

# We Value Difference - Annual Inclusion and Belonging Statement 2022



*together*  
**we are  
the network**

# Introduction

**At NGN we value difference**—we need a range of perspectives, experiences, and personalities to deliver better outputs for our current and future workforce and customers. We want to help all colleagues and communities thrive and maximise their potential.

We’re now a year into working on our Inclusion and Belonging strategy, and with the impacts of the global pandemic still visible in our communities the importance of this work is amplified.

The purpose of this document is to continue our commitment to transparency, to tell you where we’re making improvements and where we’ve still got a way to go.

This document will outline:

- The challenges our sector faces
- New insight that’s driven us (what our stakeholders have told us)
- Actions we’ve taken in the last year
- Improvements we’ve seen in the last year
- Our future approach

# Recap on challenges faced by our sector

We told you last year the statistics for our sector (Utilities) in the UK, but this year we’ve got more detailed information about our sector in the UK (based on 2017 and 2019 data from EU skills).

**28.3% of employees in the sector are female. This drops to 17.9% when looking at managers, directors and senior officials.**

**This is significantly lower than the % women in other industries.**

**8.2% of employees in the sector are Ethnic Minorities.**

**This is lower than the UK average of 11.4% for other industries**

**16% of employees have a disability.**

**This is higher than the UK average for other sectors which is 15.7%.**

**We have a pay gap of 15.5%**

**Gas distributors in the UK have an average gender pay gap of 8.3% (including National Grid) (2020/21 data)**

Employer	NORTHERN GAS NETWORKS	YORKSHIRE WATER	NORTHUMBRIAN WATER	CADENT GAS	ELECTRICITY NORTH WEST
% Difference in hourly rate (Mean)	11	4.1	5.95	13.2	12.1
% Difference in hourly rate (Median)	16.6	5.7	11.05	24.3	11.2
% Women in top pay quartile	16	22.9	26.1	16.9	16

Table 1: Comparison of Gender Pay Gap Reporting for 2021/22

The data that is available reminds us that we are at the start of this journey, and that there is work to do, but we’re committed to understanding what improvements we need to make and ensuring that we action them. A large part of this action will be driven by our Colleague Communities that we told you about in last years’ statement- we’ll update on those later in the document.



# New insight that’s driven us

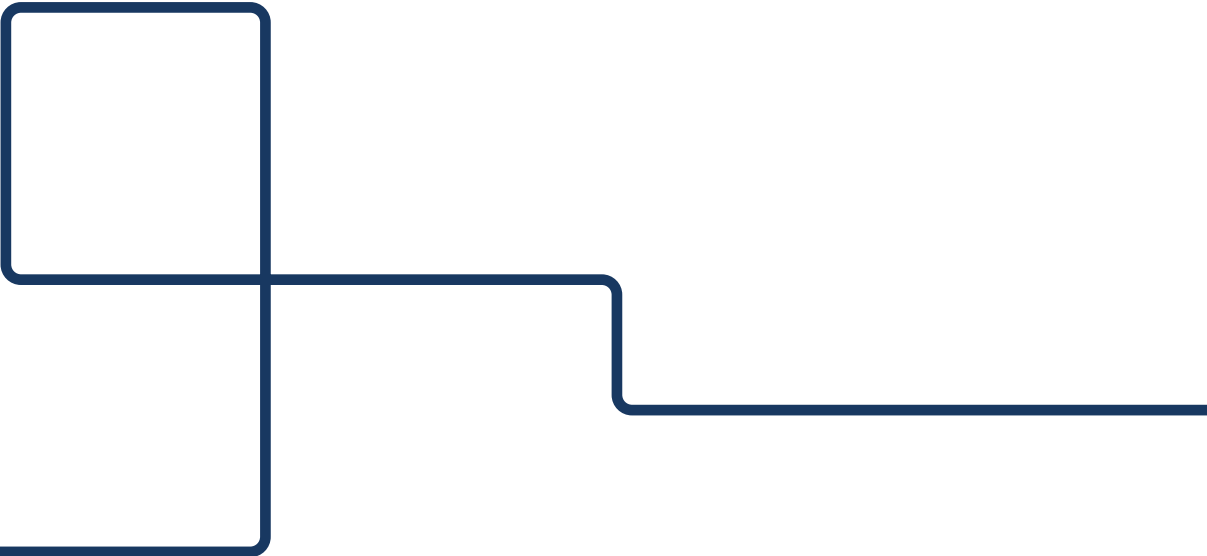
Over the past year we have engaged with 2,620 customers about our approach to inclusion and belonging, this is in addition to the internal working groups. These stakeholders have helped to shape our new People and Planet Strategy which is intrinsically linked to our approach to inclusion.

What our Citizens Jury Member said about transparency:

“...if you are doing it, report it, the good and the bad, reporting the bad can show there’s an ongoing commitment to change and learn. Many companies give an air of ‘we got this’ when it comes to the complexity of discrimination and inequality. I think better organisations show how difficult this work is and reveal that price of meaningful equality is constant vigilance and keeping anti-discriminatory practices at the fore of ALL aspects of the business”.

Stakeholders Said	Our response to this
Some of the key factors that are important for inclusion are: <ul style="list-style-type: none"><li>• Having a valued voice</li><li>• Having clear and effective mechanisms in place to challenge non-inclusive behaviours</li><li>• Feeling part of a team</li><li>• Leadership from the top</li><li>• Equality of opportunity</li><li>• Diversity is valued</li><li>• Flexibility</li><li>• Recognition of your contribution</li></ul> (REF: Citizens Jury 2021)	<ul style="list-style-type: none"><li>• We bring our Colleague Communities together once a month at our Inclusion and Belonging Working Group so that they can share their updates with senior management and ask for support where needed</li><li>• HR are available to support community groups at all times, and HR Director is present on the Inclusion and Belonging Working Group.</li><li>• We’ve introduced religious holiday swaps so that colleagues who do not celebrate festivals in the Christian calendar can swap to use those days for other festivals.</li><li>• We offer flexible working arrangements to all colleagues, alongside our hybrid working approach to balance work/home life balance.</li></ul>
<b>When asked which aspects of inclusion they felt were particularly important to see publicly reported on by NGN:</b>  45% of members focussed on the percentage of women in the workforce and the gender pay gap	<ul style="list-style-type: none"><li>• We report our gender pay gap on an annual basis</li><li>• We have set stretching targets around closing our gender pay gap – starting with reducing the gap by 50% by 2030</li><li>• We aim to have 40% female representation in senior management by 2030.</li></ul>

Stakeholders Said	Our response to this
38% emphasised they would expect to see information about the proportion of staff from a BAME background	<ul style="list-style-type: none"><li>• We are working on collecting data about the diversity data including protected characteristics (ie age, race, religion and disabilities) of our colleagues- all new starters will be now be required to provide this information, and we'll be retrospectively requesting that other colleagues do too (alongside a programme of awareness raising)</li><li>• We've updated the colleague facing system to enable them to input that data themselves- this is voluntary (working alongside the trade unions and Colleague Communities)</li><li>• We expect that by March 2023 we will be able to report on these metrics – what % of people have completed their info, and what we can decipher from that information</li></ul>
28% stated that information on the age profile of employees would be important to them, both in terms of opportunities being provided to young people and also older employees as pension ages are rising	
22% highlighted that NGN should be reporting publicly on the percentage of staff with a disability	
Young Innovators Council Collaboration	<ul style="list-style-type: none"><li>• Wherever possible we have tested our commitments and targets with our Customer Panel, our internal Colleague Communities, our Young Innovators Council, our Customer Engagement Group members and our investors. This has ensured our targets, specifically those around gender pay gap, inclusion and social mobility, and the language we use to talk about sustainability, are fit for purpose and reflect the expectations of us as a responsible business now and in the future</li></ul>



# Measuring our performance

In 2021 we participated in the Business in the Community Responsible Business Tracker- this is a comprehensive survey that assesses business’ commitment to sustainability and responsibility, of which Inclusive Employment and Diversity form a key part.

You can take a look at our report and feedback here, which details areas of best practice and areas where we need to improve:

[Responsible Business Tracker Report 2022](#)

Across all categories (which extends to our environmental and social performance too) this year we scored an impressive 74%, as compared to 50% previously (in 2019), and compared to a cohort average of 47%. This is a huge achievement and shows the steps that we’ve taken to become more sustainable and responsible are effective and have been embedded well across the business. The average score of other utility companies who participated this time was 70/100.

In particular, we saw an improvement in our score around Inclusive Employment and Good Work. This year we scored 58%, which is more than 10% higher than the average score of all companies who took part. This higher rating is a recognition of:

- Our strong systems of accountability and governance in place – both at a senior and operational level.
  - Consultation of colleagues in making decisions and creating new initiatives through mechanisms such as employee networks and union representation.
  - The work we’ve done to put structures in place to formally address Diversity and Inclusion issues.
- The Responsible Business Tracker is a great way to understand how our initiatives are having an impact, but it also helps to identify weaker areas. For example, it was noted that as of November 2021 when the survey was completed we didn’t have any formal targets in place around inclusion. Since then, we have established some targets, which we’ll talk more about in the next section.
- We’ll be working with key colleagues and have now formally engaged with Business in the Community to focus in on those weaker areas over the coming months to ensure that in 2 years’ time, when we undertake the survey again we’ll be in an even stronger position to demonstrate our responsibility to our consumers, stakeholders and wider industry.
- Our work with the BITC will include line manager training, Colleague Awareness Sessions on all aspects of Inclusion & Belonging, as well as support with policy reviews to ensure inclusion is at heart of our people policies.

# Actions we’ve taken in the last year to embed Inclusion

## Our People and Planet Strategy:

In November 2021, we launched our People and Planet Strategy, our long term commitment to sustainability. This includes a high level commitments to:

- Eradicate inequality at all levels of our organisation for all minority groups.
- Reflect the diversity of our communities through our workforce.

The strategy is aligned with the UN Sustainable Development Goals (UN SDG) and was created through vast amounts of engagement with our stakeholders.



As mentioned above in the Responsible Business Tracker section, creation of the strategy prompted us to think about integrating short, medium and long term targets that address issues relating to gender, fair recruitment and diversity data.

Our targets include:

Short term (GD2)	Medium term (UN SDG 2030)	Longer term (aspiration- dates vary)
50% of interviewees shortlisted for senior roles to be female.	40% of senior management (LRGG) to be female by 2030	Eradicate inequality within our organisation at all levels and for all minority groups via:  Gender Balance at all levels of organisation  Close gender pay gap  Organisational representation of communities we serve
Audit and assess the gender pay gap to understand what is causing the gap and what actions could be taken to reduce it	Reduce the GPG by 50% from the 2020/21 baseline	
Analyse recruitment/promotion data for bias	Plan in place to overcome any issues in recruitment/promotion identified.	
Work with our colleagues to gather data about our workforce diversity and baseline	Set targets in 2021, and by 2030 see measurable increase in inclusion across workforce.	

In the People and Planet Strategy we also included targets around providing opportunities and fair employment (which aligns to goal 8 of the UNSDGs). These targets include recruiting apprentices, focusing recruitment into areas/groups where it is most needed and working with community partners to deliver important messages into our communities.

Where we don’t have defined action plans to achieve the goals we have created, over the next 12 months we commit to create robust plans.



# Our Colleague Communities

We expanded our internal Inclusion and Belonging Steering group to include representatives from each of the colleague communities, senior management, and operational colleagues ensuring that issues and initiatives have a platform to be raised and discussed at a high level in the business. We have also added a regular slot on the internal board monthly meetings to provide updates to senior management team.

We have continued to embed our Colleague Community Groups to support colleagues that belong to these communities. The most active groups include; LGBTQ+, Ethnic Minorities, Women’s group, Parents and Carers and DisABILITY.

**Case study: Women’s community**

What is the issue	Travelling for business purposes and claiming expenses isn’t always totally inclusive of womens issues.
How the community worked to come up with a solution	We discussed the current policy and how changes could be implemented to make this more inclusive to women. For example, from a safety perspective it might be better to purchase an open return ticket when travelling via train, as this prevents waiting around at stations, especially in unfamiliar areas.
How has this been embedded	However, the current policy advised against booking open returns as they are more costly. The changes went through the usual policy review route and the updated policy is now being reviewed by other communities to ensure it is inclusive to their members too.
What we have learnt/shared with others	Sometimes policies have been in place for a number of years and a quick update can yield really good results for inclusion.

**Case study: Parents and Carers community**

What is the issue	We identified that NGN have a number of policies which relate to, and provide benefits to, our colleagues who are parents and carers, but they might not be well known or readily available to existing or prospective colleagues.
How the community worked to come up with a solution	Collaborative discussions within the group and working with NGN HR team to identify and review relevant company policies
How has this been embedded	We’ve provided recommendations to the NGN HR team regarding the need for clearer sign posting of our company policies to colleagues, and inclusion of sign posting in job adverts to enable prospective colleagues to understand our policies.
What we have learnt/shared with others	NGN have company policies which provide clear benefits to colleagues who are parents and carers, in particular office base colleagues.  We need to explore further whether our existing policies deliver the same value to our operational colleagues

**Case Study: Ethnic Minorities**

What is the issue	Operational staff were unaware of important festivals and religious days that would be celebrated by our customers in the community.
How the community worked to come up with a solution	We were put in touch with Chris Nevison, by Eileen Brown who reached out to ask for some support.  The Ethnic Minority Community Group met with Chris at the Elland Depot to discuss and have an open conversation about festivals such as Ramadan which is currently taking place and Diwali which has passed.
How has this been embedded	The Ethnic Minority Group would put together a newsletter which highlights any upcoming festivals and important religious days, so that operational staff are aware when working on site.  A member of the Ethnic Minority Group will attend the regular BOL meeting to raise awareness of the community group.  Management in the operational teams now have contact with the Ethnic Minority Community Group to seek any advice and support
What we have learnt/shared with others	Communication is key, and having open dialogue is a great way to share knowledge and learn.  There are simple things that can be put in place to ensure we understand our customers.

**Case study: Disability**

What is the issue	Ensure that Disabled parking spaces are open to all who need to use them at our head office, including visitors.
How the community worked to come up with a solution	The group discussed their experiences and found that these spaces are often used by maintenance vans. It was agreed that this is not acceptable, and that the disabled parking spaces should be free to be used by all that need them- taking in to account temporary issues around mobility such as pregnancy and therefore a ‘blue badge’ should not be required.
How has this been embedded	The group asked HR to speak with the facilities team with reference to their maintenance team not using the spaces (unless needed from a medical or similar perspective), and also for other people using them not to be challenged for not having a blue badge. This was agreed.
What we have learnt/shared with others	Sometimes simplest solutions are the best, and it’s sometimes just that they haven’t been suggested. We need to trust employees to be responsible and to use, and not abuse, what is available.

Welcoming new colleagues

- Updated our Induction Programme for new colleagues, which now highlights the importance of Inclusion and Belonging to us all.
- We are actively working on system changes for our HR system which will allow colleagues to record their diversity data, this will be live in 2022.
- Our new recruitment system will also enable us to test ‘blind applications’ which may help reduce any unconscious bias at the selection stages. As well as the use of a ‘gender decoder’ for our advertisements – helping to remove any gender associated language at the point of advertising removing any blockers for applicants.

Raising awareness

- Throughout 2021/2022 there has been a conscious shift from the Inclusion & Belonging working group to the Colleague Communities actively communicating themselves. This ensures authentic messaging via the use of Blogs, Yammer, Emails etc in order to raise awareness and education.
- The changes to the use of certain bank holidays has helped to raise awareness of colleagues who can swap certain days to better suit their own religious festivals/celebrations. Enabling the positive conversations locally.
- Our CEO, Mark, has hosted a number of sessions with our Colleague Communities so that he can provide his ongoing support and backing of all the positive conversations/ work being undertaken. Further sessions will be planned in throughout 2022.
- We held a series of awareness sessions with Senior Management Team and The Equal Group to highlight the importance of Inclusion & Belonging.
- There has been a roll out of Mental Health awareness training to all line managers - encouraging the #icanbeme messaging that means our colleagues can bring their authentic selves to work (without fear of judgement).
- We joined up with EU Skills and the Energy Network Association EDI Committee groups – with an aim of tackling the diversity issues in the energy sector via a dedicated ED&I Charter – joint projects to follow in 2022 and beyond.
- NGN actively participated in the EU Skills / Equal Group

Diversity Measurement Framework for 2021 and will be doing so again in 2022 – this helps to build a picture of our industry's diversity make up and then to highlight the areas that require targeting.

What’s coming in the next 12 months:

Across the next 12 months we'll continue to embed our strategic approach to inclusion, through actions such as:

- Continuing to review our people policies to ensure inclusion is that the heart of our offering. We'll do this via our policy review group that contains members of our colleague communities, inclusion and belonging working group and our Trade Union Representatives. Our aim will be to obtain further guidance and support on our policy reviews from BITC who we have engaged with for this purpose.
- The Dress code – has been reviewed, this removed gendered terms, a more relaxed day to day approach ensuring colleagues can make a judgement on appropriate attire for their working day/requirements. The policy has removed any non-inclusive sections/references ensuring colleagues can be their true selves at work.
- Review of Modern Slavery Policy has been undertaken ensuring it is fit for purpose.
- We will be rolling out our Inclusion and Belonging sessions internally with the help of BITC to raise awareness and improve understanding across the business.
- Fully utilise our new recruitment system to remove personal information from selection process, leading to candidates being shortlisted solely on their application – removing any form of bias and increasing diversity.
- Introducing diverse interview panels to remove bias as part of the selection process, thus ensuring greater chance of diverse candidates and assesses candidates from more than just ‘technical’ experiences.
- Devise more targeted recruitment strategies to support our social mobility pledge, including reaching into different communities through trusted partners
- Work with educational external partners. Address entry levels for future Apprenticeships in line with our social mobility pledge.

- To develop strategies to address joint ED&I gaps across the Gas and Energy sectors. i.e. targeted recruitment campaigns to attract more diverse candidates.
- What projects are the colleague communities working on:
  - Womens Group – held a ‘safety bounce’ where colleagues openly shared/discussed issues surrounding awareness of personal safety inside/outside the workplace. From the session packages of work have been identified and will be delivered over the next few months.
  - Ethnic Minority group – continues to work with the local teams in Elland to increase understanding of religious festivals celebrated by the local community. The group are also encouraging operational colleagues to get involved.
  - DisABILITY group – Have taken an active part in reviewing our people policies predominantly the absence management, volunteering, travel policies, alongside increasing awareness on invisible disabilities.
  - Parents/Carers group – are taking an active role in increasing awareness of the parental related policies.
  - LGBTQ+ group – continue to increase awareness of the LBtQ+ definitions to increase understanding via the use of social media and blogs, and input into NGN Dress Code Policy.

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# Want to know more?

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