

Equity, diversity and inclusion strategy

2025–28

Being Ourselves. Welcoming All



Introduction

As we embark on the next phase of our journey in EDI at Ofwat, I want to personally share our updated EDI strategy that builds on the foundations that we have already created here at Ofwat.

EDI remains a key priority for the SLT and our Board, and it is more than just values that we uphold; they are fundamental to the culture we strive to build every day. As we continue this journey, I want to reflect on the progress we have made so far.



Our gender and ethnicity pay gap results continue to show progress, and we continue to support staff networks and a network of Champions that gives us insight into our people's experiences here. We continue to deliver a series of EDI training, including ongoing support for our people managers to ensure EDI is truly embedded into their role.

While we are proud of the strides we have taken, we recognise there is always more to do as we are still not representative of the communities we work in at our more senior levels. That's why we have decided to evolve our approach through our new EDI strategy. One way we are doing this is by shifting the 'E' in EDI from 'equality' to 'equity'.

We need to ensure our diverse people are equally distributed through every level of our organisation

This shift acknowledges a truth: that we need to ensure our diverse people are equally distributed through every level of our organisation. We understand that achieving true inclusion requires us to do more than treat everyone the same – it requires us to ensure that everyone has access to the opportunities they need to succeed. This commitment to equity means being intentional about recognising and addressing the barriers that individuals may face, and actively working to continue to create an environment where everyone can thrive.

We are not afraid to tackle the uncomfortable questions, and we have continued to open up the space to be able to talk so that we can create an environment where everyone can truly be themselves at work. We have encouraged everyone to be inquisitive and curious while being respectful about EDI issues.

This strategy outlines the ways we are already delivering against this commitment, as well as how we intend to strengthen our position, and the actions we take on EDI as Ofwat continues to grow.

Chris Walters
Interim Chief Executive

Progress to date: highlights

At Ofwat, we have been busy leading change on EDI since the launch of our 'Being Ourselves' strategy in 2021.

We are committed to building on the great work we have delivered so far. With our refreshed EDI Strategy, our approach to creating a truly inclusive and diverse workplace will be bolder than ever before. We are an organisation that prides itself on our culture, and this is due to the great people we have working here. By strengthening our position on EDI, we can continue to attract the best people and get the best out of them.



Highlights of our progress on the Being Ourselves strategy

Educate

We have continued to deliver Outside In Talks and Elephant in the Room sessions, ensuring that a range of subjects are openly shared and discussed. These have been supplemented with inclusive recruitment sessions and a Mentoring with a Difference scheme. We've conducted a range of EDI training, for example on the impact of the menopause, to support colleagues in the workplace. Continuing to equip our People Leaders will be essential to embedding EDI into our DNA.

Engage

Our staff networks (including Being Ourselves Champions) continue to be supported, including celebrations for events such as Black History Month. These have been supplemented by attendance at external Cultural Calendar club events.

Equip

The People Dashboard now provides a range of EDI data on the demographics of our people. Policies are being rewritten for inclusive language and a new toolkit will help provide our people with the confidence to discuss EDI issues.

Evolve

Our Gender and Ethnicity Pay Gap results continue to show progress. We have also developed our recruitment practices, including transparent interviews, refreshing our candidate packs and creating our Employee Value Proposition. Our recent graduate intakes continue to provide greater depth to our diversity. Flexible working, part-time and job-share options are as standard now in candidate packs contributing to increasing attraction of our roles to people with caring responsibilities, people with disabilities, both older and younger candidates.

We have a legal duty to ensure we meet the requirements of the Public Sector Equality Duty (PSED) and to encourage water companies to embrace EDI at all levels. Alongside other UKRN members, we have signed up to the UKRN D&I pledges to be drive change and raise standards for EDI within the sector we regulate.

A small subgroup of policy colleagues, supported by Chris Walters now, have reviewed Ofwat's compliance with PSED. We are confident we are compliant, but we could go much further to build EDI into our regulatory decision making. We have made some progress here, for example, EDI has been a key consideration in the development of the customer licence condition, and the Innovation Fund evaluation includes EDI considerations, and Your Water Your Say meetings will amplify different voices. However, we have more to do here so that we build EDI into our policy making.

Context

Our people

We employ around 410 people in full and part-time roles split between our Birmingham and London office locations, with a new location now open in Cardiff. Our skilled people have expertise in a range of professions including economics, policy, legal, digital and data, finance and also water, engineering science and technology.

Our people bring with them a wealth of knowledge and experience, coming from a variety of different backgrounds including the Civil Service, regulation, charities, local government and the private sector.

Our people metrics

We measure success by tracking key people metrics from our annual people survey, and the specific questions on inclusion and fair treatment.

	2023	2024	Civil Service average 2024
Inclusion and fair treatment overall score	86%	88%	80%
I am treated fairly at work	88%	90%	84%
I am treated with respect by the people I work with	92%	93%	88%
I think that my organisation respects individual differences	91%	92%	79%

What our workforce data says about our people

Our people are diverse, and they all contribute to the success of Ofwat in different ways. Recognising and valuing these differences is key for this new strategy.



51% are female



55% are based in Birmingham



22% are black or ethnic minority ethnicity



5% told us they have a disability



8% have told us they are part of the LBGTQA+ community



48% have a religion, with most identifying as Christian

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30

24% are aged under 30

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50

26% are aged over 50

EDI strategy creation: What our people tell us

Ofwat is in a positive position when it comes to furthering our commitment to EDI.

We have a great opportunity to continue to build on this progress and become bolder on EDI. This strategy review aims to do that.

12%

of our
people were
interviewed

Groups included:

Staff networks
New starters
Office Committee
Recruitment
managers

We also
interviewed the
Early Careers Lead,
and the L&D Lead for
Ofwat to support
our findings

76%

of focus group
participants responded
positively when asked if
they are proud to work
at Ofwat

66

Transparency and communication

“[Ofwat] is very transparent with the figures and sharing things on a yearly basis and biannually on the EDI figures”

“The new EDI toolkit has been launched – has not seemed to have much fanfare”

Our impact as a regulator

“Ofwat has done work on focusing EDI on internal processes, attract people in, develop careers make it a fair place for people to work, and have probably left a gap in how do we conduct ourselves as a regulator”

Training and development

“Personally, I found [discussing EDI topic] quite difficult because I think it kind of depends on the people leader you do have... [and] how much knowledge they have”

“[Learning] isn’t mandatory or tracked”

Leadership commitment

“[D]o we have a board member responsible for EDI?”

Evidence-led EDI

“The Customer Measure of Experience, monitors customer satisfaction. The questions in there do not cover sociodemographic questions. When I started, that was discussed, at the next review it was agreed it would be looked at, but then people change”

Representation/bias

“I have noticed with the more senior roles I’m not seeing the proportions of gender or ethnicity split. It’s not there. So, it does leave questions, okay can I be successful here because I don’t see many people that look like me whether that’s from an ethnic point of view or gender point of view”

“I’ve seen women being spoken over... but it is never really talked about”

How the EDI strategy links to our other work

Our business strategy sets out three goals:

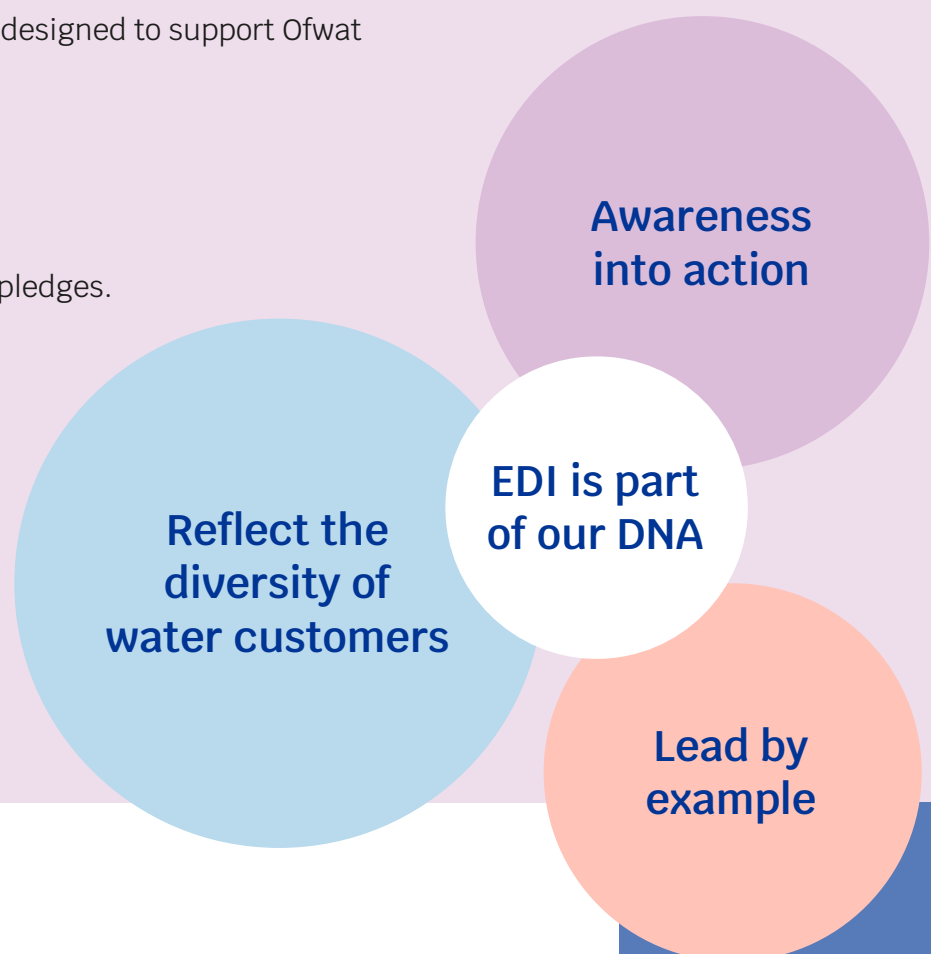
- To transform water companies' performance.
- To drive water companies to meet long-term challenges through increased collaboration and partnerships.
- For water companies to provide best value and outcomes for customers, communities and the environment, now and in the future.

To do this Ofwat will:

- Promote wider public purpose.
- Work in partnership to increase our impact.
- Make the environment integral to all that we do.
- Listen to customers more directly.

The EDI strategy has been designed to support Ofwat with the delivery of:

- the corporate plan;
- people strategy;
- SAILOR values, and
- UK Regulators Network pledges.





We work collaboratively, we stand by each other and are committed to each other's wellbeing



We aim high in the best interests of customers, the environment and society



We act and speak honestly, and have the confidence to challenge and be challenged. We have difficult conversations when needed and we will do what we say we will



We love to learn about new ideas and different ways of doing things and we help each other to develop and grow



We each take responsibility for our own actions and care about our impact on others



We value people for who they are, and the ideas and perspectives they bring

Strategic overview and aims

At Ofwat, we pride ourselves on the great work we have done to embed EDI across our organisation. Our people tell us that this is an inclusive and fair place to work and, underpinned by our SAILOR values, we strive to build on the great foundations we have set.

Our evolved strategy asks us to take even bolder steps forward on EDI, ensuring Ofwat is an organisation that continues to be a great and equitable place to work for everyone, and a regulator that meets the unique needs of our diverse customers through our regulation of the wider water sector.

Through this evolution of the EDI strategy, we will increase the diversity within our organisation to better reflect the communities within which we operate and the customers we serve.

Our EDI strategy will enable Ofwat to continue to respond to the rapid pace of change of workplace expectations, the political landscape, and society, ultimately making a Ofwat a high performing and great place to be.



Our aims – Ofwat of the future

EDI is part of our DNA

EDI forms part of everything we do here at Ofwat and is intentionally embedded into our processes and practices. It is everyone's responsibility to progress EDI, and we have clear goals and expectations aligned with our SAILOR values. Psychological safety is leveraged as an enabler of constructive challenge, innovation and curiosity.

Reflect our diverse customers

We mirror the diversity of the communities we operate in and the customers we serve by actively recruiting, supporting and retaining a workforce that represents the diverse backgrounds, experiences, and perspectives within these communities. Actions and decisions are informed by a broad spectrum of voices, fostering inclusivity and enhancing our connection to those we serve, enabling us to provide and encourage a better service for all. Ofwat is an employer of choice for diverse talent and actively seeks to improve the diversity of future talent for the sector, encouraging the talent of the future to join water.

Awareness into action

Our people at Ofwat deepen their understanding, empathy and awareness for people who are different from them, and different ways of thinking and operating. Our people and leadership prioritise EDI, embedding it into their day-to-day roles. This enables Ofwat to operate as a regulator that leads with empathy, challenging the water sector to deliver best outcomes for customers and communities no matter their background.

Work in partnership

We set the tone and standards for EDI as a regulator and for the water sector. We are in a strong position to transform water companies' performance by role modelling continuous improvement and inclusive leadership in everything we do. We are recognised in the wider regulatory sector as a leader on EDI and work alongside other regulators to adopt a strong approach to EDI for the overall benefit of our people, communities and customers. to deliver best outcomes for customers and communities no matter their background.

EDI governance

While everyone's responsible for driving EDI at Ofwat, having a clear governance structure ensure the work gets done. This also disperses the actions across the organisation so it's leader and employee-led, and not just reliant on a small number of individuals.

Given the structure of Ofwat, it's important that EDI governance can be embedded into current ways of working, being built in instead of bolt-on. This governance structure gives everyone the opportunity to lead by example, and it also demonstrates that the responsibility for EDI delivery is far-reaching across the organisation. The structure also enables People Committee and the Board to gain assurance that we are taking the right action for Ofwat, both now and in the future.



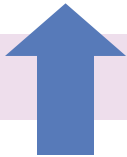
People Committee and Board

Gain assurance and provide input and direction on EDI proposed plans.



Senior Leadership Team and Extended Leadership Team

Accountability for driving EDI sits firmly with the SLT and ELT across Ofwat. They are responsible for delivering against the action plan and reporting their progress to People Committee and Board as part of usual people reporting requirements.



Staff Networks

Representing colleagues from different backgrounds such as gender, race and ethnicity, religion and culture, disability and neurodiversity, and LGBTQIA+ – the list is not exhaustive and Ofwat should establish groups that support them in delivering against their EDI strategy and ambitions.



Office Committee

Utilise the input from trade and non-trade unions based on what they see and hear across the organisation. It should be clear that we are looking for their insights from a EDI perspective to feed into the direction of project work to drive change.

Roles and responsibilities

Leadership (Board, SLT and ELT)

Leading by example and promoting an organisational culture that is supportive of the benefits of diversity and inclusion.

Champion and drive EDI by setting measurable goals, actively addressing and resolving inequities, fostering an inclusive culture through mentorship and support, and holding themselves and their teams accountable for progress and outcomes linked to EDI.

Ensuring that the diversity and inclusion policy underpins all aspects of our work by implementing it in their particular business functions, including business plans and objectives throughout the organisation.

Maintain and protect our standard for EDI and provide constructive challenge when behaviours do not promote or demonstrate openness, inclusion and diversity at all levels.

People Hub

Ensures that managers and our people alike are aware of the commitment to diversity and inclusion and to work to achieve a more open, inclusive and diverse organisation.

Maintain and protect our standard for EDI and provide constructive challenge when behaviours do not promote or demonstrate openness, inclusion and diversity at all levels.

Coach and support managers to take responsibility for their own behaviours and the behaviours of those within their sphere of influence and management.

Ensure regular reviews and development of the EDI approach, consulting with the Staff Networks, and trade and non-trade unions for their input.

People Leaders

Ensure that policies and procedures relating to EDI are implemented and communicated to all existing and new our people.

Promote a professional and positive work environment by being inclusive and open, and challenging behaviour or decisions that breach our values.

Raise awareness of EDI, act as a role model for others, and develop personal skills to promote diversity and inclusion.

Ensure that our partners, stakeholders, contractors and suppliers understand how we do EDI here and agree to comply with it.

Our people

Personally commit to treat each other with respect and dignity and set an excellent standard of behaviour for others to follow.

Demonstrate accountability for EDI by promoting and upholding diversity, equity and inclusion principles through proactive engagement, respectful communication, and equitable treatment of all colleagues at Ofwat.

Speak up when behaviours do not promote or demonstrate openness, inclusion and diversity at all levels.

Familiarise themselves with our approach to EDI, follow our policies and ensure that any employee for who they are responsible does the same.

Our aims: EDI is part of our DNA

Leadership commitment

Ambition

Leaders set the tone from the top through clear and consistent communication and action emphasising their commitment to EDI. Leaders take ownership of their role in driving change and set clear expectations of their teams.

Timescale and target

- 2026:** Embed inclusive leadership principles into performance review for leadership
- 2026:** Issues are weaved through all of their decision making
- 2028:** Increase the percentage of people from diverse backgrounds at leadership level (SD and Director)
- 2028:** 5% reduction in gender and ethnicity pay gaps

Embedding across the organisation

Ambition

Our policies, processes and how we operate are underpinned by EDI and our SAILOR values. They are continually reviewed to assess risks and opportunities to benefit EDI outcomes. EDI is everyone's responsibility and is embedded into roles and responsibilities across the organisation. Our people and leadership demonstrate their commitment to EDI through their behaviour and decision making.

Timescale and target

- 2025:** Audit of our policies, practices and processes – highlighting areas for improvement to enhance EDI
- 2025:** Set roles and responsibilities for each level at Ofwat. Be clear on what is expected of our people, people leaders, and senior leaders when it comes to EDI

Governance

Ambition

EDI is built into our existing governance structure. Our Board and People Committee take an active role in seeking assurance that we are delivering against our EDI goals and mitigating any risks associated with EDI. Our SLT and Extended Leadership Team are accountable for EDI progress against the action plan and must provide rationale where a lack of progress is being made.

Timescale and target

- 2025:** Embed EDI into our People Committee and Board reporting
- 2025:** EDI forms part of the regular SLT and ELT meetings to discuss progress against key EDI projects and actions
- 2025:** Equip the Board and People Committee to understand EDI related risks to Ofwat to enhance their ability to gain assurance from ELT and SLT

Communication

Ambition

Our stance on EDI is clearly communicated at every opportunity. We use story-telling to highlight diverse perspectives across the organisation. We respond to EDI issues and events in an appropriate and empathetic way, demonstrating clear leadership.

Timescale and target

- 2025:** Create a communication plan for EDI related activity
- 2026:** Have a clear process for responding to EDI issues and events. Ensure leadership is involved in this process and that key messages come from the top

Our people's voice

Ambition

We continue to listen to and engage our people at every step of the way. We give our people channels to share their diverse views and experiences via our Staff Networks, EDI Champions, and Office Committee. We enable our Networks, Champions and Office Committee to represent our people's voice, act as an advisor and contribute to our EDI goals and priorities as an organisation.

Timescale and target

- 2025:** Create a channel for Staff Networks, EDI Champions and the Office Committee to regularly feed into ELT and SLT meetings on EDI related issues

Our aims: Awareness into action

Training and development: leadership

Ambition

Training and development: leadership
Our leaders and people leaders continue to be given appropriate training and development to embed EDI into their roles and responsibilities. They are clear on what actions they need to take to demonstrate inclusive leadership, enhance psychological safety, and lead diverse teams. Our leaders and people leaders are empowered and supported to navigate EDI issues as they arise.

Timescale and target

- 2025:** Deliver a rolling programme of awareness sessions, including race and ethnicity, gender, sexual orientation, disability and menopause
- 2025:** All leaders (ELT, SLT and Board) to go through EDI refresher training and development. Leverage the Accelerate Programme to deliver this

Training and development: our people

Ambition

Our people are clear on our expectations of them to promote a culture of inclusion, equity and diversity. We promote a culture of dignity and respect through the emphasis of our SAILOR values across our suite of training and development. Our people are clear on what actions they need to take to embed these into their day-to-day roles and how they can contribute to our inclusive culture.

Timescale and target

- 2025:** Organise events celebrating diversity of our people and improving understanding of people from different backgrounds
- 2026:** Roll out of mandatory EDI training for all our people at Ofwat
- 2027:** 50% of our people to have completed some form of EDI training and development

Reporting

Ambition

To create action from awareness, leaders must set EDI goals as part of their objectives. These will be tracked as part of the performance review process. Our engagement survey results continue to increase year-on-year as our people and leadership continue to build on their awareness and demonstrate this through the actions they take, and their behaviours.

Timescale and target

- 2026:** All leaders (ELT, SLT) have set EDI goals as part of their wider objectives
- 2027:** ELT and SLT to set team goals and objectives to progress EDI – these should support them delivering their business as usual
- 2027:** ELT and SLT able to evidence significant progression on their EDI individual and team goals

Our aims: Reflect diverse water customers

EDI metrics and reporting (demographic)

Ambition

Our people reflect the diversity of our diverse customers and the diverse communities in which we are based, and we track and communicate our progress on this. Where we're able to, we include diversity tracking when reviewing customer/consumer outcomes to identify any demographics that may be disproportionately negatively impacted by the water companies' conduct.

Timescale and target

- 2027:** Increase in the percentage of staff who choose to declare their disability status
- 2027:** Develop regular EDI reporting on areas such as disability and sexual orientation and GEM
- 2028:** Increase the percentage of people from diverse backgrounds at leadership level (Senior Director and Director)
- 2028:** Measure and report on the customer/ consumer demographic data against issues brought to us as a regulator.

Diverse customer voice

Ambition

We provide a platform for diverse consumers and communities to share their experiences accessing their water service. We regularly partner with the water companies to listen into customer calls to deepen our understanding of what end water customers' needs are and how this differs between different communities. This also helps us to better understand where customers from different backgrounds may be disproportionately impacted by poor service.

Timescale and target

- 2028:** Enhance existing processes for listening to end customers' experiences that overlay an EDI lens
- 2028:** Work with the water companies to establish regular opportunities for Ofwat team to listen into customer calls

Attracting and retaining diverse talent

Ambition

Our recruitment, onboarding and development policies and processes are reviewed and updated regularly to ensure they're equitable and any barriers for diverse talent are removed. Our recruitment managers regularly undergo specific EDI training and development to mitigate bias through the recruitment process. Our website and external communication includes diverse voices and perspectives that demonstrate we are an organisation where diverse talent thrives. We want people of gender and GEM population across all levels of Ofwat, especially at Principal, Director and Senior Director Level.

Timescale and target

- 2025:** Review and update recruitment policies and processes through an EDI lens
- 2025:** Continue to grow diverse talent through our early career options, such as graduates and apprentices
- 2025-26:** Create training and development for recruitment managers to support them in mitigating bias from the recruitment process
- 2026:** Continue to develop our EVP and ensure that our external platforms demonstrate Ofwat as an employer of choice for diverse talent
- Ongoing:** L&D activity to focus on development and creating diverse opportunities to encourage retention of diverse talent
- Ongoing:** Explore routes for progression for diverse talent incorporating coaching, mentoring and other activities

Our aims: Lead by example

External reporting

Ambition

We are intentional about our EDI priorities and demonstrate our commitment and accountability on delivering this agenda by publishing our reporting externally. We celebrate our successes and acknowledge where there is work still required. We are clear on the actions we intend to take to address our gaps and share how we are progressing against our ambitions.

Timescale and target

- 2025:** Continue to report progress on our gender and ethnicity pay gaps, sharing how we intend to close these over time
- 2026:** Communicate our EDI ambitions for leadership representation and share our progress over time

Outline our expectation of water companies

Ambition

We support water companies in measuring their progress on EDI from both an internal and external perspective. We provide support and guidance based on our own experience leading EDI within our organisation. We operate as a thought leader on EDI in the water sector and set the standard for others to follow.

Timescale and target

- 2028:** SLT, ELT and Board to agree our position on building behavioural, cultural and EDI progress into the regulatory expectations of water companies

Play an active role in the wider regulatory sector

Ambition

We leverage our membership of the UKRN and provide leadership on EDI with other regulators. We share the progress we're making internally and encourage the other regulators to adopt EDI practices. We regularly represent the regulatory sector externally on key EDI issues.

Timescale and target

- 2026:** Build on our contribution to the UKRN on EDI issues
- 2027:** Share thought leadership on EDI within and on behalf of the regulatory sector

**Ofwat (The Water Services Regulation Authority)
is a non-ministerial government department.
We regulate the water sector in England and Wales.**

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