



AMERICAN WATER

WE KEEP LIFE FLOWING®



# Inclusion, Diversity & Equity

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2022 SUMMARY

## CHIEF INCLUSION OFFICER'S MESSAGE

# FOCUSED ON OUR VIBRANT FUTURE

*In 2023, American Water redesigned the Chief Inclusion Officer role to build on our progress in establishing a culture focused on inclusion, diversity and equity.*



“TRUE INCLUSION, DIVERSITY & EQUITY ARE ACHIEVED WHEN WE PROVIDE A WORK ENVIRONMENT WHERE OUR EMPLOYEES CAN INCLUDE THEMSELVES AND WE CAN BE A COMPANY THAT REFLECTS THE COMMUNITIES WE SERVE.”

*– Lori Sutton, Chief Inclusion Officer*

As an organization, we are making progress to help ensure everyone feels welcome, connected and supported. Our employees' uniqueness allows us to better serve a diverse customer base nationwide.

Over the past few years, we have taken the necessary steps to build a foundation where we celebrate inclusion and diversity. Last year, we expanded our focus to include equity in our efforts. Through our continued evolution in this area, the next natural step is the shift to genuinely embedding equity into everything we do. By eliminating barriers that may prevent full access to opportunities, we create deeper employee connections that promote personal growth, which allows our employees to reach their full potential. The result of this shift will positively impact the communities we serve.

Our approach to equity will require our organization to ask tough questions and examine where we have been while identifying the opportunities to build an even stronger culture. This includes a more intentional approach to attracting and retaining a diverse workforce. We have challenged ourselves again in 2023 to increase female and racial/ethnic diversity workforce representation and drive greater diversity across company management levels. We will continue to partner with our leadership across the organization to help ensure we are maximizing the talents of our internal workforce and attracting candidates that align with the values and business goals of American Water. Research has shown that diverse companies with an inclusive work environment have higher employee engagement and increased innovation, profitability and customer satisfaction.

We will deliver our strategy focusing on three pillar areas: Culture, People and Community. Within each pillar area, we have identified key actions that we must take to sustain an inclusive, diverse and equitable organization where employees feel a sense of belonging and can bring their whole selves to work. Success will come from our employees working together to build the desired culture with leadership from our IDE Advisory Council and support from our EBRGs.

I look forward to helping our employees connect to our ID&E strategy. My charge is to lead our efforts and help employees understand where they fit into this strategy. Together, we will continue to create an environment where we embrace differences and every person feels engaged and included making us safer, stronger and more successful.



# 2022 ID&E HIGHLIGHTS

## We are taking action to build an inclusive, diverse and equitable workplace.

American Water's Inclusion, Diversity & Equity (ID&E) Executive Summary highlights several significant measures used to track our progress. To provide a more comprehensive view of our ID&E efforts and metrics, we launched [DiversityatAW.com](https://DiversityatAW.com), our online site dedicated to ID&E reporting. On the site, you'll find our ID&E strategy, quarterly updates to key metrics, videos, awards and stories that further demonstrate our commitment to a more inclusive workplace.



**43.6%**

Diversity across our workforce.



**83.1%**

Job requisitions with a diverse candidate pool.



**95%**

Employee completion rate of our Allyship Program, four eLearning courses and a workshop.



**24.1%**

American Water workforce that identifies as female.



**6 of 11**

As of 12/31/2022, American Water board members who identify as female equating to 54.5%



**\$3.16M**

Donated by the American Water Charitable Foundation to support programs and organizations important to our employees and our communities.



**\$603M**

Total diverse supplier spend in 2022 representing 24.4% of our total Supply Chain spend.



**60**

Community events in which our Employee Business Resource Group members participated.



**46.4%**

Percent of diverse promotions and transfers within the company.



**14**

Awards received for our ID&E work.

## FOLLOW OUR JOURNEY

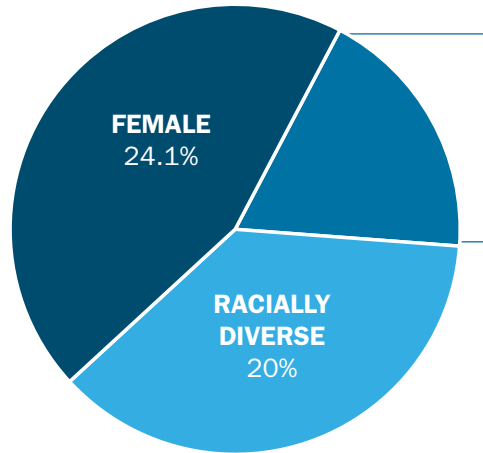
We have amazing stories to share from multiple perspectives and backgrounds thanks to a long line of skilled, knowledgeable and caring employees. Please continue to follow our journey at [DiversityatAW.com](https://DiversityatAW.com). Links to more detailed annual metrics can be found below.

- [Our Values](#)
- [Inclusion, Diversity & Equity Metrics](#)
- [Talent Attraction, Engagement & Retention Metrics](#)
- [2021 EEO-1 Employment Data](#)

# 2022 DIVERSITY METRICS AT A GLANCE



**43.6%**  
OF OUR WORKFORCE  
IS DIVERSE

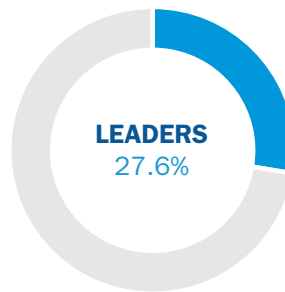
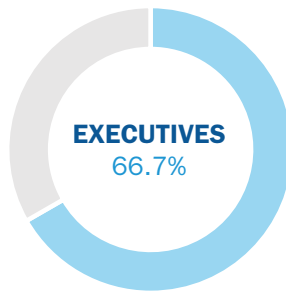


Disability	3.0%
Military/Veterans	6.7%
Military Spouse	0.3%
LGBTQ+	1.5%

As of 12/31/2022

## Women at American Water

24.1% of our overall workforce is female. Here are the percentages of women by career level.



## Employees by Race, Ethnicity and Career Level

Career Level	White	Black or African American	American Indian or Alaskan Native	Asian	Native Hawaiian or Pacific Islander	Hispanic or Latino	Two or More Races	Unidentified
<b>Executive</b> Percent	83.3%	0.0%	0.0%	0.0%	0.0%	16.7%	0.0%	0.0%
<b>Leader</b> Percent	81.0%	6.4%	0.4%	2.7%	0.3%	4.3%	1.1%	3.8%
<b>Workforce</b> Percent	74.5%	11.1%	0.4%	2.0%	0.2%	6.2%	1.1%	4.6%

## American Water Board of Directors

As of 12/31/2022



**6** of **11** **DIRECTORS ARE WOMEN**  
More than half of our board identifies as female.

	2020	2021	2022
<b>Overall Diversity</b> <sup>2</sup> Percent	44%	43%	44%
<b>Female</b> Percent	26%	24%	24%
<b>Male</b> Percent	74%	76%	76%
<b>Racial/Ethnic</b> Percent	21%	20%	20%
<b>Non-Racial/White</b> Percent	75% <sup>3</sup>	76% <sup>3</sup>	76% <sup>3</sup>
<b>LGBTQ+ Employees</b> Percent	<1%	1%	2%
<b>Military Spouse Employees</b> Percent	<1%	<1%	<1%
<b>Military/veteran Employees</b> Percent	6%	6%	7%
<b>Disabled Employees</b> Percent	2%	2%	3%
<b>Regular Employees: Overall</b>			
<b>Female</b> Number	1,823	1,542	1,570
<b>Male</b> Number	5,199	4,885	4,951
<b>Part Time Employees: Overall</b>			
<b>Female</b> Number	12	9	16
<b>Male</b> Number	15	12	18
<b>Temporary Employees: Overall</b>			
<b>Female</b> Number	11	8	9
<b>Male</b> Number	9	6	10

<sup>1</sup> All diversity metrics (female gender, ethnicity, disabled, military/veterans, military spouse and LGBTQ+) are based on voluntary self-identification data.

<sup>2</sup> Figures reflect the divestitures of Homeowner Services Group in 2021 and New York American Water in 2022.

<sup>3</sup> Balance that did not self-identify.

	2020	2021	2022
<b>Racial/Ethnic Diversity by Career Level: Board<sup>2</sup></b> Percent			
<b>White</b> Percent	82%	82%	91%
<b>Black/African American</b> Percent	18%	18%	9%
<b>American Indian/Alaska Native</b> Percent	0%	0%	0%
<b>Asian</b> Percent	0%	0%	0%
<b>Native Hawaiian/ Other Pacific Islanders</b> Percent	0%	0%	0%
<b>Hispanic/Latino</b> Percent	0%	0%	0%
<b>Two or More Races</b> Percent	0%	0%	0%
<b>Unidentified</b> Percent	0%	0%	0%
<b>Racial/Ethnic Diversity by Career Level: Executive<sup>3</sup></b> Percent, Rounded			
<b>White</b> Percent	100%	100%	83%
<b>Black/African American</b> Percent	0%	0%	0%
<b>American Indian/Alaska Native</b> Percent	0%	0%	0%
<b>Asian</b> Percent	0%	0%	0%
<b>Native Hawaiian/ Other Pacific Islanders</b> Percent	0%	0%	0%
<b>Hispanic/Latino</b> Percent	0%	0%	17%
<b>Two or More Races</b> Percent	0%	0%	0%
<b>Unidentified</b> Percent	0%	0%	0%

<sup>1</sup> All diversity metrics (female gender, ethnicity, disabled, military/veterans, military spouse and LGBTQ+) are based on voluntary self-identification data.

<sup>2</sup> We define Board as any member of our Board of Directors.

<sup>3</sup> We define Executive as the Chief Executive Officer and one level of direct reports.

# INCLUSION, DIVERSITY & EQUITY<sup>1</sup>



	2020	2021	2022
<b>Racial/Ethnic Diversity by Career Level: Leader<sup>2</sup></b> Percent, Rounded			
<b>White</b> Percent	79%	82%	81%
<b>Black/African American</b> Percent	8%	7%	6%
<b>American Indian/Alaska Native</b> Percent	<1%	<1%	<1%
<b>Asian</b> Percent	3%	3%	3%
<b>Native Hawaiian/ Other Pacific Islanders</b> Percent	<1%	0%	<1%
<b>Hispanic/Latino</b> Percent	4%	4%	4%
<b>Two or More Races</b> Percent	1%	<1%	1%
<b>Unidentified</b> Percent	5%	4%	4%

<sup>1</sup> All diversity metrics (female gender, ethnicity, disabled, military/veterans, military spouse and LGBTQ+) are based on voluntary self-identification data.

<sup>2</sup> Beginning with 2021, we changed our Leader definition to reflect any employee with a direct report and/or to include key individual contributors based on role type.



	2020	2021	2022
<b>Female by ethnicity, race and career level: Board</b> <sup>2</sup> Percent, Rounded	<b>45%</b>	<b>45%</b>	<b>55%</b>
<b>White</b> Percent, Rounded	80%	80%	83%
<b>Black/African American</b> Percent, Rounded	20%	20%	17%
<b>American Indian/Alaska</b> Percent, Rounded	20%	20%	0%
<b>Asian</b> Percent, Rounded	0%	0%	0%
<b>Native Hawaiian/ Other Pacific Islanders</b> Percent, Rounded	0%	0%	0%
<b>Hispanic/Latino</b> Percent, Rounded	0%	0%	0%
<b>Two or More Races</b> Percent, Rounded	0%	0%	0%
<b>Unidentified</b> Percent, Rounded	0%	0%	0%
<b>Female by ethnicity, race and career level: Executive</b> <sup>3</sup> Percent, Rounded	<b>34%</b>	<b>57%</b>	<b>67%</b>
<b>White</b> Percent, Rounded	100%	100%	100%
<b>Black/African American</b> Percent, Rounded	0%	0%	0%
<b>American Indian/Alaska</b> Percent, Rounded	0%	0%	0%
<b>Asian</b> Percent, Rounded	0%	0%	0%
<b>Native Hawaiian/ Other Pacific Islanders</b> Percent, Rounded	0%	0%	0%
<b>Hispanic/Latino</b> Percent, Rounded	0%	0%	17%
<b>Two or More Races</b> Percent, Rounded	0%	0%	0%
<b>Unidentified</b> Percent, Rounded	0%	0%	0%

<sup>1</sup> All diversity metrics (female gender, ethnicity, disabled, military/veterans, military spouse and LGBTQ+) are based on voluntary self-identification data.

<sup>2</sup> We define Board as any member of our Board.

<sup>3</sup> We define Executive as the Chief Executive Officer and one level of direct reports.



	2020	2021	2022
<b>Female by ethnicity, race and career level: Leader<sup>2</sup></b> Percent, Rounded	46%	46%	55%
<b>White</b> Percent, Rounded	79%	82%	80%
<b>Black/African American</b> Percent, Rounded	8%	7%	10%
<b>American Indian/Alaska</b> Percent, Rounded	<1%	<1%	<1%
<b>Asian</b> Percent, Rounded	3%	2%	3%
<b>Native Hawaiian/ Other Pacific Islanders</b> Percent, Rounded	<1%	<1%	<1%
<b>Hispanic/Latino</b> Percent, Rounded	4%	4%	4%
<b>Two or More Races</b> Percent, Rounded	1%	1%	1%
<b>Unidentified</b> Percent, Rounded	5%	4%	2%

<sup>1</sup> All diversity metrics (female gender, ethnicity, disabled, military/veterans, military spouse and LGBTQ+) are based on voluntary self-identification data.

<sup>2</sup> We define leader as having at least one direct report or by position.



# AMERICAN WATER 2021 EEO-1 EMPLOYMENT DATA



Job Categories	Hispanic or Latino		Non-Hispanic or Latino												Overall Totals
	Male	Female	Male						Female						
			White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	White	Black or African American	Native Hawaiian or Pacific Islander	Asian	American Indian or Alaskan Native	Two or More Races	
Executive/ Sr. Officials & Managers	3	1	79	4	0	1	0	1	26	4	0	0	0	1	120
First/Mid Officials & Managers	31	15	749	52	1	30	3	10	281	47	0	20	2	2	1,243
Professionals	33	29	442	45	0	66	0	8	327	98	2	40	0	5	1,095
Technicians	10	2	124	10	1	3	1	1	29	9	0	3	0	1	194
Sales Workers	2	7	14	11	0	0	0	0	17	29	1	0	0	0	81
Administrative Support	23	45	192	32	1	6	0	2	453	208	1	8	3	13	987
Craft Workers	113	3	1,350	121	8	9	5	16	56	3	0	1	0	0	1,685
Operatives	94	5	1,191	136	1	5	4	19	51	10	0	1	0	1	1,518
Laborers & Helpers	12	1	97	24	0	2	2	1	2	1	0	0	0	0	142
Service Workers	0	0	2	0	0	0	0	0	0	0	0	0	0	0	2
<b>Total</b>	<b>321</b>	<b>108</b>	<b>4,240</b>	<b>435</b>	<b>12</b>	<b>122</b>	<b>15</b>	<b>58</b>	<b>1,242</b>	<b>409</b>	<b>4</b>	<b>73</b>	<b>5</b>	<b>23</b>	<b>7,067</b>
Previous Report Total	293	104	4,184	427	10	118	13	51	1,208	386	2	76	4	23	6,899

\*Reflects data corrections made after the official EEO-1 filing.  
 \*More information on EEO-1 Report at <https://eeodata.org/EE01/support/faq>  
 \*U.S. Census Bureau information available at <https://www.census.gov/>



# TALENT ATTRACTION, ENGAGEMENT & RETENTION



	2020	2021	2022
<b>Total Company Net Promoter Score</b>	40.6	29.0	Not Available <sup>1</sup>
<b>Employees <sup>2</sup></b> Number as of December 31	7,042	6,441	6,521
<b>Union-represented</b> Percent	45%	47%	47%
<b>Total Employee Hires</b> Number, Rounded	720	892	866
<b>Under 30</b> Number	231	302	319
<b>30-50</b> Number	387	443	449
<b>50+</b> Number	102	147	98
<b>Female</b> Number	181	355	270
<b>Male</b> Number	539	537	596
<b>Total Employee Hires <sup>3</sup></b> Percent, Rounded	10%	14%	13%
<b>Under 30</b> Percent	32%	34%	37%
<b>30-50</b> Percent	54%	50%	52%
<b>50+</b> Percent	14%	16%	12%
<b>Female</b> Percent	25%	40%	31%
<b>Male</b> Percent	75%	60%	69%



<sup>1</sup> Total Company Net Promoter Score was not collected in 2022. Reporting of this disclosure will resume in 2023.

<sup>2</sup> Figures reflect the divestitures of Homeowner Services Group in 2021 and New York American Water in 2022.

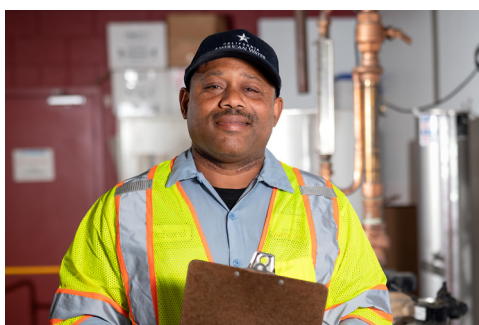
<sup>3</sup> We calculate our employee hire percentage, including our age and gender breakdowns, using the following formula: Hire Percentage = (Number of hires during the reporting period) / (Total number of employees during the reporting period).

# TALENT ATTRACTION, ENGAGEMENT & RETENTION



	2020	2021	2022
<b>New Hire/Rehire: Overall Diversity <sup>1</sup></b> Percent	<b>52%</b>	<b>62%</b>	<b>55%</b>
<b>Disability</b> Percent	4%	6%	5%
<b>Female</b> Percent	25%	40%	31%
<b>Military/Veterans</b> Percent	8%	5%	6%
<b>Military Spouse</b> Percent	<1%	<1%	<1%
<b>LGBTQ+</b> Percent	2%	5%	4%
<b>Ethnicity/Race</b> Percent	31%	37%	29%
<b>Transfers/Promotions Candidates: Overall Diversity <sup>1</sup></b> Percent	<b>59%</b>	<b>58%</b>	<b>46%</b>
<b>Disability</b> Percent	3%	3%	4%
<b>Female</b> Percent	46%	39%	26%
<b>Military/Veterans</b> Percent	3%	6%	8%
<b>Military Spouse</b> Percent	<1%	<1%	<1%
<b>LGBTQ+</b> Percent	2%	2%	1%
<b>Ethnicity/Race</b> Percent	19%	26%	20%
<b>Job Requisitions with Diverse Candidate Pool <sup>1</sup></b> Percent	<b>84%</b>	<b>86%</b>	<b>83%</b>

<sup>1</sup> All diversity metrics (female gender, ethnicity, disabled, military/veterans, military spouse and LGBTQ+) are based on voluntary self-identification data.



# TALENT ATTRACTION, ENGAGEMENT & RETENTION



	2020	2021	2022
<b>Total Employee Turnover<sup>1</sup></b> Number	<b>516</b>	<b>920</b>	<b>801</b>
<b>Under 30</b> Number	77	200	145
<b>30-50</b> Number	192	337	345
<b>50+</b> Number	247	383	311
<b>Female</b> Number	160	346	253
<b>Male</b> Number	356	574	548
<b>Total Employee Turnover<sup>1</sup></b> Percent, Rounded	<b>7%</b>	<b>13%</b>	<b>12%</b>
<b>Under 30</b> Percent	15%	22%	18%
<b>30-50</b> Percent	37%	37%	43%
<b>50+</b> Percent	48%	42%	39%
<b>Female</b> Percent	31%	38%	32%
<b>Male</b> Percent	69%	62%	68%
<b>Non-Union Employees Receiving Regular Performance and Career Development Reviews: Overall, Rounded</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Female</b> Percent	100%	100%	100%
<b>Male</b> Percent	100%	100%	100%
<b>Executive Management</b> Percent	100%	100%	100%
<b>Non-Executive Management</b> Percent	100%	100%	100%
<b>Other</b> Percent	100%	100%	100%

<sup>1</sup> Figures reflect the divestitures of Homeowner Services Group in 2021 and New York American Water in 2022.