



Developing an inclusive & diverse leadership culture.

We are OEUK.

We are the UK's
leading integrated
energy trade
association.



Agenda

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3. Key elements of Inclusive Leadership culture
4. **Step 1:** Benefits of investing time and resources into D&I alongside ESG
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7. **Step 4:** How each level enables your organisation to do it
8. **Step 5:** Practical options to consider and/or implement
9. **Step 6:** Support resources are available through OGUK

Our aim

With organisational D&I journeys being so varied and at different stages we wanted to be clear that:

Your D&I intent and effort are the goal over perfectionism

We don't expect, nor is it possible, to shift the D&I dial overnight

We've broken the approach down into steps so you can choose your approach and take steps to effect positive change, as opposed to trying to do everything and getting overwhelmed

Whilst the guideline is more UK culture oriented, the foundation steps are internationally relevant and can complement your local needs



Impact on industry, organisation & individuals

Diversity & Inclusion (D&I) is a key element in an organisation for driving growth, innovation, profitability, consumer understanding as well as a key pillar within any Environmental, Social and Governance (ESG) framework.

“Your stakeholders – from shareholders to employees – are looking at your record on inclusion, diversity and social mobility when making decisions. And they’re looking beyond what’s needed to comply with legislative changes – for example, gender pay gap and ethnicity pay gap reporting. They want to work with businesses that demonstrate greater authenticity.”

A commitment to IDE across the employee lifecycle, is important for the communities you operate in - and for your own organisation.”

KPMG, UK



Key elements of Inclusive Leadership culture

Diversity and Inclusion

Diversity

“Awareness of your people”

Representation of human differences including, but not limited to:

Race, ethnicity, gender, gender identity, sexual orientation, age, social class, physical ability or attributes, religious or ethical values system, nationality/origin or political beliefs.

Inclusion

“Making your people count”

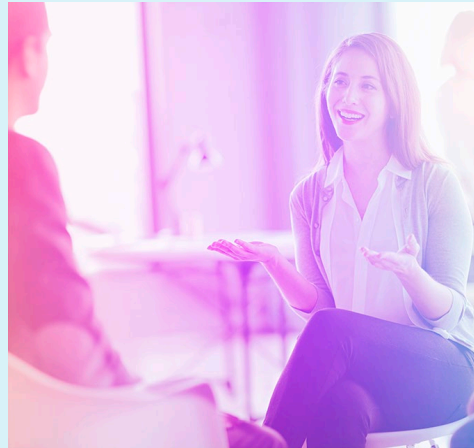
Where all individuals can fully express and demonstrate their distinct traits and still experience belonging, ownership and empowerment within the organisation.



Key elements of Inclusive Leadership:



Commitment to positive change & providing the resources to achieve it



Treating everyone with fairness

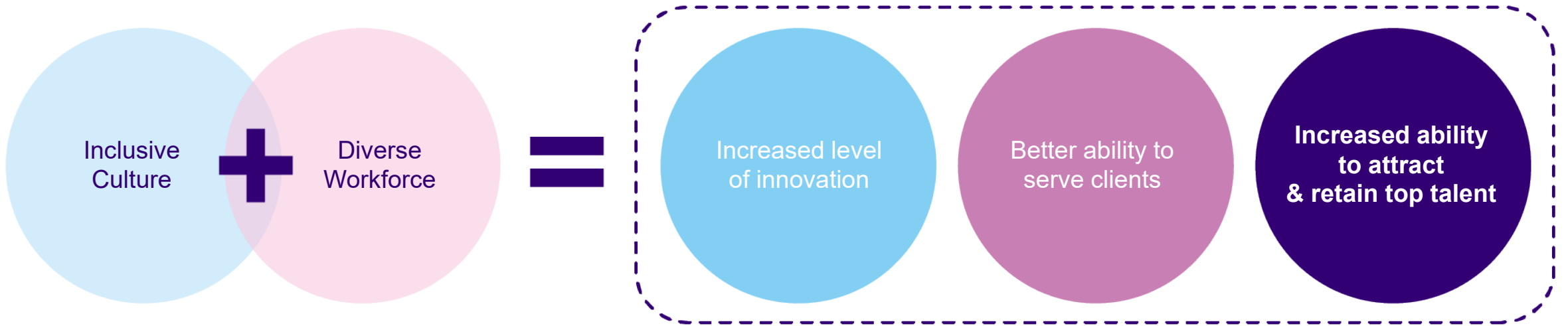


Creating a safe space



Celebrating differences

How leadership is the ticket to change:



Leadership drives the culture which enables improvement, increase in business performance and outcomes and increased employee engagement

Step 1: What are the benefits of investing time and resources in D&I alongside your ESG commitments?



Environmental, Social and Governance metrics are already embedded in the energy sector:



Environmental

- Greenhouse gases
- Emission intensity
- Resource use; carbon, water
- Innovation investment including CCUS and Hydrogen
- Sustainability initiatives



Social

- Health & Safety
- Workforce engagement
- Diversity & Inclusion
- Community engagement
- Human Rights
- Employee training
- Ethical Supply Chain sourcing

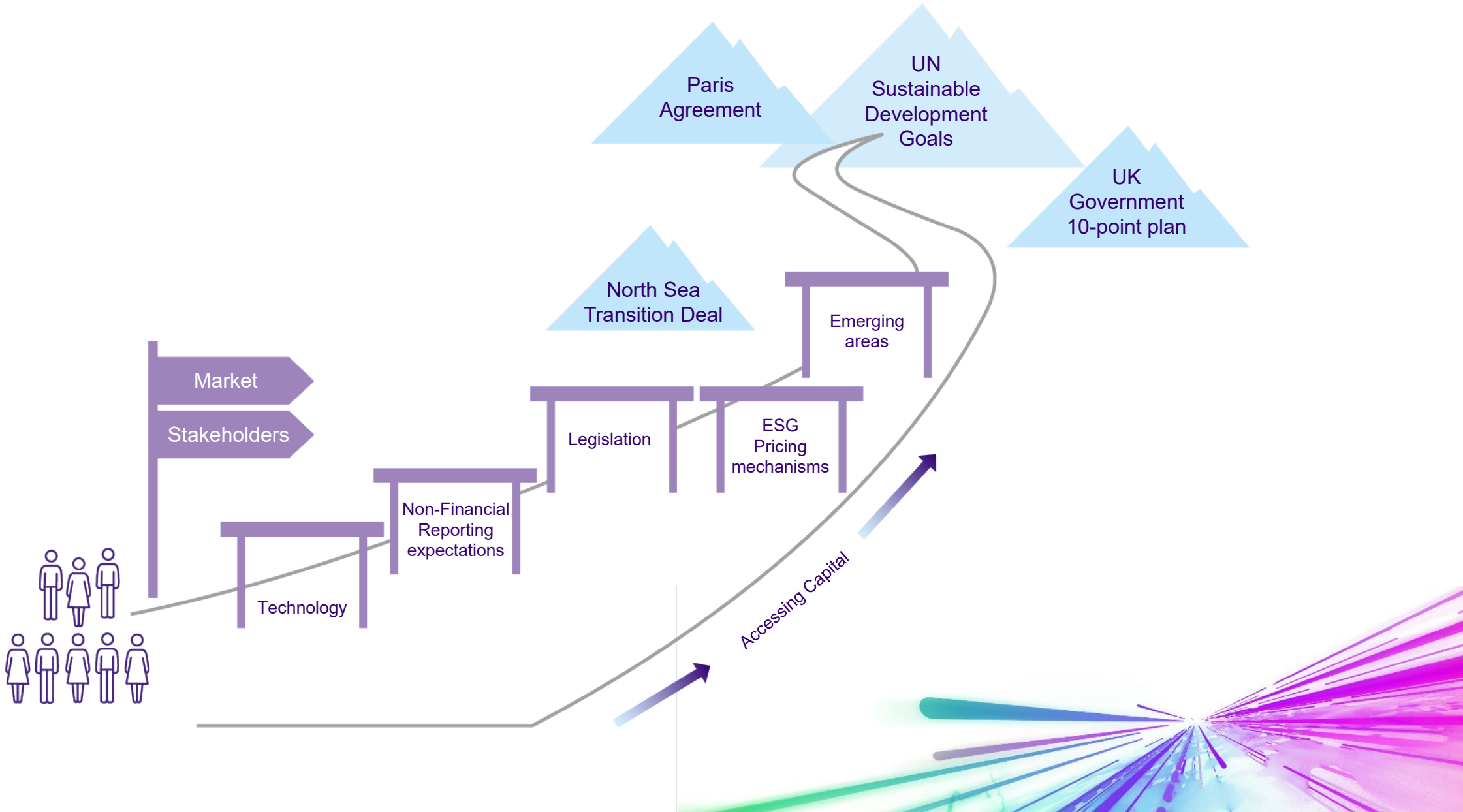


Governance

- Board composition
- Executive compensation
- Strong CSR strategies
- Management diversity & responsibility
- Shareholder engagement

The focus on ESG is **one of the biggest opportunities for the sector and wider economy** as we see the focus on efficient ESG reporting providing greater confidence and clarity in the market. This will **ensure we continue to unlock critical investment and capital.**

ESG is a journey, not a destination, that has people and the workforce at its heart.



How does the 'S' & 'G' drive D&I?

1. ESG is at the heart of delivering the North Sea Transition Deal (NSTD), UK government 10-point plan and Paris Agreement.
2. Unlocking the value of social KPIs will support the delivery of environmental and wider governance expectations.
3. Engagement & reporting on social responsibility increases brand profile, attracts future and retains current talent at all levels.
4. All elements of ESG are fundamental to attracting capital, showcasing what's being done to own emission reduction and drive strong corporate social responsibility (CSR).
5. It's about the value of social and green funds combined.
6. Companies who can embrace the opportunity of ESG will continue to unlock capital and accelerate the transition to net-zero.
7. Understanding the value of data and how it illustrates the journey.



Step 2: Inclusive Leadership and the impacts on business success



Benefits – Why D&I matters to Business Success

Internal Benefits

- Avoiding the pitfalls of 'group think' by nurturing diversity of thought
- Values individual contribution and unlocks intellectual potential of people
- Motivated high performing, diverse teams, supporting attraction & retention
- Effective decision making leading to quicker and better results
- Risk free conversations that encourages interpersonal risk taking and trust, removing judgement and fear of reprimand
- Closer partnerships through connectedness and deep trusting relationships
- Emphasising the link between financial and non-financial performance around DE&I through the 'Social' and 'Corporate Governance' ESG lens
- Influencing long-term management strategy, policy, and business plans
- Reducing talent retention costs and improving inclusivity culture
- Comparing performance internally, and between organisations and sectors



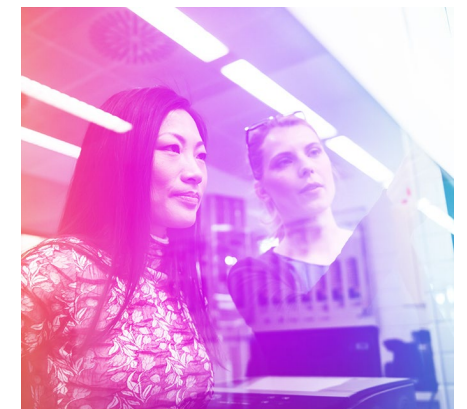
Inclusive Leadership is the enabler

Benefits – Why D&I matters to Business Success

External Benefits

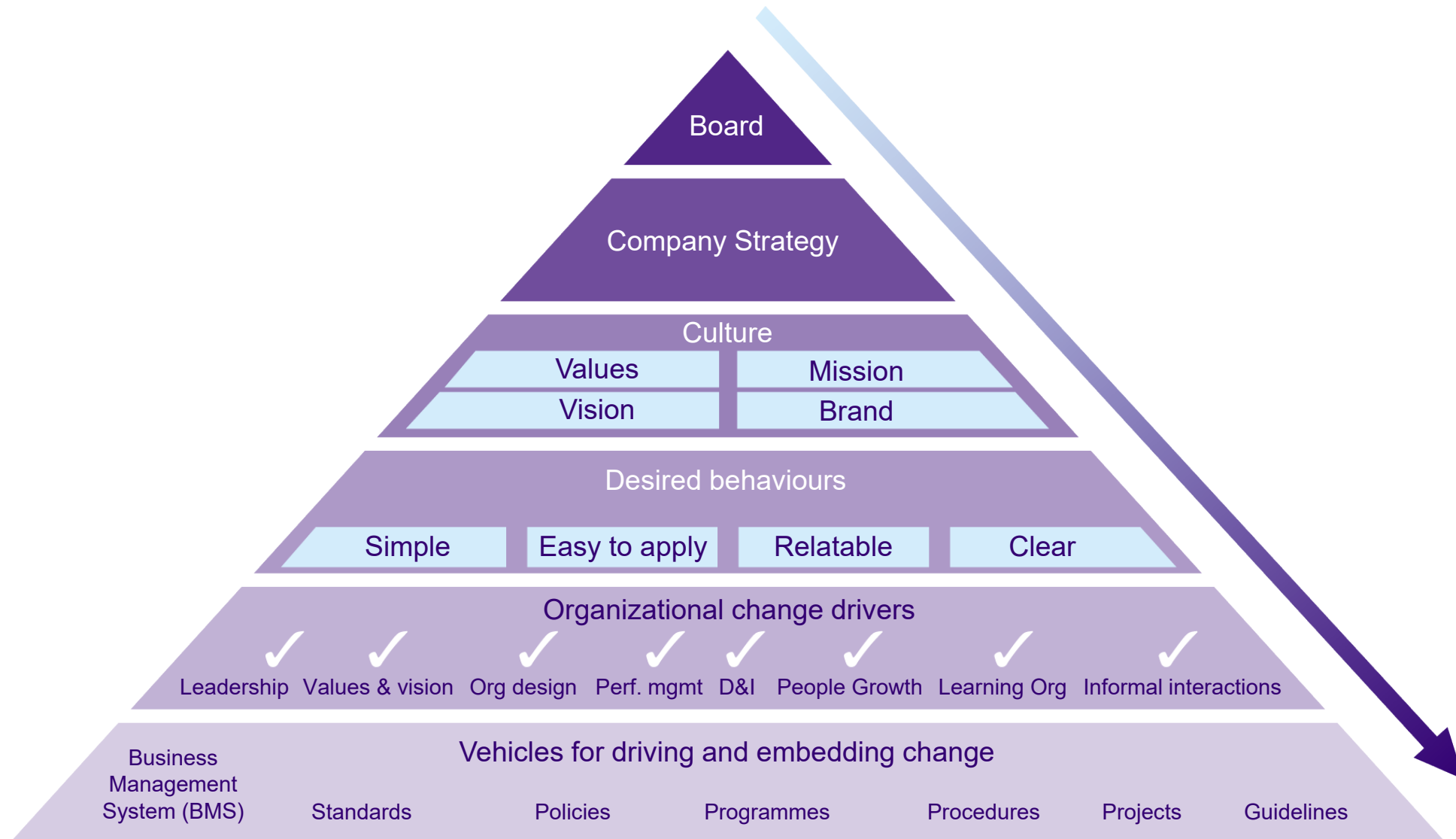
- Improving reputation, brand awareness and loyalty
- Better return on investment
- Company leaders who regularly publish a report on D&I can receive feedback on the programmes and activities they reported and demonstrate commitment and growth
- Benchmarking and assessing D&I performance with respect to industry norms, performance and voluntary initiatives
- Enabling external stakeholders to clearly understand the company's position on D&I
- Investors monitor the values and trends of non-financial indicators to receive an overall picture of the company's future performance
- Inclusive companies are 1.7x more likely to be innovation leaders
- 67% of job seekers said a diverse workforce is important when considering job offers
- Racially and ethnically diverse companies outperform industry norms by 35%
- Avoiding being implicated in publicised social and governance failures

**Inclusive
Leadership is
the enabler**



Step 3: How and where can you make a positive change and impact in your organisation?

At each level, we have an opportunity to strengthen the message around D&I, but it always starts from the top:



Step 4: What do each of these levels enable your organisation to do?



	Levels of impact	Drivers	Owners
1	Board	<ul style="list-style-type: none"> Develops strategy and leads the company to achieve long term success; Determines the risks faced by the business; Gauges the level of risk the company is prepared to take to achieve its strategy; Ensures that systems of risk management and control are in place Gives leadership and governance to the company as a whole, having regard to the views of shareholders and other stakeholders 	Board
2	Company Strategy	<ul style="list-style-type: none"> Strategy help us define our business, gives it a set of values and purpose It helps us understand what success actually looks like It provides a roadmap for our business, shows the destination and identifies useful stopping points along the way. 	Board / Leadership Team
3	Culture	<ul style="list-style-type: none"> A strong company culture attracts better talent and, more importantly, retains that talent so you have lower turnover, fewer new hires and better chemistry among your teams. Start with your Values, Vision, Mission to articulate your brand for employees internally and stakeholders externally 	Leadership Team / HR / All employees
4	Behaviours	<ul style="list-style-type: none"> Behaviours, or 'behavioural frameworks', are essential within any workplace as they support the business's values and culture whilst helping to better manage expectations, relationships and overall performance 	All
5	Organisational change drivers	<ul style="list-style-type: none"> A change driver is an internal or external pressure that shapes change to an organisation. This includes change to strategy, plans, designs, products, services and operations. 	Lead by Leadership and brought to life by employees engaging
6	Vehicles for imbedding change	<ul style="list-style-type: none"> Standards, policies, procedures, guidelines, programmes and projects are the main vehicles of organisational change and should be identified, defined and prioritised to implement and deliver the changes and benefits required. <p>Programmes do this by initiating, aligning and monitoring projects and other related activities.</p>	All

Step 5: What are practical options my organisation can consider and/or implement?



	Levels of impact	Drivers
1	Commitment	<ul style="list-style-type: none"> ▪ Securing top level management commitment, as it must start from the top level leadership ▪ Allocating resources and taking accountability for improving D&I ▪ Treating everyone with fairness and respect ▪ Embracing and supporting what makes individuals unique and ensuring they can function inclusively at all levels and ways ▪ Working together to overcome obstacles, meet individuals needs wherever possible and despite the barrier or obstacles ▪ Ensure strategy, policy, culture, behaviours and performance all enable D&I to become an integral part of every area in your organisation
2	Courage	<ul style="list-style-type: none"> ▪ Admit you don't have all the answers but be curious to find out what needs to change and how to change it ▪ It's ok to ask for help from others, you don't need to do it all on your own ▪ Seek feedback ▪ Admit when you've made a mistake and take ownership to improve ▪ Challenge the status quo and call out bias when you see it ▪ Continue to take on the challenge
3	Awareness of bias	<ul style="list-style-type: none"> ▪ At the individual and organisational level ▪ Understand and be mindful that there are different kinds of personal bias e.g. implicit stereotypes, groupthink and confirmation bias ▪ Take corrective steps to ensure fair play ▪ Establishing transparent policies for making merit-based decisions about promotions, rewards and task allocations
4	Curiosity	<ul style="list-style-type: none"> ▪ Be receptive to and encourage openness to different ideas and diverse perspectives ▪ Show a desire for continuous improvement and learning ▪ Alongside Mentoring and Coaching programmes, consider introducing reverse mentoring events and initiatives
5	Cultural intelligence	<ul style="list-style-type: none"> ▪ Value cultural differences and seek opportunities to celebrate, learn, raise awareness, influence expectations ▪ Support and facilitate cross-cultural interactions
6	Collaboration	<ul style="list-style-type: none"> ▪ Empower people to challenge and build on each other's ideas ▪ Encourage diverse teams ▪ Build trust and show empathy to create an environment that empowers all voices to be heard ▪ Empowering teams to handle difficult situations and addressing conflict

Vehicles for embedding change	Suggested topics
<p>Standards <i>(These are the high level documents, usually 1-4 pages, that an organisation uses to make a statement on their position relating to the topic)</i></p>	<p>Some examples include:</p> <ul style="list-style-type: none"> ▪ Workforce Planning ▪ Reward ▪ Learning & Development ▪ Talent Management ▪ Diversity & Inclusion ▪ Recruitment ▪ Performance Management <p style="text-align: right;"><i>(All should be easily accessible on the Business Management System (BMS))</i></p>
<p>Policies / procedures / guidelines <i>(The framework around these establishes the rules of conduct within an organisation and outline the responsibilities of both employees and employers)</i></p>	<p>Some impactful D&I related examples are:</p> <ul style="list-style-type: none"> ▪ DE&I ▪ Maternity & Paternity ▪ Menopause ▪ Hybrid/Flexible Working ▪ Retirement ▪ Leavers ▪ Wellbeing (gym allowances, mental health app memberships, vaccinations, screenings, health checks, eye sight and hearing tests etc) ▪ Charity sponsorship (fund raising, company contributions or events) ▪ Cultural Inclusion and Awareness ▪ IT/IS (systems that enable collaboration and interaction cross locations and functions within an organisation. Most importantly, consideration of accessibility)
<p>Programmes <i>(Anything that initiates, aligns, sustains and monitors related activities)</i></p>	<ul style="list-style-type: none"> ▪ Leadership ▪ Management ▪ DE&I (training, marketing, materials, events etc) ▪ Technology/System introduction and refresh
<p>Projects</p>	<ul style="list-style-type: none"> ▪ All projects within an organisation should align to and ensure they account for the Social, Governance and D&I drivers wherever relevant in each phase
<p>Reporting</p>	<ul style="list-style-type: none"> ▪ ESG ▪ CSR ▪ Annual Company Reporting ▪ Pay gap reporting – gender and ethnicity

(All should be identified, defined and prioritised to implement and deliver the changes and benefits required)

Step 6: What support resources are available through OEUK?

Support through OEUK:

- Organisation Membership
- D&I Task Group
- Ally Network
- Employment & Skills Forum (HR)



Question:

“will you lead, or will you be led?”

Larry Fink, CEO BlackRock





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