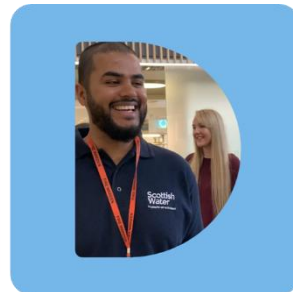


# Public Sector Equality Duty Interim Report 2023



**Scottish  
Water**  
Trusted to serve Scotland

# Contents

1.	Introduction from our CEO	2
2.	Mainstreaming Equality in Scottish Water	3
	<b>2.1 Scottish Water's Transformation Programme</b>	3
	<b>2.2 Customer and Community Engagement</b>	4
	<b>2.3 Our Belong Employee Networks</b>	5
	<b>2.4 Communication</b>	7
	<b>2.5 Policies and Procedures</b>	8
	<b>2.6 Hybrid and Flexible Working</b>	9
	<b>2.7 Learning and Development</b>	10
	<b>2.8 Recruitment</b>	10
	<b>2.9 Procurement</b>	11
	<b>2.10 Awards and Memberships</b>	12
3.	Equality Outcomes 2021-2025 Progress Report	14
	<b>3.1 Equality Outcome One</b>	14
	<b>3.2 Equality Outcome Two</b>	18
	<b>3.3 Equality Outcome Three</b>	21
	<b>3.4 Equality Outcome Four</b>	23
	<b>3.5 Board Diversity Duty</b>	26
4.	Equality Information Report	27
	<b>4.1 Gender Pay Gap Reporting</b>	42

# 1. Introduction from our CEO

This interim Public Sector Equality Duty (PSED) report marks two years since we refreshed our four Equality Outcomes. It captures the hard work and progress towards these outcomes, as well as outlining the work still to be done to achieve them. Our sector currently employs people with a diverse range of skills and experience, and yet we recognise that the skills, capabilities, and indeed mindsets, that will be required in the future are changing. We must heighten our efforts to ensure that there are no direct or indirect barriers in place to creating greater diversity in our workforce and to realising our people's full potential.

Scottish Water remains actively engaged in our long-standing commitment to the Scottish Business Pledge, and to the wider Energy and Utility Skills Sector Commitment which recognises priority areas for sector action in the areas of gender, disability, ethnicity, and youth. Our mainstreaming equality work in the two years since our last PSED report reflects our Scottish Water Character i.e., being Bold, Inspiring, Responsible and Caring, and our commitment to achieving the wider Water Sector Vision in support of a flourishing Scotland. During this time, we have placed a renewed focus on supporting our communities, and our employees, on the back of the Covid-19 pandemic and the current cost of living crisis, as well as exploring new areas for focus including celebrating neurodiversity and overcoming socio-economic barriers.



Douglas Millican, CEO

This PSED report will be my last as CEO of Scottish Water before I hand over to my successor, Alex Plant, in June 2023. I am proud of the commitment to equality and diversity that Scottish Water has shown over my tenure and the progress we collectively have made in creating an inclusive environment where people are valued for their differences as well as their similarities. It is more than 10 years

since the first of our employee-led Diversity and Inclusion groups were formed, and I have watched these groups grow and flourish into the nine-group strong Belong Network that we have today. I have no doubt that Scottish Water will continue to drive progress in diversity and inclusion in the future, and as a major employer in Scotland, continue to make a significant contribution to ensuring social justice.



Alex Plant

**Douglas Millican**  
CEO, Scottish Water

## 2. Mainstreaming Equality in Scottish Water

We have a small internal team dedicated to creating a diverse and inclusive environment in Scottish Water. Our approach is to mainstream diversity and inclusion in everything that we do, both as we perform and as we transform, and for our people to feel a sense of belonging, purpose, choice, wellbeing, contribution, and personal growth. We are focused on designing and delivering experiences of change which build the organisational health of Scottish Water whilst at the same time engaging, enabling, and energising our people to deliver sustainable high performance.

### 2.1 Scottish Water's Transformation Programme

Our [25 year strategic plan](#) is bold and challenging and will mean changes for everyone in our business. The key elements of 'Our Sustainable Future Together' are our new water sector vision, our purpose, and our strategic ambitions - service excellence, beyond net zero emissions and great value and financial sustainability. We have detailed how we intend to achieve the vision, purpose and ambitions in our Transformation Plan ([Setting Our Ambitions In Motion: Plan For Transformation](#)), published in Autumn 2021.

There are currently 10 Transformation workstreams – 6 focussing on organisational performance and 4 on organisational health. At the launch of the Transformation Programme in September 2021, Workstream Leads were encouraged to complete equality impact assessments for all key initiatives, to ensure from the outset that appropriate consideration was given to ensuring equitable and inclusive approaches and outcomes. We were intentional in selecting a diverse group of employees to lead, shape and implement the Transformation programme and have also encouraged our Belong networks to get involved in selected initiatives, such as our Hybrid Futures project and our Learning and Innovation workstream.

Two examples of transformation projects which have already been implemented and have supported the mainstreaming of diversity and inclusion in Scottish Water are our new performance management system, 'My Story' and our new Leadership Development Programme, 'Leading with Character'.

Our Scottish Water Character recognises the traits and behaviours our people need to support our strategic ambitions. The characteristics of Bold, Inspiring, Responsible and Caring reflect the essence of what we are today and what we aspire to be in the future. 'Valuing diversity and inclusion' forms a key part of the 'Responsible' characteristic and our leaders are expected to 'value diverse perspectives when decision making' and 'create an inclusive environment and a sense of belonging in their teams, treating people fairly and with respect.' Demonstration of these attributes and behaviours is assessed and discussed as part of 'My Story' conversations. We also collect feedback and insights on these behaviours through our regular staff surveys which you can read more about in our Equality Outcomes Progress Report section 3.4.

Our 'Leading with Character' leadership development programme is focussed on the Role of the Leader in Scottish Water, targeted primarily on developing those who have been appointed to leadership roles since the start of the pandemic. Currently over 200 leaders are participating

in the programme which not only addresses the importance of Scottish Water’s characteristics but also develops skills in communication, leading change, performance coaching and facilitating learning and supports leaders to create an environment of psychological safety.

## 2.2 Customer and Community Engagement

Every day Scottish Water delivers 1.52 billion litres of clear, fresh drinking water and takes away 1.10 billion litres of waste water, which we treat before returning safely to the environment. The service we provide to 2.61 million households and over 150,000 business premises is essential to daily life in Scotland. The quality of drinking water that we provide has been sustained at a high level and our investment helps to support jobs and economic growth while protecting and enhancing the environment.

Customer and community centricity sit at the heart of Scottish Water’s Transformation journey. As a vital service provider in Scotland, we recognise the criticality of ensuring all customers have an equitable opportunity to receive a high level of service provision, regardless of their personal circumstances or life experience. We understand the value of engaging with the communities we serve to both bring them on decision making journeys with us and to deepen the trust that they have in our ability to support a Flourishing Scotland.



Our Priority Services Register (PSR) allows eligible customers to let us know of any additional support requirements they may have. Since our last report we have been proud to partner with Age Scotland to encourage people to sign up to our service. In 2022 we also piloted a project supporting customers on our PSR by helping them stock up with bottled water in case of bad weather. One Customer fed back *“What a wonderful idea making us all feel that little bit more secure”*.

We chose National Inclusion Week in September 2022 to launch our Recite Me accessibility tool to our website. Recite Me improves digital inclusion by allowing visitors to customise content so they can consume it in ways that is best for them. For example, it offers a variety of features to support visually impaired customers. It helps them perceive and understand the content by reading aloud the website text. To make reading easier, the web accessibility toolbar provides five main tools: ruler, screen mask, magnifier, margins, and a dictionary. For Neurodivergent people, the tool allows them to change the way the website looks. The colour scheme, text, font size, colour and spacing can all be changed. Not everyone in Scotland speaks English as their first language so the tool quickly and easily translates all the web content into over 100 languages. By using Recite Me we are making our website fully accessible and every visitor to our website can now experience it in a way that suits them.

Our Customer Service Strategy reflects our customers’ diverse range of needs and expectations and ensures a consistent level of service is received no matter which



communication channel is chosen. We proactively support the growing customer preference for online and social media channels, whilst also ensuring that our other traditional communication channels are equally accessible. Our Customer Engagement Centre provides customers with access to translation services for anyone who does not speak English as their first language. We also work with ContactScotlandBSL, an online interpreting service which enables customers who use British Sign Language (BSL) to communicate with us seamlessly.

Scottish Water routinely hold community meetings right across Scotland to engage with local stakeholders on key projects in their area. This ensures that any concerns regarding accessibility or equality of opportunity can be highlighted and addressed at an early stage in consultation with those who may be impacted. Our ambition to be truly customer and community centric drives our commitment to effective community engagement. In October 2022 we hosted industry stakeholders including the Water Industry Commission (WICS), Consumer Scotland, and Hydro Nation Chair in a discussion forum on community engagement. This was facilitated by the Scottish Community Development Centre who help communities act on what is important to them and who developed the Community Engagement Standards on behalf of the Scottish Government.

### 2.3 Our Belong Employee Networks

We are proud that our Belong Network, which comprises nine employee-led groups, continue to grow in size and scope. Each group is supported by dedicated Network Leads, core network members and Senior Leadership Sponsors. Each group has a unique set of terms of reference and aims and objectives which are shaped by the communities they represent. The underpinning principle of the Belong Network is inclusion and bringing people together. The groups are important psychologically safe environments where people can talk to someone they trust with similar lived experience. In addition to providing social networks the groups also provide valuable practical support to many members. When business changes are being proposed and considered the groups are involved on a regular basis to enable consultation and engagement, ensuring effective voice. Our nine current groups are listed below:

- Women in Scottish Water
- The disABILITY Forum
- Carers Network
- NxtGen
- Armed Forces Network
- Generation Plus
- Multicultural Network
- Parents Supporting Parents
- LGBT+ and Allies



Photo: Banners representing our Belong Network on display in our Glasgow office.

From a professional development perspective, the Belong Network creates many opportunities through the experience of being a Network Lead, volunteering on the committees and organising and facilitating a wide variety of events and initiatives. The Senior Leadership Sponsors also learn and develop from their interactions with their network and Network Leads. In 2022 our Women in Scottish Water group supported a further cohort of 15 women through the Remarkable Women programme, and NxtGen (our group for those early in their career or new to Scottish Water) added to their popular events and development catalogue a chance for colleagues to experience ‘an hour’ in-the-life-of as well as ‘a day’ in-the-life-of opportunity. They also relaunched their public speaking support group.

Our disABILITY Forum’s purpose is to support the creation of a culture of inclusivity within Scottish Water by engaging, enabling, and energising our colleagues. They do this through raising awareness of disabilities, providing guidance, support, and information, including that gained through lived experience. They support colleagues to better understand how they can more effectively and supportively engage with colleagues, family members, friends and customers that may have disabilities or impairments. The disABILITY Forum has influenced and contributed to positive changes that have been made to our physical workplace environments. The Forum has also been key to the establishment of a new Neurodiversity group who are contributing to Scottish Water’s aspirations to support neurodivergent people and their families more effectively. The disABILITY Forum has also delivered several engaging and impactful sessions over the past twelve months on ensuring meetings are accessible and how we can best use digital accessibility tools and supports.

Our Belong Network also represents Scottish Water externally by engaging in community events and working with external organisations. Our LGBT+ & Allies Network has represented us at two major Pride events in 2022. Our Armed Forces Network has taken part in Poppy Scotland fundraising activities over the last two years and Scottish Water volunteers also helped to create the Remembrance Garden at Princes Street in Edinburgh in 2022.



Photo: Members of our LGBT+ & Allies Belong Group at Pride Glasgow 2022.

Our Generation Plus group exists to help employees in mid-life to thrive and feel valued.

They do this by focusing on; being a source of support and community for employees in mid-life; encouraging personal/career growth and development and providing the People Directorate and leaders across the business with insight from a GenPlus perspective to improve the experience of mid-life people working in Scottish Water. To encourage employees of different generations to share their knowledge and learn from, and with, each other our Generation Plus and NxtGen groups have been working collaboratively organising events including a forthcoming event in May 2023 to mark Global Intergenerational Week which will highlight the financial wellbeing offerings available to Scottish Water employees.

Our Carers Network has driven a substantial number of initiatives over 2021 and 2022. Highlights have included running various workshops partnering with Age Scotland on topics such as Power of Attorney for employees, involvement in Carers Parliament, which was

hosted by Carers UK and the Scottish Parliament as well as celebrating Carers Rights Day in November 2022. The group hosts monthly drop-in Carers Cafés for those in Scottish Water who balance work with caring responsibilities. These virtual meetings allow carers in our business to connect and share advice, to hear from external speakers and to be signposted to relevant internal and external supports. The success of the Carers Network is reflected by its growing membership and visibility of the importance of caring which you can read more about in section 3.6 below.

Our Parents Supporting Parents network seeks to help all families across Scottish Water to support their children's emotional and mental health through providing a place for parents and guardians of young people to meet and empower each other through support and sharing experiences or knowledge. Our Multicultural network is also passionate about celebrating diversity, both acknowledging and understanding differences across cultures, but also in recognising commonality and the values and customs we all share. The group explores areas such as race, equity, and representation.

In 2022 we also launched our Quarterly Belong Forum, which brings all our Senior Leadership sponsors together to support the progress of the Belong network and to drive the diversity and inclusion agenda. Further details on the Belong Network can be found in part 2 of our report under outcome 4.

## 2.4 Communication

Equality, diversity, and inclusion are important themes in our communications activity. Our



An example of some of the graphics that feature in the internal communications toolkit.

approach is to mainstream diversity and inclusion across all our communication channels and activities. In 2022 our Internal Communications Team launched a new Communications Toolkit which contains guidance on the use of inclusive language and provides a library of diverse graphics and illustrations. A photobank has been

started and overtime we hope this collection of images will grow to be representative of the diversity of our workforce and the communities we serve.

We have been utilising digital tools, including our internal messaging platform to support communication and enable collaboration across our Belong Network groups. In September 2022 in partnership with Inclusive Employers, Scottish Water ran our biggest campaign for





Photo: National Inclusion Week bunting hanging in our Glasgow office

National Inclusion Week to date. Each day focused on a different theme around the power of diversity and inclusion and promoted a wide range of resources and activities. These ranged from blogs, podcasts, and articles through to live webinars and interactive workshops each reinforcing Scottish Water's commitment to diversity and inclusion and was received well by our people.

## 2.5 Policies and Procedures

We have a suite of complementary policies which reference Diversity and Inclusion. These are: -

- Diversity and Inclusion Policy
- Dignity at Work Policy
- Maternity, Adoption and Paternity Policy
- Family, Carer and Special Leave Policy
- Agile Working Policy
- Recruitment Policy
- Shared Parental Leave Policy
- Health and Wellbeing Policy
- Armed Forces and Reservists Policy

Our people policies are routinely reviewed, and equality impact assessed to keep them up to date with changes in best practice. Using equality impact assessments is core to our approach to managing change too. For example, as outlined previously all business decisions relating to our Transformation activities have been equality impact assessed to enable our senior leaders to consider the expected impact of any changes on all affected employee and customers sharing protected characteristics.

We have a Workplace Adjustments service (WPA) that is overseen by an internal Workplace Adjustments Advisor and delivered in partnership with Microlink, our workplace adjustment and assistive technology partner. Our WPA service aims to provide a quick, personalised, and effective avenue for accessing support for any employees who consider themselves to be disabled, or to have a long-term condition or neurodivergence. We do not require employees to have a formal diagnosis to access support through the WPA. Recognising the challenges involved in gaining support from the NHS - given the pressure it is under post pandemic – we actively promote the service to raise awareness and encourage people to seek support to help them have equity at work.

We also have a Career Transition Programme (CTP). This supports individuals transitioning into a new role for a variety of reasons including displacement, medical reasons, flexible

retirement or ensuring career longevity. CTP participants are supported to build a development plan which includes specific learning and development objectives, are provided with training, and matched with job placements to help them meet these objectives with the aim of helping them secure a new long-term role that best suits their needs. In March 2022, 33 people were members of the programme, a slightly lower number than the 44 people who were members of the programme in March 2021. One of the key benefits of the programme is it is personalised for any colleague who may have a disability or long-term health condition.

In 2022 we introduced a new Equality Data Privacy Notice as part of a long-term strategic campaign to support our data gathering efforts to improve the quality of our equality data and address equality data gaps. The new privacy notice outlines why the collection of equality data is so important and how Scottish Water will use it and keep it safe. You can read more about our Equality Data and information in section 4.

## 2.6 Hybrid and Flexible Working

Prior to the Covid-19 pandemic our people were very used to operating in an Agile way, having the flexibility to work in different environments and locations to suit individual's preferences and work patterns. Post pandemic, hybrid working at Scottish Water places the focus on the "work to be done" as the main driver for where an employee will work. Our leaders then balance this with individual and Team needs where this is possible. Our Hybrid Futures Initiative is part of Scottish Water's Transformation journey. The objectives of the initial phase, which was delivered in 2022, aims to create a sense of belonging, connectedness, productivity, and wellbeing regardless of where colleagues are working.



Photo: Word cloud generated through colleague input as part of the development of the activity-based working pilot and now displayed in The Bridge.

Central to this was piloting 'activity-based working' at our Glasgow office, The Bridge. To facilitate this pilot, we renovated an area of The Bridge to create four distinct zones: connect, collaborate, concentrate, and chill out. These enable our people to move around different zones, using the best spaces to

work in depending on what needs to be done, and what equipment might be needed. Many of our Network groups including The disABILITY Forum fed into the development stages of the pilot. Feedback to date has been overwhelmingly positive and is helping to inform future phases of our Hybrid Futures Initiative.

A colleague in our most recent employee survey fed back: ["The transition to hybrid working has been successful and brings a great balance of home and office working."](#)

Flexible working continues to be an important feature of working life at Scottish Water. We aim to support everyone who wants to work flexibly to support their work/ life balance and manage personal requirements alongside the needs of the business. In addition, our Family, Carer and Special Leave policy supports the application of flexible working arrangements to suit the

circumstances of families and carers. We were delighted to once again be listed as one of Flexibility Works 'Top Ten Flexible Employers' in Scotland at Scotland's Flexible Working Awards in March 2022. In May 2022 Scottish Water was represented in a live online seminar hosted by Flexibility Works to help promote flexible working practices across Scotland and we were delighted to share our learnings and best practice with other employers across the public, private and third sectors.

## 2.7 Learning and Development

Our 'Diversity and Inclusion for Leaders' and 'Diversity and Inclusion for Employees' learning courses form part of Scottish Water's suite of essential training and development courses. This ensures that all our employees at every level understand Scottish Water's diversity and inclusion aims and expected behaviours. Completion of these courses is required to be refreshed every 3 years, helping to embed knowledge over time and act as an important reminder of the responsibilities that each of our employees have under the Equality Act 2010.

In November 2022 we reviewed these courses and updated them to reflect changes in language and to enhance the message of the positive impact individuals themselves have in creating an inclusive working environment. Our learning and development platform also provides great content and courses on many topics related to diversity and inclusion e.g., Neurodiversity, gender identity, LGBT, disability, race, and mandatory Mentally Healthy Workplace training for all our line leaders.

Our new performance management and development approach, known as 'My Story', is centred around the individual, helping each person to recognise their individual contributions and how these in turn contribute to the overall Scottish Water story. 'My Story' is managed and recorded through our learning and development platform allowing individual learning objectives to link directly with the existing training records and promote relevant learning content.

Our two new leadership development programmes, 'Take the Lead' and 'Leading with Character' will increase representation within our internal talent pipelines to ensure wider consideration of diverse candidates for promotion opportunities and increase representation at leadership levels.

## 2.8 Recruitment

Throughout 2022 specialists across our People Directorate worked together with representatives from the business to complete a systemic review of recruitment processes with consideration to attracting a more diverse pool of candidates. To minimise bias within our selection processes we have adopted some new practices.

Our recruitment team piloted a change in process whereby candidates that were invited to interview were given sight of all the interview questions ahead of time. This innovative approach is more inclusive of neurodivergent candidates and is a benefit to those who experience anxiety or pre-interview nerves, giving all candidates the best opportunity to

showcase their skills. Feedback from both candidates and hiring managers involved in the pilot has been incredibly positive and as result this change will be rolled out across many recruitment campaigns going forward. This new approach to sharing interview questions was coupled with a refresh in the style of language used across job descriptions and in communications with candidates. The aim is to make our communications more inclusive and to encourage anyone interested in applying for a job with Scottish Water to let us know if we can make the process more accessible and comfortable for them right from the outset especially if they have a disability or neurodivergence and require adjustments or accommodations. Read more about our recruitment campaigns and commitment to creating opportunities specifically for young people in section 3.

## 2.9 Procurement

Since the publication in Autumn 2021 of Our Strategic Plan – A Sustainable Future Together – the Scottish Water Procurement and Supply Chain function has been exploring various elements. These include the supply chain transformation, focusing on circular economy opportunities, ethical supply chain approaches, carbon understanding and reductions and Integrated Supply Chain Management activity. All of these have the potential to deliver significant benefit and value-for-money improvements for our customers and help achieve our ambitions. Unlocking these potential benefits from procurement can help us foster jobs and growth and boost training and apprenticeship opportunities.

The Procurement and Supply Chain function were re-accredited with platinum accreditation status by the Chartered Institute of Procurement and Supply (CIPS), in December 2021 who described our procurement procedures as world-class. Scottish Water is fully compliant with our duties under equalities legislation when undertaking procurement activity. As part of our procurement process all framework suppliers must commit to the principles of Fair Work First and outline their approach to tackling the gender pay gap and creating a more diverse and inclusive workplace. Any commitments made are built into the framework agreement and subject to audit. Scottish Water's standard terms and conditions are linked to our Supplier Code of Conduct which outlines that suppliers are expected to comply with all legislation and guidelines that promote equality and diversity within their organisation and supply chain.

## 2.10 Awards and Memberships

We are delighted that Scottish Water has been recognised with several awards and accolades in this reporting period, including:

- Investors in Young People - Platinum level (achieved)
- Flexibility Works Top 10 Flexible Employers in Scotland (winner)
- The Herald and GenAnalytics Diversity Awards 2022 - Diversity in the Public Sector (finalist)
- HR Network Awards 2022 - Wellbeing Award of the Year (winner)
- HR Network Awards 2022 - Diversity & Inclusion Award of the Year (finalist)
- Carers Positive - Exemplary Status (achieved)
- ENEI TIDE 2022 - Bronze Standard (achieved)
- The Armed Forces Covenant Employer Recognition Scheme – Gold Standard (achieved)



Benchmarking exercises and framework measurement tools, like the Energy and Utility Skills Inclusion Framework, ENEI's TIDemark and Stonewall's Workplace Equality index give us insight into how we perform compared to other organisations and across the industry/sector. Our diversity and inclusion strategy and work towards our equality outcomes are supported by memberships and partnerships with several specialist organisations. These include:

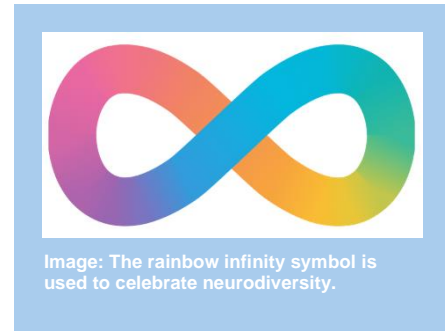
- Inclusive Employers
- Business Disability Forum
- Employers Network for Equality and Inclusion (ENEI)
- Energy & Utility Skills
- Business in the Community
- Stonewall Diversity Champions





Together these organisations provide a range of valuable resources, learning opportunities and measurement frameworks which support our activities and help to establish Scottish Water as an employer of choice and demonstrate that we take our commitments seriously in creating an environment where everyone can flourish and achieve their full potential. For example, you can read more about our work connected to the Energy and Utility Skills Sector Commitment in section 3.2 relating to our equality outcomes. Our membership with Inclusive Employers gives everyone in Scottish Water access to a library of resources on different inclusion topics and access to webinars which have been well received.

We are also able to take advantage of the many resources our Healthcare partners provide. For example, we were delighted to promote their recent webinar on Autism acceptance in the workplace as part of our celebrations of World Autism Acceptance Week at the end of March 2023. We have also been sharing their helpful newsletters across multiple communication channels on various topics including Neurodiversity.



## 3. Equality Outcomes 2021-2025 Progress Report

This section outlines the progress and key contribution that we have made towards the equality outcomes that were introduced in our last PSED report in 2021 and the work that is still to be done over the next two years of this reporting period.

Our organisational equality outcomes support achievement of our strategic objectives with the aim of delivering long-term change, readying Scottish Water for the future, whilst balancing internal and external responsibilities. While they can be viewed as stand-alone objectives, there are also clear relationships and synergies between them. Our equality outcomes are to:

1. Be renowned for creating opportunities for young people, particularly from areas of social deprivation.
2. Increase representation in our workforce of women, BAME, young people and those with a disability.
3. Increase diversity of our leadership bench across all under-represented groups.
4. Achieve high levels of engagement and retention among those employees with under-represented protected characteristics.

### 3.1 Equality Outcome One

**Be renowned for creating opportunities for young people, particularly from areas of social deprivation.**

**Background:** As a major employer in Scotland, we recognise the important role we play in supporting a flourishing Scotland. We have already gained a strong reputation for the broad range of youth employment and development programmes we offer, and we intend to build on this further both internally in our own talent pipeline but also through our wider support for initiatives that create opportunity for young people from areas of social deprivation. We have committed to supporting the Young Person's Guarantee, which is about connecting young people with opportunities whether they are in employment, training or education and we will seek to work with appropriate partner organisations eg those working with young care experienced individuals or those from SIMD (Scottish Index of Multiple Deprivation) postcode areas.

In addition to exploring methodology and best practice in using the Scottish Index of Multiple Deprivation we are also now considering the Scottish Government's Urban and Rural Classification Index to inform our attraction and selection strategies.

## Engaging young people in the community



Image: The Young Person's Guarantee logo.

This equality outcome is not just about creating job opportunities but all kinds of opportunities to learn and develop skills which empower young people and support the future of a flourishing Scotland and reflects our support of the Young Person's Guarantee. We are proud of our digital learning hubs, aimed at Primary and Secondary school pupils. The online hubs are an accessible and informative learning resource for our young people.

The hubs host online learning modules that have been designed for pupils to learn in a fun way about the Water Cycle, how it is affected by climate change and how Scottish Water works with nature's cycle. In the development of these hubs, we engaged with local schools to obtain feedback and refine the user experience. An interactive 'Careers Map' is currently in development to sit alongside the education hubs. The resource, which has been designed for young people from Primary 7 through to their final senior school years, will give an insight into the diverse range of careers and skills that keep Scotland's water flowing, along with video and blog content. The resource will be supplemented by lesson inserts and workshops for teachers to give extra context when it is used in a classroom setting.

Scottish Water is regularly represented at external events for young people, and we support schools across Scotland by way of classroom and career fair volunteering. In November 2022, 36 people from teams across Scottish Water volunteered at the Careers Hive which took place at the National Museum of Scotland in Edinburgh. Volunteers participated in hands-on activities and discussed STEM careers with students. At this event Scottish Water also partnered with Edinburgh Science to deliver a Think Tank activity. In the same month Scottish Water were an official partner of the Fuel Change Live event which took place in Edinburgh's Dynamic Earth and saw 200 delegates, 50 companies, 30 schools and 60 senior students taking part.

### Volunteering

All Scottish Water employees are provided two volunteering days per year. Volunteering can help develop new skills, support communities and charities and have a positive impact on wellbeing. We support volunteering in the areas of; environment, conservation, local community, education, WaterAid and skills-based volunteering. 121 days were used by employees taking advantage of the opportunity to volunteer within the community during the period 2021-2022, which reflected the limitations placed on people during the Covid-19 pandemic restrictions. However, once restrictions were eased, we renewed our energies in promoting and encouraging take-up of our popular volunteering programme. In March 2022, our Chief Operating Officer volunteered



Photo: CFO Peter Farrer with S3 pupils from Currie Highschool.

at Currie High School, in their second Water Supply Challenge where pupils design and build a water network; learning skills such as problem solving, team working and time management and of course, finding out about the essential services that Scottish Water provides.

We continue our partnership with Career Ready who link business with education to prepare young people for the world of work. Each year we aim to offer 12 paid internships to young people through the Career Ready Programme. Each intern is paired with a mentor and receives CV and interview training alongside development opportunities designed to enhance the meta skills needed for their working future. More recently we have become involved with MCR Pathways. As part of this work, we are encouraging and enabling our people to be trained as volunteer mentors who can be matched with a young person in their senior school stages with the aspiration to increase positive destinations for looked after children\* and young people, as well as those who have experienced disadvantage to realise their full potential and see more options available to them. \*This includes those who have been formally looked after by a local authority, in the family home (with support from social services or a social worker) or elsewhere, for example, in foster care, residential/secure care, or kinship care (with family friends or relatives).

### Young talent participates in 2022 Young Scotland Programme

The [Young Programme](#) exists to develop the communication skills and broaden the horizons of people in the initial stages of their working lives. Scottish Water has been supporting this programme for several years. The programme helps to build confidence, stimulate debate, and increase awareness of the world around us. It is a 3-day residential event and a range of organisations from public, private and the third sector participate. Scottish Water was represented by one of our People Directorate apprentices and a Specialist Graduate in Digital Innovation who fed back:

"The Young Scotland Programme was a brilliant (but intense) three days. Being surrounded by people who are at a similar stage in their career as yourself created a respectful and supportive environment. The experience was amazing and truly unique, and I would really recommend it to any other young people who get the opportunity."

### Helping young people get a foot on the career ladder

As part of our commitment to creating opportunities for young people and supporting young talent in our organisation we have been exploring how we can deliver innovative approaches to foster and nurture our existing youth talent within Scottish Water as well as ensuring we reach and attract the most diverse youth talent pipelines.

One of these new approaches is the [Certificate of Work Readiness \(CWR\) programme](#) which is a qualification owned by Skills Development Scotland (SDS) and certificated by Scottish Qualifications Authority (SQA). Through the qualification we are looking to work with SDS and Colleges to help young people prepare for work through employability training and a work placement. We know it can be difficult for some people to get a first foot on the career ladder and we look forward to starting our journey with the CWR programme in 2023-2024. We anticipate this will be a key action in contributing to our equality outcomes in terms of creating opportunities for young people, particularly from areas facing wider inequality issues.

## Learn to Swim



Photo: Olympic Medallist and Learn to Swim ambassador Duncan Scott with West Lothian pupils

We are delighted to support a new generation of children become safer, happier, and healthier through the delivery of our Learn to Swim Programme and our partnership with Scottish Swimming. The programme has been developed to help children of all ages and abilities to become swimmers. We are proud to have two of Scotland's swimming superstars, Olympic medallist Duncan Scott and Paralympic medallist Toni Shaw as Learn to Swim ambassadors. The

programme is being delivered across Scotland by 36 Leisure Trusts and Aquatic Providers in more than 160 pools and to date the has provided swimming lessons to over 105,000 children over the first four years and aims to reach another 100,000 children by 2025.

## Recognised by Investors in Young People

We are extremely proud that through the efforts outlined above, and many other contributions from across our business, Scottish Water was accredited with the Investors in Young People Platinum Award at the end of 2022.



Image: Investors in Young People Platinum Award Accreditation

The assessor who undertook the IYPP evaluation praised Scottish Water's achievement: "On behalf of Investors In People CIC, I would like to wholeheartedly congratulate Scottish Water on achieving the prestigious IYPP Platinum accreditation. Scottish Water are a leading ambassador for employing young people and are an exemplary employer for all sectors to be benchmarked against."



## 3.2 Equality Outcome Two

### Increase representation in our workforce of women, BAME\*, young people and those with a disability.

**Background:** Scottish Water currently has areas of recruitment where a mixed candidate pool is not achieved. With specific recruitment activities in place, we can increase diversity within our candidate pools and create potential to achieve hires more representative of the Scottish population. Further to this, the wider energy and utilities sector is presently deficient in employee representation of these 4 characteristics, and more broadly in society these same groups have been found to be most impacted by unemployment due to the COVID-19 pandemic.

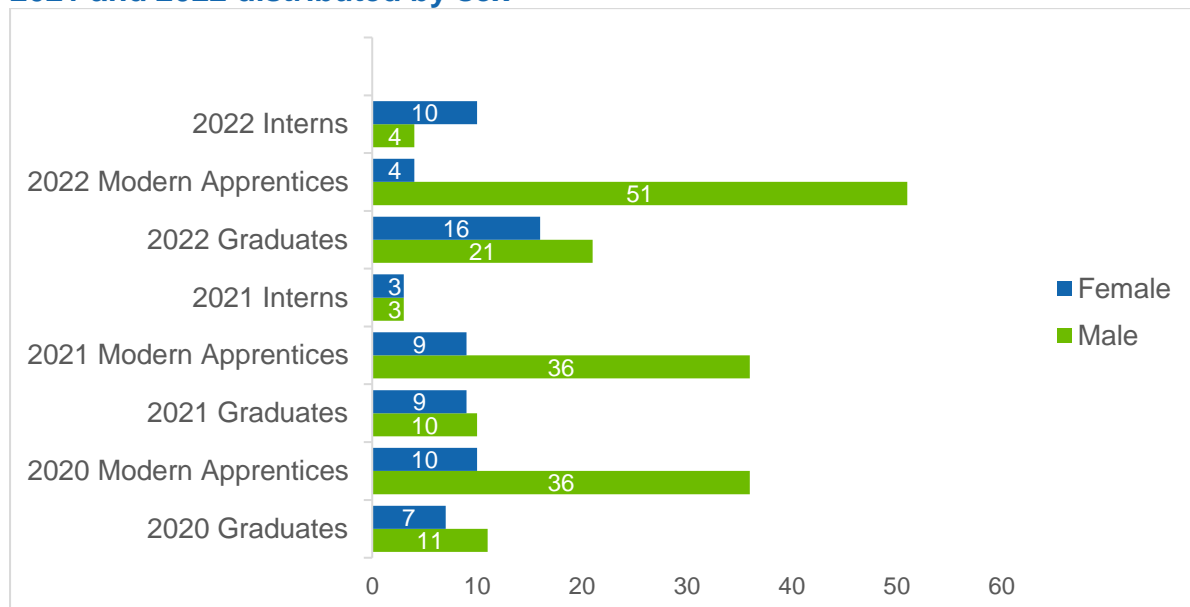
\*For the remainder of the reporting period in line with guidance from the Scottish Government we are amending the wording of this outcome to “Increase representation in our workforce of women, minority ethnic groups, young people and those with a disability.”

#### Shifting Demographics

The percentage of women, people from ethnic minorities, young people and disabled people employed at Scottish Water have all increased since our last PSED report in 2021. More details of our demographic data can be found in Section 4 of the report.

In 2021/22 38% of all new joiners were under 30 years old. Each year our recruitment campaigns for both Graduates and Modern Apprentices attract vital young talent to Scottish Water. At the time of writing in Spring 2023 we have received a record number of applications to both crucially important talent pipelines.

**Chart 1: Intake numbers of Graduates, Modern Apprentices and Interns 2020, 2021 and 2022 distributed by sex**



We did not recruit any Interns in 2020 due to the Covid-19 pandemic.

Engaging social media presence has driven our most recent recruitment advertising campaigns featuring story telling videos of past and current graduates and modern

apprentices. We track our recruitment demographics closely, monitoring conversion rates from application, sift, selection and interview to the final offer stages.

In 2022 our recruitment processes were comprehensively reviewed, ensuring diversity is designed into all our end-to-end processes. As a result of our new approaches our current 2023 applicant pool for our Graduate Programme is tracking 38% women, 29% candidates from minority ethnic grouping, 17% disabled and 22% LGBTQ+. We are monitoring conversion rates and progression carefully.

As covered in section 2.7 we have reviewed our attraction and selection practices with an aim to increase diversity of all applicants and new hires to Scottish Water. An example of these efforts is our decision to partner with Evenbreak, a job board and network for disabled job seekers, students, and professionals. By the end of 2023 we intend to have all Scottish Water vacancies feature on their site.

## Representation

Increased representation is not only about the demographics of our business but about how visible underrepresented groups are across the organisation and the strength of their 'employee voice'. Each of the underrepresented groups listed in this outcome is served by a specific group in our Belong Network (Women in Scottish Water, Multicultural Network, NxtGen and, disABILITY Forum). Read more about the Belong Network in Sections 2 and 3.4. Quantifiable measures of 'employee voice' include participation in our weekly pulse employee survey, and our regular employee surveys.

NxtGen, one of our nine employee-led inclusion groups, is dedicated solely to young people and people new to or early in their careers with Scottish Water. As an example of their recent impact NxtGen have worked in collaboration with colleagues working on Transformation activities, to host Think Tanks for members to contribute their ideas into Transformation workstreams. Additionally, in 2023 our Capital Investment Director will work alongside volunteers from NxtGen and members of the Capital Investment Leadership Team on the planning,

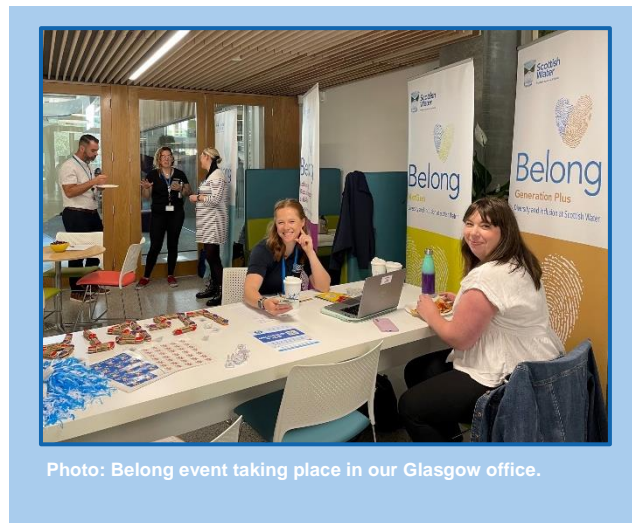


Photo: Belong event taking place in our Glasgow office.

execution, and analysis of this year's Strategic Partner Events. The young people involved in this project will have the opportunity to work directly with senior leaders, develop useful new skills and gain valuable insights into how we work with our key delivery partners.

The disABILITY Forum, our Women in Scottish Water group, and Multicultural Network are three of our nine inclusion groups and have a positive impact on the representation of disabled people, women, and minority ethnic groups, respectively. The disABILITY Forum run virtual cafes where people with disabilities can connect share experiences. They also deliver valuable learning sessions open to everyone across the organisation to raise awareness of accessible communication and accessibility tools. This group has recently grown to include a new sub-group for Neurodiversity to create a community for our neurodivergent colleagues.

Our Women in Scottish Water group deliver a range of events, produce informative content, and promote development opportunities targeted at women or focused on gender equity.

The Multicultural Network has a vibrant online community where people share their cultural traditions and led the business in celebrating Race Equality Week in February 2023 with five days of engaging activities. The group has been instrumental in promoting and encouraging colleagues' attendance at events such as The Institute of Water's 'Black Voices in the Water Industry: From Talk to Action' event at the end of 2022.

Building on our Sector Inclusion Commitment, in 2022 and early 2023 we have been working with Energy and Utility Skills and The Equal Group who have been facilitating focus groups to which we have contributed. These have brought employee inclusion Network Leaders from across different water industry companies throughout the UK together to get a better understanding of key issues across the sector. Each of our Belong Networks for disability, gender equality, and ethnic minority as well as members of our Diversity and Inclusion team have participated in these groups to share best practice with each other on addressing under-representation of certain protected characteristics and advance inclusion in the sector.

### 3.3 Equality Outcome Three

#### Increase diversity of our leadership bench across all under-represented groups.

**Background:** Visible role models and active commitment from our leadership community is important in mainstreaming equality and building an inclusive culture which stretches across the entire workforce. Our leadership bench includes current leaders within the business and our succession plan. By placing D&I high on the agenda at a senior level, we aim to embed a truly diverse perspective within our decision-making processes and overall company values. Leaders are also in a strong position to influence behaviours within their teams, and through their actions can help to embed inclusive attitudes further within our people. Furthermore, many of our Belong groups currently benefit from the support of Senior Management Sponsors, and over time we aim to expand on the involvement that our full leadership cohort has within our networks and wider D&I programme.

Our leadership 'bench' comprises not just those that are current leaders in our business but the future leaders and developing talent of Scottish Water. We have a good balance of female/male on our succession plans for senior leadership roles currently.

In addition to the 'Leading with Character' development programme for all new leaders, in November 2022 we announced a new development programme 'Take the Lead', aimed at equipping aspiring leaders with the skills, knowledge and experience they will need to prepare them for future leadership roles. From the outset of this initiative, we had a clear remit to make the 'Take the Lead' programme inclusive and accessible. To achieve this, we built key elements into the engagement and application phases. In addition to striving for broad engagement, we also focused our engagement on some key groups – those in field roles who may have less ready access to email and our Intranet, those in minority groups, as well as those who may for whatever reason benefit from stronger advocacy to encourage their application and to support them in their progression journey. We took this approach as we know people do not experience their diversity characteristics in isolation and we want to adopt strategies for diversity and inclusion that are complementary and mutually reinforcing.

We used a range of approaches to drive engagement including virtual drop-in sessions, newsletter features, line leader toolbox talks, engagement with the Belong Network, cascades via Senior Leadership teams, utilising our internal communication methods, and direct and line leader targeted emails. To make the process accessible applications were encouraged through a range of formats including written application form, story, PowerPoint, video, or audio recording; allowing applicants to decide the best medium to showcase themselves. We have been delighted with the response, receiving 362 applications including written, video and PowerPoint submissions. The equality data on ethnicity and sex reflect a profile more representative than the Scottish Water average. For example, women make up 42% of 'Take the Lead' participants, while only making up 29% of the Scottish Water workforce overall. We look forward to tracking the impact of this development programme in advancing diversity and inclusion in our organisation.

Inclusive leadership behaviour was carefully considered as part of the design of the new 'My Story' performance management and development approach. Aligned with the Caring trait of our Scottish Water Character framework, two competence model indicators for leaders have been included in 'My Story' which relate specifically to inclusivity. All line leaders will need to demonstrate their output and performance against these indicators:

- Creates a trusted and inclusive safe environment that facilitates and supports openness, honesty, learning and change.
- Facilitates an inclusive environment of mutual respect, where everyone brings their whole self to work, creating a real sense of belonging.

Leaders are supported in achieving these through the ‘Diversity and Inclusion for Line Leaders’ course, along with the wide range of supplementary learning available through our online learning platform including Mentally Healthy Workplace training.

To further promote positive inclusion behaviours we established the Quarterly Belong Forum in 2022. The forum brings together Belong senior leadership sponsors to represent the interest of their groups in diversity and inclusion focused ethics discussions covering complex topics including socioeconomic inclusion. Our leadership sponsors have fed back they have found these sessions informative and valuable. We continue our work in expanding the involvement of our full leadership cohort within our Belong networks as we know these sponsorship roles can be hugely rewarding and insightful in terms of an individual’s senior leadership development whilst challenging, inspiring and supporting the networks with whom they work, at the same time as providing an important bridge to leadership in Scottish Water.

It is also noted since our last report in 2021 the demographics of our board have shifted. At the time of writing gender representation on the board is now 50:50 with 4 men and 4 women. You can read more about our Board diversity in section 3.5.



## 3.4 Equality Outcome Four

### Achieve high levels of engagement and retention among those employees with underrepresented protected characteristics.

**Background:** To achieve steady progress towards workforce truly representative of wider Scottish society, we must not only focus on recruitment, but retention too. By creating a culture where all employees feel a sense of belonging within our organisation, we seek to ensure that people from all backgrounds feel an affiliation with the Scottish Water community and are able to find opportunities which best suit their needs. Through our focus on employee experience, we aim to build a sustainable level of engagement across our workforce and remove any barriers which protected characteristic groups may face.

Furthermore, Scottish Water's Belong groups were formed to give a collective employee voice to those who hold a particular protected characteristic or life experience, and are a valuable tool in providing peer support, education, and networking opportunities. Belong helps to bring people together, break down barriers to inclusion, and empower members to place focus on key issues within the context of their group's aims – and we plan to continue making best use of this important platform to enhance our engagement and retention levels.

#### Employee Experience - Quantitative and Qualitative Insights

All our equality outcomes commit Scottish Water to becoming a more diverse and inclusive workplace. Whilst collected equality data through our HR system, is reported in Section 4, we have been able to collect additional quantitative and qualitative equality data via staff surveys. In Autumn 2022 we surveyed 3083 Scottish water employees who form a cross-section of the organisation, representing 65% of our workforce to understand their experience with us.

We have consequently been able to consider measurements from both data sources. Analysis of all available equality data has enabled us to see whether there are any groups who are underrepresented and to think about ways of reaching those people as well as discovering useful information and insightful conclusions informing our overall employee engagement and diversity and inclusion strategies. Collecting equality data through staff surveys helps meet our equality outcomes including 'achieving high levels of engagement among those with underrepresented protected characteristics.' Capturing good quality data enables baselines to be established and progress measured.

The equality data gained from our staff surveys has helped us better understand intersectionality - experiences and outcomes of separate groups of people who share protected characteristics. All our work in this area has been informed by the Scottish Government's Equality Data Improvement Programme<sup>1</sup>.

In our most recent staff survey, 86% said that those they work with 'treat each other with dignity and respect'. 86% also agreed with the statement 'Everyone in my team is treated fairly, regardless of their background, beliefs, and individual differences' and 84% said they were 'proud to work for Scottish Water'. We will continue to measure our employee experience of working at Scottish Water and share the findings with our employees and our Belong Network groups to inform priorities and action planning to address issues of under-

<sup>1</sup> [Equality Data Improvement Programme](#)

representation. For example, the Diversity and Inclusion team were able to share outcomes and insights from our 2022 employee surveys with the Generation Plus network group which enabled them to create a revised set of aims for their group.

### Spotlight on Disability

Data from our employee surveys has provided evidence that the data relating to disability is under-reported on our HR system. As whilst the current HR system data shows 2.6% employees consider they have a disability or long-term health condition, of those who responded to our last Employee survey in 2022, 15% of employees shared they had a disability or long-term condition. Whilst on our HR system 0.3% prefer not to say and there is a 13.8% unknown data gap, 10% of people told us through the survey they would prefer not to say.

### Spotlight on Sexual orientation

In terms of sexual orientation, we also know from our HR system that we have low visibility of openly disabled and LGBTQ+ colleagues (see section 4). Our last Employee survey results have given more visibility of LGBTQ+ plus people. 1 in 25 (4%) people said to us that their sexual orientation is gay, lesbian, bisexual or other and most of this group is aged between 21 and 34 +. In contrast our HR System reports the figure at 1.5% with 70% returning a nil response (see section 4).

### Spotlight on Carers

We have also been focused on capturing more data relating to Caring responsibilities which we regard as an important characteristic. In our employee survey 13% of people shared with us they have a caring responsibility and most of these care for an adult. This is above the 9.3% from the 2011 Census who said they provided care to family members or friends.

However, a much smaller number of 2.1% employees have shared they are a carer on our HR System, but we are pleased to have seen this increase since we last reported in 2021 when we reported the figure as 0.7%. The peak age for caring remains 45-65 plus.

Caring responsibilities remain the most undeclared characteristic with 12% of employees saying in our survey they would prefer not to say whilst we have a 96% unknown data gap on our HR system. Carers include many of our most experienced employees. At Scottish Water we:

- Continue to develop a carer friendly workplace through communications, awareness raising and training.
- Demonstrate a clear commitment and support caregiving employees in explicitly written policies and procedures.
- Through our relationship, Carers UK provide our people with access to their Digital Resource for Carers.

- Continue to share data with our Carers Employee Belong network who provide peer support.
- Keep measuring progress via staff surveys, enabling carers to identify themselves easily through our HR system as well as building on our exemplary Carer Positive Award.

## Belong Network

Our Belong Network continues to be an essential part of engaging with our people, especially those with under-represented protected characteristics.

Our network has continued to grow in 2022 with the development of a new sub-group for Neurodiversity becoming part of our existing DisABILITY Forum. This fledgling group has attracted a lot of interest and is building momentum following its soft launch during National Inclusion week in September 2022 and its official launch as part of Neurodiversity Celebration Week in March 2023. Other developments of the Belong Network include a re-energising of our GenerationPlus group and the introduction of five sub-groups to our Parents Supporting Parents Group structure. These include: The first 1000 days of Parenthood, Pre-school aged Children, P1-S1, Teens & Young Adults and supporting Neurodivergent Children and Children with Additional Support Needs. Supporting our employees who are parents of school-age children and young people who are disabled or who identify as neurodivergent is very important to us and our networks are helping to embed informed leadership to demonstrate understanding, awareness and respect not only for our existing disabled and neurodivergent colleagues but also ensuring our workplaces will attract future talent who have disabilities or who think differently to consider a career in Scottish Water.

Visible engagement via our internal communication tool, Yammer, has increased for all our Belong groups over the past year and with the support of their Leadership Sponsors and Network Leaders they have gone from strength to strength during this reporting period.

**Chart 2: Yammer Members for Belong Groups 2021 and 2023**

	2021 Yammer Members	2023 Yammer Members	Increase
<b>Armed Forces Network</b>	70	77	10%
<b>Carers Network</b>	144	202	40%
<b>DisABILITY Forum</b>	59	70	19%
<b>Generation Plus</b>	69	80	16%
<b>LGBT+ &amp; Allies</b>	101	125	24%
<b>Multicultural Network</b>	111	112	1%
<b>NxtGen</b>	279	341	22%
<b>Parents Supporting Parents</b>	176	240	36%
<b>Women in Scottish Water</b>	457	530	16%

### 3.5 Board Diversity Duty

In 2021 one of our Equality Outcomes prioritised the need to improve the diversity of our leadership bench across all under-represented groups.

We are pleased to report that as of March 2023 our Non-Executive Director Board has achieved a balance between women and men of 50:50; that is 4 men and 4 women, which is more balanced than in March 2021 when it was 3 women and 5 men.

During the reporting period for the Gender Representation on Public Boards (Scotland) Act 2018 we appointed 2 new Board members (1 woman and 1 man). Board members are appointed by Scottish Ministers following an open recruitment process. Chair and Board member appointments are regulated by the Commissioner for Ethical Standards in Public Life in Scotland.

Our Chair, Dame Susan Rice is nearing the end of her second term as Chair, due in May 2023. Further information is available on our website: [Board Members - Scottish Water](#).

We continue to work with the Scottish Government to recruit more diverse, highly skilled candidates onto our Board.

## 4. Equality Information Report

Included in this report is information on protected characteristics for years 2021, 2022 and 2023 with key data analysis and data insights and improvement actions to improve data capture and reporting.

### Scope of Report

This report provides an overview of our equality and diversity employment monitoring data for 2021, 2022 and 2023. It covers age, sex, disability, gender re-assignment, pregnancy and maternity, race, religion or belief, and sexual orientation. For these protected characteristics our people included in this report are those on payroll as at the monitoring date of 31 March. Our last full report provided comparison of years 2017 - 2021: [Public Sector Equality Duty Report 2021](#).

In terms of data quality, we encourage our people to provide equality monitoring data. Supplying this information is voluntary, and individuals can choose what they wish to share. We do include a 'prefer not to say' option against all equality monitoring questions.

In 2020 we changed our HR management information system. We continue to encourage our people to use the self-service portal within the system and update their records to share their confidential equality data with us. In early 2023 we ran another campaign encouraging all our employees to update their equality information as well as targeted communications to new joiners which will continue. This work has been informed by the Scottish Government's Equality Data Improvement programme which commenced in April 2021. We review the effectiveness of these communications to inform future actions and to use data collection methods that work.

We have also included available data on:

- Workforce distribution by sex and pay band for 2021, 2022 and 2023.
- The numbers of full-time and part-time employees by sex for 2020-2021, 2021-2022 and 2022-2023.
- Return to work of women on maternity leave for 2020-2021, 2021-2022 and 2022-2023.
- Data on leavers for 2020-2021, 2021-2022 and 2022-2023 analysed by protected characteristics of age, sex, and by numbers of full-time and part-time employees.
- Data on Grievance, Respect at Work and Disciplinary cases for 2020-2021, 2021-2022 and 2022-2023.



## Interpreting the data

Information is published in accordance with the Data Protection Act 1998 and does not identify individuals.

Information is captured for the purpose of understanding how our workforce profile compares with known data about the different population groups within Scotland and to identify lawful measures to improve our workforce diversity as well as improve inclusion which is key to retention and employee wellbeing.

Information about groups of people fewer than 10 is suppressed to protect anonymity.

We include our 'prefer not to say' option against all monitoring questions. This is counted as a response and not included in the unknown data category.

Workforce headcount in 2021 was 4201, in 2022 was 4218 and in 2023 was 4473.

Information is published in percentages only, with exception of the protected characteristic of pregnancy and maternity which is given as a count.

## Using the data

The data is reported every two years as part of the public sector equality duty which is a statutory report under the terms of the Equality Act 2010 (Specific Duties) (Scotland) Regulations 2012.

It enables us to identify data gaps and the action required to reduce these.

The data provides evidence to justify the use of positive action in recruitment and training e.g., targeting training and development opportunities to communities under-represented within our workforce.

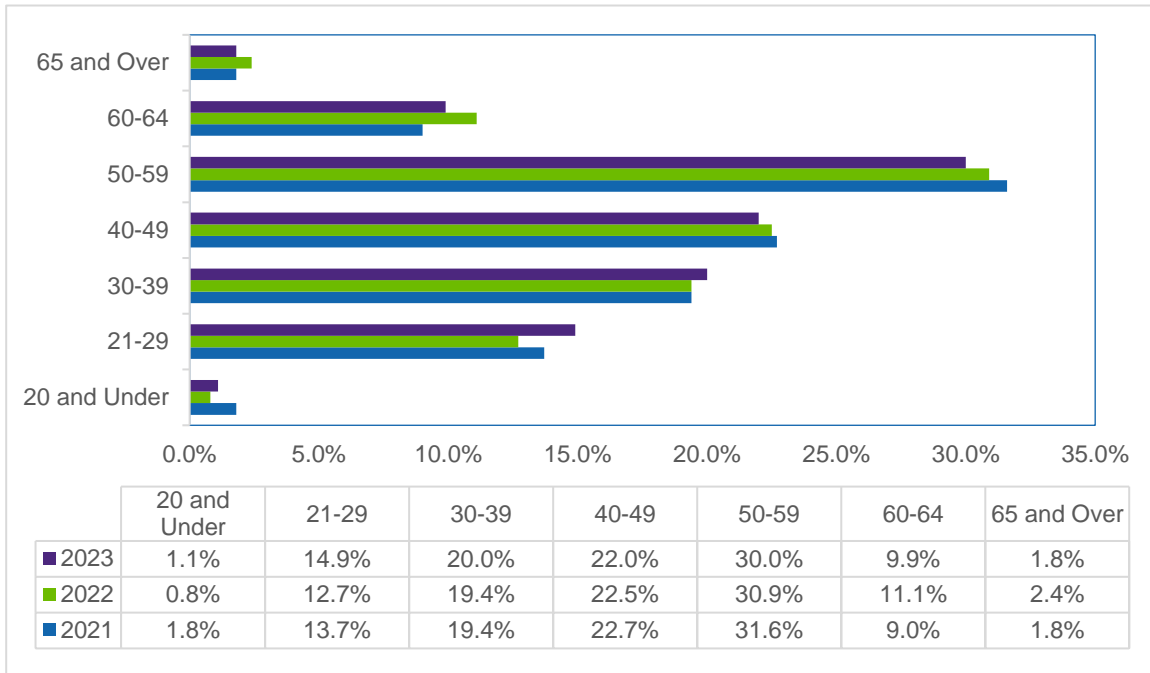
## Introduction to the Data

The following data charts are presented by equality protected characteristic. They cover age, sex, disability, race, religion or belief, sexual orientation and pregnancy and maternity. Gender reassignment data is absent from this report to protect anonymity; however, we provide a narrative.

After each chart we include some key data analysis in addition to data insights which inform current and potential improvement actions that are intended to align with actions which contribute to achieving our Equality Outcomes.

## Age

**Chart 3: Employee Age Profiles, 2021, 2022 and 2023**



**Chart 4: Definition of Generations in the Workforce**

Generation Description	Year born	Age in 2023
<b>Baby Boomer</b>	1945 - 1965	58 and over
<b>Generation X</b>	1966 - 1980	43 to 57
<b>Generation Y</b>	1981 - 1995	28 to 42
<b>Generation Z</b>	1996 - 2012	11 to 27

### Age data analysis

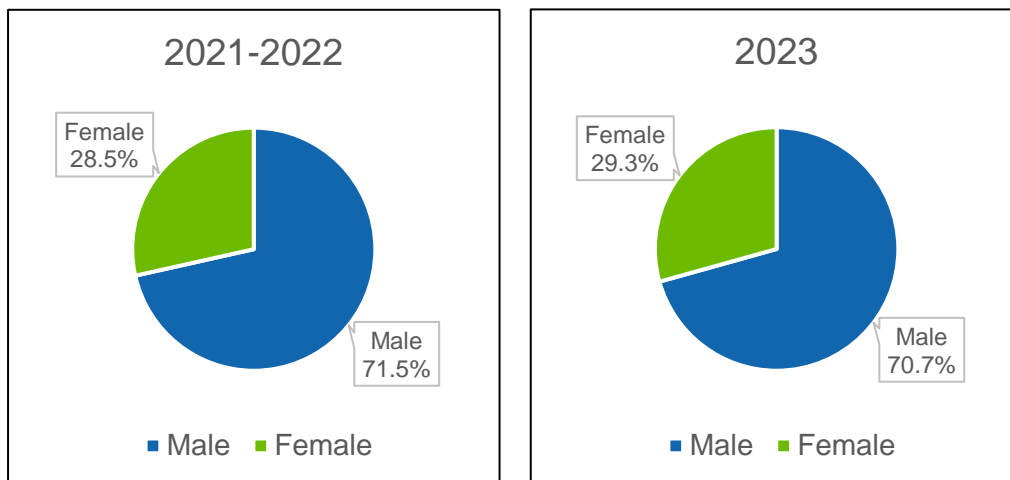
- At the end of March 2023, most employees were aged between 30 and 59, broken down as follows: 30-39 (19.7%), 40-49 (21.9%), 50-59 (30.6%). 16.2% were aged under 29 and 11.9% were aged sixty or over.
- The average age remains 44.7 years (March 2022).
- 5% drop overall in 60 plus age range between 2021 and 2023.
- 43% of all employees are aged 50 or above.

## Age data insights and actions

- Making small but steady progress in building a more balanced aged workforce, as 'Generation Z' increases in numbers while remaining 'Baby Boomers' continue to retire (see Chart 4 for description).
- Activity to provide pathways and opportunities for young people to work in Scottish Water continues.
- Multi-generational work is being intentionally adopted for Transformation activities and outputs are being measured.
- Multi-generational work continues through our Belong groups especially Generation Plus and NxtGen who are supporting different generations to share their knowledge and learn from, and with, each other.
- Continuing to develop skills-based reverse mentoring as part of our coaching and mentoring offer.

## Workforce distribution of male and female employees

**Chart 5: Percentage of male and female employees for 2021, 2022 and 2023**



**Chart 6: Workforce distribution by sex and pay band**

Pay band	March 2021		March 2022		March 2023	
	Male	Female	Male	Female	Male	Female
Manager	3%	*	3.1%	*	3.1%	*
A	6%	3%	6.3%	3.7%	6.2%	3.7%
B	12%	6%	12.9%	6.2%	12.9%	6.5%
C	11%	7%	10.7%	7.4%	10.2%	7.5%
D	15%	5%	14.4%	5%	14.5%	5%
E	19%	4%	18.4%	3.9%	18.2%	3.7%
F	2%	*	2.1%	*	2.4%	*
Modern Apprentice	3%	*	3%	*	2.7%	*

\* Values below 2% are not displayed

The above tables show the difference by sex of the distribution of employees across our current pay bands/job grades. The growth in female employee numbers over the period has been proportionally greater in higher banded roles.

Although men make up the majority of employees at every level, on average we continue to employ women in higher bands than is the average for men. This is largely due to the occupational segregation effect, with higher proportions of male employees still being in those lower banded roles where absolute employee numbers are greatest. Of all the bands, Band E has the highest percentage of males and Band C has this highest percentage of females. Gender balance within any of the bands will take time but that is not detracting us from tackling the issue.

### Data analysis

- Our sex profile shows we have a predominantly male workforce.
- The percentage of women working at Scottish Water has increased slightly from 28.5% in 2022 to 29.3% in 2023.

### Data insights and actions

- The Energy and Utilities Sector Water Industry Demographics have estimated the Water Sectors percentage of workforce being female in 2019-2020 at 28%.

- We are working hard to attract higher percentage of female candidates, building capability in-house to personalise our attraction to improve female/male balance and monitoring conversion rates from sift to interview and offer stages closely.
- As per chart 1:
  - In 2021 intake of modern apprentices by female/male 20%: 80%
  - In 2022 intake of modern apprentices by female/male 8%: 92%
  - In 2021 intake of interns by female/male 50%: 50%
  - In 2022 intake of interns by female/male 71%: 29%
  - In 2021 intake of graduates by female/male 47%: 53%
  - In 2022 intake of graduates by female/male 42%: 58%
- After considering drop in ratio of apprentices female/male we have reviewed candidate engagement, recruitment and selection processes and will continue taking appropriate steps.
- Taking bold targeted interventions to address female representation and improve our recruitment and talent development processes.

### Numbers of part-time and full-time employees

Part-time employees now account for 9.8% of the workforce with part-time contracts becoming slowly more common for male employees.

The proportion of part-time employees who are female has reduced and at end March 2023 stood at 58.7% (March 2022 61% and March 2021 61.5%). The increase in uptake of flexible retirement is contributing to the number of male employees in part-time contracts.



## Employee Disability profile for 2021, 2022 and 2023

**Chart 7: Percentage sharing Disability, Long-term Condition or Neurodivergence 2021, 2022 and 2023**

Disability Status	2021	2022	2023
Yes	2%	2.3%	2.6%
No	95%	89%	83%
Prefer Not to Say	3%	0.2%	0.3%
Unknown	-	8.3%	13.8%

### Disability data analysis

- The percentage of people sharing with us they have a disability, long-term health condition or neurodivergence is 2.6%, an increase from our 2021 reporting figure of 2%.

### Disability data insights and actions

- Despite 2.6% of our people sharing via our HR system we know from our employee survey in September 2022 that 15% of respondents said they had a disability, long-term condition or neurodivergence. We are therefore making progress on this protected characteristic.
- Data from the Scottish Government indicates 1 in 5 Scots identify as disabled<sup>2</sup>. We will continue to work on the data in/data out development with both our HR system and our new data visualisation platform system that was introduced in 2022. This has allowed us to segment equality data from our two employee surveys in 2022. The data is informing decision making and helping prioritise targeted support and action.
- We understand that the reasons for the unknown data gap of 13.8% are likely to be complex and continue to communicate the importance of providing this information as it contributes to greater awareness of available workplace support where this is required.
- We continue to regularly promote our Workplace Adjustment Service through multiple communication platforms and evaluate the effectiveness of adjustments measuring short term and long term outcomes.
- We continue to support our Career Transition Programme which was launched in 2019 and evaluate outcomes.

<sup>2</sup> [A Fairer Scotland for Disabled People: Employment Action Plan \(www.gov.scot\)](http://www.gov.scot)

## Minority Ethnic Background

**Chart 8: Percentage of employees by ethnic group, 2021, 2022 and 2023**

Ethnic Group	2021	2022	2023
Minority Ethnic Group	3.8%	3.9%	4.4%
White	87.6%	86.9%	83.4%
Prefer Not to Say	8.6%	7.4%	6.8%
Unknown	-	2.5%	5.8%

For the purposes of the analysis presented here, 'Minority ethnic group' includes 'White Other' 'Mixed or multiple ethnic groups,' 'Asian or British Asian,' 'African, or British African,' 'Caribbean or Black,' or any other ethnic groups.

### Minority ethnic data analysis

- The percentage of people from a minority ethnic group at Scottish Water is 4.1% with over 6% preferring not to share what their ethnic background is. This is in line with the Scotland average of 4% (Census 2011).
- There has been a slight increase in employees sharing their ethnicity and a decrease in those preferring not to say.

### Minority ethnic data insights and actions

- Considering the publication of the new Data collection and publication guidance on Ethnic group by the Scottish Government in 2022 we will continue to work on the data in/data out development with both our HR system and our new data visualisation system that was also introduced in 2022. This system has allowed us to segment equality data to provide intersectional analysis to give insights into how a combination of socio-demographic characteristics might relate to specific forms of disadvantage. For example, disadvantage for a minority ethnic, Christian woman may be different to a white, Christian man.
- Monitor outputs from Scotland's Census 2022 when published to ensure targeted action to address representation is appropriate.
- We will report on equal pay and race/ethnicity in 2025.

## Sexual Orientation profiles for 2021, 2022 and 2023

**Chart 9: Percentage of employees by sexual orientation**

Sexual Orientation	2021	2022	2023
Straight/heterosexual	12.5%	22.8%	27%
Gay or Lesbian	0.6%	0.8%	0.9%
Bisexual	0.2%	0.3%	0.4%
Other	0.1%	0.1%	0.2%
Prefer not to say	0.5%	1%	1%
Not known	86.2%	74%	70%

### Sexual orientation data analysis

- From our HR system we hold data for 30% of our workforce.
- 1.3% of our employees have shared they are Lesbian, Gay, or Bisexual (LGB) with a further 0.2% sharing other non-heterosexual orientation. These figures have increased slightly from the 2022 data of 1.1% for LGB and 0.1% for other non-heterosexual orientation.
- 70% of SW (Scottish Water) employees have not provided any information on sexual orientation on our HR system.
- Our unknown data gap for sexual orientation is currently 70% and we understand the reasons for employees sharing may be very personal and complex.

### Sexual orientation data insights and actions

- Most current data source (Scottish Government's Equality Evidence Finder, 2021) indicates that an estimated 3% of adults self-identify as gay, lesbian, bisexual or other.
- The data above contrasts with (4%) of employees sharing with us that their sexual orientation is gay, lesbian, bisexual or other through our 2022 employee survey.
- We have had a gradual decrease in both nil and prefer not to say responses since 2021 and we interpret this as positive progress in terms of continuing to enable employees to feel they can be their true selves at work and in doing so contribute to equality outcome 4, achieving high levels of engagement amongst those with under-represented protected characteristics.
- We will continue to encourage all colleagues to update their personal details and equality information on the HR self-service system.

## Religion and Belief profiles for 2021, 2022 and 2023

**Chart 10: Percentage of employees by religion and belief**

Religion or belief	2021	2022	2023
Buddhist, Hindu, Jewish and Sikh	0.2%	0.18%	0.15%
Christian	14.5%	15.5%	15%
Muslim	0.11%	0.18%	0.18%
None	5%	9%	10.2%
Other	4.9%	4.2%	3.8%
Prefer not to say	26.6%	22.8%	20%
Unknown	51.3%	51.9%	50.5%

### Religion and Belief data analysis

- Our unknown data gap for religion and belief is currently 50.5% and we understand the reasons for employees sharing may be very personal and complex.
- Majority of employees who have shared their religion identify as being Christian. The second largest cohort at 20% identifies as having no religion which is in line with the last census.
- The unknown data gap is 50.5%.

### Religion data insights and actions

- Considering the publication of the new Data collection and publication guidance on Religion/Belief by the Scottish Government in 2022 we will continue to work on the data in/data out development with both our HR system and our new data visualisation system that was introduced in 2022. Through our employee surveys this system has allowed us to segment equality data to provide intersectional analysis to give insights into how a combination of socio-demographic characteristics might relate to specific forms of disadvantage. For example, disadvantage for a minority ethnic, Christian woman may be different to a white, Christian man.
- We continue to engage with our employees from our Multicultural Network on our transformation initiatives especially our Hybrid Future Initiative regarding how, when and where we work in future ensuring adequate provision is provided to enable colleagues regardless of whichever religion, religious denomination, or body they belong to.

## Supporting Transgender employees or those with Trans history

- We understand that monitoring numbers of Transgender people is a sensitive area and data is handled very carefully through the monitoring process.
- Considering the publication of the new Data collection and publication guidance on Sex, Gender Identity and Trans Status by the Scottish Government in late 2021 we improved the data collection element of our HR system in 2022.
- We are considering what further measures are appropriate to provide support and guidance to employees who are or have gone through a gender transition process. This may include support from line leaders to the individual, as well as developing and establishing Transgender inclusive policies and practices into our everyday working practices.
- We continue to work with our LGBT+ Employee Network group who act as a representative forum.

## Return to work of women on maternity leave

Post pandemic we are seeing maternity leave numbers reverting to the level we were familiar with pre pandemic. We continue to support our female talent returning from maternity leave. Our Parents Supporting Parents Belong network is thriving and one of their new subgroups 'First 1000 Days' has been particularly welcomed by returners from maternity leave. In addition, we will be offering bespoke workshops at this key point in their careers including 'Being a Leader and a parent - how to balance' & 'Leading as a returner or a career direction change' as part of our 'Take the Lead' workshop offerings.

### Chart 11: Return to work of women on maternity leave 2020-2023

Maternity leave	April 2020- March 2021	April 2021- March 2022	April 2022- March 2023
Employees on maternity leave	46	61**	69***
Number of employees who returned on reduced hours	*	*	*
Number of employees who returned with no change to hours	13	30	25
Number of employees who did not return	*	0	0
*Numbers fewer than ten ** Of this number as of 1 March 2023, 23 employees remain on maternity leave *** Of this number as of 31 March 2023, 37 employees remain on maternity leave			



- For those who returned from maternity leave between the period 1 April 2020 - 31 March 2021, 28% returned to their substantive post and hours. There were less than 10 returners from maternity leave who came back on formal flexible working arrangements.
- For those who returned from maternity leave between the period 1 April 2021-31 March 2022, (30) 79% returned to their substantive post and hours, and the remaining women returned on formal flexible working arrangements.
- For those who returned from maternity leave with the period 1 April 2022-31 March 2023, (25) 78% returned to their substantive post and hours, and the remaining women returned on formal flexible working arrangements.
- Many instances of flexible working are managed informally.

### Paternity and Shared Parental leave

During the period 2022-2023, a total of 62 people took paternity leave. This compares with the period 2022-2021, when a total of 60 people took paternity leave and the period 2020-2021, when a total of 66 people took paternity leave.

During the period 2022-2023 a total of 11 people took advantage of the ability to take shared parental leave, which is paid equivalently to maternity leave, even though this is not a legal requirement. This compares with 9 people who took advantage of the ability to take shared parental leave during the period 2021-2022 and 6 people who took shared parental leave in 2020-2021.

Our Belong networks, Women in Scottish Water and Parents Supporting Parents have been instrumental in celebrating employee's stories of their experience of sharing parental leave and how we can all do more to encourage expectant fathers and partners of women to take-up the option of shared parental leave.

Leavers

Chart 12: Percentage distribution of Leavers by Age Group 2020-2023

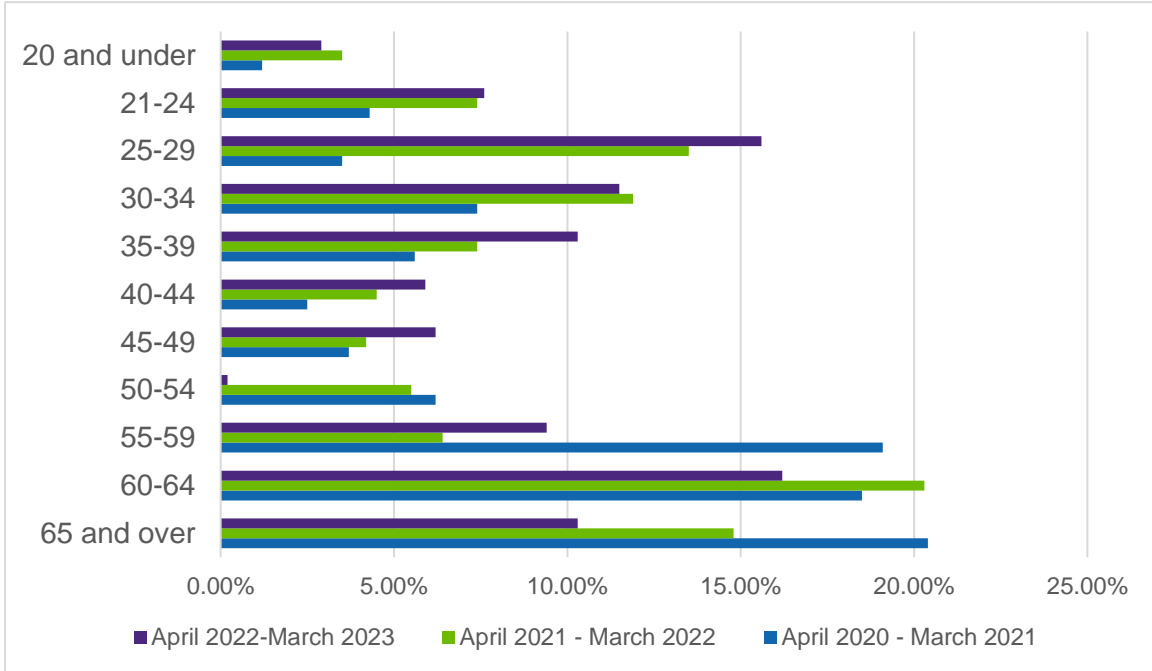


Chart 13: Full-time / Part time-leavers 2021 - 2023

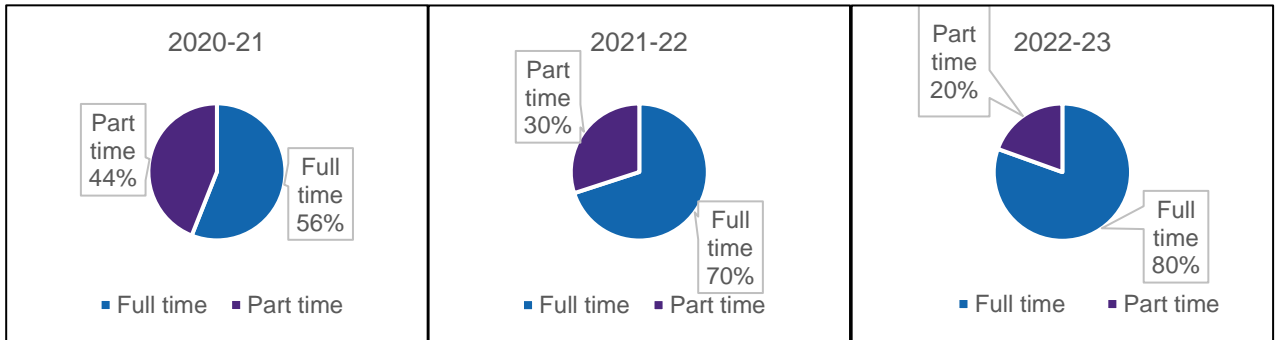
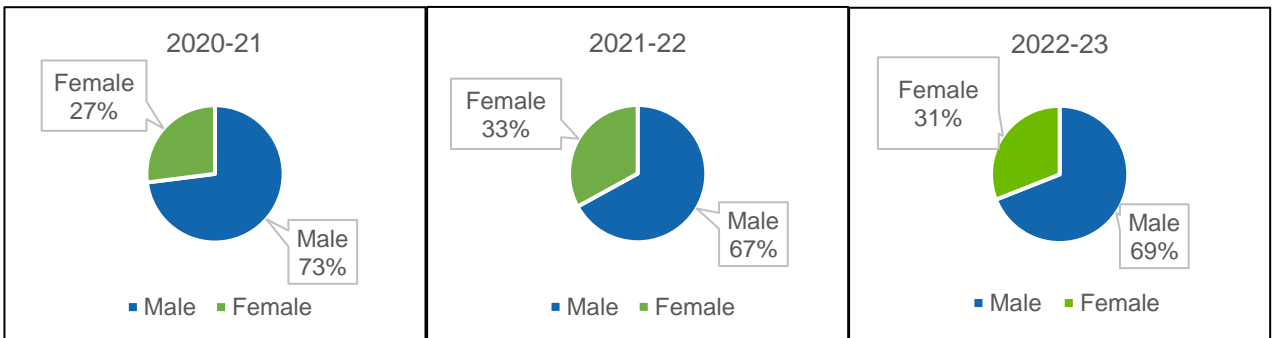


Chart 14: Male/Female leavers 2021 - 2023



## Leavers data analysis

Slightly higher rates of females left Scottish Water in 2022-23 (31%) compared to the overall demographic split of 28.5% female 71.5% male.

Higher rates of part-time workers left Scottish Water in 2022-23 (20%) compared to the overall split of 90% full-time/ 10% part-time workers.

## Leavers data insights and actions

- Scottish Water takes active steps to provide mid-life support to enable colleagues to better navigate later life transitions including the retirement transition, which is a significant reason for leaving. This reflects the fact that sections of our workforce are growing older. Eligible workers can opt to apply to join our flexible retirement framework for two years prior to retiring with one option being to reduce weekly working hours.
- We are currently reviewing our 'Exit Interview' process and working to design one that will provide Scottish Water with insight which will be used to improve employee experience and retention.

## Discipline, Grievance and Dignity at Work

All discipline and grievance cases were managed using the appropriate formal policy and procedures. Analysis has been undertaken to understand if any protected characteristic was over-represented to inform leadership and management interventions, support, and training. During 2022-2023 there were 10 incidences where capability/ill-health issues resulted in early access to pension on the grounds of ill-health.

During the period 2022-2023 there was a small number of grievance cases (less than 10) which was the same as during the period 2021-2022. In 2020-2021 there were 10 formal grievance cases.

During the period 2020-2023 there were a small number of formal dignity at work cases each year (less than 10 each year) which were managed appropriately.

## Conclusion

Our data informs us that our workforce is underrepresented in the following areas when compared to the 2011 Scottish census data:

- Disability. However, a higher percentage of colleagues (15%), shared they had a disability, long term or neurodivergent condition through our last 2022 employee survey.
- Sex - there is a significant imbalance between male and female employees and this is reflected throughout the entire UK water sector.

Minority Ethnic Groups – our minority ethnic colleagues represent 4.4% of our workforce which is in line with the Scotland average of 4% (Census 2011). However, we are anticipating the Census 2022 figures when released will increase significantly and we are identifying race specific priority areas.

Our data for sexual orientation from our most recent employee survey compares favourably with the most recent ONS data survey, however we remain focused on addressing data gaps where we have them.

The information in this report will be used to support and inform our recruitment and employment practices to improve our workforce diversity and focus on our employee's workplace experience which contribute to achieving our Equality Outcomes.

Using our data visualisation system and HR system together is enabling a greater level of data interrogation which is helping us prioritise targeted support and action for under-represented sections of our workforce.

It is important for us to work in partnership with other employers across the Utility and Energy sectors driving change, being bold and challenging ourselves to do things differently. We look forward in continuing to share best practice to support the development of a sustainable and representative employee base across our own workforce and the wider sector.

To find out more, please contact [diversityandinclusion@scottishwater.co.uk](mailto:diversityandinclusion@scottishwater.co.uk)

## 4.1 Gender Pay Gap Reporting

Scottish Water is not listed in the relevant schedule of the Regulations for public authority employers who are under mandatory GPG Reporting obligations; however, in the interests of transparency we continue with our adopted approach of voluntarily sharing our gender pay gap data using the two-year frequency of PSED reporting.

When calculating hourly rates of pay we have included: base salary; paid leave; allowances; shift pay; on call and standby payments. We have not included overtime, expenses, benefits in kind, redundancy pay, salary sacrifice values, pay in lieu of leave, or pension contributions.

### Gender Pay Gap Information in Scotland

In 2021, the **median gender pay gap** in Scotland when comparing overall average hourly earnings was 11.5% ([Close the Gap analysis](#)). This means for every £1 men earn women earn £0.89.

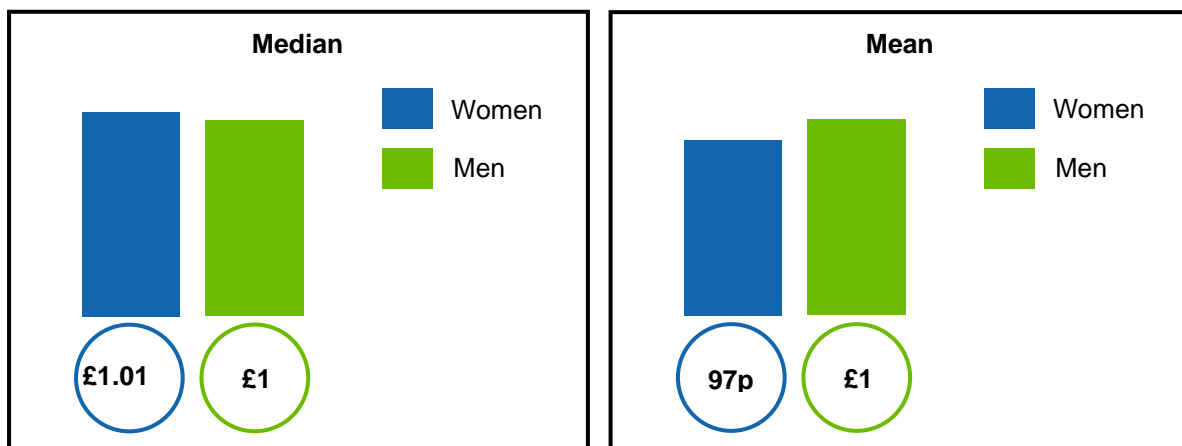
In 2021, the **mean gender pay gap** in Scotland when comparing overall average hourly earnings was 10.1% ([Close the Gap analysis](#)). This means for every £1 men earn women earn £0.90.

### Gender Pay Gap Information for Scottish Water

For the period 2022-2023, women earn £1.01 (rounded) for every £1 that men earn when comparing median hourly pay. Their **median** hourly pay is 1.41% higher than men's.

For the period 2022-2023, women earn £0.97 (rounded) for every £1 that men earn when comparing mean hourly pay. When comparing **mean** (average) hourly pay, women's mean hourly pay is 2.91% lower than men's.

### Chart 16 and 17: Median and Mean Pay gap Information 2022-2023





**Chart 18: Gender pay gap measurements: comparing mean and median at Scottish Water 2020-2023**

2020-2021		2021-2022		2022-2023	
Mean	Median	Mean	Median	Mean	Median
3.06%	0.38%	1.65%	-1.91%	2.91%	-1.41%

At Scottish Water, women occupy 28% of the highest paid jobs and 30% of the lowest paid jobs.

**Chart 19: The percentage of women in each pay quarter 2022-2023**

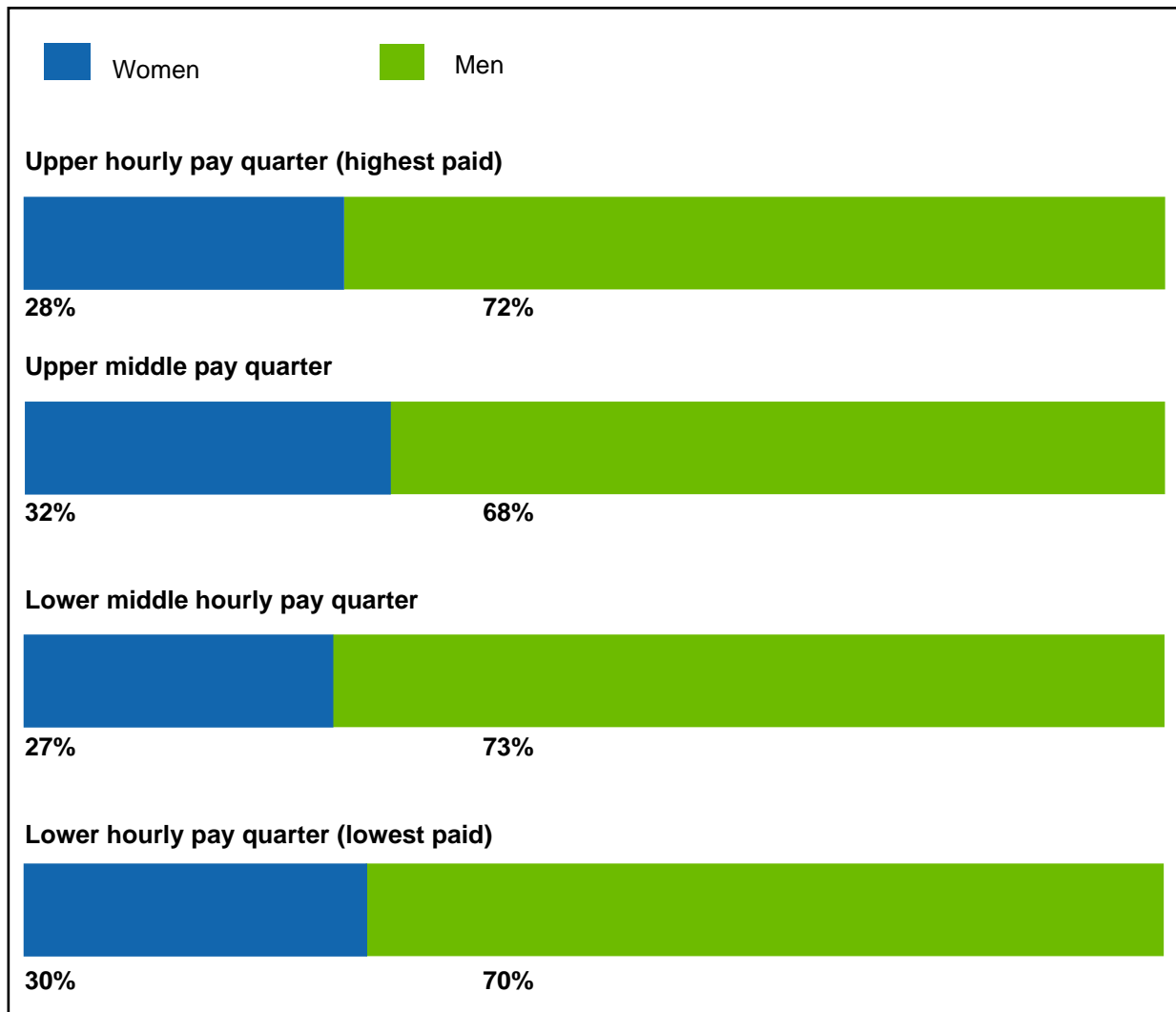


Chart 20: Percentage of women in each pay quarter 2020-2023

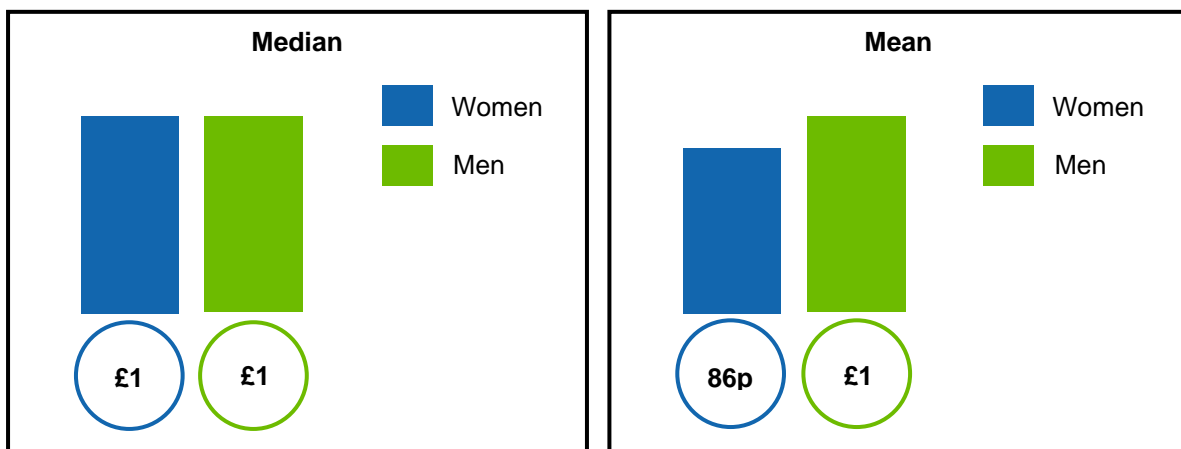
Quartile	2020-2021		2021-2022		2022-2023	
	% Male	% Female	% Male	% Female	% Male	% Female
Lower hourly pay quarter	68.4%	31.6%	68%	32%	70%	30%
Lower middle hourly pay quarter	75.2%	24.8%	74.9%	25.1%	73%	27%
Upper middle hourly pay quarter	71.4%	28.6%	69%	31%	68%	32%
Upper hourly pay quarter	72.8%	27.2%	71%	29%	72%	28%

### Bonus Pay

In Scottish Water, women earn £1 for every £1 that men earn when comparing **median bonus** pay. Their median bonus pay is equal to men's.

When comparing **mean (average) bonus** pay, women earn £0.86 for every £1 that men earn. Women's mean bonus pay is 14% lower than men's.

Chart 21 and 22: Median and Mean Bonus Pay Gap Information



Below Manager level the Employee Annual Incentive Plan (AOIP) (bonus) payment is a fixed sum and so shows zero gender pay gap at the median. The mean is affected by manager AOIP, which operates on a different and individual scheme. The gender pay gap mean bonus is therefore largely down to the underrepresentation of women in management roles, particularly at the most senior levels. (See chart 6 in section 4).

**Chart 21: Mean Gender pay gap by age band 2020-2023**

Mean pay gap			
Age band	2020-2021	2021-2022	2022-2023
Under 25	-4.1%	-0.7%	-2%
25 - 40	0.5%	3.5%	-0.6%
40 - 55	2.9%	-1.2%	2%
55 and over	0.9%	-1.5%	6.8%

**Chart 22: Median Gender pay gap by age band 2020-2023**

Median pay gap			
Age band	2020-2021	2021-2022	2022-2023
Under 25	-6.76%	-3.42%	-7%
25 - 40	-1.57%	-1.75%	-2.6%
40 - 55	1.5%	-1.24%	-0.8%
55 and over	3.94%	-1.83%	2.4%

The latest data shows that men aged over 40 have a slightly higher mean hourly pay than their female counterparts. This is also true for the median hourly pay of men 55 and over. However, in all other age groups a negative mean and median gender pay gap shows that women are paid slightly more than men.

### Summary

We have a predominantly male workforce, but we have achieved a smaller mean gender pay gap than the national average. We have carried out detailed analysis and identified distribution of job types and grades as being the main cause of gender pay differences in our workforce. By carrying out further workforce and gender pay gap analysis by age as well as gender, length of service was recognised as having an impact on rates of pay. We are pleased that our mean gender pay gap has reduced since 2020-2021 and that we are reporting no median gender pay gap for 2022-2023.

We were pleased to contribute to [Audit Scotland's](#) recent publication on public sector gender pay gap reporting as an example of good practice in terms of using data to support improvement or reduce the gender pay gap.

Actions that have helped lower our gender pay gap have included:

- Creating education hubs to promote an interest in STEM (Science, Technology, Engineering and Maths) related careers (science, technology, engineering, and maths) from an early age
- Closely monitoring the number of female employees joining each year
- Focusing on inclusivity in our development programmes to increase the representation of women in our succession planning. (Women made up 40% of applicants and 42% participants in our recently launched 'Take the Lead' programme)
- Introducing mentoring to provide extra support for female modern apprentices working in traditionally male roles
- Using recruitment campaigns in a gender sensitive way, for example featuring female modern apprentices in job adverts
- Strengthening support for our 'Women in Scottish Water' employee led diversity and inclusion group
- Supporting flexible working practices wherever possible.

Our focus on recruiting and developing women has led to a narrowing of the pay gap and we will continue this work to ensure equity and in support of a flourishing Scotland.