Kelda Diversity and Inclusion Strategy 2016-20

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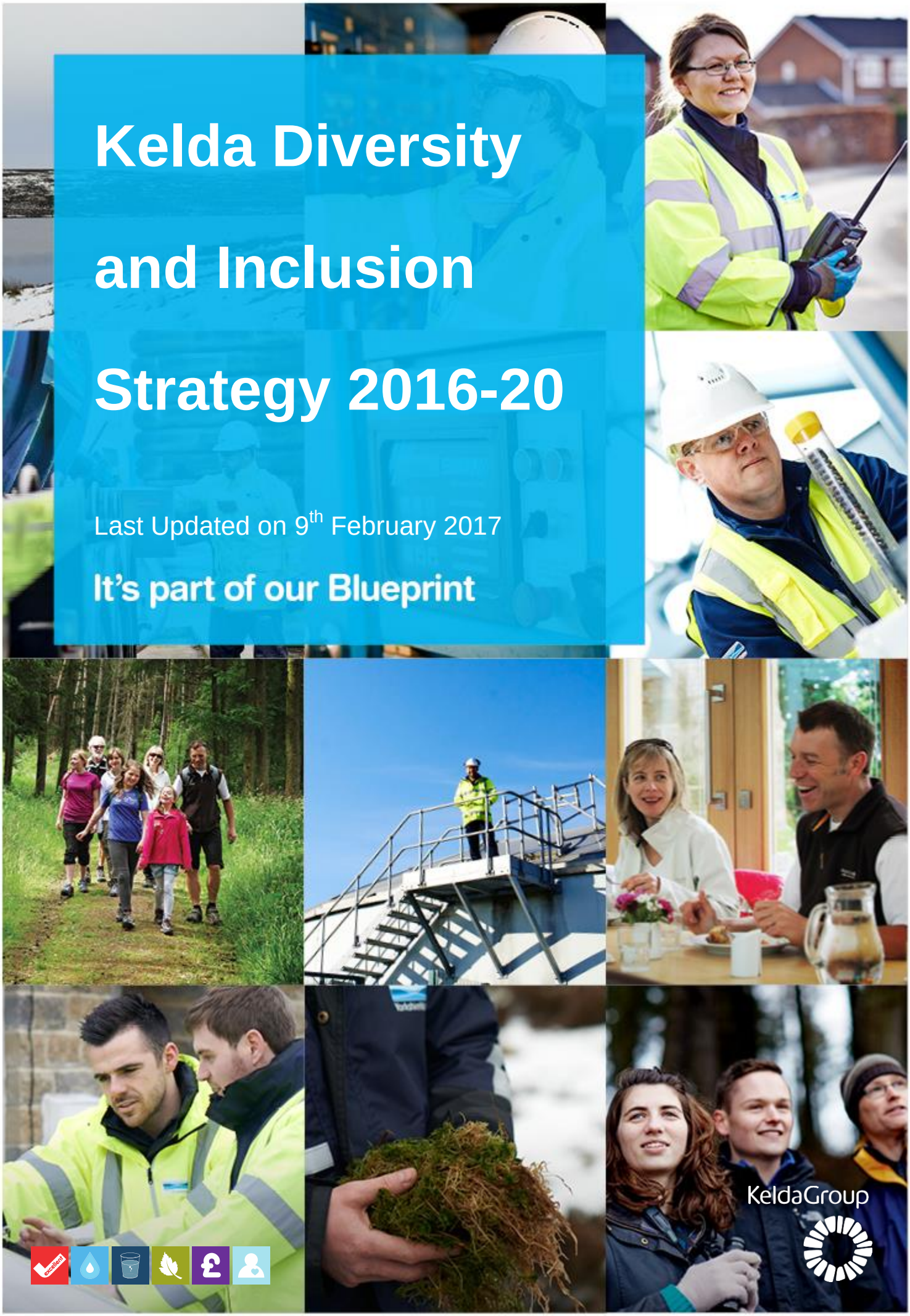
It's part of our Blueprint



Kelda Diversity & Inclusion Strategy 2016-20

"Strive to be as diverse as the society it serves inclusive of all"

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Foreword

I am delighted to introduce the Kelda Diversity & Inclusion Strategy. At Kelda, our people are our most important resource, they are critical to our success as a business and the effective delivery of our services to customers.

We are passionate in ensuring we represent the diversity of the communities we serve, and about creating an inclusive workforce which enables our colleagues to be their best.

Organisations that embrace diverse workforces deliver better results, have more motivated colleagues, better represent customer needs and have greater ability to innovate, leading to better decision making.

We have made some excellent progress to date on diversity and inclusion – and we should celebrate that. This strategy builds on the work we have done so far and our commitment is demonstrated through indices and benchmarks such as Ernst & Young's National Equality Standard and Business in The Community's Corporate Responsibility Index.

Richard Flint
Chief Executive
Kelda Group

Executive Summary

Kelda operates in a diverse community. Our stakeholders include employees, customers, suppliers, contract partners, regulators and shareholders. We aim to recognise and value this diverse stakeholder population through understanding and meeting its different needs. We aim to promote Diversity & Inclusion as an employer and seek to ensure that Diversity & Inclusion principles underpin all areas of our work and service provision. We have a fundamental belief that valuing our people for their individuality will create a culture in which talent, creativity and innovation can thrive and will help bring out the best in our people to enable us deliver a great service for our customers.

Kelda has made significant progress since the launch of our first Diversity & inclusion Steering Group in 2013 and we are proud of what we have achieved since then. Over the last three years, the company has progressively moved to a far stronger position and there is a clear focus on the actions and improvements required to champion equality, diversity and inclusion (EDI), in all we do.

Our vision for Diversity and Inclusion is that '*we strive to be as diverse as the society we serve, inclusive of all*'.

Our commitment to Diversity and Inclusion is demonstrated in four key activities:

1. Our People Strategy as part of Blueprint 2020 clearly articulates our Diversity and Inclusion aspirations for the AMP and up to 2025.
2. The Corporate Responsibility Committee (CR Committee) have identified Diversity and Inclusion as one of its three key areas of focus
3. Our commitment to achieve 5 stars from the Business In The Community (BITC) Corporate Responsibility Index (CR Index) of which Diversity & Inclusion is a key part.
4. Our aim to retain the National Equality Standard (NES) and to enable the organisation to move further towards a state of 'institutionalised inclusion".

This strategy sets out our diversity, equality and inclusion aims for the next four years through a clear focus on 4 strategic themes:

1. **Representation** – A focus on under-represented groups to create a diverse, representative workforce at all levels in the organisation.

2. **Inclusion** – Create a working environment with a culture that encourages collaboration, flexibility, and fairness enabling individuals to contribute to their full potential and provide an attractive value proposition for future employees.

3. **Capability** – Managers at all levels to demonstrate effective leadership and due regard to equality, diversity and inclusion.

4. **Customer Equality & Corporate Social Responsibility** – Provide an inclusive and accessible service for our customers based on understanding their diverse needs and making reasonable adjustments as appropriate.

The water industry is going through a period of unprecedented change. Delivery of this strategy links directly to our plans to deliver the initiatives set out in our People Strategy. It will guide our effort in promoting diversity and inclusion in everything we do to achieve our Strategic Business Objectives and ultimately our vision.

Defining Diversity & Inclusion

- **Diversity** – *What We Are* - Diversity refers to a broad range of attributes which includes our visible differences such as gender, race and ethnicity and visible disabilities. But it also includes our non-visible differences such as sexual orientation, social class, heritage, religion, unseen disabilities, different perspectives and thought processes, education, family status and age. These are unique characteristics and differences that each of us have.

- **Inclusion** - *What do we do with what we are* - Inclusion is about creating an environment where people have both the feeling and reality of belonging and are able to work to their full potential. Key to this is an environment which is welcoming and embraces the strengths of our differences, encouraging involvement, and providing equal access to opportunities and information.

The Business case for Equality, Diversity and Inclusion

'To be as diverse as the society we serve, inclusive of all' *feels* the right thing to do but, moreover, is clearly supported by a business case for business performance; from attraction and selection to customer service and organisational effectiveness. No job applicant or colleague will receive less favourable treatment because of race, colour, nationality, gender, sexual orientation, marital status, age disability or religion.

- **Improved customer service**

  Research on diversity shows that a company that employs a diverse workforce is better able to understand the demographics of the marketplace it serves and is therefore better equipped to thrive in that marketplace compared to other less diverse companies. In contrast, research shows that companies which do not have a strong diversity culture will invite lower productivity, higher absenteeism and higher staff turnover, which will result in higher costs to the company.

- **Improved organisational effectiveness**

  Diversity allows the avoidance of 'group think' and brings potential benefits such as better decision making and improved problem solving, greater creativity and innovation. In turn this can lead to enhanced organisational effectiveness and enhanced ability to serve different types of customers, both internally and with a multicultural customer base.

- **Improved loyalty, engagement and a sense of belonging**

  The act of recognising diversity allows for employees with a diverse range of abilities and talents to feel a sense of belonging and feel valued. This in turn increases their commitment to the company and allows each to contribute in a unique way; providing challenge, fresh approaches and helping to eradicate group think.

- **Meeting future needs**

  Our internal work on sustainability trends illustrates the opportunity to meet future needs by becoming a more diverse organisation which taps into currently untapped talent pools and contributes to the success of the region: a region which is more diverse than much of the UK.

  We are recognised as a good employer in the region and do not find it difficult to recruit and retain good staff but when senior technical people leave the business, it is often hard to replace them. Over the next 25 years, our sustainability research shows that there will be a skills shortage in our region. By encouraging diversity, we are able to widen the pool of potential from which we are able to draw employees from.

Current Position and What We've Achieved

(All figures represent latest available data – 31st December 2016)

Gender

- 33.1% women in our workforce (1234 out of 3724 employees). This compares to the whole Yorkshire & Humber population in employment where 47 % of the workforce are female.
- 31.2 % women in management roles i.e Band 3B and above (129 out of 413 employees) as compared to 29.1 % women in the same group as at 1st April 2015 (94 out of 323 employees).
- In response to an underrepresentation of females at senior levels, we have collaborated with the external organisations (i.e Pearls Programme, Forward Ladies) to foster development opportunities for females in the organisation. As per a recent survey, 47% of participants on the Pearls programme have been promoted or taken a sideway move as a result of the programme.
- Various recruitment activities are in place to develop the female talent pipeline particularly for STEM roles. Examples include mentoring for female school pupils, National women in engineering activities with young school girls and targeted female recruitment campaigns.
- Increased female representation on the board by challenging the recruiters to provide more diverse candidate shortlists.
- Regularly report on our gender pay gap data externally on the Kelda Group website.

Ethnicity, Race, Religion and belief

- Statistics show that our region is more racially diverse than much of the UK, with around 9.2% of the people living in the Yorkshire and Humber region from ethnic minorities. 8.2% of our workforce is made up of Black, Asian and other ethnic minority (BAME).
- We have identified an underrepresentation of BAME employees particularly at senior levels compared to local demographics. There are 2.7% BAME in management roles i.e Band 3B and above (11 out of 413 employees).
- Successful appointment of our first BAME member to the executive team.
- The recruitment team engages with schools in ethnically diverse areas in order to increase the number of BAME individuals entering the talent pipeline.
- Celebrations are held for Eid and Diwali at our key office locations. Multi faith contemplation rooms are available at key Kelda offices.

Disability

- Currently only 1.6% of Kelda employees are considered to have a disability. The low declaration rate and the fact that most impairments are invisible, indicates that we do not have a full picture on disability, making it more challenging to measure our progress towards offering inclusive employment opportunities for disabled staff.
- Working with the Lighthouse School in Leeds, a school for students with an autistic spectrum condition, we are providing internships for seven students. This exposes colleagues to the benefits of inclusion, provides students with employability skills and opens up a further talent pool for the future.
- Adjustments are also made for disabled applicants throughout the recruitment process. Disabled candidates who meet the minimum criteria for a role automatically progress to interview stage.
- A variety of initiatives are in place to promote mental health and wellbeing among employees such as:

    - We are giving all employees the opportunity to undertake Mental Health First Aid Training, this is mandatory for managers but open to all employees who want to attend. 280 employees have been trained since the launch of training last year.

- We have a stress policy in place and all managers are required to undertake a mandatory stress risk assessment with their team; individual stress risk assessments are also carried out. Employees who report stress or mental health issues irrespective of whether the cause is work or home are referred to occupational health and all employees have the option to self-refer to occupational health in confidence.
- We offer counselling, CBT and a variety of taking therapies , we also refer employees with complex mental health issues to a consultant psychiatrist. 265 colleagues have received counselling in 2016 alone.
- We also offer resilience training and activity behaviour therapy which encourages employees to engage in outdoor activity which research suggests significantly improves low mood.
- We are currently in the process of introducing a workplace therapy dog as again there is research evidence that animals in the workplace can significantly reduce stress.
- We also run a self-help depression group that is open to all our employees and facilitated by our in house counsellor.
- There is good research evidence that links muscular skeletal disorders and mental health and as such we offer day 1 referral to physiotherapy for employees presenting muscular skeletal issues.

Age

- The majority of Kelda employees sit in the age range 46-55 years, followed closely by the age brackets of 36-45 years and 26-35 years. These main age brackets make up approx. 78% of all Kelda employees. We need to plan ahead for the skills gaps that an ageing population will produce, especially in operational roles.
- This increased prevalence of disability is also affecting our older employees, particularly those whose work involves more physical activities. We need to equip our managers with guidance and support on managing disability so that we can take a pragmatic approach to making reasonable adjustments for disabled individuals with safety critical roles. We also need to find new ways to retain the knowledge and skills of those we employ.
- In line with UK legislation, Kelda does not currently have a default retirement age.

Diversity Enablers

Senior Management Commitment

- The commitment to Diversity & Inclusion is supported by the Kelda Management Team, the Chief Executive and the Board. The Board regularly monitors the progress on Diversity and Inclusion via a specific agenda item within the Corporate Responsibility Committee.

Diversity & Inclusion Policy

- Kelda currently has an Equality and Diversity Policy which is published on the company intranet as well as external company website, and is applicable to all employees and applicants. This is supported by a suite of HR related policies including; Dignity at Work, Family Friendly policies (such as maternity, paternity, adoption, fostering, IVF, dependants leave, parental leave, job sharing, flexible working, part time working etc.). Many of these policies go beyond what is required by employment legislation.

Benchmarking through BITC

- Kelda Group submits an annual Corporate Responsibility Index to BiTC (Business in the Community), which includes a section on Equality and Diversity for which evidence must be provided to validate the submission. For 2016 we achieved a 4.5 star rating, with a score of 78% achieved for the Equality and Diversity section. Gap analysis work has shown that there are a number of areas to improve on to allow us to achieve 100% in this area and be seen as sector leading and applying best practice. These factors are considered within this strategy.

National Equality Standard Assessment

- In 2016 we become the first water company to achieve the National Equality Standard (NES). It is a developmental diagnostic which consists of seven core standards and a comprehensive set of good practice competencies. The award has shown our commitment to EDI and we will continue to work in partnership with the NES to ensure we keep focusing our efforts in the right areas and develop a Strategic Diversity & Inclusion Action Plan to meet the competencies partially met.

Diversity & Inclusion Group

- There has been an Equality and Diversity Steering Group at Yorkshire Water since 2003, tasked with the responsibility of identifying, promoting and reviewing Equality and Diversity activities across Yorkshire Water. This group was rejuvenated in 2013 and is now made up of senior managers, colleagues and internal & external stakeholders from across the business.

- There are three strategic priorities identified for the group; each led by a member and supported by a subgroup. Progress is presented at each meeting and future work is tested within the group. These stream leads are non HR or EDI related individuals in order to ensure the EDI agenda is cascaded throughout the organisation.

- All the three streams have identified the key projects they will be working on in the next 12-36 months with a dedicated project manager for each planned activity. The common themes across all the streams are around reviewing recruitment and attraction activities, developing employee networks and being a mindful employer.

Our Vision, Aims and Outcomes

Our Diversity & Inclusion Vision

"As an organisation Kelda will strive to be as diverse as the society it serves inclusive of all"
We want to be an organisation where people "get the message" that diversity and inclusion are an essential and embedded part of our business Strategy.

Achieving this sort of organisation is no simple task. We want to continuously improve and increase the pace of progress. Hence, this Strategy is focused on concerted action in supporting effective and authentic leadership, behaviour change and tangible outcomes.

Our visionary state by 2020 is to deliver this strategy and be able to say that we have built an understanding of diversity in everything we do. Diversity and Inclusion will be ever more a core part of who we are and we do, throughout the organisation.

We have come up with a D&I Action Plan which we believe will make a real difference to Diversity & Inclusion across our the Board, our Customers, our People and our partners. We will deliver on the plan and report on progress annually.

Our Aims

Our four strategic aims for the next four years are :

1. **Representation** – A focus on under-represented groups to create a diverse, representative workforce at all levels in the organisation.

2. **Inclusion** – Create a working environment with a culture that encourages collaboration, flexibility, and fairness enabling individuals to contribute to their full potential and provide an attractive value proposition for future employees.

3. **Capability** – Managers at all levels to demonstrate effective leadership and due regard to equality, diversity and inclusion.

4. **Customer Equality & Corporate Social Responsibility** – Provide an inclusive and accessible service for our customers based on understanding their diverse needs and making reasonable adjustments as appropriate.

Ensuring compliance with the National Equality Standard is a common thread throughout these aims. Our diversity and inclusion group will oversee implementation of our diversity and inclusion action plan and report on progress half-yearly to the CR Committee and Kelda Holdings and YW Board via the HR Director.

Our Outcomes

To achieve our vision to be as diverse as the society we serve inclusive of all, we need to deliver tangible beneficial outcomes against our strategic aims.

1. Representation

Our Outcome

- A diverse, representative workforce at all levels.
- Kelda attracts and develops people from the widest social backgrounds fully realising the benefits of a diverse workforce.

Our priorities

- Review recruitment and selection practices to attract and appoint from a diverse applicant pool.
- Improve our diversity data (declarations) across the business and ensure that representation levels are on a positive trend to meet the D&I targets.
- Improve further access to promotion and development opportunities for talented staff from the widest social backgrounds - identifying staff with high potential for top management and a pipeline if future talent.

2. Inclusion

Our Outcome

- An inclusive culture that attracts, supports and develops people from diverse backgrounds and where the benefits of an engaged workforce are fully realised
- Improving levels of engagement for all staff - actively tackling bullying, harassment and discrimination, and treating people with dignity and respect

Our priorities

- Develop and use targeted communications and inclusion/engagement tools to raise awareness of diversity and inclusion
- Ensure all business areas are appropriately meeting legal requirements to support staff with disabilities who require reasonable adjustments.
- Act on analysis of the Kelda Voice Survey's 'Diversity & Inclusion ' scores to address any concerns identified.
- Carry out equality analysis and people impact assessments on proposed new (or refreshed) policies identified and discuss these impacts with key stakeholders.

3. Capability

Our Outcome

- Leaders at every level demonstrate active, authentic and visible leadership, driving every aspect of EDI within day-to-day business across the organisation.
- Managers are confident in creating the conditions in which every member of their team can fulfil and reach their potential

Our leaders will

- Demonstrate active, visible leadership down to first line management with clear, transparent accountability for delivering equality, diversity and inclusion.
- Take personal responsibility for embedding equality, diversity and inclusion into their business plans focusing on outcomes.
- Enhance and develop staff capability on equality, diversity and inclusion across the business. Work on unconscious bias roll out and embed it in all key people decision-making processes.
- Champion diversity and protected characteristics and take personal responsibility for driving the equality agenda forward

4. Customer Equality & Corporate Social Responsibility

Our Outcome

- Our procurement and commercial activities directly or indirectly deliver social value by embedding equality, diversity and inclusion considerations in all of our activities
- A diverse workforce equipped with the appropriate skills and knowledge to deliver professional and high quality goods and services to our stakeholders, and to the diverse range of people and communities we come into contact with
- A variety of social tariffs and support mechanisms to support our diverse customer base, including the most vulnerable in society.

Our priorities

- Further develop our understanding of the impact of our services on customers and identify more clearly those who need enhanced support
- Ensure services are delivered in a way that promotes equality and respects diversity and inclusion.
- Ensure our CSR responsibility is appropriately reflected in Kelda policies, processes, projects, training and engagement (e.g through education and volunteering).
- Cascade our approach to enhancing social capital through to our supply chain.

Governance

Progress on Diversity & Inclusion is regularly discussed at Board Level and features as one of three key focus areas of the Corporate Responsibility Committee. The Diversity & Inclusion governance structure is summarised below :

D&I Steering Group		
Acts as a core driver of the 3 EDI streams identified	Chaired by Rebecca McDonnell, Talent Manager	Attended by business and external representatives

Corporate Responsibility Committee		
Updates from the D&I Steering Group are fed into this forum.	Chaired by Richard Flint, Chief Executive	Reviews diversity demographics and progress

Kelda Holdings Board of Directors meeting		
Richard Flint, Chief Executive, provides updates on behalf of the CR Commitee	The highest level governance structure in the group for which Anthony Rabin acts as Chair	Shauna Purdey, HR Director, provides updates from the D&I Steering Group

- This strategy is (yet to be) approved by the governance structure above and will be reviewed annually. Material changes will be re-taken through the governance structure for approval.
- This strategy will be progressed through the development of an action plan which will be regularly reviewed by the D&I Steering Group and reported to CR Committee.