receiving a bonus



The proportion of men and women receiving a bonus during the reporting period is not 100% due to the number of new starters close to the end of the bonus year who would not qualify for that bonus year.

#### Our mean gender bonus gap over time



#### Main reasons for our gender pay and bonus gap

We are pleased to have seen a positive improvement in our median and mean gender pay and bonus gaps compared to the previous year and a downward trend in all our statistics since we started reporting.

We believe our pay gaps relate to two main reasons: firstly, there is an uneven representation of women and men at all levels within our organisation as can be seen in the chart on the previous page. Our pay and bonus gaps will reduce if we can achieve an even proportion of women and men across all roles within our organisation. Whilst 35% of our overall workforce are women, there is greater representation of women in lower-graded customer service and support roles, and few in more senior operational/technical roles. We have increased the proportion of women at the more senior levels within our organisation reflecting the success of our talent management programmes but more work is needed to rebalance at other levels.

Secondly, many of our operational/technical roles attract additional payments (such as standby allowances and shift premiums) due to the antisocial and disruptive nature of their working patterns, and these roles are still primarily occupied by men. This is a historical, industry-wide issue with fewer females taking up careers in STEM subjects. We're trying to attract more females into these roles via our early career programmes such as our apprentice and graduate schemes. The outreach activity we deliver to schools, colleges and universities also inspires and attracts more diverse candidates in STEM skills to come and work for us (see page 14). With ambitious goals to improve gender diversity, one of our key priorities is to build a strong female talent pipeline and provide current and future leaders with opportunities to develop their careers.

Louise Beardmore became United Utilities' first female CEO with Alison Goligher taking up the role of Senior Independent Director on our Board, and this has strengthened our female presence in key board roles.

We have launched our partnership with **Women on Board** which offers services such as workshops and CV writing support and access to non-executive roles.

There is also targeted support for future female leadership talent through our Female Leadership Pipeline and Aspiring Manager Programmes, with females making up around two-thirds of the cohort.

#### Our overall apprentice and graduate gender profile



#### **STEM careers**

We recognise the need to attract diverse and talented individuals with an interest in science, technology, engineering and maths (STEM) and have a focused approach to improving the gender diversity of our workforce. We continue to run our award-winning 'Engineering Masterclass' competition with secondary schools. Following the masterclass, 95% of students said they were now more interested in pursuing a STEM-related career.

We are pleased that **91%** of our current female workforce would recommend us as an employer and **94%** say that we support diversity and inclusion in the workplace.







### My UU journey

Laura Conroy Construction Project Manager

I joined United Utilities in 2013 as an Apprentice Project Co-ordinator after graduating with a degree in International Business and Management. I've progressed through a number of roles, including Project Manager, Research and Development Manager, and ultimately the Innovation Programme Manager. My role as an Area Service Manager for Bioresources and Networks led me to my current role as Construction Project Manager for a major capital project, modernising one of our main aqueducts in the North West.

During my career I've qualified as a member of the Association for Project Management and am an NEC3 accredited Project Manager. I've won United Utilities' Apprentice Of The Year and, in 2020, the Emerging Talent Award from the Future Water Association.

### **Embracing ethnicity**

#### The 10,000 Black Interns programme

We have committed to supporting the '10,000 Black Interns' programme, and over the next five years we will be offering 125 placements.

#### Stepping Up programme

In 2021 we launched our Stepping Up programme, designed for colleagues from an ethnic minority background. 50% of participants have already secured a new role and over 40% now manage a team.

#### Multicultural awareness makes better customer service

Customer-facing roles in the field receive cultural SMS text messages, giving them the tools to offer great service reflective of customers' needs, as well as an education in the various faiths practised by our own colleagues throughout our business.



"My internship was a time of learning and exposure to a work environment in the UK being an international student. I was amazed how my colleagues quickly accepted me as part of their team."

Oyindamola Alagbala Project Management Graduate



"I joined United Utilities after completing a Master's degree in environmental sciences. I applied after reading reviews online about the workplace culture. I wanted to work somewhere where I felt included and saw people who look like me, as well as people who don't."

Dougie Njoroge Scientific Services Graduate



I joined the company in 2022 through the 10,000 Black Interns programme. I then secured a contract as an HR systems analyst, followed by a permanent role as a management information analyst. My journey at UU so far has seen real progress and growth in my career as a data scientist, and it's fantastic to work with colleagues who are open to new ideas and are curious about innovating.

My UU journey

Samuel Adenigba

People Management

Information Analyst

I've had opportunities to attend events run by our multicultural network, and be part of our Colleague Voice Panel, allowing me to meet some of the company's board members, directors and representatives from our different colleague networks.





### My UU journey

Neema Shah-Nicol People Business Partner

I started my career in HR while completing my CIPD qualification in my first job after university, at Schneider Electric, in Coventry. I went on to work in HR roles at Auto Trader and Virgin Media, before joining United Utilities in 2014 as a people business partner.

I'm also proud to lead the Multicultural Network, which has grown in membership and allyship, and which recognises the many different faiths, cultures, religions, ethnicities and traditions of our 6,000-strong workforce. To put it simply, it celebrates diversity – diversity of thought, colour and creed.

#### North West Apprenticeship Awards

At the 2022 North West Apprenticeship Awards, we won the Recruitment Excellence Award, recognising our commitment to diversity in apprenticeship recruitment and were Highly Commended in the Macro Employer of the Year category.



After winning North West Intermediate Apprentice of the Year, our credit controller apprentice, Samuel Johnson, won Intermediate Apprentice of the Year at the National Apprenticeship Awards in 2022.



And in 2023, at the Project Controls Expo held at Wembley Stadium, Katrina Clark won the UK Project Controls Apprentice of the Year.

#### Water Industry Awards

At the 2022 Water Industry Awards, we were Highly Commended for our approach to recruiting a diverse apprenticeship cohort in the Diversity & Inclusion Initiative of the Year. We were also winner of the Inclusive Culture Initiative Award for our 'We Are Better Together' campaign at the 2022 Inclusive Companies Awards, recognising our remarkable efforts and commitment to harness and strengthen a diverse workforce.

We were proud to be ranked 11th in the Inclusive Companies Top 50 UK Employers list, reinforcing our pledge to take action on diversity and inclusion and recognising our commitment to creating a more equal and inclusive





workplace. For the second year running, we were the highest-ranking water company in this respected, cross-sector inclusion index.

# Water Industry Skills Employer of the Year

We received the Water Industry Skills Employer of the Year Award 2023 from the Institute of Water in recognition of all the work we do to help colleagues learn, grow and reach their potential.



We have improved our position in the Financial Times Inclusive Leaders Index 2023, which assesses companies' success in promoting diversity aspects, such as gender, age, ethnicity, disability and sexual orientation, in their workforce. We were placed 89th out of 850 companies across Europe, and are the only UK utilities company in the top 100.

We're proud to once again be included in the Bloomberg Gender-Equality Index, as one of 484 companies committed to more equal and inclusive workplaces.



### What's next?

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In our journey to achieving our ED&I goals, in the next 12 months we will...

- Improve our data by encouraging openness running our 'All About Me' survey to gather insight and data to improve processes, services and support for everyone now and in the future
- Deliver new or refresher inclusive leadership training to senior leaders and people managers in 2024, giving them the tools to cascade and embed inclusive ways of working throughout the company
- Carry out targeted attraction activities aimed at new talent pools, via schools and community groups across our five counties
- Introduce a new recruitment system, refreshing our processes to reduce bias and drive inclusive recruitment
- Roll out our 'Thriving at Work' roadshows, promoting wellbeing and inclusion support to colleagues



Within United Utilities Group PLC there are two companies that employ staff. Most of our colleagues are employed by United Utilities Water Limited (our main water and wastewater services business). A small number of colleagues (typically our most senior colleagues and those working in central functions) are employed by United Utilities PLC. By law, companies in the UK that have more than 250 colleagues must produce a report which includes information on their gender pay gap. Our report shows the data for the United Utilities Group PLC, and on this page we also show the data for United Utilities Water Limited. This data is for the snapshot date 5 April 2023.

We confirm that the information on our gender pay gap in this report is accurate.

Achanne Meferral

Adrienne McFarland People Director

Business	Headcount (as at 5 April 2023)	Description
United Utilities Group PLC	6,160	Group company consisting of all colleagues within United Utilities
United Utilities Water Limited	6,010	Regulated water and wastewater services business

#### Gender bonus gap

Headcount

Dusiness	Me	dian	Mean			
Business	2023	2022	2023	2022		
United Utilities Group PLC	9.9%	12.0%	12.1%	31.2%		
United Utilities Water Limited	10.3%	12.7%	16.6%	22.1%		

#### Hourly gender pay gap

Business	Me	dian	Mean			
Business	2023	2022	2023	2022		
United Utilities Group PLC	14.3%	14.7%	4.7%	8.2%		
United Utilities Water Limited	14.6%	14.9%	7.4%	7.8%		

#### Proportion of colleagues who received a bonus

Business	Wo	men	Men			
Business	2023	2022	2023	2022		
United Utilities Group PLC	92.1%	89.8%	91.9%	90.3%		
United Utilities Water Limited	91.8%	89.7%	91.8%	90.1%		

#### Proportion of women and men in each quartile of the pay distribution

	Lower			Lower middle			Upper middle				Upper					
Business	Wo	men	М	en	Wo	men	Μ	en	Wo	men	М	en	Wo	men	М	len
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
United Utilities Group PLC	49.0%	47.9%	51.0%	52.1%	30.4%	32.4%	69.6%	67.6%	22.5%	23.3%	77.5%	76.7%	34.8%	31.5%	65.2%	68.5%
United Utilities Water Limited	48.7%	47.4%	51.3%	52.6%	29.6%	32.2%	70.4%	67.8%	22.3%	23.0%	77.7%	77.0%	34.0%	30.6%	66.0%	69.4%

#### ED&I

ED&I stands for equity, diversity and inclusion.

#### Equality

Equality means offering the same rights and opportunities to all people.

#### Equity

Equity means offering rights and opportunities fairly, catering to people's differences so they are given fair access to opportunities.

#### **Diversity**

Diversity is understanding that each person is unique. Embracing people's differences, including their beliefs, abilities, preferences, backgrounds, values, and identities.

#### Inclusion

Inclusion is an extension of equity and diversity. It means that all people, without exception, have the right to be included, respected, and appreciated as valuable members of the community.

#### Ethnicity

A broader concept than race which includes or combines nationality, citizenship, race, colour, language, ancestry, religion, and customs of dress or eating.

#### **Ethnic minority**

Refers to racial and ethnic groups that make up a small proportion of the population of a particular country or group. Minority ethnic groups vary in each country.

#### **Underrepresented group**

Refers to a population of people who are insufficiently or inadequately represented compared to their actual proportion of the general population.

#### LGBT+

LGBT+ stands for: lesbian, gay, bisexual and transgender, with the + encompassing any sexual orientations or gender identities that do not correspond to heterosexuality.

#### STEM

STEM stands for: Science, Technology, Engineering and Mathematics, a term used to group together these academic disciplines.

#### Gender pay gap

The difference between the mean or the median hourly rates of pay for men and for women in April 2023. This figure is expressed as a percentage of the pay for men.

#### Gender bonus gap

The difference between the mean or the median values of bonus pay for men and for women over the 12 months before April 2023. This is expressed as a percentage of the bonus paid to men.

#### Proportion of employees who receive a bonus

The percentage of men and women who received a bonus during the 12 months before April 2023.

#### Median

The median is a comparison of the 'middle' hourly pay rate or bonus payment for a woman (if all hourly pay amounts were sorted from low to high) and the 'middle' hourly pay rate or bonus payment for a man (if they were sorted in the same way). The median pay gap is less affected by 'outlier' hourly pay rates (that is, very high or very low pay rates) than the mean pay gap.

#### Mean

The mean is a comparison of the average hourly pay rate or bonus payment for a woman and the average hourly pay rate or bonus payment for a man.

#### **Pay quartiles**

Pay quartiles are worked out by splitting the whole workforce into four equal-sized bands based on hourly pay rates, from lowest to highest. The percentage of men and women in each of those four bands is then calculated.

#### **Basic pay**

Basic pay is an employee's standard hourly rate of pay. It includes salary and work-based allowances (such as any premium they earn for working shifts, standby and call-out payments), bonus payments and recognition awards. It does not include payments for overtime, redundancy or termination of employment payments (sometimes referred to as severance payments), or benefits-in-kind.

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unitedutilities.com/corporate



Water for the North West