

The background is a dark blue field filled with various abstract shapes and patterns. These include vertical and diagonal stripes in light blue and purple, a grid pattern in orange and blue, a yellow and blue pattern, and several circular and semi-circular shapes with orange and blue speckles or brushstrokes. The overall aesthetic is modern and artistic.

Equity, Diversity and Inclusion Strategy: One year on

In this document:

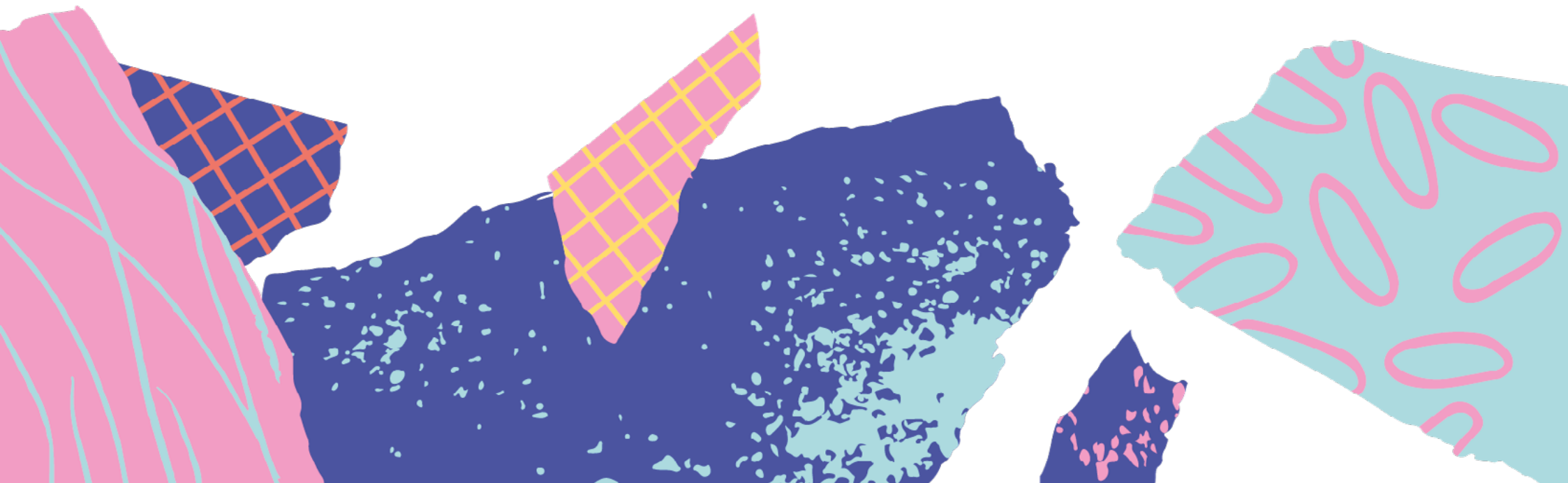
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1. Introduction

In 2022, we refreshed our Equity, Diversity and Inclusion (EDI) Strategy, based upon **three key strategic pillars** to help us focus our activity and objectives:

1. A diverse and inclusive workforce	2. Inclusive culture	3. Promote EDI externally
Build, maintain and enable a diverse and inclusive workforce which better reflects the GB population we serve.	Foster an inclusive workplace culture where everyone can be their true selves and flourish.	Lead, collaborate and partner with other organisations across the energy sector to improve diversity and inclusion.

Now is a good time to reflect on our progress and achievements and ensure our deliverables are reflective of the current landscape and continue to support meaningful change.



2. Foreword

I am proud of Ofgem's achievements since the launch of our Equity, Diversity and Inclusion (EDI) strategy a year ago. However, we need to maintain our focus and momentum on our journey to ensure we are an organisation that reflects the diversity of the consumers we serve and provides a workplace culture that is truly inclusive, making us an employer of choice.

The energy sector is in the midst of a triple energy crisis – climate change, energy security and rising costs for consumers. In the past two years, wholesale market prices reached record highs, pushing up the number of households living in fuel poverty to almost £7.5m. This makes diversity of skills and thought more important not less so that we have the innovation and leadership we need for a secure and affordable energy transition. Diversity of all kinds in our people and thinking will help us meet the energy challenges of today and transition to a bright Net Zero future.

The industry, including us as the regulator, has a long way to go on equity, diversity and inclusion. No major organisation can fully represent the people they serve through its leadership, but without a diverse set of backgrounds, it is much harder to do so. Diversity, particularly of our leadership, is

fundamental to the success of the energy sector.

If leaders don't change and adapt to the backgrounds and personal lives of those who work in the sector, we will lose some of our best talent at a time when the sector needs it the most.

The energy sector is not the only sector facing change. We need people who are problem solvers, doers, and visionaries – all of which are transferable skills. If the energy sector treats people from diverse backgrounds poorly and fails to include them at all tiers of the trade, they will go to sectors that do respect them and leave energy transition lagging behind.

We are making good progress on gender representation at senior leadership levels within Ofgem, but we have further to go ethnicity and disability – these will be a focus for the coming year. This past year has been about building solid foundations for this work. We now have a much better grasp of our own data on workforce composition and measuring the impact of our people processes on under-represented groups.

Beyond the traditional characteristics, we have also focused on socio-economic background and improving social mobility. We have a comprehensive three-year plan to help us understand whether we have a

balanced workforce in terms of socio-economic background.

The plan also looks at how we can provide opportunities to attract, support and retain people who may have been disadvantaged due to their socio-economic background.

I have already mentioned the challenges faced by the wider sector and as the regulator we need to be part of that change. Ofgem is proud to be part of the 'Tackling Inclusion and Diversity in Energy' (TIDE) Taskforce. Being a part of TIDE means living and breathing

the commitments to bake equity, diversity and inclusion into every fibre of an organisation's structure:

- From accountability at the board level.
- As part of recruitment.
- Be fully transparent with data and targets.



“We need people who are problem solvers, doers and visionaries – all of which are transferable skills.”

3. Achievements since launching the 2022 Strategy

PILLAR 1: A diverse and inclusive workforce

Data

Robust data is the backbone of our work on Equity, Diversity and Inclusion (EDI). It allows us to better understand our people and assess the impact our plans, decisions and activities have on making improvements.

We have an EDI dashboard that is published externally and used to report on our workforce representation by protected characteristics and our progress against workforce targets. We have improved data declaration rates via an internal data campaign and have started capturing socio-economic background data



Progress against workforce targets:

Demographic	2025 Target	2019 figures	2023 figures	Change from 2019 to 2023
Female	50% at all levels	Heads of Department or Expert Leads – 33%	Heads of Department or Expert Leads – 44%	+11%
		Senior Civil Servants – 33%	Senior Civil Servants – 45%	+12%
Ethnic minorities (excluding white minorities)	Heads of Department or Expert Leads – 18%	Heads of Department or Expert Leads – 9%	Heads of Department or Expert Leads – 17%	+8%
		Senior Civil Servants – 18%	Senior Civil Servants – 8%	-4%
Female ethnic minorities (excluding white minorities)	Heads of Department or Expert Leads – 9%	Heads of Department or Expert Leads – 4%	Heads of Department or Expert Leads – 8%	+4%
		Senior Civil Servants – 9%	Senior Civil Servants – 5%	+2%

A breakdown of our workforce demographics from 2020 until 2023 is shown in the table below:

Group	2020	2021	2022	2023	Change from 2020
Female	47%	46%	45%	46%	-1%
Disabled	4%	5%	6%	8%	4%
LGBTQ+			7%	8%	1% (from 2022)
Ethnic minority background	19%	19%	24%	25%	6%

PILLAR 2: Inclusive culture

Ofgem is committed to providing an inclusive and supportive working environment where all employees are treated fairly, with dignity, respect and understanding, and their health and wellbeing is fully supported. We have challenged ourselves to tangibly improve our workplace culture over the last year by implementing several new inclusivity-focused processes and policies.

We have achieved both Carer Confident Level 1 and Disability Confident Leader status, demonstrating our unwavering commitment to fostering an inclusive and diverse workplace. These accreditations highlight our dedication to providing support, understanding, and opportunities to all our employees, including those with disabilities and carers, but we recognise that this is a journey of constant improvement. We are therefore creating a Carer Action Plan and a Disability Action Plan which will continue to tackle inequalities for those with disabilities and caring responsibilities.

A Neurodiversity Guide has been created to support our Ofgem colleagues who are neurodiverse and give all colleagues an understanding of what neurodiversity is and how they can become allies.

We launched our Transitioning at Work Policy in 2022 to support those who propose to undergo or are undergoing a process of socially aligning their gender expression with their gender identity, rather than with their birth-assigned sex. It will also assist Ofgem colleagues and managers in supporting the member of staff through the process.

Our Menopause policy has been developed to raise awareness of the menopause for all colleagues at Ofgem, to reduce the stigma attached to the menopause, and to help promote and create a fully inclusive environment and culture that supports all employees impacted by the menopause.

Another way we are cultivating a more inclusive culture at Ofgem has been through our focus on inclusive communication practice and a resulting Inclusive Communication Guide. Accessibility is a top priority at Ofgem, and this guide supports our meetings, events and decision-making processes to be more accessible, ensuring everyone can participate and contribute without barriers.

More generally, we are ensuring that we don't exclude anyone from bringing their true selves to work by incorporating Equality Impact Assessments as part of implementing new, or changing existing, policies, practices and decision making. This is to ensure everything is fair and doesn't pose any disadvantage to protected groups.

Case study: Ofgem's Transitioning at Work policy – collaborative policy making.

The LGBT+ network identified a need for a policy to help people who are undergoing a process of socially aligning their gender expression with their gender identity, rather than with their birth-assigned sex.

It was created with the aim of assisting colleagues and managers in supporting a member of staff through the process. The network led on the policy development in collaboration with Human Resources, Estates, the Trade Unions and the other staff network groups to ensure all views were taken into account. The policy was seen as a model of best practice and circulated to the Civil Service LGBT+ Leaders Network.



Gender Pay Gap Action Plan

Gender Pay Gap legislation, introduced in April 2017, requires all employers of 250 or more employees to publish their gender pay gap. We have developed a Gender Pay Gap Action Plan for 2023-2024, which has been published to ensure our continued commitment to narrowing the pay gap between men and women. This focusses on giving women the tools and experience to progress their careers, challenging and removing bias in processes.

Social Mobility

Utilising feedback from the Social Mobility Index, a Social Mobility Action Plan was launched in March 2023, focusing on data, awareness, inreach and outreach. Activities to improve social mobility at Ofgem have included a pilot work experience scheme with Tower Hamlets council, collaborating with the Ministry of Justice on mentoring schemes for current colleagues and month long student placements with City, University of London.

Case study: Reflections from a student at the University of London, Merita Lushi - Social Mobility Student Placement

As a student who recently completed a placement at Ofgem, I can confidently say that it was an invaluable experience. I was welcomed into a really supportive environment where I had the opportunity to apply my knowledge while also learning so many new skills. The guidance and support I received throughout my placement has helped me develop both professionally and personally. My mentor and colleagues I had the privilege to work with consistently pushed me, offering valuable insights and constructive feedback, which has truly contributed to my growth. I would highly recommend this student placement to aspiring students who are eager to gain practical experience, expand their network, and be part of a vibrant and forward-thinking organisation.



PILLAR 3: Promote Equity Diversity and Inclusion (EDI) externally

As well as our continued commitment to making Ofgem a great place to work for colleagues from all backgrounds, we are also doing all we can to drive EDI improvements across the sector as a whole.

The EDI Research by Thinks Insight

To get a more rounded view of EDI practice across the industry, Ofgem commissioned research agency, Thinks Insight to conduct anonymous in depth interviews with some of our key stakeholders.

The aims of this research were to understand perceptions of the energy sector's performance in relation to EDI, and to identify key barriers and enablers for better EDI, that will ultimately support meaningful change.

There were several recommendations, including:

- Representation of diverse leadership should be a key area of focus for the sector, though stakeholders accept change will take time to filter up to this level.
- Tangible action is needed in relation to recruitment, retention, awareness and accountability, amongst broader systemic and cultural areas.
- Ofgem should continue to focus efforts on raising awareness of, and engagement with, EDI e.g. via events, roundtables and diverse panels.

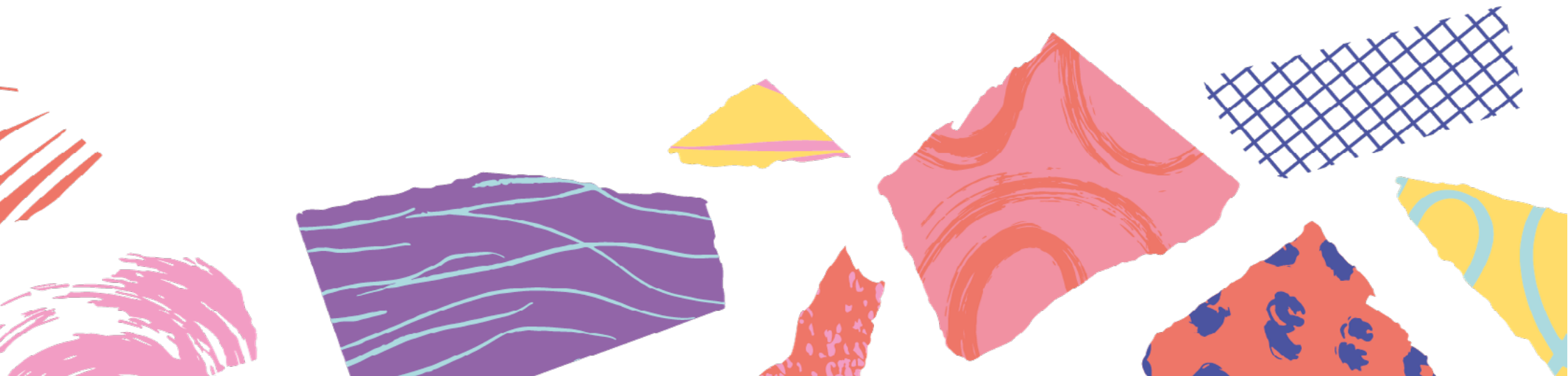
At Ofgem, we are using the insights gathered as part of the research to inform our third pillar activity.

The Tackling Inclusion and Diversity in Energy (TIDE) Taskforce

TIDE was established in 2022 and is now run in partnership by Ofgem, Energy-UK, The Energy Networks Association, and the Energy Institute. There are now over 20 organisations represented in the TIDE Steering Group, and over 30 across the Taskforce.

TIDE has recently launched the Leaders' Commitment to encourage the most senior across the sector to lead by example, and drive change in their own organisations. We are also proud to have supported the launch of the company health check, a webinar series and an online Hub, which acts as a one stop shop for Equity, Diversity and Inclusion matters across the energy sector.

At Ofgem, we are capturing data from under-represented groups as part of our customer insight gathering programme, and using this to inform our work to support consumers and their diversity of needs. This, as well as other activity like making a POWERful Women pledge and taking part in the BBC's 50:50 project, allows us to maintain a wider ranging awareness of EDI externally. This means we can better support the consumers we serve, and encourage others across the industry to do the same.



4. Key priorities for 2023/2024

Pillar 1:

- Automate Equality, Diversity and Inclusion (EDI) data dashboard to allow real time data.
- Analyse data on career progression to see what barriers there are for under-represented groups.
- Deep dive on strategic recruitment to ensure our processes are inclusive.
- Publish and deliver a Disability action plan, a Carers action plan and a Race/Ethnicity action plan which considers the ethnicity pay gap actions.
- Equality Impact Assessments – embed across the entire organisation.

Pillar 2:

- Identify initiatives to address findings from the career progression data analysis to support progression for under-represented groups.
- Develop Respect at work toolkit.
- Collaborate with Early Careers Team to publish an Early Careers Strategy.
- Ensure the new Learning and Organisational Development Leadership development programme has inclusive leadership at the heart of it.
- Ensure Ofgem's mentoring and coaching approach aligns with network group activities and aims.

Pillar 3:

- Tackling Inclusion and Diversity in Energy (TIDE) – continue to influence and support objectives of the Taskforce.
- Develop EDI narrative for senior leaders to ensure they are maximising opportunities to promote EDI in the wider energy sector.
- Energy Leaders Coalition – continue engagement and influence to ensure strategic objectives are met.
- BBC 50:50 – continuation of our monitoring and evolve to go beyond just gender representation.
- Continued engagement and collaboration with the London Infrastructure Group on EDI.

