



California Water Service Group: Diversity, Equality, and Inclusion Policy

Our Purpose

Our CEO, Marty Kropelnicki, has a well-known saying: “We aren’t a ‘pipe company,’ we’re a ‘people company.’” We believe that if you put people first, everything else falls into place.

Fulfilling our purpose of improving quality of life for our customers, communities, employees, and stockholders begins with creating a company culture where everyone can thrive. We know that a diverse workforce contributes to a stronger team that is better able to understand and address our customers’ needs and, ultimately, drive our business forward. By promoting and preserving diversity, equality, and inclusion, we empower our workforce to continue delivering on our promise to provide quality, service, and value every day.

Our Commitment

We serve more than 100 communities in some of the most diverse states in the nation that all share one common need – water. That’s why we are committed to cultivating a workforce that is representative of the communities we call home. We do this by approaching diversity, equality, and inclusion holistically, and integrating them into every aspect of our business. We also seek opportunities to listen, learn, and understand how we can better fulfill this goal by engaging our employees, customers, and experts. We are committed to learning quickly, improving constantly, and sharing our progress throughout our journey.

Our Approach

Like the water we deliver to our customers, we see diversity, equality, and inclusion as an essential part of our business. We deliver on our commitments by:

- Fostering a culture of belonging where all employees are treated fairly and with dignity and respect
- Providing a safe work environment where everyone is empowered to be their personal best
- Integrating diversity, equality, and inclusion into our talent attraction and retention processes
- Proactively expanding our partnerships with diverse suppliers
- Promoting cultural awareness at every level of the organization through training and development



- Enforcing a zero-tolerance approach to discrimination, harassment, and retaliation per our [Business Code of Conduct](#)
- Maintaining a system of controls that promotes and support non-compliance reporting

To ensure we're being responsive to the needs of our people, in 2019 and 2020, we held a series of focus groups for our employees to share what is important to them regarding diversity, equality, and inclusion. Based on these insights and by examining our own efforts, we identified opportunities for improvement in our recruiting processes and our internal approaches to increase diversity, capture the value it provides to our business, and nurture a culture of equality and inclusion.

Our Governance

Creating a work environment that empowers our people and champions our collective diversity requires teamwork. To ensure we continue to make progress on our diversity, equality, and inclusion commitments, we've established a leadership structure that includes our:

- Board of Directors Nominating/Corporate Governance Committee, which holds responsibility for environmental, social, and governance (ESG) priorities, including diversity, equality, and inclusion.
- The Board of Directors Organization & Compensation Committee, which is responsible for overseeing the annual talent review and succession planning process.
- Vice President, Human Resources, who oversees our diversity, equality, and inclusion efforts, and shares highlights with the Organization & Compensation Committee as part of the annual talent review and succession planning process.
- Vice President, Customer Service and Chief Citizenship Officer, who oversees our ESG efforts.
- Director of Compensation and Benefits, who is responsible for structuring and maintaining equitable compensation and benefits programs that support employees through various stages of their careers.
- Human Resources department, which collects and monitors relevant indicators of the company's progress, reviews our policies to identify opportunities for further improvement, and provides information, guidance, and training to managers and employees on related topics.

Our Priorities

Talent Attraction and Retention

- We know that a diverse team is a better team, which is why we strive to cultivate a pipeline of candidates with applicable skills and diverse viewpoints. We are an equal opportunity employer, which means we do not discriminate against any applicant or

employee because of race, color, religion, sex, national origin, protected veteran status, sexual orientation, gender identity, individuals with disabilities, or any other protected class. This applies to all facets of our business, including both field and office staff, managers, department heads, and executives. To enhance our pool of diverse talent, we have programs in place to nurture interest in the water industry among veterans, women, and low-income and at-risk youth. As part of our commitment to constant improvement, we regularly evaluate our internal and external processes for attracting and hiring diverse talent to identify new opportunities.

Training and Development

- We believe people do their best work when they can be their best selves. We're passionate about creating an inclusive workplace that promotes our core values of integrity, respect, and collaboration. To increase cultural awareness and drive professionalism at every level of the organization, we provide trainings related to diversity, equality, and inclusion and have hosted cultural and ethnic awareness events with panels of internal and external speakers who shared their experiences. In 2019, we delivered anti-harassment training to all managers. As part of our efforts to reduce bias, we are collaborating with a third-party organization to create an ongoing unconscious bias training program. Our goal is for 100% of managers to complete this training in 2021. We also invest in programs that equip and empower our existing talent. For example, our 18-month Future Leaders of Water program identifies and develops high-potential employees that represent the diversity of our organization and the communities we serve.

Supplier Diversity

- As part of our dedication to diversity, we are also accelerating our business and spending with women-, minority-, veteran-, disabled veteran-, and LGBT-owned suppliers through our Supplier Diversity Program. This program promotes economic inclusion, develops a diverse pool of suppliers, and helps us partner with suppliers that provide high-quality products and services at low prices. It also includes guidance regarding non-diverse suppliers who consider and hire diverse subcontractors. Our program is designed to comply with the California Public Utilities Commission's target for spending on diverse suppliers. We've also implemented an Impact Analysis, which enables us to track our return on investment for supporting activities.

Our Definitions

Diversity

- Respects and appreciates our varied identities and differences (race, ethnicity, gender, disability, sexual orientation, gender identity, national origin, socio-economic status, thinking and communication styles, etc.), collectively and as individuals.

Equality

- Ensures that every individual has equal status, rights, and opportunities to succeed in the workplace.

Inclusion

- Builds a culture of belonging by actively inviting the contribution and participation of all individuals.

Our Awards

- 2022 Great Place to Work® from the Great Place to Work® Institute (seventh year in a row)
- 2021 Top Workplace in the Bay Area from the Bay Area News Group (tenth consecutive year)
- 2018 National Diversity Award from the American Water Works Association
- 2018 U.S. Veterans Business Alliance honor
- 2017 Distinguished Supplier Diversity Award from the U.S. Department of Commerce's Minority Business Development Agency
- 2017 Supplier Diversity Champion of the Year from Asian, Inc. (awarded to our Supplier Diversity Program Manager)

To learn more about our commitments, priorities, and progress related to diversity, equality, and inclusion, please see our:

- [Annual ESG Reports](#)
- [California Water Service GO156 Supplier Diversity Annual Reports](#)
- [Business Code of Conduct](#)
- [Careers Page](#)
- [Suppliers Page](#)

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