



Diversity, Equity and Inclusion Plan

2022

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WESTERN POWER 
DISTRIBUTION

Serving the Midlands, South West and Wales

Creating a network for the future

Our diversity action plan focuses on the delivery of diversity, equity and inclusion in Western Power Distribution (WPD), where we value each other and appreciate our differences.

We are committed to an inclusive, respectful, and diverse workplace that encourages employee engagement and enables professional development.

The electricity distribution industry is undergoing huge change. We are helping to provide the infrastructure that will enable the country to meet its net zero targets in various ways.

Once a passive, one-way system, our network is becoming dynamic and dealing with multiple power flows. At the same time, we still have to keep the lights on, and we are determined that none of our 8 million customers will be left behind or negatively impacted.

More than 6,500 employees make up WPD, united in their ethos to serve our customers. From engineers to planners and customer service team members to technicians, our workforce consists of a flat, geographically based team structure with minimal management layers.

This structure makes decision making and problem solving a quicker and simpler process – employees are empowered to take personal responsibility and act within an agreed framework of authority.

Our teams reflect their communities, and we are proud that most of our employees live in the communities they serve. We empower our teams to work confidently, bringing their talent and uniqueness to work, regardless of their gender, ethnic background, sexual orientation, age or physical ability.

We are embracing the new opportunities and challenges that come with preparing for net zero. Working to ensure we provide a welcoming space for everyone, our actions now ensure that our customers can benefit from the diverse thinking required to create a network for the future.

This Diversity, Equity and Inclusion Plan builds on our existing principle of valuing each other and appreciating differences. We are committed to an inclusive, respectful and diverse workplace that rewards performance, enables professional development and encourages employee engagement. We're proud that our employees take responsibility for results and are committed to diversity and continual improvement.

Our approach is best outlined in five commitments:



Attract, retain and develop a high performing, diverse workforce



Increase diverse representation in leadership roles



Maintain a workplace culture of equity and inclusion



Foster partnerships that support the growth and vitality of the diverse communities and customers we serve



Develop and sustain relationships with diverse suppliers, vendors and service providers

We strive to make WPD an exemplar workplace, and crucially, we recognise that we need to do more to attract and support women and other protected groups into senior roles. At present, these groups are under-represented in all leadership roles across WPD. The commitments will aid us in our continuous assessment of recruitment and retention policies to rectify this.

As part of WPD's business planning for the future, we are embarking on an ambitious campaign to increase diversity, equity and inclusion in our workforce. More on our commitments and what they mean for the business is explained on page 6.



8.20%

of new hires in 2020 were from an ethnic minority – up from 3.95% in 2019.

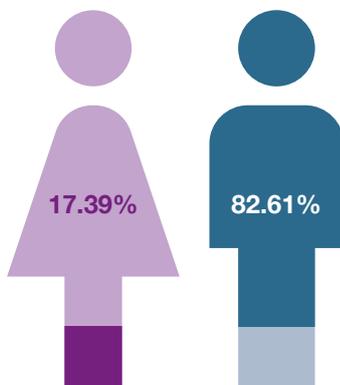
Understanding the current picture

As of March 2021, the data below depicts the current demographics within Western Power Distribution.

Gender

 **Females = 17.39%**

 **Males = 82.61%**



As part of our five core commitments, we aim to increase female representation, including within leadership roles.

Age

Under 20: **1%**
 21-30: **17%**
 31-40: **32%**
 41-50: **22%**
 51-60: **23%**
 Over 60: **5%**



In 2016, Aviva analysed data from the Office of National Statistics and found the average UK worker was aged 41.5 years old.

Ethnicity

| Minority Groups | 214 | 3.2% |
|-------------------|-------|-------|
| White UK/European | 5,757 | 87.3% |
| Undisclosed | 627 | 9.5% |

According to the most recently published Census (2011), 85.6% of working age people recorded their ethnicity as white.

Types of roles

| Role type | Number of employees | Number of employees – Male | Number of employees – Female |
|------------------|---------------------|----------------------------|------------------------------|
| Executive | 4 | 3 (75%) | 1 (25%) |
| Senior Manager | 85 | 78 (91.8%) | 7 (8.2%) |
| Manager | 283 | 229 (80.9%) | 54 (19.1%) |
| Supervisor | 846 | 799 (94.4%) | 47 (5.6%) |
| Professional | 1,261 | 1,038 (82.3%) | 223 (17.7%) |
| Administration | 498 | 183 (63.3%) | 315 (36.7%) |
| Customer Service | 592 | 145 (24.5%) | 447 (75.5%) |
| Craft | 3,031 | 2,979 (98.3%) | 52 (1.7%) |

Craft and professional roles make up over 65% of our workforce. We're aiming to increase employee diversity (both gender and ethnicity) within the pipeline for these roles now so that they will feed into management roles in the future.

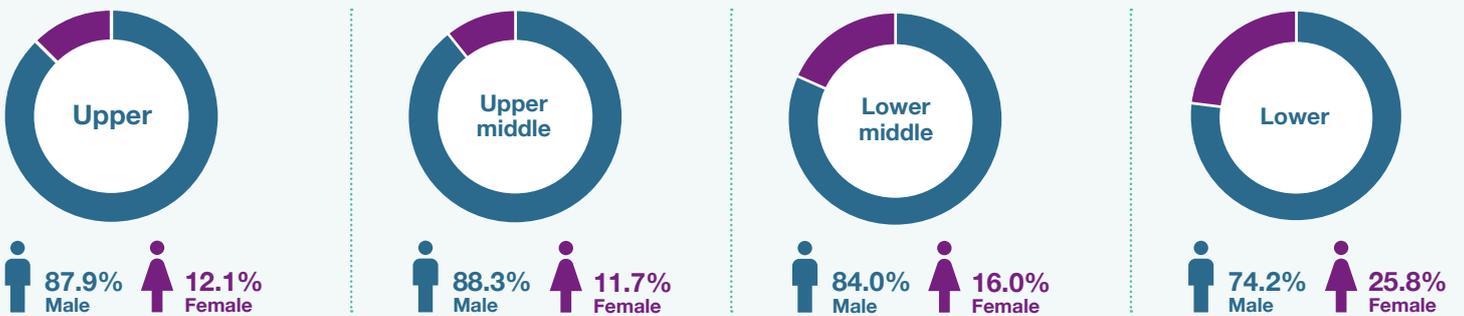
Gender Pay Gap

The 'gender pay gap' is the difference in average earnings between employees who identify as women and men throughout an organisation. Employers with more than 250 staff must report their organisation's gender pay gap with the overall aim of reducing any gap.

WPD's Gender Pay Statistics 2020

| | Hourly Pay Gap | Bonus Pay Gap |
|---------------|----------------|---------------|
| Mean | 9.1% | 20.6% |
| Median | 11.8% | 2.3% |

The proportions of WPD male and female full-pay relevant employees in the upper, upper middle, lower middle and lower quartile pay bands.



Our Hourly Median pay gap report findings for 2020 is 11.8%, up 1.3% from 2019. The Mean Hourly Pay Gap is 9.1%, up 0.4% from 2019. The Gender Pay Gap report demonstrates that the gap has widened from 2019 to 2020. A focus on supporting women to reach senior positions and retaining them will feed into reducing this gap.

Independent analysis has determined the primary factors for this gender pay gap:

- More men than women currently occupy senior roles within the business.
- More women are entering the workforce, but typically in roles that attract a lower rate of pay relative to specialist electrical engineering roles.
- Male employees dominating field based electrical engineering roles that also attract specific job related pay premiums.
- The slightly shorter length of service of female employees relative to male.

Our aim is to have more women in senior and middle management roles; however, we understand that this is a long term objective as we need to encourage more females at a young age to see the potential in a STEM career (Science, Technology, Engineering and Maths).

We are taking many other actions to address this gender pay gap. They include:

- Ensuring that women who wish to advance to more senior roles are supported.
- Working with schools and colleges to attract women into STEM subjects from an early age. This will help increase the number of potential employees moving into the specialist engineering roles.
- The introduction of a new flexible working policy and a homeworking policy that benefits more staff in suitable roles. This encourages employees to work more flexibly if they wish, which can lead to better retention and increasing their length of service.
- Creating a Diversity Working Group to ensure employees' opinions and ideas about recruitment, retention, development and advancement factor into decision-making processes.
- Introducing more diverse interviewing panels so that there is better representation when hiring new employees into the business, which in turn will encourage diversity in hires.

Our commitments

As outlined in the introduction, our Diversity, Equity and Inclusion Plan's foundations rest on five commitments. By identifying and actioning our intentions now, we will fulfil our aims and overcome any shortfalls we may have previously experienced. Openly sharing our approach will allow us to make significant changes and work with our employees, stakeholders and unions to improve and create a company for the future.

1. Attract, develop, and retain a high performing, diverse workforce.

Part of our commitment means working with Women in Science and Engineering (WISE) to utilise the WISE 10 Steps framework, a unique and evidence based programme proven to improve diversity at all levels in a business. Each of the 10 steps is designed to drive company performance and, as our employees engage with these 10 steps, they will identify areas for improved balance in the business.

Although the WISE 10 Steps framework was developed for gender inclusivity, we believe that it can create a virtuous circle for all aspects of diversity. Asking questions with diversity in mind can benefit everyone, which will support our overall performance.

We will:

- Build on the WISE 10 Steps framework that aims to help recruit, retain and develop women in STEM. We will use the framework to attract candidates from other protected groups.
- Work to embed and build on the Disability Confident Scheme accreditation.
- Build relationships with stakeholder groups, schools and colleges to raise awareness of STEM careers.
- Aim to achieve 'Investors in People' Gold accreditation.



Over the past three years, our female workforce has increased by 9.5%, with the male workforce falling by 3%. This has resulted in higher female representation across our business.

2. Increase diverse representation in leadership roles.

We understand and accept that there is no quick fix to increasing under represented minorities in leadership roles. To appoint the best person every time, we need a wide pool of people to promote from. This means we must focus both on recruitment and retention.

For WPD, this means developing and communicating clear career paths. For those who aspire to achieve a leadership role, there need to be talent programmes that offer support, the right skills and competencies for success.

We will:

- Develop mentoring programmes for 'rising stars' within protected groups to improve leadership skills and knowledge.
- Create secondments and lateral moves to increase skills and competence.
- Set goals, track promotions and turnover rates to understand why employees leave.
- Create new role opportunities to improve business efficiencies while producing management opportunities.

3. Maintain a workplace culture of equity and inclusion.

We believe that everyone should feel part of the one Western Power team. Our work is about providing a safe, reliable network, keeping the lights on and developing the electricity industry to meet the challenges of net zero. We understand that inclusion means feeling valued and motivated. In an industry that operates 24/7, often in unsocial hours, everyone should feel able to work as part of one team without fear or favour. DE&I is an ever changing landscape, and we are committed to continuous learning and supporting our employees.

To help maintain our inclusive environment, we will:

- Set up a Diversity Working Group with a forum for awareness building and a platform for driving change. The group will discuss diversity issues, share ideas and information on inclusion, collaborate on and implement initiatives, and leverage organisational resources to create positive change.
- Create a diversity SharePoint site to communicate our plans across all levels of the organisation. This will offer an opportunity to share resources, ideas and updates on DE&I topics. It will be a hub for information for all employees.



Our commitments

4. Foster partnerships that support the growth and vitality of the diverse communities and customers we serve.

Our licence areas cover the South West, South Wales and the East and West Midlands. We serve 8 million households and businesses in various communities ranging from large inner cities to remote rural hamlets. As a large employer, we are conscious that our actions impact those communities and that our workforce should reflect the communities we serve.

We will work to find and foster partnerships, including:

- **#10,000 Black Interns:** The scheme offers 2,000 internships each year. Each internship presents the opportunity to change a life, each interview provides invaluable experience, and each training session can genuinely shift an individual's development. We are committed to being part of this change.
- **Change 100:** We are proud to be supporting the award winning Change 100 programme by the Leonard Cheshire charity. The aim is to address the disproportionate number of unemployed, disabled people. Through Change 100, we have already offered paid summer internships to students and recent graduates with a disability or long term health condition.
- **Stonewall:** Over the last 30 years, Stonewall has helped create transformational change in the lives of LGBTQ+ people in the UK. They stand for lesbian, gay, bi, trans, queer, questioning and ace (LGBTQ+) people everywhere. As Stonewall Diversity Champions, we believe in the power of welcoming, respectful and representative workplaces.
- **Career Transition Partnership (CTP):** The CTP provides resettlement services for those leaving the Royal Navy, Army, Royal Air Force and Marines. Regardless of time served, all Armed Forces members can benefit from support when leaving service. We help by actively working with the CTP to place ex-military in our business, as well as other activities such as advertising roles and career fairs.

5. Develop and sustain relationships with diverse suppliers, vendors and service providers.

We accept that a successful DE&I plan must reflect a commitment to our staff and the wider community.

This includes the organisations we purchase goods and services from.

Subject to our existing legal and environmental commitments, we aim to:

- Evaluate the tendering process to include questions on DE&I to ensure the alignment of values and a similar commitment.
- Build relationships with diverse supplier base to ensure a broad range of skills and experience.
- Support local suppliers to stay embedded in our local communities and encourage a diverse range of partnerships.



25%



of new hires in 2020 were female, which is bucking the trend of our 17% female workforce overall.

Short term actions

Our commitments are part of a long term strategy for an inclusive, respectful and diverse workplace. There are also short term actions we are going to take within the next 12 months. These include:

Creating a Diversity SharePoint Site



SharePoint is a valuable communications tool that provides an easily accessible area for all staff, highlighting DE&I events, blog posts and information.

Creating a Diversity Working Group



Bringing together employees from various parts of the business, with and without a diverse background including allies, means we can consult with them on DE&I actions and create staff driven change.

Building a network of Diversity Champions



Inviting employees to be 'Diversity Champions' across all business areas means they can promote DE&I in different aspects of work and recruitment and receive training on how to support these actions and their colleagues. They will also assist the core DE&I Plan by being internal advocates for the implementation of central strategies.

The #10,000 Black Interns programme



Working with the 10,000 Black Interns programme continues to provide valuable work experience within WPD for successful candidates.

Building on the Disability Confident accreditation



Working towards a 'Silver' Disability Confident rating means we will have an environment that allows current disabled employees and future candidates to thrive.

Develop a Mentor programme for protected groups



An internal mentor/shadowing programme will offer those from protected groups the opportunity to gain experience over a matter of months with senior leaders and improve future career progression.

Training awareness



Include DE&I awareness to include discrimination and anti-harassment training of part of induction and also for new managers.

Increase support of STEM events



Supporting STEM events in all four licence areas increases our involvement in the sector and community. In 2021 we sponsored the Best Inclusion & Diversity Initiative category at the CIPD People Management Awards.

Expand on the Employee Satisfaction Survey with additional questions on DE&I



Questions that focus on this topic will allow us to learn more about what our workforce thinks about DE&I, making sure that future actions are staff driven.

Increase relationships with accredited organisations



This will increase external recognition of WPD and strengthen our reputation within core target demographics to increase diversity. Many similar organisations exist, and this would bolster our reputation within core target demographics for increasing diversity.

Sponsor Female Undergraduate of the Year/Undergraduate of the Year for Excellence through Adversity



Programmes such as these receive in excess of 4,000 applications, with the winner offered a 12 week placement. By sponsoring these and similar programmes, we would encourage education and early careers while putting ourselves forward as an employer of choice.

Promote WPD as a DE&I Champion



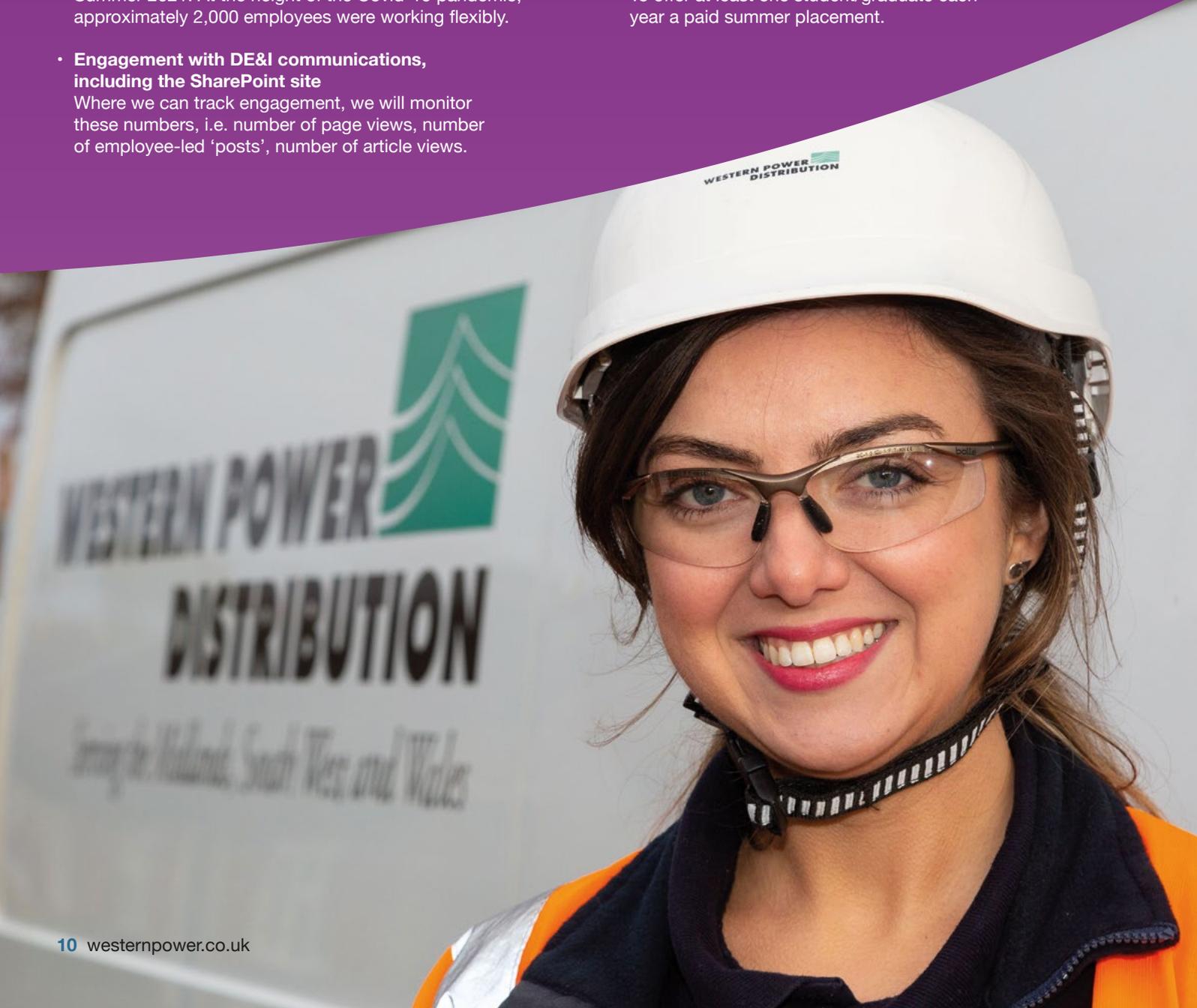
Support and sponsor events that build a positive image, which also helps to reinforce the importance of DE&I with employees.

Monitoring

Our focus remains on making positive changes and actions, so we will monitor and report on both to measure impact. While we understand societal changes mean there may not be a specific endpoint to DE&I, we want to have clear metrics to measure success in the short term.

These include, but are not limited to:

- **Diversity of applicants**
To increase the percentage of applications from female and minority ethnic groups.
- **Diversity of new hires**
To increase the percentage of hires from female and minority ethnic groups.
- **Uptake of DE&I policies as we introduce them across the business**
i.e. our new Home Working Policy was launched in Summer 2021. At the height of the Covid-19 pandemic, approximately 2,000 employees were working flexibly.
- **Engagement with DE&I communications, including the SharePoint site**
Where we can track engagement, we will monitor these numbers, i.e. number of page views, number of employee-led 'posts', number of article views.
- **The number of volunteers for the Diversity Working Group**
We can also monitor the Group's impact on supporting positive change.
- **The number of people we support as part of the #10,000 Black Interns programme**
2022 is when we aim to welcome our first intern into the business.
- **Work with Change 100**
To offer at least one student/graduate each year a paid summer placement.



Conclusion

Achieving diversity, equity and inclusion for all is not a process with a defined start and finish. It is not something that can be imposed – it needs the support of every employee within a business. Success requires dedication and commitment from everyone within our organisation.

At WPD, we believe that recognising the value that diversity will bring and making committed efforts to change will create an inclusive workplace, add business value and make work fair to all. We already have a workforce dedicated to supporting our customers and achieving net zero; in return, they deserve a workplace that celebrates their differences, understands their needs, and represents the world in which we operate today.



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