

Annex 5.5

Diversity Equity and Inclusion Plan

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This plan is about all of us. As a team, we are committing to opening up opportunities, better representing the communities we serve and making us a better place to work. It builds from where we are today and will make us an even stronger business.



Phil Jones,
Chief Executive Officer

Introduction

Delivering for our colleagues, customers and communities

As a business, we need our workforce to grow and we need to develop new capabilities if we are to deliver successfully for our customers. The decarbonisation agenda and our changing role in the energy sector mean that we will be creating over 1,000 new job opportunities in our region by 2028, opening up new opportunities for existing and future colleagues.

The Government's legal commitment to achieving net zero by 2050 and the energy sector's critical part in delivery means that our industry is facing the biggest changes and challenges in decades. Our role in the national commitment and as a leader in the region's own journey towards net zero creates exciting possibilities for our existing and future employees. We will be opening up new opportunities across a wide range of careers at the cutting edge of our industry. We need to develop new and highly sought-after skills. We can only do this by appealing to a broader range of talent, by enabling our current colleagues to expand their skills and by making Northern Powergrid an employer of choice in our region.

We have a strong record of providing rewarding careers for generations of families across our region. We are proud of this and know we can now do even more to open up opportunities for the communities we serve. The pandemic has renewed awareness of the positive role we can play; as an essential service, a source of secure employment and an enabler of social mobility.

We want even more people to see Northern Powergrid as a place of opportunity. We will continue to provide the highest quality training for all our colleagues, enabling them to grow their skills and careers with us. At the same time, we are committed to taking targeted action to remove barriers for colleagues and candidates from underrepresented groups. This will include a prime focus on increasing the number of women and people from ethnic minority backgrounds, particularly within technical, engineering and leadership roles. Given the demographics of the region in which we operate, we will also be continuing to open up access to employment opportunities to people from disadvantaged backgrounds, such as those from lower income households and areas of high unemployment.

Increasing representation is critical, but it is only one side of the equation. Creating an inclusive environment where there is space for everyone is just as important. We will continue to take actions to create a workplace where all our colleagues can be themselves and feel valued, and where they have greater flexibility in working arrangements to support their individual needs.

What DEI means to us

Diversity

It's about our people and building a workforce with more diverse skills, backgrounds, perspectives and experiences to sustain and enhance our performance. It goes beyond gender and ethnicity

Equity

It's about opportunity, providing greater access to opportunities, reaching further across our workforce and further into the communities we serve, supporting social mobility

Inclusion

It's about our workplace and behaviours, opening up the way we work to create a more flexible and inclusive workplace for everyone, so our people feel valued, confident and can thrive, and a greater range of talent wants to join and stay

We know there is a lot of work to do and meaningful, lasting change will take time. The challenges are complex, there are no quick fixes, but the opportunities and benefits for us all are huge and we are determined to deliver them. This Diversity, Equity and Inclusion (DEI) plan is our starting point. We are publishing it at the same time as the submission of our 2023-28 regulatory business plan where we outline our ambition and vision for the future, and this plan is a big part of that for our existing and future colleagues.

At the start of 2022 we will be engaging extensively with colleagues and wider stakeholders to help us refine our intended actions. Throughout the year we will be focused on making progress in fundamental areas so we will be in a stronger position as we enter 2023 and the start of our next regulatory period. We recognise that many of our stakeholders, internal and external, care deeply about our progress and we expect to be refreshing our plan, and reporting on progress, at least annually.

Our objectives

Opening up opportunities and creating space for all

Diversity, Equity & Inclusion Objectives



Diverse workforce

Build a workforce with more varied backgrounds, perspectives and experiences to enhance our performance and contribution to the region and its people



Diverse skills

Bring in and develop the diverse skills required to deliver our current and future business needs



Inclusive workplace

Open up the way we work to create a more flexible, inclusive and equitable workplace where there is space for everyone, so our people feel valued, confident and can thrive, and a greater range of talent wants to join and stay

Our three core DEI objectives are based on our assessment of business needs now and in the future, and on insights

from colleagues and stakeholders. These objectives relate both to existing and prospective future colleagues.



To create the right workforce for the future, we need to ensure that we are the employer of choice for as broad a range of talent as possible and that our values and priorities chime with a large, diverse group of people. We are working to create a more inclusive workplace where there is space for everyone and a greater range of talent wants to join and stay, and we will be listening and learning from existing and future colleagues on how we can best do that.

Potential colleagues: we are looking to create over 1,000 new job opportunities in our region between 2023-28. We want to use our recruitment power to be a more prominent force for good in our communities, providing new opportunities for under-represented groups of people who may previously have been unlikely to think about joining us. Our focus is to open up greater access to opportunities, reaching further into the communities we serve and enabling social mobility. We want to increase the number of applications that we receive from people in all under-represented groups, in particular women, ethnic minorities and those from less advantaged backgrounds. However nobody will be excluded – we believe that opening access will help us attract more diverse skills and develop a more inclusive workplace.

Existing colleagues: for over 2,500 people already working with us, the decarbonisation agenda and the progression towards an increasingly smart, digitalised and connected energy system opens up more opportunities to upskill, develop and progress with us. Over the coming years we will be making significant investments to support our colleagues and equip them with the evolving skills and techniques required to manage the future energy network, open up career pathways and develop our leaders of the future. We must ensure these opportunities are accessible to all and that we take targeted actions to remove any barriers that may prevent that.



Our peers and beyond: We know that we can't resolve DEI on our own. It is a major challenge for both the energy industry and employers across the UK. We will continue to collaborate with, and make use of, the broad experiences of our parent company, Berkshire Hathaway Energy, and its group of companies. We will take coordinated action within the industry where collective efforts will be most powerful, working with organisations such as the Energy Networks Association and Energy & Utility Skills to facilitate collaboration and action on shared industry priorities. We will also look beyond our sector, reaching out to organisations who are leading on DEI and working with organisations such as WISE (Women in Science & Engineering) to learn from their insights and make use of any practices that are particularly effective and relevant to us.



People may tend to think of us as 'hard hats in the field' or 'a voice at the end of the phone'...we are and we're proud of that, but there's a huge variety of other roles and skill requirements across our business. This is only going to expand as we develop our workforce to deliver an increasingly smart, digitised and future focussed energy system.

We're excited about the career opportunities our 2023-28 plan creates for our current and future colleagues. We'll be supporting them to take advantage of these opportunities and ensuring we attract a broad range of talent, including those who may not have previously considered a career with us.



Angie Patterson
Director of Organisation
Development

Our workforce today

The composition of our workforce today reflects that industries like ours have historically had long-serving workforces with limited gender and ethnic diversity. Across a sample of UK energy sector companies, in 2020 only 7% of technical roles were held by female employees and 31% of senior leadership roles¹. The factors that led to this outcome are complex and quite deeply embedded in society. In order to see this balance move in a meaningful way we will need to take positive action to broaden the makeup of our workforce, in particular in leadership, technical and engineering roles.

	% of workforce	Men	Women
Our workforce		80%	20%
Operational crafts	41%	96%	4%
Engineering and technical	31%	93%	7%
Business support	17%	33%	67%
Management and specialists	11%	56%	44%

24% (16)

Women in senior leadership roles

5% (37)

Women in engineering/STEM roles

43.2

Average age

16

Average years length of service

In the past five years, around **27 per cent** of new recruits were women and **four per cent** identified as being from a Black, Asian or Minority Ethnic Group (BAME) background.

1. Source: Willis Towers Watson UK Energy Sector Compensation Survey 2020

Meeting our objectives



If we are going to make a real difference, we need to translate our ambitions into detailed, practical steps that we all can get behind with each leader, manager and colleague understanding their role and the benefits.

To do this, we have identified five priority areas and associated actions we will undertake over the coming years to help meet our ambitions. These actions are a starting point. We will be conducting further colleague and stakeholder engagement in 2022 to help develop and refine these, ensuring we are focused in our approach and taking actions that will have the greatest impact.

Our priority areas of action



Increasing awareness

Raising awareness and educating colleagues on how they can help create a more open and inclusive environment where everyone feels valued, confident and can thrive



Opening up the workplace

Providing greater flexibility in working arrangements and the work environment to increase access to job opportunities and provide all colleagues greater choice to support their individual needs, fostering a more fulfilling experience



Creating opportunities

Ensuring our approach to recruitment and selection enables us to attract the broadest range of talent possible and provides open access to opportunities for all colleagues



Measuring and learning

Expanding and enhancing the use of data and insights to monitor progress against our ambitions and improve our approach to achieving meaningful and sustainable change



Driving leadership accountability

Empowering leaders to act as role models and take decisive action by providing them with the right knowledge, skills and support, underpinned by clear expectations and accountabilities

We need to ensure our efforts are focused and address the areas we believe will have the greatest impact now and in the future. To enable this, we have identified **fundamental** and **longer-term actions** for each priority area.

The **fundamental actions** will be our focus for 2022. They are designed to address immediate opportunities and lay the foundation for our approach as it evolves. WeW have identified **example measures** of how we will track progress against these. See 'Measuring progress and informing actions' for details on how we will track the outcome of these actions on our workforce.

The **longer-term actions** are those already on our agenda for coming years but require more time before we can address them due to a number of factors, for example; being dependent on the completion of fundamental actions, requiring better data and insights or reliant on future system enhancements. These will evolve as we continue to develop and refine our approach and will be updated in future versions of our DEI plan.



Increasing awareness



Fundamentals

- **Develop and deliver a DEI engagement plan**, maximising our existing channels to reach all colleagues, raise awareness and open up the conversation
- **Establish a network of DEI representatives and Employee Resource Groups (ERGs)** to drive local action and provide insights to inform our approach
- **Expand DEI training programme for all colleagues**, including new modules on Unconscious Bias and Inclusive language, to help everyone understand how they can contribute to creating a more open and inclusive environment
- **Update existing manager training and tools** to ensure appropriate DEI learnings are embedded, with specific training on enhanced people processes as they are developed and implemented
- **Update onboarding training** to include relevant DEI content

Example measures

- Communications analytics
- Completion rates and feedback on training programmes
- Appointment of DEI representatives and creation of ERGs

Longer term

- Expand the current DEI training curriculum offered
- Ongoing education and awareness to celebrate diversity and promote inclusivity e.g. supporting and promoting religious festivals and national campaigns aligned with our DEI priorities



Opening up the workplace



Fundamentals

- **Identify changes to the flexible work policy** that would provide colleagues with greater choice over when and where they work
- **Actively promote flexible / remote working options** available to existing and prospective colleagues and ensure managers are well equipped to discuss and support their requests
- **Ongoing enhancements of the work environment** to increase accessibility and inclusivity, particularly for colleagues with disabilities (e.g. physical workspace design, adjustments to office equipment and software, catering)

Example measures

- **Uptake of flexible and remote working options**
- **Employee satisfaction scores on flexible working opportunities and workplace environment**

Longer term

- Review job design to assess potential barriers and limitations and identify changes that would open up access to opportunities for all colleagues



Creating opportunities



Fundamentals

- **Update recruitment materials to ensure we demonstrate the diversity of roles available** and appeal to a broad range of talent
- **Enhance application processes and candidate experience** to address key barriers identified, ensuring accessibility and supporting an inclusive experience
- **Enhance current selection and promotion processes** to address identified barriers to entry and ensure equity of opportunity
- **Adapt eligibility and experience criteria for relevant roles, and increase use of non-academic skills assessment**, to enable more entry routes for a broader range of talent and support progression for existing colleagues
- **Enhance our local and educational partnerships** to coordinate activities that promote our sector, uptake of STEM subjects and employment opportunities to underrepresented groups, those from high-carbon industries or in-decline industries with transferrable skills
- **Increase promotion of diverse roles, role models and career stories** to inspire existing and future colleagues to pursue potential opportunities

Example measures

- **Variety of skills assessments available and frequency of use**
- **Availability of accessible channels for application process**
- **Number of local partnerships and educational institutions engaged**
- **Number of school / college / university students engaged**
- **Range of roles and career stories promoted**

Longer term

- Expand recruitment partners and channels to enable us to reach a broader spectrum of talent pools
- Establish HR guidelines and provide associated training to support ongoing maintenance and application of HR processes, tools and collateral from a DEI perspective
- Establish a formal sponsorship programme for emerging talent from unrepresented groups to accelerate career progression



Measuring and learning



Fundamentals

- **Establish categories for the suite of demographic data to be collected** and the classifications to be used for each
- **Communicate the purpose and importance of demographic data** to existing and prospective colleagues to build trust around how and why we will use this information
- **Run a demographic data collection campaign** with colleagues to increase breadth and depth of data coverage
- **Increase demographic data capture earlier in the recruitment process** to improve the insights we can generate from applicants
- **Develop and implement an engagement framework** to regularly engage with colleagues and understand experiences of different groups in relation to DEI (see *'Delivering our plan'*)
- **Regularly report on qualitative and quantitative measures** to track progress against DEI actions and objectives
- **Drive collaboration with companies across the energy sector** to identify collective action that can be taken to attract a broader range of talent across the sector

Example measures

- % of demographic data coverage across colleagues and applicants
- Frequency and breadth of employee listening activity
- Frequency of DEI reporting
- Consistent use of DEI data and insights in HR process review
- DEI partners and peers engaged

Longer term

- Enhance HR data management systems to enable improved capture of demographic information and monitoring and reporting of relevant DEI measures
- Enhance capability for DEI data analysis to inform ongoing development of our approach
- Work collaboratively with external organisations and fund research to gain insights into DEI best practices and develop innovative approaches to address DEI challenges in our company and the sector



Driving leadership accountability



Fundamentals

- **Establish clear objectives for leadership on DEI** to ensure leaders continue to set the tone from the top, actively support the DEI initiatives and role model inclusive behaviours
- **Update our leadership framework** that applies to all leaders, managers and supervisors to incorporate expectations related to DEI
- **Appoint senior managers to lead the execution of each DEI priority area**, creating clear senior accountability for delivery
- **Obtain regular insights from senior managers on DEI progress and challenges to the Executive** with the Executive providing extra support and guidance as needed

Example measures

- Senior leadership in DEI initiatives and engagement with DEI networks
- Qualitative board assessments using insights and DEI dashboard
- Incorporate DEI objectives into personal performance objectives for leaders

Longer term

- Include DEI elements within all structured leadership development programmes
- Ongoing, active support and role modelling from the Executive and all levels of leadership



We want even more people to see Northern Powergrid as a place of opportunity. We will continue to provide the highest quality training for all our colleagues, enabling them to grow their skills and careers with us.



Measuring progress and refining our action plan

Improving our data and insights

Increasing the insights we can draw from the data we hold about our existing and prospective colleagues will help inform our approach and support meaningful change. Armed with the right information, we will be better able to identify actions to address any barriers that may make our company less accessible to colleagues and applicants from underrepresented groups to ensure equity of opportunity for all.

This relies on us having relevant and robust data. We have identified the steps we will be taking to increase the quality of our quantitative and qualitative data over the coming years. Opening up the conversation with colleagues on DEI, building trust on why we want to capture this data, who has access to it and how we use it will be critical to facilitating this.



Tracking progress and informing action

Tracking and communicating progress against our objectives plays an important role in meeting our ambitions of greater transparency, accountability and continuous improvement.

Externally, we are committed to reporting at least annually on the representation of key demographic groups in our workforce where we have robust and relevant data. Currently we are able to provide this data for age and gender. As we gather more data, we would like to be able to report more broadly, such as for ethnicity, socio-economic background, disability and LGBTQ+ status (see table 1). At the same time, we will provide colleagues with reassurance about how such data is handled and how it is used to improve their experience of working with us.

Internally, we will monitor a number of additional measures, where the data is available, to help us assess the impact of our actions and inform where we may need to adapt our approach (see table 2).

It is important to reinforce that tracking progress does not mean we will be setting specific quotas for any underrepresented groups. Nor does tracking progress mean we will be providing preferential treatment on selection to colleagues or candidates from any one demographic group; we will be taking actions to broaden the pool of colleagues and candidates for selection, both internally and externally, and continually measuring our success in doing this.

Table 1: External reporting - measures to track progress

PHASE 1 - current				
Demographic group	Gender, Age			
Sample data reporting	Overall %	On hire %	By skill group %	Senior leadership %
PHASE 2 - when robust data is available				
Demographic group	Ethnicity, Socio-economic background, Disability, LGBTQ+ status			
Sample data reporting	Overall %	On hire %	By skill group %	Senior leadership %
PHASE 3 - further demographics groups to be explored				

* We will only report where there is sufficient data sample to maintain personal anonymity. We will continue to report on gender pay gap measures as part of our annual Gender Pay Gap report

Key measures

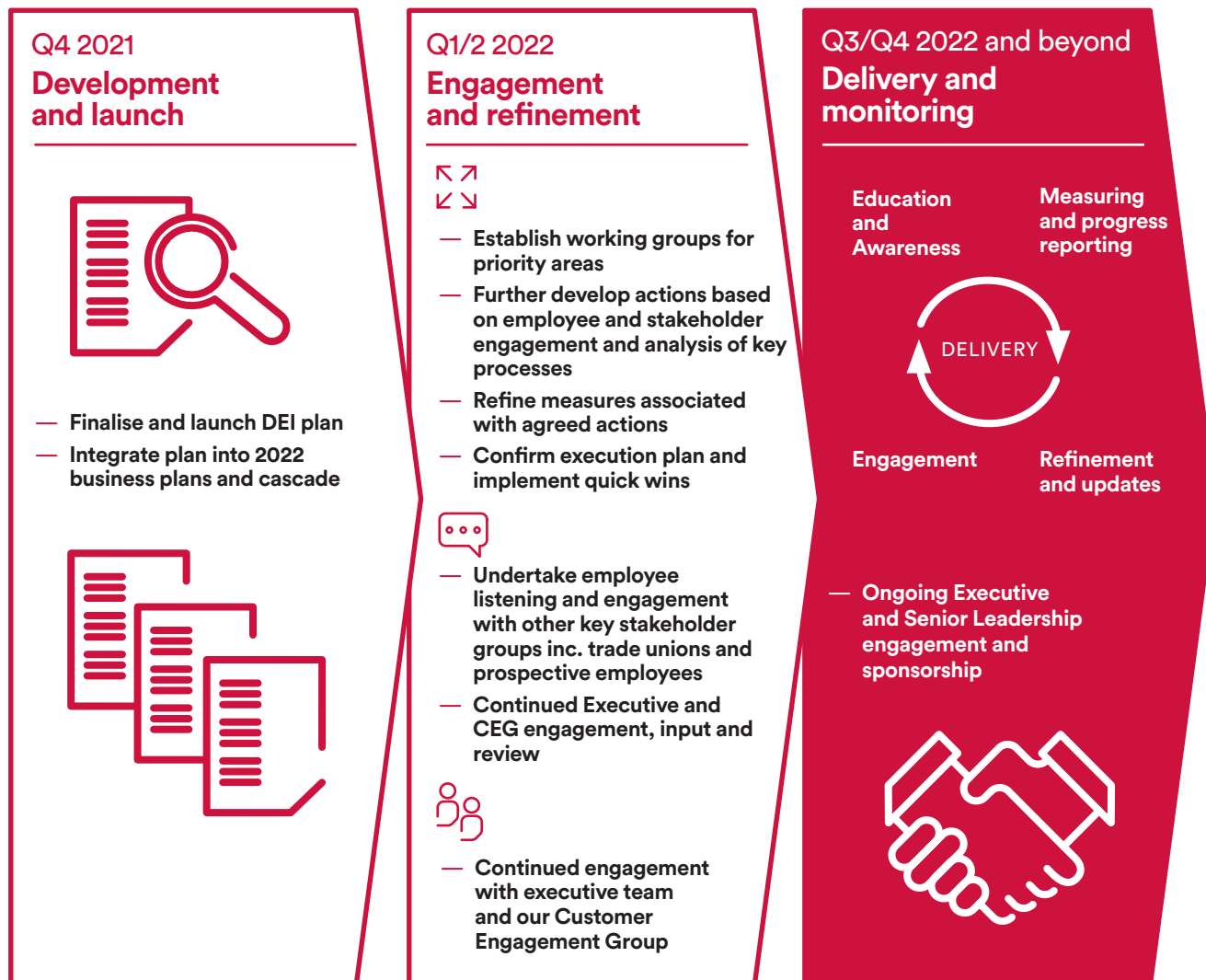
Driving ongoing improvement through insights

Table 2: Measures to track progress that will be reported internally

DEI Objective	Key measures
Diverse Workforce Build a workforce with more varied backgrounds, perspectives and experiences to enhance our performance and contribution to the region and its people 	<ul style="list-style-type: none"> — % of new applicants by demographic group for: <ul style="list-style-type: none"> – Graduate positions – Apprenticeships – Other workforce renewal roles – All roles — % of successful applicants by demographic group for roles (split as above)
Diverse Skills Bring in and develop the diverse skills required to deliver our current and future business needs 	<ul style="list-style-type: none"> — Time in role/with Northern Powergrid — % of applicants by demographic group for internal promotion — % of successful applicants by demographic group for internal promotion — % of employees still with Northern Powergrid 2 years after joining / change in role — % of leavers (by role type and overall) — % of workforce overall and distribution by type of role and level — % in engineering roles (by demographic group) — % in leadership roles (by demographic group)
Inclusive Workplace Open up the way we work to create a more flexible, inclusive and equitable workplace where there is space for everyone, so our people feel valued, confident and can thrive, and a greater range of talent wants to join and stay 	<ul style="list-style-type: none"> — Qualitative insights from colleague engagement on their experiences and how inclusive they feel the workplace to be — Sample data reporting — % full/part time (overall and by type of role and level) — % of employees with flexible working arrangements

Delivering our plan

Ongoing development and implementation



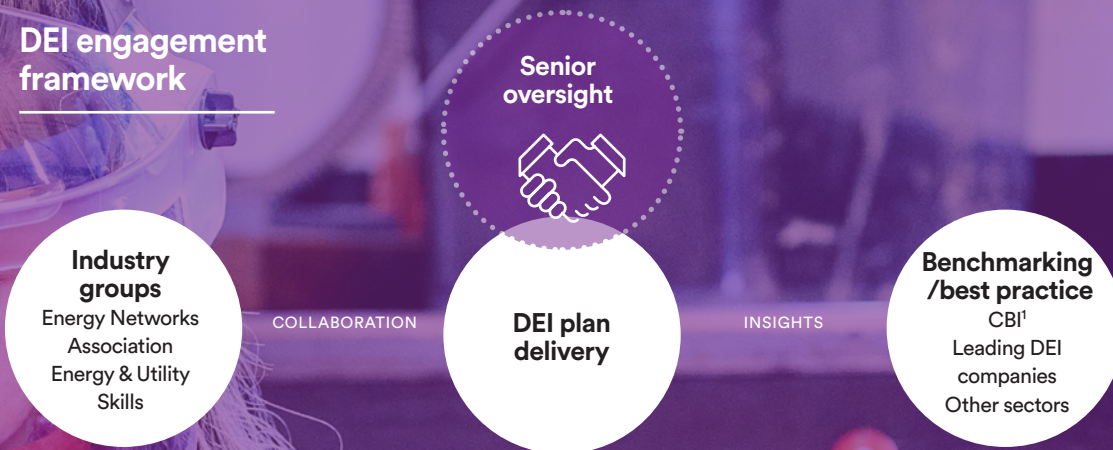
Governance

We will integrate the DEI plan into our existing, well-established delivery and management frameworks that provide senior-level accountability and oversight for implementing improvement actions and making progress against the objectives we set.

Beyond this, we will establish a framework for continuing our engagement with employees and stakeholders on DEI to inform the evolution of our plans and activities over time. This builds on the initial engagement activity planned for 2022 as set out above.

We recognise that many stakeholders inside and outside of our business, including customers, trade unions and other businesses we work with, care deeply about DEI and the positive steps we're taking. We are committed to openness and transparency and will report at least annually on the progress we've made against prior-year actions and the updates we are making to our approach.

DEI engagement framework



ENGAGEMENT



Employee resourcing groups²

External stakeholders

Trade unions
Customers
Schools/colleges
Stakeholders

FEEDBACK

NETWORKING

NEW IDEAS

1. Confederation of British Industry.

2. An employee resourcing group (ERG) is a voluntary, employee-led diversity and inclusion initiative that is formally supported by an organisation. ERGs generally are organised on the basis of common identities, interests, or backgrounds with the goal of supporting employees by providing opportunities to network and create a more inclusive workplace. (Source: Gartner)

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