Workforce Resilience Strategy

June 2021

westernpower.co.uk

WESTERN POWER DISTRIBUTION

Serving the Midlands, South West and Wales

1. Introduction – About WPD

We regard our employees and workers as "our Company" and we believe that our success in the electricity sector to date is due to the positive and focussed actions of our people. Our employees' safety and wellbeing is at the heart of every activity we undertake.

At WPD we work collaboratively with our Trade Union colleagues to provide a working environment that allows employees to develop, be motivated to succeed, and progress within a team structured organisation where empowered employees can and do have the opportunity to flourish.

We believe that setting expectations early at a new employees' induction, and responding to a changing world of work has prepared our managers and team members to respond to the challenges of our 24/7, 365 days a year operation.

Our goal for the future is to be a "stand out employer" both regionally and more widely for people looking for an opportunity to work in the exciting, digitalised, environment conscious and changing world of electricity distribution and system operation, will want to be part of.

We are conscious that we have been a "traditional" employer, but in order to compete for talent in the more flexible, diverse and changing world of work then we need to look to the future, and re-evaluate how we become "an employer of choice."

During RIIO-ED1 and in prior review periods, our vision was "To Be World Class in Power Delivery" and we promoted the following values that underpinned our business style (See figure 1):

Our Values:

We Act With Integrity
- We tell the truth
- We keep our promises
- We deal fairly with everyone

Customer First
- Our business is customer satisfaction – First Time Every Time
- We will think like customers

Business Awareness
- … and act like owners

Great Place to Work
- We are a first name Company
- We enjoy our work and celebrate our successes
- We seek opportunities to learn
- We do not compromise safety and health

Teamwork
- We communicate openly and value honesty
- We listen
- We respect all opinions and expect differing viewpoints as we work together towards common goals
- We emphasise co-operation

We Deliver Results
- We set high goals for ourselves
- We take personal responsibility for success
- We act with speed, decisiveness and individual initiative to solve problems
- We use change as competitive advantage

Leadership
- We lead by example

Citizenship
- We are committed to the environment and the communities we serve

1. Introduction – About WPD

Using these values together with our Key Goals for Success - to:

Consistently Provide Excellent Customer Service

Improve the Reliability of our Distribution Network

Operate with Speed and Efficiency in all we do

Generate Income through Utilisation of our Existing Assets

Employing Staff that are Well Trained Highly Motivated and are Personally Responsible for Results

have provided a strong platform for WPD, and our success was evident, and allowed for WPD to sit at the top of the performance tables of our competitors in reliability, safety and customer service.

Moving forward into RIIO-ED2, we offer proposals that focus further on our people, our customer communities and our stakeholders, and whilst we still aspire to be at the top of our game we are open to challenging our vision and values to align with the changes happening in the UK, the EU and globally.

Figure 1: Business Style

1. Introduction – About WPD

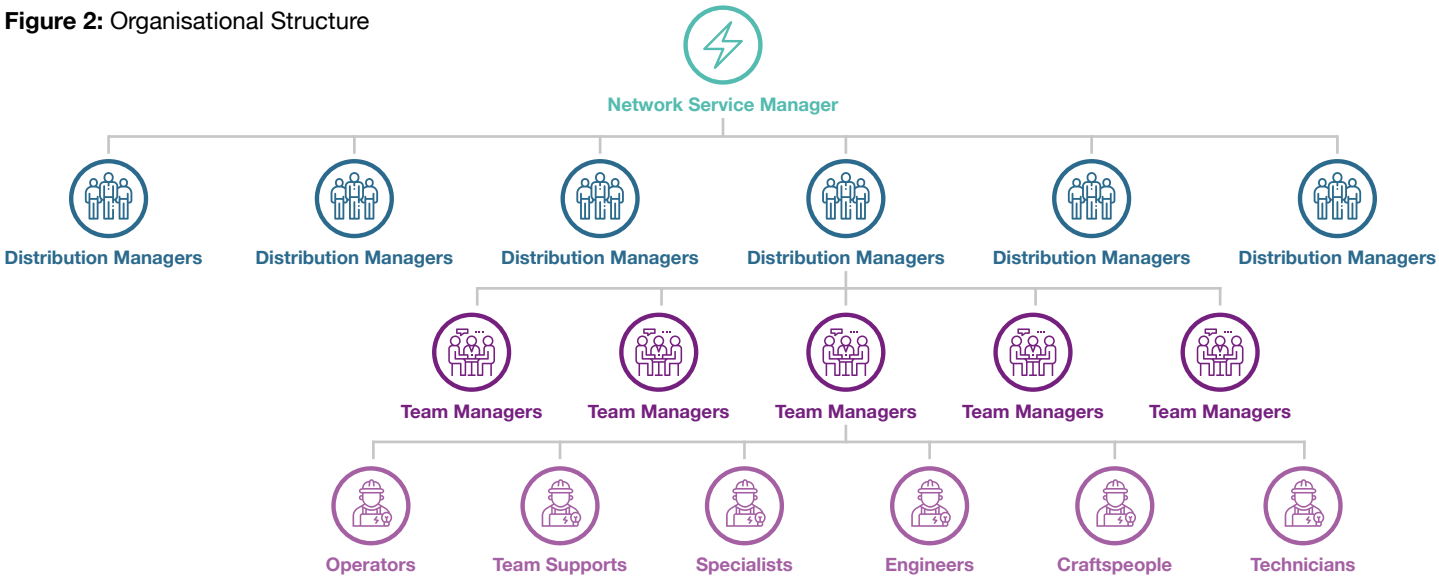
Our Workforce and Structure

Our workforce consists of a flat geographically based team structure with minimal layers of management, and some functional activity (e.g. plant and equipment teams) coupled with corporate support functions.

This flat structure makes decision-making and problem solving a quicker and simpler process, and empowers employees to take personal responsibility and act within an agreed framework of authority.

A typical geographical licence area would consist of a Network Services Manager (NSM), 6 to 8 Distribution Managers (DMs) responsible for 4 to 8 Team Managers (TMs), who have operational responsibility for day to day activities such as - maintaining existing assets, planning and delivering network improvements, responding to faults and providing new connections for delivering a safe, secure and reliable electricity supply through the management of their teams, consisting of craftspeople and operators, technicians, planners, engineers and specialists and team supports. See figure 2 below.

Figure 2: Organisational Structure



The Team structure is supported by corporate functions such as Finance, Logistics, Information Technology, Communications, ER, Payroll and Pensions, Safety, Training etc. but the team ethos remains unchanged with minimal layers of management, employee empowerment and local issues being resolved locally.

At the start of RIIO-ED1 WPD's total work force was 6467 employees and has remained fairly static to date with an average employee age of 41.5 years. During this period (to 31 March 2021) our turnover rate to date has averaged 4.14% a year and is slightly higher than in previous years due to a higher proportion of natural wastage (mainly due to retirements) during RIIO-ED1.

Table 1: Workforce at the start of RIIO-ED1 - 1 April 2015

Gender Profile		
Male	Female	Total
5,511	956	**6,467**

Types of Roles								
Executive	Senior Manager	Manager	Supervisor	Professional	Administration	Customer Service	Craft	Total
4	87	263	837	1,138	452	522	3,164	**6,467**

Age Profile/Average Age							
20 and Under	21 to 30	31 to 40	41 to 50	51 to 60	Over 60	Total	Average Age
115	1,485	1,316	1,726	1,559	266	6,467	**41.5**

Years of (Continuous) Service Profile/Average Length of (Continuous) Service								
Less than 1	1 to 2	3 to 5	6 to 10	11 to 15	16 to 20	Over 20	Total	Average Service
330	707	728	1,294	768	258	2,382	6,467	**16**

Our Workforce and Structure

Some highlights and successes include:

Our male/female split has increased from **85%:15%** in April 2015 to **82.6%:17.4%** in April 2021, an increase of 193 female employees across many roles including technical apprentices and engineering roles. This increase has occurred in the last four years and is a successful result of the considerable efforts by the recruitment team to attract more females to our organisation. Whilst this ratio in female employees has increased, our most recent gender pay gap report (see Section 4) saw a widening of our gender pay gap. We expected this as the job roles where we see more females being employed is largely in trainee and lower graded posts - it will take some time for these female employees, especially the female trainees to reach a pay level that will impact the gender pay gap, but is a positive marker for the future.

This increase in successfully attracting a greater female population is echoed in the Women in Engineering report (WES) where it is identified from a survey conducted in 2017 by Women in Science and Engineering (WISE), that 11% of the engineering workforce are female - a shift from 9% in 2015. 2019 statistics from WISE indicate that the percentage of women in the STEM workforce has dropped whilst WPD are bucking this trend by showing a steady increase.

Our male/female split has increased from 85%:15% in April 2015 to 82.6%:17.4% in April 2021, an increase of 193 female employees across many roles including technical apprentices and engineering roles.

Ethnicity													
African White/Black	Asian Indian	Asian Other	Asian White	Asian Bangladeshi	Asian British	Asian Chinese	Asian Pakistani	Black African	Black Afrocarribean	Black Asian	Black UK/Irish	Caribbean White/Black	Chinese
1	56	15	2	3	1	2	12	10	14	3	1	4	4
1	91							28				4	4

Ethnicity										
Iranian	Mixed Race	White UK/European	White Irish	White African	White Afrocarribean	White Oriental	White Other	White UK	Undisclosed	Total
1	14	2,512	9	1	5	4	10	2,775	1,008	**6,467**
1	14	5,316								

We have also increased our ethnic communities - adding a further 30 employees from ethnic minority groups since 2015. This is based on our data that we currently hold which is not a complete data set due to the non-mandatory nature of providing this information.

We recognise that some of the changes in the makeup of our workforce could be seen as small with no real positive direction of travel.

The electricity distribution industry continues to fall short of other more diverse sectors such as retail and Information Technology. We are not complacent however, and are committed throughout the remainder of RIIO-ED1 and RIIO-ED2 to make significant changes to see a real and sustained difference.

Our apprenticeship and trainee intakes over the period amounted to 713 employees, and is still a major part of our recruitment strategy for the future.

1. Introduction – About WPD

Our Culture

WPD's culture fits a typical definition of a task organisational culture which has developed over a 30 year period following the privatisation of the electricity industry in the early 1990s, the acquisition of WPD by US owners in the mid 1990's, and the takeover of other Distribution Network Operators by WPD in 2000 (Hyder Group) and 2011 (Central Networks).

More latterly the acquisition of WPD by National Grid. We are focused on our tasks, and seek to bring together the right resources and people, to succeed in our key goals for success and we utilise the unifying power of our team ethos and organisational structure. We deliver excellent service to our customers in whatever activity we are engaged in, we treat customers as they would like to be treated.

This task culture is underpinned by recognising that we are judged by the actions of our people. We work hard to ensure that we employ, train and develop our people who in-turn demonstrate a desire to deliver the best possible results for our customers, but in a team environment that is supporting, motivating and nurturing. This is borne out in our consistently low staff turnover rates at just over 4%, and in our staff survey where over 89% of employees stated that they planned to stay working for WPD. In addition 79% of our employees stated that they are proud to work for WPD.

Within WPD, we are proud of our "team, task-oriented culture", albeit "traditional". What do we mean by traditional? Traditional, in the sense of the way we conduct our business. This has not changed markedly over the generations. Our values and beliefs are unchanged but are now developing to meet the demands and differences in business direction, and we look to embrace this changing world of work to a more modern, diverse, and flexible way of working for our employees, ensuring resilience against future challenges.

During Mid 2019 we engaged with a company (DNA) to ensure that our culture remains appropriate for our business.

The business had moved on and whilst our business purpose of providing a safe, secure and reliable electricity network has not changed, our workforce, business size, and area, has increased, and we face a different business model that moves us towards being a Distribution System Operator, but recognising that UK Government's desire to become carbon neutral by 2050 and embracing digitalisation in order to react quickly to changing customer and energy demands.

DNA met with many employees from a number of locations within WPD to hear in their own words why they bring their talents to Western Power Distribution every day, how they feel about their employment experience and how we might adapt our approach to attract that to the right people.

DNA found that "there's a strong community culture within Western Power - a culture that has been nurtured by every employee over many years, lived, breathed and developed, not something handed down from upon high". It identified the culture as unique whereby "everyone has time for each other, there is communal warmth, it doesn't feel pressurised or stressful and when it does you are supported".

Some of the comments below explain "why WPD?" and endorses that if you come to work for WPD then you are part of a team that welcomes, supports and values you as an individual:

"There's 6000 employees here who are a family, not a corporate where too many people are in it for themselves working on their own. Team work is the ideology of the Company."

"This really is one of the nicest places I've ever worked, everyone is genuine, looks out for each other. Health and safety plays a huge part given that electricity can kill you, but the care and camaraderie go a lot further than that. There's help and support outside of work too. People go through bad times or life incidents, but whatever you might need help-wise, it's there."

"Team Managers have a great role to play. They're entirely non-judgmental. Male or female, old or young, your ethnic origin – it doesn't matter, you have a voice and a position here. I've experienced real racism in other places I've worked in the power industry, it would never happen here."

"The money, the security, the family feel all count for something. There's a genuine warmth here that you don't see in other businesses."

We do not fall into a false sense of security that everyone is happy all of the time. We continue to use our employee satisfaction survey to review our culture, and the feedback that this provides; along with employee feedback through team meetings, annual performance and development reviews, exit interviews, local and Company level trade union meetings etc. and we take steps to act on the feedback we receive.

Our Employee Relations Team

Our Employee Relations team consists of an Employee Relations Manager, a centralised recruitment team, an occupational health team based in 4 regional areas and employee relations generalist teams based in 4 regional areas.

Our aim is to support our managers and employees within a team based environment, underpinned by best practice employment policies and procedures that support the activities of the changing business but aligning with the whole employee lifecycle from that first contact, through employment, and to retirement.

At WPD we value the collaborative approach to employee relations that our collective bargaining arrangements provides.

We recognise, the GMB, Prospect, Unison and UNITE trade unions, and the Company and Unions have an established framework that operates under The Electricity Business Forum (EBF) and Local Electricity Business Committees (LEBCs) to define the terms and conditions of employment for team members through the Electricity Business Agreement. (EBA).

We work proactively with our trade union colleagues to balance business requirements with fair terms and conditions, in a secure working environment with added benefits.

2. RIIO-ED1 Progress Overview

Our workforce resilience strategy into RIIO-ED2 began in RIIO-ED1 when we embarked on a journey to ensure a future workforce that is empowered, highly trained, diverse in nature with modern views, and which delivers high quality results and performance.

We continued to use an insourced workforce to deliver the majority of the work because we have found that our employees not only provide excellent service to our customers as evidenced in our customer service results, but they also score highly in the Broader Measure survey feedback in how our employees treat our customers when we interact with them.

Our success in RIIO-ED1 is part of a carefully developed plan that proactively evaluates our future resourcing needs, recognising the known changes to the industry, such as those in distribution system operator (DSO) functions, and the challenges that this brings in terms of the new roles and different skills.

These changes coupled with an aging workforce meant that we took steps to create new training schemes, (in addition to our craft apprentice and graduate training schemes) to ensure that there are adequately trained staff to support the business. These new schemes included Planning and Design traineeships, Engineering traineeships and new apprenticeships to cover telecoms, information resources, and DSO trainees, ensuring that we have ready trained employees to build on our workforce strategy going forward and in readiness for further changes.

Our strategy, to continually balance our workforce to meet our business needs efficiently, remains a priority and is backed up by a range of opportunities for staff to develop and learn.

These are supported by our consultative arrangements with our recognised trade unions, formal personal development reviews (held annually), and annual succession planning and secondment opportunities. We also look to support lateral moves where possible.

This focus on reviewing our resourcing needs, work methods, and workforce resilience underpins our key goals for success, provides a strong foundation for new employees and team members to develop, stay motivated, progress in the Company, and supports diversity, creativity and innovative thinking. We always welcome new ideas and embrace modern views where we can. For example we are conscious that younger employees expect more employment fluidity and may move from job to job. We therefore expect some to leave, but we look to retain them by offering career progression in a diverse, equal and inclusive environment and by encouraging development within WPD.

A typical example would be the internal traineeships, whereby the employee may not have the entry qualifications to apply for the traineeship, but we have now allowed those who have gained relevant experience in their current role for a set period, (3 years) to apply for these roles subject to assessment, and interview before advertising externally. These opportunities give existing employees the opportunity to progress within WPD and potentially stop these employees leaving.

What have we done?

To show our achievements and progress during RIIO-ED1 we have regularly reviewed our employee working practices to provide that “great place to work” for our team members and we continually invest in our employees by ensuring that our business focus - “to be world class in power delivery” is supported by a range of people related policies, procedures and initiatives to motivate, train, develop, and improve our employees’ contribution to the success of the business.

Our key initiatives achieved in RIIO-ED1 include:

Our Recruitment Team

In order to address different recruitment practices across the expansive WPD geographic footprint, we have brought together our recruitment requirements into a centralised recruitment team.

This has resulted in a more consistent approach to recruitment across all four licence areas, and utilises the latest recruitment and diversity, equality and inclusion practices into our processes, incorporating up to date best practice.

- We have also implemented an online applicant tracking system, (ATS) which is utilised by both internal and external applicants. It has functionality that allows applications to be anonymised, which in turn removes unconscious bias from the selection process.
- Created a Careers website that supports our recruitment efforts includes a personal profile of some of our team members, under the "Our People" banner. These personal profiles explain why these employees were attracted to WPD, their role, our culture, what's the best thing about working at WPD? It also incorporates our new ethos "The Power to… Be part of a team… Realise your potential…" This Employer brand, "The Power To" goes to the heart of what WPD wishes to achieve for our employees during their career and was developed following research with managers and employees throughout the business.
- As part of our focus on our recruitment practices we reappraised our annual Apprentice and Trainee recruitment campaigns. By doing so, we achieved a saving that more than covered the costs of our ATS contract for a period of 3 years, in one year.
- Early in 2020 we engaged with some of our recruiting managers and current graduates to understand what they are looking for from our graduate recruitment process. This included a review of our advertising, assessment process and interview questioning that resulted in a more streamlined and less manual process. Our goal was to attract a wider pool of applicants and this was successful as our graduate applications rose from 59 applications for 3 locations in 2019 to 289 applications for 5 locations in 2020.
- Our impression is that those seeking an apprenticeship, certainly rank WPD in their choice of employer as in the latest apprenticeship campaign (2021) we attracted 16 applications for each vacancy with a small increase in female applications. Attracting females to apply for these apprenticeship opportunities is an important focus area for the remainder of RIIO-ED1 and RIIO-ED2.
- We have totally re-evaluated our on-boarding process, which now includes a "day one" get to know your location, team type induction, followed by a day-long formal induction at one of our training centres, followed-up by three computer based training (CBT) reviews at 1, 3 and 6 months after joining. We sought views from new employees, trade union colleagues and managers as well as researching the Advisory Conciliation and Arbitration Service (ACAS) and Chartered Institute of Personnel and Development (CIPD) best practice guidance and included these views and best practices in our on-boarding process.

2. RIIO-ED1 Progress Overview

Diversity, Equity and Inclusion – DEI

We have recognised that diversity within our workforce falls short of representing minority groups - possibly due to a lack of appetite to change by managers who are of a mind-set to appoint "people like me".

Our collective culture needs to shift to an acceptance by our current managers at all levels and team members that we are all people with skills, gifts and talents to offer WPD regardless of colour, sex, age, disability etc. We believe that giving this message from the leadership team and through all levels of managers and supervisors that a culture of shared norms will develop and continue to build through all levels of the business.

- As a result, WPD has a DEI strategy led by our CEO and all directors and senior managers to increase diversity across all business areas going forward. We are seeking to build on our diversity, equality and inclusion action plan to develop a more inclusive and diverse culture in all areas of our business.
- In 2018 WPD appointed our first female director, - not just female, but a female who had come through our Graduate Engineering Traineeship. To further our plans we have appointed a DEI Champion (A dedicated resource) within our Recruitment team.
- We realise that a marked shift of cultural change to increase diversity in WPD is not going to happen overnight, but this allows us the time to bring about the changes in our messaging, actions and behaviours to accept and embrace this change in culture, and to explore further ways of attracting and maintaining a diverse workforce. Some of the communities we serve are rich in diversity and this allows us to get in and amongst these communities to attract people of colour and ethnic minority groups to work at WPD and bring their skills, gifts and talents to work with them.
- We have updated our DEI, and Anti-harassment policies, to bring them in line with our current thinking. These policies confirm our commitment to a balanced and diverse workforce and reaffirm our non-tolerance of discrimination and harassment in the workplace.
- We have also reviewed our job vacancy advertisements to ensure that the language used appeals to a diverse range of applicants. We were pleased to receive feedback from WISE (Women in Science and Engineering) that our current vacancy notices are not targeted particularly at any individual groups, and we are have worked with Stonewall to further enhance our policies. We are already seeing an increase (number) in a more diverse set of applications.
- To support our DEI strategy, we have made alliances with external organisations to work alongside and promote our desire to have more diversity in senior, middle and junior management roles as well as in all other roles within the business. These alliances are with WISE, the Institute of Electrical Technicians (Women's Branch), Disability Confident, Change 100, Career Transition Partnership, Stonewall, and Age at Work Programme (part of the Business in Industry Initiative). We will continue to expand our partnerships and strive to include other organisations in the future, through Employee Networking Groups.
- We will continue to involve our trade union colleagues and our employees in our diversity action plan.
- In 2019 we welcomed our first graduate under the Change 100 scheme. Change 100 is an award winning programme of paid summer placements and mentoring for disabled students and recent graduates. It provides these students with a work experience placement that aims to unlock their potential and provide them with skills that are transferable. We have welcomed a Change 100 graduate student to our corporate communications team in 2020, and another graduate is due to start with our Electricity System Management team in the summer of 2021.
- In addition we have signed up to a new initiative – 10,000 Black Interns. An ambitious programme to help transform the prospects of young black people in the UK offering training and development and mentoring for paid internships to black students over 5 years.
- During 2020, we produced a video of our female STEM employees and trainees, in an effort to promote our desire to be a more diverse workforce. This is being shown on our careers website to reinforce our message - that we welcome women from a diverse pool of applicants to join our Company. We have achieved success as demonstrated by the increase in our female trainee cohort in the last two years whereby we attracted more applications, and appointed 12 new female trainees.
- Our female population has increased by more than 10.5%, in the (4) years since we started to report our gender pay gap, which highlighted the need for more targeted recruitment practices.
- In July 2020 our CEO confirmed his lead in supporting our diversity, equity and inclusion initiatives, and launched our Respect Charter affirming WPDs commitment to working together by being professional and acting with integrity, promoting and championing fairness, respecting and valuing differences and treating everyone with courtesy and respect. We now plan to build on expressing our messages in all our communications that all creeds, colour, age, sexuality, age and genders are welcome and valued at WPD.

disability confident COMMITTED

Change 100

CTP The Ministry of Defence partnering with Right Management

Employee Satisfaction Survey

Approximately every two years we invite our employees to participate in our employee satisfaction survey to understand what our employees think about our business. Late in 2019 we completely reinvented the survey. For a period of time we had been using the same survey so that year on year comparisons could be made.

However, as the business environment is changing, we revised the survey to gain useful and helpful information to inform our future direction. We increased the number of questions from 11 to 53, broken down into 14 distinct categories. More than half of our employees completed the survey and the results provided WPD with five overall "opportunities to explore" headings including:

- **Opportunities for staff to provide feedback**
- **Training and development**
- **Quality of internal communication**
- **Promoting a "thank you" culture**
- **Evidencing actions as a result of the survey.**

These results provide a new foundation on which to improve employee satisfaction, and we have identified a number of areas where we can measure our response in the remainder of RIIO-ED1 and through RIIO-ED2: E.g. diversity, employee engagement etc.

An Action Plan has been developed and will be progressed into RIIO-ED2 particularly in the area of growth and development where 48% of employees feel limited to progress.

Some of the actions include:

- Having analysed this data further we have concluded that our changing environment will bring opportunities for new job roles for DSO, low carbon networks and digitalisation together with opportunities to multi-skill and up-skill our existing workforce.
- A positive response, which is encouraging for our retention statistics, is that 89% of respondents expressed their commitment to the Company by confirming that they intend to stay with WPD for the next 12 months. For the year ending 31 December 2020, the actual number was higher at 92%.
- We will conduct a second survey during RIIO-ED1 to assess if this view remains following the interventions we have made following the initial newly formatted survey. Our aim is to maintain our industry leading retention rate in RIIO-ED2, and is a useful indicator for future workforce planning.
- Our goal in conducting these employee surveys, in addition to receiving quality feedback, is to increase the response rate from just over 51% to at least 80% or even more – we want our employees to have a voice in WPD and a say in their future. A survey on homeworking during the COVID -19 pandemic resulted in a response rate of over 74% of those surveyed and provided feedback for positive actions by the Company to develop and launch a hybrid homeworking policy in December 2020.
- We have committed to giving each employee 2 paid days per year to become involved with community projects that support local initiatives and events.
- We will review our survey each time it is issued to measure areas that have changed – got worse, stayed the same or got better – especially in areas where it has been highlighted in previous surveys where opportunities to develop have been highlighted. Training and development initiatives to support the feedback relating to lack of growth and development are explained earlier – namely Planning and Design traineeships, Engineering traineeships and new apprenticeships to cover telecoms, information resources, accountancy trainees and DSO trainees are all positive actions that have been initiated as part of employee feedback.

Positive outcomes from our most recent survey include:

73.9%
of employees state that there is clarity in direction of our business

79.8%
of employees have pride in working for WPD

78%
of employees feel engaged

82.5%
of employees rated safety and wellness in WPD

91%
understand WPD's commitment to exceptional customer service

Opportunities to explore:

48%
of employees feel there is little growth and development

56.8%
of employees feel our Company is diverse and inclusive

2. RIIO-ED1 Progress Overview

Training and Personal Development - Employees and Managers

We are a Company that is committed to give every employee the opportunity to grow and develop, not just our apprentices and trainees. We are fortunate to have three dedicated training facilities in the Midlands at Tipton and another two in the South West at Taunton and Dunkerswell. This dedicated resource allows for all operational and non-operational training in an off-site purpose-built environment.

- Traineeships are also open to our internal team members who demonstrate a level of entry qualifications and experience, and 78 team members have been successful in gaining these traineeships since we introduced this criteria. This is an example of how we have listened to our employees who may not have joined WPD to necessarily progress, but once given the chance have taken the opportunity and will become our crafts people and engineers of the future.

- In conjunction with our trade union colleagues, we devised a matrix of the required qualifications and experience criteria for each of our operational roles. The matrix show the minimum qualification for each of the roles to enable an external candidate to apply for a position, but for internal applicants the matrix gives a lower level of qualifications but allows for a minimum period of experience in a relevant role to promote personal progression in line with our development strategy. The internal candidate is then sponsored by WPD to gain the level of qualification required for the role during their training period.

- Where the relevant qualifications for a role have not been achieved – e.g. a relevant level 4 qualification for a team manager role, we will offer the facility for a cohort of employees to apply to undertake a relevant qualification in readiness for applying for future roles.

- We have provided leadership training for our middle and senior managers that was focused on the impact our leaders and managers have on their teams and the wider workforce. The training invites the delegates to examine how they are motivated, learn, and respond in differing situations.

- In 2020/21 we provided a comprehensive diversity training package to all of our managers, (Approximately 380) and those involved in any recruitment activities. This is provided in the format of 4 separate short courses that build on understanding the behaviour around unconscious bias, leading to the legal position of “getting it wrong”. We plan to expand training to all employees in the coming years, and we have incorporated diversity training into our induction for new employees. Through these training initiatives we recognise that a culture of shared norms by all, become embedded in our Company.

Health and Wellbeing

WPD is committed to the wellbeing and safety of our team members and we promote safe working practices in everything we do to avoid accidents, incidents and any suffering due to work related activity. We believe that a healthy workforce is a happy workforce and we work hard to promote health initiatives.

Our dedicated in-house Occupational Health (OH) team consisting of trained nurses and advisers who deal daily with case management and health surveillance, bespoke training, health information and advice to staff.

We are mindful that mental health is a huge concern both in the UK but more locally within the work place and we have taken the initiative to provide training in mental health awareness and management of stress to both managers and trade union representatives – supported by a mental health policy and procedural guidance to affirm this training.

- During 2020, we trained upwards of 320 middle and senior managers, and trade union representatives in mental health awareness to act as mental health first aiders. We have seen a measurable impact on absence figures through these initiatives. In the period from 1 January 2015 to 31 December 2019 our incidents and work days lost to mental health illness has increased year on year, and as a result of our initiatives and support for mental health the latest statistics for the period from 1 January 2020 to December 2021 shows a fall of over 16% of the total workforce for incidents of mental health in the previous 12 month period from 441 incidents in 2019 to 369 incidents in 2020, and an incident rate reduction from 6.72 incidents per 100 employees in 2019 to 5.6 incidents per 100 employees in 2020.
- The Occupational Health team have a dedicated “switched onto health” page on the Company’s SharePoint site and this provides a wealth of information, videos, podcasts etc. that support physical and mental health topics for our team members to access. Each month we focus on an area of wellbeing – e.g. diet and nutrition, working in the sun, or sleep and rest, as examples and we provide advice and information thorough our Occupational Health team, with communications through our SharePoint, office TV screens, occupational health notice boards and staff magazine.
- In addition, we utilise resources aimed at keeping our team members well and at work including:
- Our Employee Assistance Programme (EAP) provides confidential telephone and face to face counselling on a range of matters that may affect a team member either in their work or in personal life. The service is available to all team members 24/7 and is utilised by employees above industry benchmarks.
- Cognitive behavioural therapy (CBT) to compliment the EAP for cases that are assessed as being suitable for this type of counselling.
- Managed Back Care Programme – which offers physiotherapy support for team members with muscular skeletal symptoms.

Whilst we recognise it is inevitable that team members will be absent from time to time, these support initiatives help us to keep absence due to sickness below our target of 4 days per employee per year.

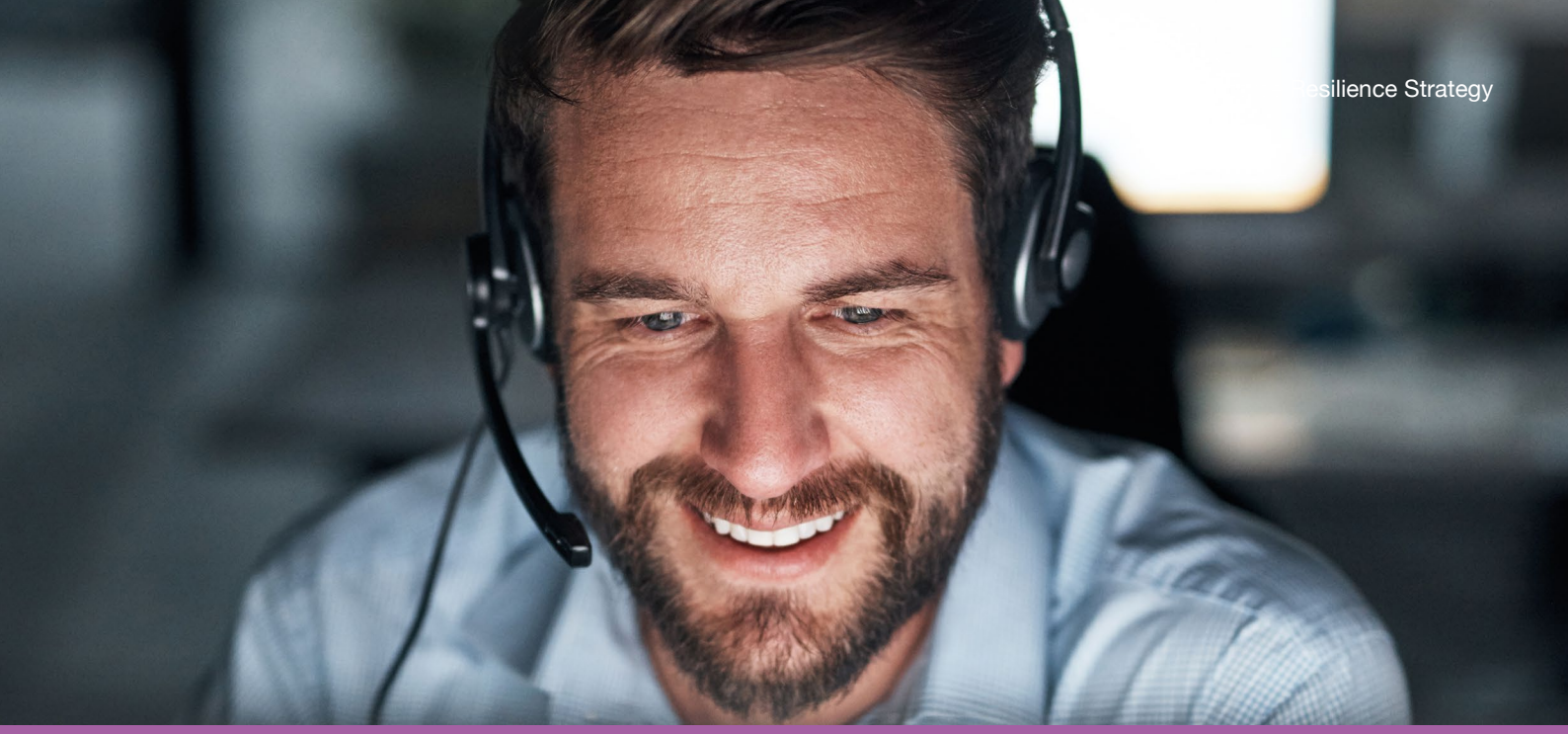
2. RIIO-ED1 Progress Overview

RIIO-ED1 Summary

In reviewing our workforce resilience performance so far in RIIO-ED1, we undertook a range of initiatives to build on and enhance an already well-functioning team. We took a holistic view of how we were operating and sought to assess and improve on how we were carrying out these activities and how we could better them in light of a changing industry. In assessing our performance we achieved successes as follows:

- **A review of our recruitment processes resulting in a higher number and level of applicants for nearly all positions, and resulting in a small shift in our male:female ratio, and consistency of application and practice across all areas.**
- **A more detailed onboarding experience has resulted in new employees understanding how WPD operates, our vision values and shared norms.**
- **The appointment of a dedicated resource for DEI that commits WPD to a whole range of actions to take forward into RIIO-ED2.**
- **Devising a diversity, inclusion and equity strategy, with clear direction and led by the CEO and directors and which lays the foundations for WPD to embark on the WISE 10 Steps framework. This included the launch of our Diversity Charter and the confirmation that WPD is committed to a diverse, inclusive and equal workplace.**
- **A complete re-write of the employee satisfaction survey, resulting in positive and less positive feedback that we can work on in the remainder of RIIO-ED1 and RIIO-ED2.**
- **Created additional traineeships to our long established apprentice and graduate framework of traineeships, which has resulted in new talent being introduced into WPD, and responds to employee feedback in relation to growth and development, and the changing environment.**
- **Provided training for managers and supervisors in mental health awareness and mental health first aid, in conjunction with our occupational health team, which has resulted in a reduction in days lost to mental ill-health.**
- **Provided managers and supervisors with leadership training that gives a greater understanding of how their behaviour may impact on the results of their team.**

We continue to deliver excellent customer service, safely, led by a strong leadership team and senior managers supported by a loyal and committed resilient workforce. However, we see changes to our business drivers in an emerging energy market that will change the way we do things in the future. We have a strong foundation to build on, and we will continue to identify opportunities for improvement to keep our employees engaged and loyal. We face an uncertain and challenging time ahead, but we are confident that the opportunities we provide for our employees will attract and retain talent that in turn will deliver excellent results and respond to future changes.



3. Laying the foundations for RIIO-ED2

In addition to the reviews and assessment of our employment practices that we have undertaken in RIIO-ED1, our strategy is to continue to build on what we have achieved to date to ensure that we have a resilient workforce to meet our future challenges.

We continue to analyse our workforce to plan our future resourcing needs, and based on our current attrition rate of 4% - we will look to replace 24% (1585 employees) of our existing workforce during the remainder of RIIO-ED1 and through to the end of RIIO-ED2.

This, coupled with the additional roles to support the business changes from now through to the end of the regulatory period will result in a total of a 29% change of employees across WPD. Additional roles have been identified to resource the requirements of DSO, net zero carbon targets, digitalisation and innovation, supported by external resourcing, upskilling and reskilling our existing workforce, internal promotions and annual intake of the previously described apprenticeships and traineeships.

In addition to our internal ongoing proactive actions, we have consulted widely with our stakeholders through stakeholder workshops (including representatives from all walks of life and organisations), Utility Networking Groups, the Customer Engagement Group (CEG), our employees and workers, (employee satisfaction surveys) and trade union colleagues (PROSPECT, Unison, GMB and UNITE) in arriving at our commitments and wider commitments for RIIO-ED2.

We have also engaged with numerous organisations either in person or by utilising information on official websites - e.g. Chartered Institute of Personnel and Development (CIPD) in setting out our ambitions for the future.

This consultation resulted in the following broad themes and areas of focus, which we have embraced totally in our workforce resilience plans and commitments for RIIO-ED2, our strategy is to maintain a safe, healthy and motivated workforce where WPD is that “stand out” employer by:

- **Retaining and upskilling a specialised highly skilled productive workforce.**
- **Attracting new talent to the electricity sector.**
- **Improving the diversity, inclusion and equity of the workforce.**
- **Increasing the STEM (Science, technology, engineering and mathematics) pipeline.**

Our stakeholder meetings provided much feedback of suggestions that are already in place within WPD, for example - support for retirees whereby we currently hold pre-retirement courses for all retirees in the 2 year period prior to retirement, and we provide 35 days pre-retirement leave in the 12 months prior to normal retirement, to ease employees into retirement. However we have recognised areas for improvement and gaps in our workforce resilience strategy that we can continue to build on going forward. These are more widely discussed in our RIIO-ED2 section.

One opportunity that this consultation highlighted is that our business strategy of utilising our current vision and values, and Key Goals for Success to express our purpose, has widened. Our previous priorities that were - providing excellent customer service and treating a customer as they would wish to be treated, and employee, customer and public safety, now have a much wider remit, and will further develop due to the planned changes by the UK Government in relation to net zero carbon emissions targets, digitalisation, more social responsibility and the transition to DSO.

We have therefore revisited our purpose, and asked ourselves some pertinent questions:

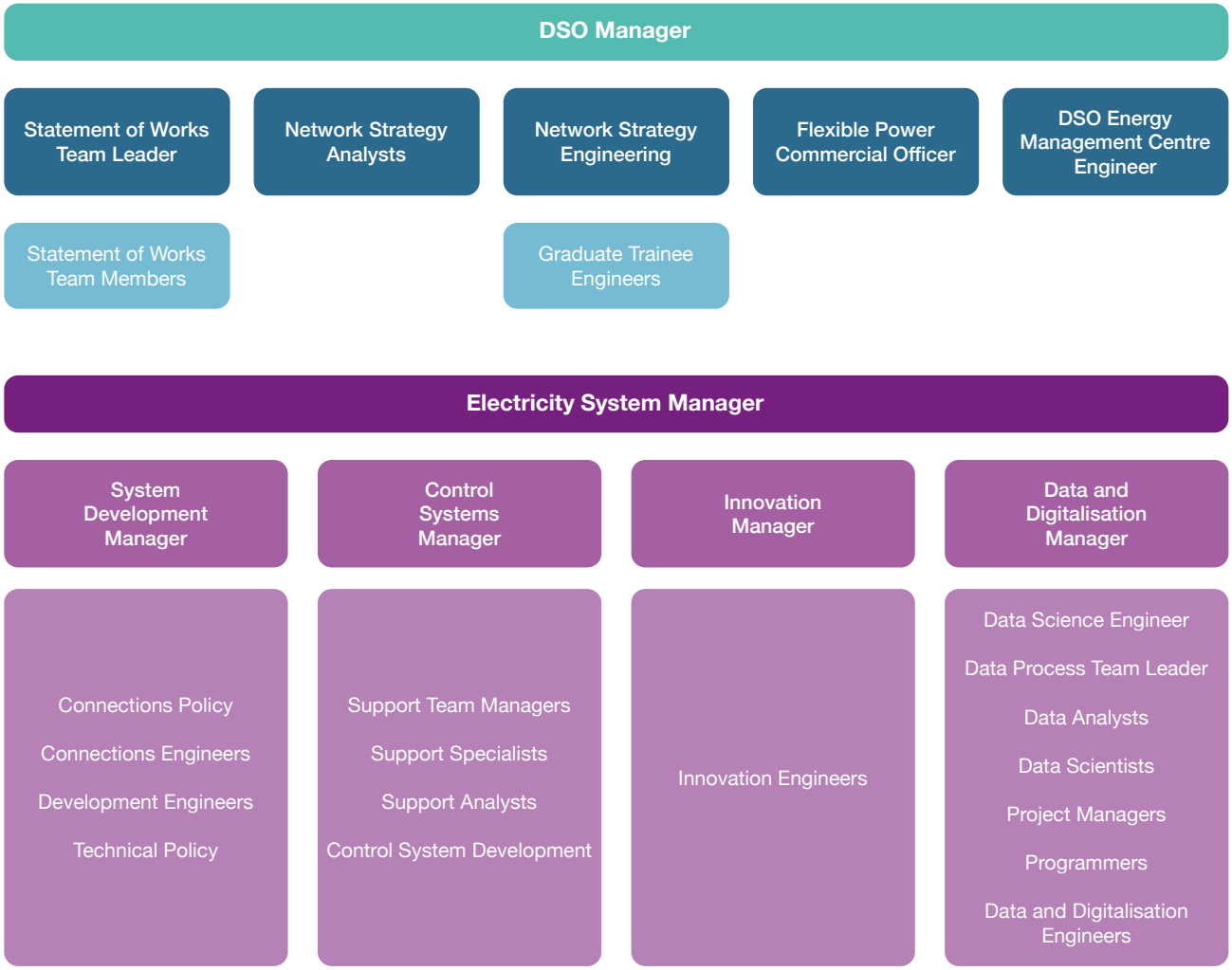
Is our current workforce resilience strategy aligned with the changing market environment in the electricity distribution and energy sectors?

Our workforce resilience strategy needed updating – we are looking more widely. It is no longer our purpose just to keep the lights on – customer service, performance excellence and safety are already deeply embedded into our culture, but now our forward looking strategy includes a need to act in a way that:

- further protects and preserves the environment in line with low carbon technologies, reducing carbon emissions, and the effects of DSO requirements;
- greater use of digitalisation and data collection;
- playing an active part in the communities we serve, both in our social responsibilities and in our action plans for a more inclusive and diverse workforce, and;
- all our employees are proud to work for the WPD of the future.

To align our strategy with these requirements we have looked critically at our organisational structures and have taken steps to adjust the relevant structures in the following areas:

1. Prepared for total separation of DNO/DSO activities by creating separate DNO and DSO functions that now run as business as usual under the following organisational structures and appointing a senior manager for each activity, with new and existing support roles.



2. Appointed a dedicated resource to manage our DEI commitments within the ER team reporting to the ER Manager.

3. Structure changes to the environment team to support the separation of DSO/DNO who now report into the Safety and Training Manager, giving scope for separate policy formulation for DSO and net zero.

4. We have also restructured our Information Resources (IR) teams to provide an "IT service desk" function in line with best practice. Our outdated IT support structure was not making the most efficient use of our IT employees' skills, and by making changes to our team structure we are now more aligned to the needs of the business to drive improvements whilst continuing to further enhance the security and resilience of our IT systems. Moving forward into RIIO-ED2 we will need to further extend our IT capabilities in order to meet the business requirement and commitments for DSO, digitisation, data collection, cyber security and Network and Information Systems (NIS) compliance. In order to meet these business requirements and their associated IT challenges we will require a growth in existing IT services and roles as well as the creating a number of new IT roles such as Technical and Data Architects.

5. Analysed our recruitment needs to deliver the challenges of net carbon zero target by 2028, DSO/DNO separation, digitalisation and data collection, and innovation initiatives that we require a further employees - 74 in RIIO-ED1, and 242 in RIIO-ED2, amounting to 316 additional posts in total.

   The changes in these structures and additional resource requirements will continue to be reviewed as the business develops in these areas, in line with any training requirements of existing employees and new skills and talents required from the external market.

Will our existing workforce resilience strategy deliver the required outputs that the UK Government and our stakeholders require?

Yes, we have extended our existing strategy by redefining our purpose, vision and values, so that these values are at the core of our business and underpin and build on everything that we do. Some values will remain unchallenged as they have contributed to our success in previous review periods, but we will be adding and reinforcing some values to deliver our redefined purpose. These will be explored more fully in our plan for RIIO-ED2.

In addition, as explained above we have already made changes to our organisational structures to align our business direction and workforce resilience needs.

What do we need to do to build into our workforce resilience plan in RIIO-ED1 and into RIIO-ED2, to be successful and provide value to our customers?

In redefining our purpose and values, making organisation structure changes, revisiting our training and traineeships and apprenticeships, and by taking into consideration stakeholder feedback, we have identified our core and wider commitments for the remainder of RIIO-ED1 and through to the end of RIIO-ED2.

The following section (S.4) describes our commitments for RIIO-ED2 that will deliver our workforce resilience plan for RIIO-ED2 and beyond. We will seek to maximise the initiatives we embarked on in RIIO-ED1 and grow and expand these to deliver greater customer and employee value.

In order to measure our actions and initiatives, and the impacts that these will have on delivering best value to our customers during RIIO-ED2, we are taking a collaborative approach with other DNOs to establish a set of metrics and actions to measure and report our progress in RIIO-ED2 in 3 identified employee areas:

- **Workforce satisfaction**
- **Diversity, equity and inclusion**
- **Mental health in the workplace**

In agreeing these metrics and actions each DNO, through a joint working group, will share an initial high level set of headline metrics and agreed actions for public reporting and transparency. This collaborative approach will extend into RIIO-ED2 and the group have committed to meet to discuss ideas and share best practices.

Proposed Metrics:

Workforce satisfaction
- Conduct a DNO specific bi-annual employee engagement survey. Use the responses to report on key insights and resulting actions publicly. Report response rate by employees

Diversity, Equity and Inclusion
- Position in the sector following publication of annual gender pay gap reporting
- Workforce demographics - All

Gender, Ethnicity, Disability, Age
- Workforce demographics - Colleagues in STEM related roles

Gender, Ethnicity
- Workforce demographics - Leadership roles

Employee Well-being and Mental Health support*
- Track numbers of incidents of mental ill health
- Track days lost to mental ill health
- Self and Manager referrals to our Employee Assistance Programme

* Whilst absence KPIs are not entirely tangible, WPD has decided to use these metrics (outside the scope of the DNO group) to track the data over time to ascertain if our mental health policy/practical guidance, employee and manager awareness training, OH team and use mental health first aiders/champions, coupled with our employee assistance programme, provision of CBT and monthly health communications initiatives – are reflected in decreasing incidents and days lost to mental ill-health.

4. RIIO-ED2

Our vision of delivering a safe and reliable electricity supply at an affordable cost for all our customers, using local staff to deliver a local service that creates a network for everyone, is at the heart of all our ambitions. Underpinning this ambition will be those who will deliver it – our employees.

That's why by the end of RIIO-ED2 we will have an inclusive, respectful and diverse workplace that rewards performance, with exceptional and embedded employment practices and encourages employee engagement.

Our employees will be appropriately skilled and highly functioning to deliver excellent customer service.

To achieve this ambition, and following consultation and engagement with our stakeholders, we have arrived at two main commitments - namely to achieve Investors in People at Gold level accreditation, and to increase diversity supported by greater inclusion and equality in the workplace.

These commitments have been tested and justified in the online workshops conducted with stakeholders, and by publishing versions one and two of our draft business plans in early 2021 and acting on the feedback received.

The feedback endorsed our proposed commitments and four wider commitments.

Our stakeholders wish for a happy, healthy and motivated workforce where WPD is the employer of choice, where employees feel appreciated and where WPD cultivates a culture of "belonging" within its workforce.

These views were further enhanced – requiring wider promotion of STEM, forming alliances with partner organisations, schools and colleges and creating a culture of inclusivity and equal opportunity across all protected groups to promote greater social mobility. We have built these additional requirements into our workforce resilience plan.

We believe that by achieving a more diverse, inclusive workforce and by achieving Gold standard IIP, and by continually asking for and acting on our employees feedback via our employee satisfaction survey, our employees will be happy, healthy and motivated to continue to deliver best value for our customers in their interactions on a daily basis, supported by exceptional embedded employment practices achieved through the rigours of the IIP Gold standard.

We will continue to track our turnover data, agreed metrics and exit interview data to understand why employees leave for reasons other than retirement.

4. RIIO-ED2

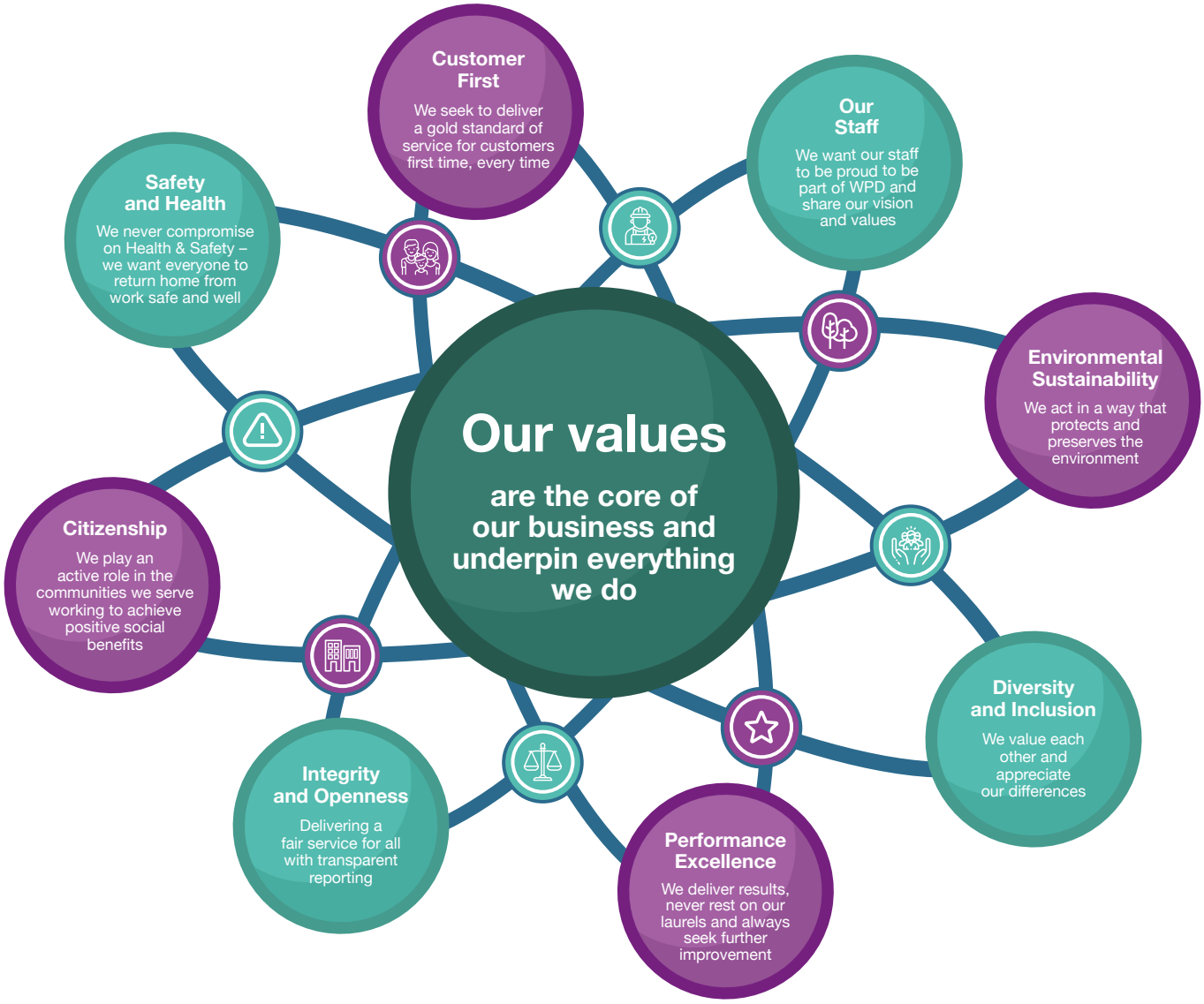
We have based our revised vision, purpose and values on stakeholder feedback:

Vision, purpose and values: Vision and purpose

To deliver:

"Power for life, Power for future generations", underpinned by eight core values. Our purpose and vision is to deliver exceptional service and support environmental and social well-being for these communities:

Figure 3: Our values



- Customer First
- Our Staff
- Environment and Sustainability
- Diversity and Inclusion
- Performance Excellence
- Integrity and Openness
- Citizenship
- Safety and Health

Our two main commitments in greater detail:

We have published two main commitments that will provide a workforce resilience plan to deliver those requirements, by working closely with our training teams, business managers and trade union colleagues. At the end of the RIIO-ED2 period:

1. Demonstrate exceptional and embedded employment practices by achieving Gold accreditation with Investors in People by the end of RIIO-ED2.

The largest proportion of stakeholders (40%) agreed with our proposed commitment - voting to achieve the Silver IIP accreditation. However a significant proportion (33%) required WPD to be more ambitious and voted to achieve the Gold standard accreditation by the end of RIIO-ED2. We have therefore committed to achieve the more ambitious target.

We have recognised that it is important that we represent the communities we serve and promote WPD wherever we can to tap into the vast internal and external resource in our operational regions and elsewhere to increase our attractiveness as an employer, be it in schools and colleges, in community events, and through our careers website to sell our workplace as a "great place to work".

We will ensure that our culture, business style and values continue to develop to be attractive to new and existing employees from all communities, while maintaining the established focus on safety, customer first and personal responsibility. We have taken steps to revise our purpose, vision and values to prepare us for the changing period ahead.

Our ambition as a result will be to gain an Investors in People accreditation at Gold level which is held by the top 18% of employers accredited by the award.

2. Achieve year on year improvements to the levels of diversity within the business and publish an annually updated Diversity, Equity and Inclusion Action Plan.

97% of stakeholders supported this commitment.

In response WPD launched its "five pillars" approach (Figure 4) centred on developing our workforce, maintaining a diverse and inclusive culture, supporting our communities and customers, and doing business with more diverse suppliers.

DEI Mission and Statement:

Mission:
"We value each other and appreciate our differences"

Statement:
"We are committed to an inclusive, respectful and diverse workforce that rewards performance, enables professional development and encourages employee engagement. Employees take responsibility for results and are committed to diversity and continuous improvement".

4. RIIO-ED2

Figure 4: Diversity, Equity and Inclusion Commitments

WPD - Powering Diversity, Equity and Inclusion

Commitment 1

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

Commitment 2

Increase diverse representation in leadership roles, with focus on females and minorities.

Commitment 3

Maintain a workplace culture of equality and inclusion.

Commitment 4

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

Commitment 5

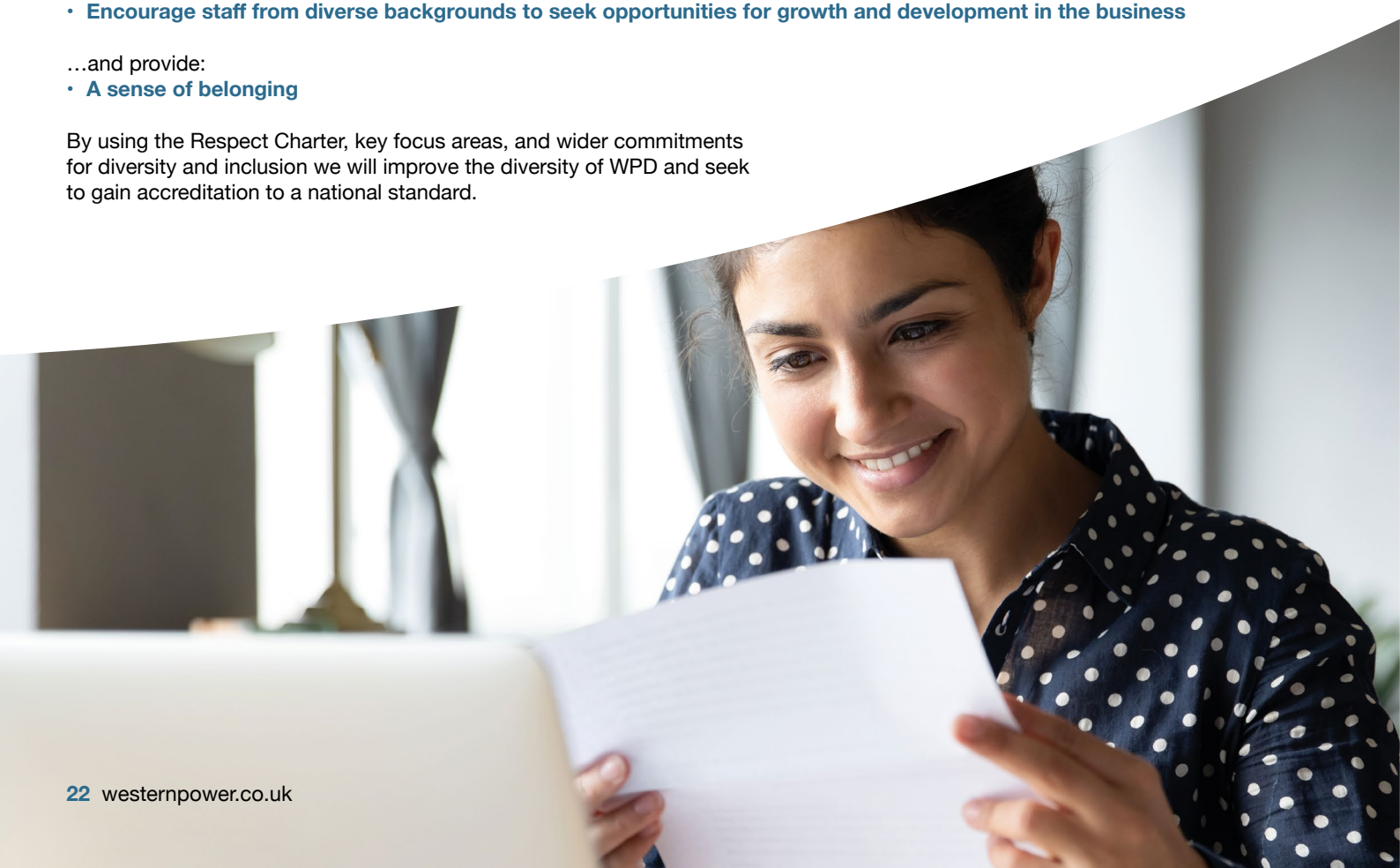
Develop and sustain relationships with diverse suppliers, vendors and service providers.

Our key audiences will be – our employees, future employees and job seekers, stakeholders, customers and regulatory bodies, and our ambition will be:

- **To attract future potential employees to the Company**
- **Build a positive relationship with STEM**
- **Build a positive relationship within local communities**
- **Promote the Company's intentions to support DEI in the workplace**
- **Engender staff pride in WPD as a DEI employer**
- **Encourage staff from diverse backgrounds to seek opportunities for growth and development in the business**

…and provide:
- **A sense of belonging**

By using the Respect Charter, key focus areas, and wider commitments for diversity and inclusion we will improve the diversity of WPD and seek to gain accreditation to a national standard.



What will we do?

The Power industry, including WPD has struggled to significantly increase the levels of minority ethic and female employees within engineering roles, and within the remainder of RIIO-ED1 we are going to critically analyse our employment practices to understand where the blockers to change are and implement strategies to remove them.

We will do this by engaging more widely with our trade union colleagues and through our social obligations strategy to promote WPD as an employer who is a big part of their community, not only as a service provider.

Within RIIO-ED2 we will build on this work to reduce the gender pay gap by having the necessary pipelines of females who are ready to move into middle and senior management roles, and to increase our female talent generally.

A report entitled "The workforce requirements of the GB electricity network operators during ED2 and beyond" published in March 2021 by The National Skills Academy, highlighted a lack of employee data in relation to ethnicity, and whilst WPD has collected just over 90% of the data in this area, the overall availability of data across the DNOs amounts to only 40%. This will make comparing our metrics difficult until such time as we have a good data set.

We will continue to actively support careers events at schools, work with diverse colleges and universities and support charities and organisations in the community to attract those from under represented backgrounds.

We are a member of the "Power Academy", a body of employers and universities who support the recruitment of graduates with relevant degrees who are the employees of the future. Interested students apply to the Academy and if successful are offered sponsorship, paid internships and possible employment following graduation.

We have had a number of Power Academy students who have secured graduate posts with us, and this will continue into RIIO-ED2.

WPD currently chair the Council and are working with various other partner companies within the Academy to identify and improve the diversity of applicants and scholars within the programme. A Diversity Improvement Working Group has been established with members from WPD, Loughborough University, Atkins, Network Rail and UKAEA. Loughborough University have completed a survey with their students to identify what are the main factors for female students not applying to the Power Academy and the survey is being expanded to include Manchester and Birmingham Universities. The results will be analysed by the working group with actions agreed to address the barriers to application to the programme.

We continue to identify opportunities to manage and motivate our loyal, valued, and resilient workforce and reward and incentivise all of our team members to deliver results and meet future challenges.

Becoming a distribution system operator (DSO), sets real challenges for our leaders and our workforce. Building smart, efficient energy systems through flexibility and digitalisation, coupled with the need for an increasingly sophisticated approach to cyber security and the UK's net zero and decarbonisation plans requires new innovative ways of thinking and managing our workforce. We will structure these aspects of the business to support these challenges. Much work has been undertaken on how we strategically align our workforce with the business in identifying new skill areas required, additional resources through external recruitment, training requirements of existing employees and cross skilling opportunities to both support the business targets, but also ensure alignment to the wider strategies.

We will look to further enhance our ESG rating for "Measures to promote equal opportunities and diversity" from A- to A+.

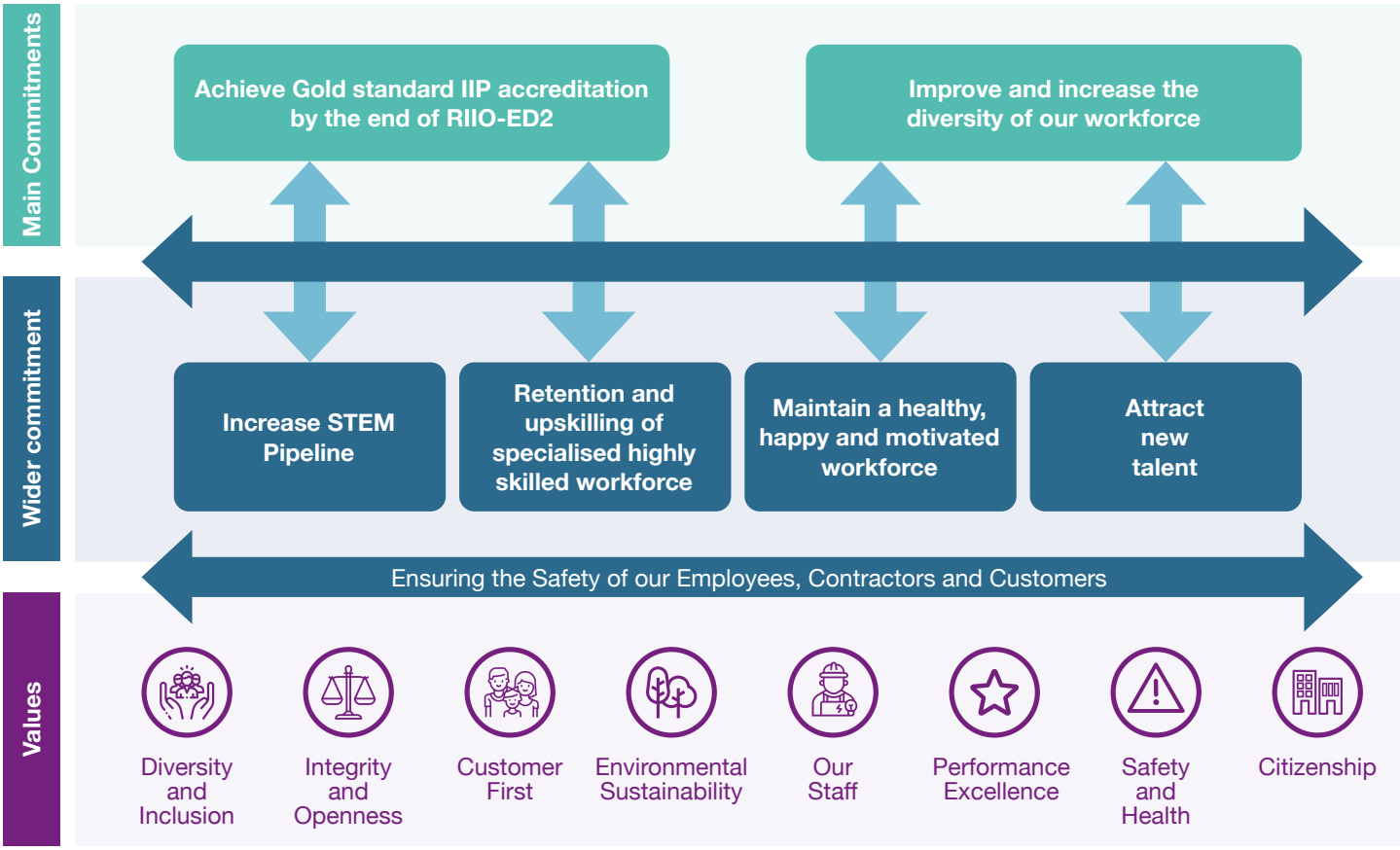
4. RIIO-ED2

What will we do?

In analysing the data and priorities that have been identified through our employees[1] customers and stakeholders[2] and trade union colleagues'[3] input, there are definite synergies and common themes that these groups wish to see in the future. Additionally there are confirmations for actions that we already have in place. As stated we have arrived at two main commitments areas for RIIO-ED2 and four wider commitments that support the main outputs. (Figure 5).

The four wider commitments identified by our stakeholders that support the two main commitments are:

Figure 5: Workforce Resilience Strategy



[1] 2019/20 employee satisfaction survey. (Employee input).
[2] Synthesis report from workshops in Cornwall, Bristol, Swansea, Nottingham, Birmingham and Milton Keynes that resulted in priority areas of importance for WPD to focus on in RIIO-ED2. (Stakeholder/Customer input)
[3] Document submitted by Prospect, GMB, Unite and Unison trade unions for workforce resilience output measures in RII0-ED2. (Trade Union input).

Commitment 1

Demonstrate exceptional and embedded employment practices by achieving Gold accreditation with Investors in People by the end of RIIO-ED2.

The full list of areas identified for success within our key areas of focus actions are within the following tables along with how we expect to measure each success and the impact success will have:

Recruitment Process

Target	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
Monitor and improve our recruitment process by creating an internal dashboard of measurable metrics. Use these metrics- positive or negative to improve results.			✓	✓	1. Number of Candidate quality based on defined role criteria 2. Cost per hire 3. Source of hire 4. Number of open applications 5. How visible are we 6. Offer acceptance rate Hiring Manager satisfaction based on a questionnaire following appointment 7. New employee experience based on a questionnaire 8. Employee retention rate 9. Employee referrals 10. Review websites such as “Indeed” to get company ratings and existing employee review.	• Attract, recruit and retain the best talent from all social and economic backgrounds and communities, to increase our diversity.

Through our recruitment process we will create a dashboard and collect key metrics that will give us insight into our brand and attractiveness to potential employees within our area and further afield. The metrics will be analysed to drive a positive change in our diversity actions throughout the business.

Building a good reputation as an employer differentiates us from our competitors and demonstrates the way we work – our values, culture and goals.

75% of job seekers consider an employer’s brand before they even apply for a job, and 96% of employers believe that their employer brand can positively or negatively impact revenue.

Nowadays 86% of job seekers use social media in their job search.

75% of job seekers consider an employer’s brand before they even apply for a job

Key to supporting commitments, WC1 Maintaining a safe, healthy and motivated workforce, WC2 Retention and upskilling of a specialised high-skilled workforce, WC3 Attracting new talent, WC4 Increasing the STEM pipeline

4. RIIO-ED2

Commitment 1

Investors in People (IIP) accreditation at Gold level

Target	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
Achieve Investors in People (IIP) accreditation at Gold level.	✓	✓	✓	✓	Achieve: • Basic accreditation 2022 • Silver 2025 • Gold 2028.	• Employees will see the business is committed to them and is willing to invest in their future.

Achieving the IIP Gold level is an ambitious target endorsed by our stakeholders that will give WPD the opportunity to meet the required level within each of the accreditation standards. We will achieve the gold standard by 2028, starting at the basic level of accreditation and building on this during RIIO-ED2.

By achieving the Investors in People (IIP) accreditation at Gold level by the end of RIIO-ED2 we look to utilise the IIP framework to lead, support and improve our status as an employer who "understands its people" by embracing the IIP 9 indicators that demonstrate good practice and continuous improvement.

Leading

Leading and inspiring people, using the organisations values and behaviours, empowering and involving people.

Supporting

Managing performance, recognising and rewarding high performance, structuring work.

Improving

Building capability, delivering continuous improvement, creating sustainable success.

The nine indictors included in the IIP accreditation will provide a framework that will assist us in:

- **improving, inclusion, diversity and equality - (WISE 10 steps framework, working with partner organisations)**
- **Improve workforce satisfaction - (Employee satisfaction survey and pulse surveys, employee involvement and volunteering)**
- **Improve workforce motivation and productivity - (Empowerment, structuring work, rewarding high performance)**
- **Upskilling and multiskilling the existing workforce - (Building capability, continuous improvement, sustainability)**
- **Ensuring the health, safety and mental wellbeing of the workforce - (In-house occupational health initiatives, HSE alliance)**
- **Attracting people to the energy sector - (Promoting employer brand, working with schools and colleges and partner organisations and making alliances with organisations that promote DEI support)**
- **Working and collaborating with our DNO colleagues to share initiatives, ideas and best practices**
- **Consulting with our Trade Union colleagues.**

Achieving this accreditation at this level will support WPD as a stand out employer, but more importantly, through regular employee surveys, will lead us to question our current practices as we work through each indicator. In working through these nine indicators we will engage with our corporate communications colleagues to promote WPD as a "Standout Employer" that communities and prospective employees will want to be part of.

Key to supporting commitments, WC1 Maintaining a safe, healthy and motivated workforce, WC2 Retention and upskilling of a specialised high-skilled workforce, WC3 Attracting new talent, WC4 Increasing the STEM pipeline

Revise our flexible working arrangements

Target	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
Track flexible working arrangements extending our working from home policy but with working arrangements to support all agile and inclusive working. E.g. career breaks, sabbaticals etc.	✓	✓	✓	✓	• Homeworking Policy introduced December 2020 • Keep KPI information to track flexible options.	• More flexibility within the business and engagement with employees of all ages • Increased job applications.

WPD is committed to reviewing our working arrangements to allow for more flexible and agile working where possible.

The world of work has changed in recent years and the COVID-19 pandemic in 2020 has made us look critically at how we can work more flexibly in the future.

We are conscious that employees and prospective employees demand a work/life balance that is flexible and supports their caring and social responsibilities, and by implementing more flexibility and agility we hope to attract a more diverse workforce.

Key to supporting commitments, WC1 Maintaining a safe, healthy and motivated workforce, WC2 Retention and upskilling of a specialised high-skilled workforce, WC3 Attracting new talent, WC4 Increasing the STEM pipeline

4. RIIO-ED2

Commitment 1

Continue to offer health and wellbeing interventions

Target	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
Continue to offer health and wellbeing interventions such as the Employee Assistance Programme (EAP), managed back care provision, health surveillance and occupational health support through our In-house Occupational Health Team.	✓				• Reduce total number of days lost to mental ill health absence by 5% year on year to 2028 • Create a dashboard of occupational health stats to identify trends • Achieve 100% completion each year for health surveillance.	• Identify possible health issues before they are a problem • Shorter absence periods for employees, and provides insight into communication programmes to improve health • Improved productivity.

Our current levels off absence work on a target of 4 days absence per employee per year. In recent years, mental ill health in the form of stress, depression, anxiety etc. have increased and is the fifth highest reasons for absence within WPD, coupled with this, absences due to mental ill health carry a longer period of absence. We will continue to monitor this yearly and track how our interventions are assisting employees with mental ill-health related issues.

A summary of average work days lost to mental ill health per employee since the start of RIIO-ED1:

	2016/17	2017/18	2018/19	2019/20	2020/21
Av. Work days lost per employee	0.97	1.25	1.43	1.74	1.46
Number of individual employees affected	243	291	355	316	114

A conscious effort to train our managers, revise our mental health policy and provide cognitive behavioural therapy to complement our employee assistance programme has had marked influence in decreasing days lost and incidents of mental ill health.

We look to continue this reduction year on year.

When wellness is practiced in the workplace the results speak for themselves.

We will measure wellness by watching our retention/turnover levels, monthly KPIs including absence statistics and any concerns to our employee helpline related to discrimination, victimisation and bullying.

Our goal would be to see a steady but positive decline in absences relating to mental ill health, in terms of the number of absences relating to mental health issues and the duration of absence, in line with our improved results shown in part 1.

Key to supporting commitments, WC1 Maintaining a safe, healthy and motivated workforce, WC2 Retention and upskilling of a specialised high-skilled workforce, WC3 Attracting new talent, WC4 Increasing the STEM pipeline

Work with Trade Unions and employees to monitor wellbeing accidents and safety related incidents

Target	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
Continue to operate Safety, Health and Environment (SHE) committees at Company and local level, reporting annually on safety performance and absence management. Building on the Safety Climate surveys undertaken in RIIO-ED1.	✓	✓	✓	✓	• Hold 4 x Local SHE meetings yearly • Hold 4 x Company SHE/TU Meetings each year • Provide KPIs that show wellbeing, accidents and safety incident data quarterly and annually.	• Commitment to operate safely and in collaboration with our employees and the recognised trade unions • Improved safety policy and procedures • Increased productivity.

We will continue to aim to reduce accidents and safety related incidents in line with safety goals.

We aim to demonstrate that our emphasis on providing a safe and healthy work environment will send an important message to our current and future employees that we really do care that our employees go home, well and unharmed by their work activities. This will be reflected in our monthly, quarterly and annual KPIs.

The safety climate survey that we carried out in 2018 across randomly selected groups of team members provided an opportunity to contribute to our ongoing safety strategy, improving satisfaction and motivation by giving our employees a voice and the ability to question our ongoing strategy.

Conduct regular employee satisfaction surveys (at least every 2 years) and pulse surveys to gauge workforce satisfaction

Target	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
Build on our Employee satisfaction and Pulse. Survey outcomes to measure employee satisfaction.	✓	✓	✓	✓	• Increase response rate to main survey to 80% in RIIO-ED2 • Increase positive responses in each category to achieve at least 60% • Take actions based on results.	• Employees will have the opportunity to shape the future thinking of the business and provide feedback on the changes made since the last survey.

We plan to utilise the same framework for workforce satisfaction that will invite employees to have their say on our future employee experience and feeding into our wider commitment of maintaining a happy, healthy and motivated workforce.

Key to supporting commitments, WC1 Maintaining a safe, healthy and motivated workforce, WC2 Retention and upskilling of a specialised high-skilled workforce, WC3 Attracting new talent, WC4 Increasing the STEM pipeline

4. RIIO-ED2

Commitment 1

Recognition of our team members

Target	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
Launch an employee of the month scheme to recognise actions and behaviour that is over and above to supplement our existing recognition initiatives.		✓	✓		• One employee for each licence area per month.	• Employees will feel recognised and appreciated, leading to higher retention.

At WPD we celebrate our successes and recognise that our success is down to the hard work, commitment and loyalty of our team members – "the Company".

Some of our recognition rewards are made to an individual team member and others are awarded to a team – some examples include:

- **Apprentice of the Year**
  This is an annual award that is made to one employee in each of the four licence areas.
- **Long Service voucher awards**
  Recognise service milestones at 20, 30, 40, and 50, years of service. A framed long service certificate is also presented to the qualifying employee. In 2020 we made 337 awards including 3 for 50 years' service and 53 for 40 years' service.
- **An additional days annual leave entitlement at 5 and 10 years' of service.**
- **Safety awards to teams who are accident free.**
- **Matching awards for c.80 employees who raise money for charitable causes in 2020.**
- **Employees who have 12 months free of sickness/absence receive a letter from their senior manager congratulating them on their achievement and thanking them for their continued commitment.**

In addition to the actions identified above where we can make a real difference in promoting WPD as a stand out employer, we will continue the actions and initiatives we started towards the end of the RIIO-ED1 period. These will include a review of training and development opportunities, by further enhancing our internal traineeships and providing the opportunity for employees to study for a level 3 or 4 qualification in preparedness for those roles that require this level of qualification.

In addition, we will look to up-skill our employees to take on new roles created by the changing industry in areas such as DSO, low carbon technologies and digitalisation. We will appoint and train and utilise fully, mentors to support those who wish to enhance their career and we will seek to appoint new apprentices (above our agreed headcount) from disadvantaged backgrounds to future occupy roles as part of our succession planning arrangements, but who, may not have had a chance to gain qualifications for whatever reason. Greater involvement with schools and colleges will be paramount in attracting those students who wish to take on a career in engineering.

We will continue to build on our existing employee communications methods, and work with our corporate communications team to ensure that our employees are fully informed of our business activities.

WPD will as far as is reasonably practicable, provide good career prospects and security. Where staff reductions are necessary, the aim will be to continue to achieve those reductions by natural wastage, redeployment, early retirement or voluntary redundancy.

Key to supporting commitments, WC1 Maintaining a safe, healthy and motivated workforce, WC2 Retention and upskilling of a specialised high-skilled workforce, WC3 Attracting new talent, WC4 Increasing the STEM pipeline

Commitment 2

Achieve year on year improvements to the levels of diversity within the business and publish an annually updated Diversity, Equality and Inclusion Action Plan.

Women in Science and Engineering (WISE)

We will continue to be actively involved with Women In Science and Engineering and utilise our position as a 10 Steps signatory to support progress, and retain female employees and to drive culture change and Company performance (Figure 6) - achieved by benchmarking against other organisations.

As a signatory to the WISE 10 Steps – we commit to:

- Making a public commitment to improve conditions for women working in STEM.
- Supporting the WISE 10 Steps as a framework for companies seeking to retain and develop female talent.
- Working with WISE by using the 10 steps to help recruit, retain, and develop women in our own organisation.
- Reinforcing our commitment to providing equal opportunities within our workforce as the framework can be applied to all unrepresented groups as well as women.

Figure 6: WISE 10 Steps Framework

Measuring success	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
WISE (Women in Science and Engineering).	✓	✓	✓	✓	• Achieve WISE 10 steps and occupy a top quartile position, by 2028 • Gender diversity increase to a ratio of 77% men 23% women (based on a 1% increase per year from 2018- 2021).	• Women in engineering recognised employer • More women and diversity of skills in the workforce.

We have embarked on our journey with WISE to achieve the WISE 10 Steps framework.

We have held our first workshop and are now looking to set up a working group with employee volunteers to steer us through our journey.

Whilst WISE is aimed at increasing diversity for women in the workplace, we intend to use the framework to increase diversity amongst other groups such as people of colour (PoC) and LGBT+ communities and we are embarking on an ongoing communications exercise to promote our intentions more widely to our employees and our communities.

Key to supporting commitments, WC1 Maintaining a safe, healthy and motivated workforce, WC2 Retention and upskilling of a specialised high-skilled workforce, WC3 Attracting new talent, WC4 Increasing the STEM pipeline

4. RIIO-ED2

Commitment 2

Diversity, Equity and Inclusion Action Plan and dashboard

Within RIIO-ED2 we will act on the information our dashboard indicates are barriers to a diverse workforce eliminating bias and promoting inclusivity with all of our internal and external recruitment and retention policies.

Our dashboard currently measures female and ethnicity data and within RIIO-ED2 we will expand it to include all diversity metrics, and include flexible working requests, recruitment statistics, and employee feedback – with the aim of implementing targeted strategies to see increases in all areas.

Our target will be to see an increase across all groups year on year, then further refined to diversity metrics in job roles.

Our initial plan will be to ask our staff to complete an Inclusion survey. This is going to be the most accurate way to understand our baseline metrics. We will also use our dashboard to inform actions to reduce our gender pay gap over the RIIO-ED2 period, and prepare for further minority group reporting.

We will:

Measuring success	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
Publish our Diversity Action Plan that is enduring and identifies actions that lead to an increase in all communities with protected groups being included in all areas of our workforce.	✓	✓	✓	✓	• Report publicly on actions achieved • Establish industry leading benchmarked metrics in consultation with all DNOs.	• More diverse and inclusive business with reduced barriers to entry • More representative of our local communities • Increased skills and talents • Increased productivity • Business change directed by data and measured for its success • Increased diversity and inclusion.

In addition to publishing our action plan and performance statistics annually on our website, we have engaged with all other Distribution Network Operators to devise a set of metrics – including those for increasing our Diversity.

Initially we need to increase the pipeline of applicants, and we will benchmark ourselves against other DNOs/organisations to recognise areas where we are leading (flexible working, maternity provisions etc.) to externally promote WPD as a stand out diversity minded employer, that provides a supportive environment in which anyone can flourish.

Measuring success	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
Increase our female and PoC manager split.	✓	✓	✓	✓	• Increase our female/PoC managers in RIIO-ED2 period in Technical roles and corporate roles.	• Increase diversity at the top of the organisation, signalling our commitment to diversity and tapping into gifts and talents.

Our ultimate goal will be to have an as wide and diverse leadership team as possible by the end of 2028. This does not only include the senior leadership team, but those employees in middle manager groups where the leaders of the future will play a part either in promoting diversity to their teams or by being those leaders who will shape the future.

Key to supporting commitments, WC1 Maintaining a safe, healthy and motivated workforce, WC2 Retention and upskilling of a specialised high-skilled workforce, WC3 Attracting new talent, WC4 Increasing the STEM pipeline

Use of Social Media

Measuring success	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
More use of social media platforms to promote our employer brand. Use of social media to show support for celebrations days – e.g. International Women's day, Pride week, etc.	✓	✓	✓	✓	• Monitor "hits" relating to employee related posts • Conduct polls relating to the posts and their content to gain feedback.	• Engagement with a wider audience leading to increased diversity and age ranges of applicants learning about our brand.

In recent years we have used social media more and more to communicate with our employees and customers. We believe that promoting our activities, by using these methods, raises the profile of WPD and we continue to look for further opportunities to increase awareness of our brand. The energy sector is not necessarily attractive to those looking for work, but with the challenges of the new world of low carbon technologies and the expanding digital age, we are seeking to attract candidates from all walks of life to help us continue our success and reputation as a good employer.

DEI Communications

Measuring success	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
Following the launch of our DEI strategy – devise a communications plan to sustain our DEI message internally.		✓	✓	✓	• Monitor hits on SharePoint.	• Improved communication with employees.

At WPD we are committed to increasing diversity, and improving inclusion and equality in our workforce.

This has been highlighted as an area to focus on through our employee satisfaction survey and through our stakeholder engagement discussions, and is also representative of the wider political landscape that workers and employees are supportive of.

We are committed to utilising the skills and talents of all of our workers and employees and by publicising our DEI strategy in the same way as we promote our attitude to safety, we believe we can embed DEI into our daily discussions, so that it become "the norm", and our culture becomes that of valuing and acceptance.

We launched our DEI strategy in the summer of 2021 and as part of that launch we created a dedicated DEI section on our SharePoint page explaining how diversity, equity and inclusion benefits both for the Company and employees.

We plan to utilise our current communication methods to employees - namely:

- **PowerNotes – employee communication notice**
- **Powerlines feature – staff magazine**
- **CEO monthly messaging**
- **Posters/display banners**
- **Videos, podcasts etc.**

Together with an external launch and a timetable of monthly themes to promote the DEI message.

Key to supporting commitments, WC1 Maintaining a safe, healthy and motivated workforce, WC2 Retention and upskilling of a specialised high-skilled workforce, WC3 Attracting new talent, WC4 Increasing the STEM pipeline

4. RIIO-ED2

Commitment 2

Gender pay gap reporting

Measuring success	Wider commitments				Proposed Metric	Impact
	WC1	WC2	WC3	WC4		
Reduce our gender pay gap further.			✓	✓	• Compare to other DNOs and the sector to achieve a top quartile position • Monitor diversity of applicant • Diversity of Hires.	• Reduction in gender pay gap, more equitable workplace with equal opportunities.

Our Gender Pay Gap has widened in the latest reporting period (2020) as a result of the retirement of a senior female manager.

However our female workforce has increased by 1% from 9.5% to 10.5% and we are making small gains in recruiting female trainees for technical and engineering roles.

We are confident that once the training that these employees is completed, we will see a constant flow of females feeding into middle to senior graded posts, which in turn will reduce our gender pay gap going forward.

We are committed to promoting our A+ ESG score for our flexible working arrangements/policy, to attract more women with caring responsibilities which may have been a barrier previously,

Other initiatives include:

- **Mentoring programmes for "Rising Stars within protected groups to develop leadership skills.**
- **Create secondments and lateral moves for females into senior technical roles to enable experience for vacancies.**
- **Create female diversity groups across the business and meet annually to discuss future actions.**
- **Host an Annual STEM event.**

Key to supporting commitments, WC1 Maintaining a safe, healthy and motivated workforce, WC2 Retention and upskilling of a specialised high-skilled workforce, WC3 Attracting new talent, WC4 Increasing the STEM pipeline

RIIO-ED2 Summary

WPD is confident that the two main commitments and four wider commitments for workforce resilience that we have made for the RIIO-ED2 will support our workforce resilience strategy, and achieve our ambitions so that at the end of RIIO-ED2:

- **We will achieve Gold standard Investors in People Accreditation.**
- **We will continue to use an insourced workforce in local teams who know their locality, their network and their customers to continue to provide high quality customer service.**
- **The workforce structure changes that we made towards the end of RIIO-ED1 in DSO, digitalisation, IR, and the low carbon technologies teams supported by existing and additional employees with the required skills and talents will provide the employees WPD as a network/system operator will need for the future.**
- **The continuance of a flat geographically based organisational network structure with minimal bureaucracy and delegated responsibility to act, has proved successful in previous review periods, is firmly embedded into our culture, and works for our customers as demonstrated in our 8.98 score (first) for overall customer satisfaction in RIIO-ED1.**
- **The use of Artificial Intelligence (AI) that will be gained from a digitalised network, will further efficiency and effective use of data.**
- **The training opportunities for up-skilling and multi-skilling our existing workforce will further bolster our workforce in times of change and in turn will increase efficiency and productivity, by utilising our labour more effectively.**
- **Our commitment will be to continue with our annual apprentice and trainee intakes in line with annual succession planning and future identified requirements, - e.g. telecommunications.**
- **Our employees will reflect the diversity of the communities we serve, capturing the benefits of having people with different backgrounds, skills and experiences - not just those protected characteristics in legislation.**
- **We will have a culture where every employee can bring their whole self to work, and partake in the success of WPD.**
- **Provided managers and supervisors with leadership training that gives a greater understanding of how their behaviour may impact on the results of their team.**

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Stakeholders consulted for the workforce resilience plan:

WPD employees
WPD Customer Engagement Group
Ofgem
WPD Stakeholders at workshops including tailored workforce resilience sessions
Other network operators including Gas and Transmission Companies
Contractors – Keir, Network Plus
Power Academy
Pennsylvania Power and Light
National Grid

Trade Union
WPD trade union representatives
National Trade Union and Full Time Officers
(Prospect, Unite, Unison and GMB)

Trade Bodies
ENA
EUK
Power Academy

Diversity, Equity and Inclusion Partners
WISE
Stonewall
Institute of Electrical Technicians
Change 100
Disability Confident
Career Transition Partnership
Age at Work programme
10,000 Black Interns
National Skills Academy

Health and Well-being
Wales and the West Utilities
Employee Assistance Programme – AXA ICAS
Health and Safety Executive

Culture
DNA
Investors in People

Others
CIPD Website
ACAS Website
Women's Engineering Society (WES) Website

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