

**INCLUSION**

**DIVERSITY &**

**EQUITY**

2023 SUMMARY



**AMERICAN WATER**

**WE KEEP LIFE FLOWING®**

# BECOMING A CATALYST FOR CHANGE



“THROUGH OUR ID&E STRATEGY, WE EMPOWER EMPLOYEES, SUPPLIERS, AND STRATEGIC PARTNERS TO CONTRIBUTE AND PARTICIPATE IN AN INCLUSIVE CULTURE — ONE THAT IS TRULY BEAUTIFULLY DIFFERENT.”

– Lori Sutton, Chief Inclusion, Diversity, & Equity Officer

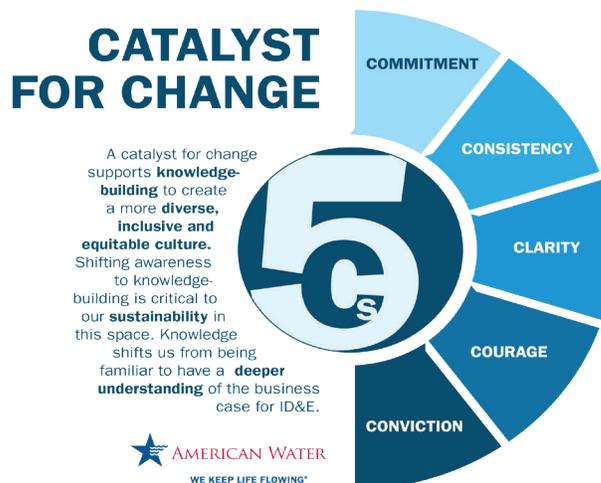
American Water firmly believes that embracing and celebrating our employees’ individuality is critical to a productive and creative workplace. We have made a lot of progress in fulfilling our Inclusion, Diversity, and Equity (ID&E) strategy, and we continue to update our strategy to maintain this positive trend.

In 2024, we are taking a formalized approach to truly becoming Beautifully Different with the launch of **Catalyst for Change**. Catalyst for Change aims to solidify a more inclusive and equitable culture where all individuals can bring their whole selves to work to serve the diverse communities in which we operate. The components of Catalyst for Change center on demonstrating Commitment, Consistency, Clarity, Courage, and Conviction for ID&E at American Water:

- **Commitment:** Our ID&E vision strives for an inclusive, equitable, respectful organization where our employees positively impact and reflect the communities we serve.
- **Consistency:** Being consistent leads to sustainability. Modeling inclusive behaviors that align with our values as an organization.
- **Clarity:** Allows employees to visualize their role in supporting our ID&E vision. Clarity drives commitment and support.
- **Courage:** Allows employees to learn about each other and discover different perspectives. Courage allows people to feel seen, heard, and valued.
- **Conviction:** We all play a vital role in actively supporting our ID&E strategy. Through conviction, employees can make a significant positive impact.

Our commitment to building a more inclusive and equitable culture begins with our leadership team building greater understanding and awareness of our strategy. This year, our leaders will complete training that will move us from awareness of ID&E concepts to knowledge building. All employees will also have several opportunities to support initiatives, complete learning modules, participate in courageous conversations, and attend events that link Catalyst for Change to our overall ID&E strategy.

We know that when we embrace our differences, we can achieve more together and make our company a great place to work, grow and thrive. Everyone needs to be actively involved in being a role model for inclusion, diversity, and equity at American Water if we’re going to be a truly multicultural organization that contributes to a more equitable and inclusive workplace. We feel that this can be achieved by all employees being a Catalyst for Change.





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

American Water’s Inclusion, Diversity & Equity (ID&E) 2023 highlights<sup>1</sup> include 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.



**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). Scan the QR code for more detailed annual metrics, including:

- [Our Values](#)
- [Inclusion, Diversity & Equity Metrics](#)
- [2022 EEO-1 Employment Data](#)



**44%**

Diversity across our workforce.



**24.1%**

American Water workforce who identifies as female.



**48%**

Percent of diverse promotions and transfers within the company.



**\$670M**

Total diverse supplier spend in 2023 representing 22.2% of our total Supply Chain spend.



**20**

Awards received for our ID&E work.



**598**

Total members across our five Employee Business Resource Groups (EBRGs).



**85%**

Job requisitions with a diverse candidate pool.



**6 of 10**

As of 12/31/2023, American Water board members who identify as female equating to 60%.



**20+**

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



**\$4M**

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

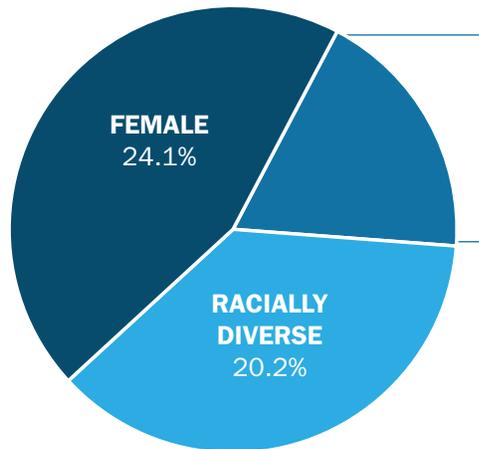


**454**

Employees who have designated pronouns in our human resources information system.

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

# 2023 DIVERSITY METRICS<sup>1</sup> AT A GLANCE

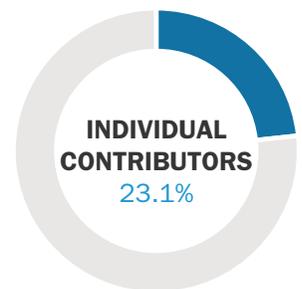
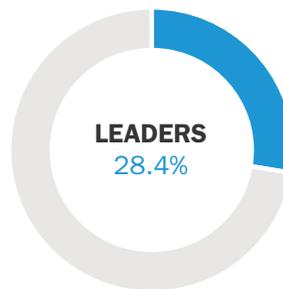


|                   |      |
|-------------------|------|
| Disability        | 3.5% |
| Military/Veterans | 7.0% |
| Military Spouse   | 0.4% |
| LGBTQ+            | 1.7% |

As of 12/31/2023

## 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              | 75.0% | 12.5%                     | 0.0%                              | 0.0%  | 0.0%                                | 12.5%              | 0.0%              | 0.0%         |
| <b>Leader</b> Percent                 | 82.2% | 5.5%                      | 0.3%                              | 2.4%  | 0.3%                                | 4.0%               | 1.0%              | 4.3%         |
| <b>Individual Contributor</b> Percent | 73.6% | 11.1%                     | 0.4%                              | 2.2%  | 0.2%                                | 6.6%               | 1.1%              | 4.8%         |

## American Water Board of Directors

As of 12/31/2023



**6 of 10** DIRECTORS ARE WOMEN  
More than half of our board identifies as female.

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

|   | 2021             | 2022             | 2023             |
|---|------------------|------------------|------------------|
| <b>Overall Diversity<sup>2</sup></b><br>Percent | <b>43%</b>       | <b>44%</b>       | <b>44%</b>       |
| <b>Female</b><br>Percent                        | 24%              | 24%              | 24%              |
| <b>Male</b><br>Percent                          | 76%              | 76%              | 76%              |
| <b>Racial/Ethnic</b><br>Percent                 | 20%              | 20%              | 20%              |
| <b>Non-Racial/White</b><br>Percent              | 80% <sup>3</sup> | 80% <sup>3</sup> | 80% <sup>3</sup> |
| <b>LGBTQ+ Employees</b><br>Percent              | 1%               | 2%               | 2%               |
| <b>Military Spouse Employees</b><br>Percent     | <1%              | <1%              | <1%              |
| <b>Military/Veteran Employees</b><br>Percent    | 6%               | 7%               | 7%               |
| <b>Disabled Employees</b><br>Percent            | 2%               | 3%               | 4%               |
| <b>Full Time Employees: Overall</b>             |                  |                  |                  |
| <b>Female</b><br>Number                         | 1,542            | 1,570            | 1,544            |
| <b>Male</b><br>Number                           | 4,885            | 4,951            | 4,910            |
| <b>Part Time Employees: Overall</b>             |                  |                  |                  |
| <b>Female</b><br>Number                         | 9                | 16               | 17               |
| <b>Male</b><br>Number                           | 12               | 18               | 14               |
| <b>Temporary Employees: Overall</b>             |                  |                  |                  |
| <b>Female</b><br>Number                         | 8                | 9                | 2                |
| <b>Male</b><br>Number                           | 6                | 10               | 3                |

<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> Figure includes individuals who did not self-identify their race or ethnicity.



|   | 2021 | 2022 | 2023  |
|---|------|------|-------|
| <b>Racial/Ethnic Diversity by Career Level: Board<sup>2</sup></b><br>Percent              |      |      |       |
| <b>White</b><br>Percent   | 82%  | 91%  | 90%   |
| <b>Black/African American</b><br>Percent  | 18%  | 9%   | 10%   |
| <b>American Indian/Alaska Native</b><br>Percent   | 0%   | 0%   | 0%    |
| <b>Asian</b><br>Percent   | 0%   | 0%   | 0%    |
| <b>Native Hawaiian/<br/>Other Pacific Islanders</b><br>Percent                            | 0%   | 0%   | 0%    |
| <b>Hispanic/Latino</b><br>Percent   | 0%   | 0%   | 0%    |
| <b>Two or More Races</b><br>Percent   | 0%   | 0%   | 0%    |
| <b>Unidentified</b><br>Percent  | 0%   | 0%   | 0%    |
| <b>Racial/Ethnic Diversity by Career Level: Executive<sup>3</sup></b><br>Percent, Rounded |      |      |       |
| <b>White</b><br>Percent   | 100% | 83%  | 75%   |
| <b>Black/African American</b><br>Percent  | 0%   | 0%   | 12.5% |
| <b>American Indian/Alaska Native</b><br>Percent   | 0%   | 0%   | 0%    |
| <b>Asian</b><br>Percent   | 0%   | 0%   | 0%    |
| <b>Native Hawaiian/<br/>Other Pacific Islanders</b><br>Percent                            | 0%   | 0%   | 0%    |
| <b>Hispanic/Latino</b><br>Percent   | 0%   | 17%  | 12.5% |
| <b>Two or More Races</b><br>Percent   | 0%   | 0%   | 0%    |
| <b>Unidentified</b><br>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.

|  | 2021 | 2022 | 2023 |
|--|------|------|------|
| <b>Racial/Ethnic Diversity by Career Level: Leader<sup>2</sup></b><br>Percent, Rounded |      |      |      |
| <b>White</b><br>Percent  | 82%  | 82%  | 82%  |
| <b>Black/African American</b><br>Percent   | 7%   | 6%   | 6%   |
| <b>American Indian/Alaska Native</b><br>Percent  | <1%  | <1%  | <1%  |
| <b>Asian</b><br>Percent  | 3%   | 3%   | 2%   |
| <b>Native Hawaiian/<br/>Other Pacific Islanders</b><br>Percent                         | 0%   | <1%  | <1%  |
| <b>Hispanic/Latino</b><br>Percent  | 4%   | 4%   | 4%   |
| <b>Two or More Races</b><br>Percent  | <1%  | 1%   | 1%   |
| <b>Unidentified</b><br>Percent   | 4%   | 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> We define Leader to reflect any employee with a direct report.



# AMERICAN WATER 2022 EEO-1 EMPLOYMENT DATA



| Job Categories                                 | Hispanic or Latino |           | Non-Hispanic or Latino |                           |           |                                     |                                   |                   |             |                           |           |                                     |                                   |                   | Overall Totals |
|--|--------------------|-----------|------------------------|---------------------------|-----------|-------------------------------------|-----------------------------------|-------------------|-------------|---------------------------|-----------|-------------------------------------|-----------------------------------|-------------------|----------------|
|  | Male               | Female    | Male                   |                           |           |                                     |                                   |                   | Female      |                           |           |                                     |                                   |                   |                |
|  |                    |           | White                  | Black or African American | Asian     | Native Hawaiian or Pacific Islander | American Indian or Alaskan Native | Two or More Races | White       | Black or African American | Asian     | Native Hawaiian or Pacific Islander | American Indian or Alaskan Native | Two or More Races |                |
| Executive/ Senior Level Officials and Managers | 1                  | 1         | 12                     | 0                         | 0         | 0                                   | 0                                 | 0                 | 9           | 0                         | 0         | 0                                   | 0                                 | 0                 | 23             |
| First/Mid Level Officials and Managers         | 26                 | 8         | 521                    | 26                        | 21        | 1                                   | 0                                 | 9                 | 203         | 19                        | 9         | 1                                   | 1                                 | 3                 | 848            |
| Professionals                                  | 34                 | 17        | 417                    | 47                        | 55        | 1                                   | 1                                 | 4                 | 289         | 56                        | 33        | 1                                   | 0                                 | 3                 | 958            |
| Technicians                                    | 8                  | 4         | 114                    | 13                        | 3         | 1                                   | 1                                 | 1                 | 33          | 8                         | 3         | 0                                   | 0                                 | 1                 | 190            |
| Sales Workers                                  | 0                  | 0         | 0                      | 0                         | 0         | 0                                   | 0                                 | 0                 | 0           | 0                         | 0         | 0                                   | 0                                 | 0                 | 0              |
| Administrative Support Workers                 | 19                 | 36        | 128                    | 27                        | 1         | 0                                   | 0                                 | 2                 | 428         | 185                       | 7         | 0                                   | 4                                 | 15                | 852            |
| Craft Workers                                  | 133                | 5         | 1628                   | 143                       | 15        | 8                                   | 7                                 | 22                | 64          | 4                         | 1         | 0                                   | 0                                 | 0                 | 2030           |
| Operatives                                     | 88                 | 9         | 1137                   | 137                       | 2         | 3                                   | 4                                 | 13                | 85          | 15                        | 1         | 0                                   | 0                                 | 1                 | 1495           |
| Laborers and Helpers                           | 9                  | 1         | 82                     | 23                        | 1         | 0                                   | 0                                 | 1                 | 5           | 0                         | 0         | 0                                   | 0                                 | 0                 | 122            |
| Service Workers                                | 0                  | 0         | 0                      | 0                         | 0         | 0                                   | 0                                 | 0                 | 0           | 1                         | 0         | 0                                   | 0                                 | 0                 | 1              |
| <b>Total</b>                                   | <b>318</b>         | <b>81</b> | <b>4039</b>            | <b>416</b>                | <b>98</b> | <b>14</b>                           | <b>13</b>                         | <b>52</b>         | <b>1116</b> | <b>288</b>                | <b>54</b> | <b>2</b>                            | <b>5</b>                          | <b>23</b>         | <b>6519</b>    |
| <b>2021 Report Totals*</b>                     | 321                | 108       | 4240                   | 435                       | 122       | 12                                  | 15                                | 58                | 1242        | 409                       | 73        | 4                                   | 5                                 | 23                | 7067           |

\*Please note that the 2021 employee counts displayed are as of 11/01/2021 and reflect data corrections made after the official EEO-1 filing. The EEOC was notified in a letter dated 10/11/2022.

Please note that the 2022 employee counts reflect the divestiture of the Homeowner Services business in late 2021, which is the primary driver in the variances between 2022 and 2021 amounts reported in several employee categories.

More information on the EEO-1 reports can be found at <https://www.eeoc.gov/data/eo-data-collections>  
U.S. Census Bureau information available at <https://census.gov>



# TALENT ATTRACTION, ENGAGEMENT & RETENTION



|  | 2021  | 2022  | 2023  |
|--|-------|-------|-------|
| <b>Employees</b> <sup>1</sup><br>Number as of December 31    | 6,441 | 6,521 | 6,485 |
| <b>Union-represented</b><br>Percent                          | 47%   | 47%   | 47%   |
| <b>Total Employee Hires</b><br>Number, Rounded               | 892   | 866   | 720   |
| <b>Under 30</b><br>Number                                    | 302   | 319   | 258   |
| <b>30-50</b><br>Number                                       | 443   | 449   | 379   |
| <b>50+</b><br>Number   | 147   | 98    | 83    |
| <b>Female</b><br>Number                                      | 355   | 270   | 241   |
| <b>Male</b><br>Number  | 537   | 596   | 479   |
| <b>Total Employee Hires</b> <sup>2</sup><br>Percent, Rounded | 14%   | 13%   | 11%   |
| <b>Under 30</b><br>Percent                                   | 34%   | 37%   | 36%   |
| <b>30-50</b><br>Percent                                      | 50%   | 52%   | 53%   |
| <b>50+</b><br>Percent  | 16%   | 11%   | 11%   |
| <b>Female</b><br>Percent                                     | 40%   | 31%   | 34%   |
| <b>Male</b><br>Percent                                       | 60%   | 69%   | 66%   |



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

<sup>2</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

|  | 2021       | 2022       | 2023       |
|--|------------|------------|------------|
| <b>New Hire/Rehire:<br/>Overall Diversity<sup>1</sup></b><br>Percent                 | <b>62%</b> | <b>55%</b> | <b>58%</b> |
| <b>Disability</b><br>Percent   | 6%         | 5%         | 7%         |
| <b>Female</b><br>Percent   | 40%        | 31%        | 34%        |
| <b>Military/Veterans</b><br>Percent  | 5%         | 6%         | 8%         |
| <b>Military Spouse</b><br>Percent  | <1%        | <1%        | 1%         |
| <b>LGBTQ+</b><br>Percent   | 5%         | 4%         | 4%         |
| <b>Ethnicity/Race</b><br>Percent   | 37%        | 29%        | 33%        |
| <b>Transfers/Promotions Candidates:<br/>Overall Diversity<sup>1</sup></b><br>Percent | <b>58%</b> | <b>46%</b> | <b>48%</b> |
| <b>Disability</b><br>Percent   | 3%         | 4%         | 4%         |
| <b>Female</b><br>Percent   | 39%        | 26%        | 30%        |
| <b>Military/Veterans</b><br>Percent  | 6%         | 8%         | 6%         |
| <b>Military Spouse</b><br>Percent  | <1%        | <1%        | <1%        |
| <b>LGBTQ+</b><br>Percent   | 2%         | 1%         | 3%         |
| <b>Ethnicity/Race</b><br>Percent   | 26%        | 20%        | 21%        |
| <b>Job Requisitions with Diverse<br/>Candidate Pool<sup>1</sup></b><br>Percent       | <b>86%</b> | <b>83%</b> | <b>85%</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



|   | 2021        | 2022        | 2023        |
|---|-------------|-------------|-------------|
| <b>Total Employee Turnover<sup>1</sup></b><br>Number  | <b>920</b>  | <b>801</b>  | <b>759</b>  |
| <b>Under 30</b><br>Number   | 200         | 145         | 156         |
| <b>30-50</b><br>Number  | 337         | 345         | 337         |
| <b>50+</b><br>Number  | 383         | 311         | 266         |
| <b>Female</b><br>Number   | 346         | 253         | 251         |
| <b>Male</b><br>Number   | 574         | 548         | 508         |
| <b>Total Employee Turnover<sup>1</sup></b><br>Percent, Rounded  | <b>13%</b>  | <b>12%</b>  | <b>12%</b>  |
| <b>Under 30</b><br>Percent  | 22%         | 18%         | 21%         |
| <b>30-50</b><br>Percent   | 37%         | 43%         | 44%         |
| <b>50+</b><br>Percent   | 41%         | 39%         | 35%         |
| <b>Female</b><br>Percent  | 38%         | 32%         | 33%         |
| <b>Male</b><br>Percent  | 62%         | 68%         | 67%         |
| <b>Non-Union Employees Receiving<br/>Regular Performance and Career<br/>Development Reviews:<br/>Overall, Rounded</b> | <b>100%</b> | <b>100%</b> | <b>100%</b> |
| <b>Female</b><br>Percent  | 100%        | 100%        | 100%        |
| <b>Male</b><br>Percent  | 100%        | 100%        | 100%        |
| <b>Executive Management</b><br>Percent  | 100%        | 100%        | 100%        |
| <b>Non-Executive Management</b><br>Percent  | 100%        | 100%        | 100%        |
| <b>Other</b><br>Percent   | 100%        | 100%        | 100%        |

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