



# D&I Programme

## Quarter 1 update

### Key document details

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## 1 Executive summary

Q1 has been a busy period with several corporation level activities planned for roll out in Q2. Each of the 6 D&I working groups are up and running with support from the D&I teams and are beginning to focus on the delivery of activity, particularly in Q3 and Q4.

The programme has focused on the governance structure in Q1 including the programme management through the Central Change team; the continued empowerment of the D&I working groups and the launching of the central working group.

Looking toward Q2 there will be a continued focus on planning for campaigns, initiatives and establishing processes around the capture, analysis and utilisation of accurate and useful data.

## 2 Corporation level activity

### 2.1 Reverse mentoring

22 colleagues from across the business put their name forward to either be a reverse mentor or a reverse mentee. We have undertaken the matchmaking and are in the process of notifying colleagues on their pairing. Before the formal relationships kick off we are scheduling in induction sessions for the mentors which will focus on goals; boundaries and expectations, as well as given them the opportunity to raise any queries. We are still on track to have the programme launch by the end of August.

### 2.2 Diversity Project

Nest has officially begun the process of joining the [Diversity Project](#), a cross-company initiative focused on championing and creating a more inclusive culture within the Savings and Investment profession. The Diversity Project is an organisation that values action and meaningful change and we'll be sharing initiatives and ideas with the working groups once we have completed the sign up process.

Richard Lockwood, as Accountable Exec for D&I, will sit on the Advisory Board which provides strategic direction for the project. Additionally, Leo Nicholas will sit on the steering group and will help shape and

deliver the Diversity Project's workstreams. There will be further opportunity for ExCo/Working Group Champions to join workstreams, particularly those which align to our working group structure.

## 2.3 Internships and apprenticeships

Currently we do not have a policy on apprenticeships, internships or work experience placements. This has not necessarily been a barrier to participating in the initiatives and areas of the business in one form or another have participated in these schemes. However, it's clear that as we begin to think about the transformation that Nest is undergoing, and the skills needed for future roles these entry level roles are an important part of our transformation journey. As a result, P&D and finance will be meeting in August to plan and discuss how these roles will be managed from a headcount and resources perspective as well as the process for identifying need for these roles (business planning).

Additionally, P&D will be drafting policies on apprenticeships and internships which will include principles of diversity including differences in socio-economic backgrounds; the process for recruiting said roles and resourcing. These will be brought to ExCo in the Autumn.

Meanwhile, recruitment for the [#10000 Black Interns](#) scheme begins in August. Nest have been allocated 2 placements and P&D will be in touch with the relevant business areas later this month.

## 2.4 The programme's relationship with Atos

It's still very early in our relationship with Atos but work has begun on identifying where there is crossover between our two relationships on the D&I front. Planning is underway on establishing working relationships between Nest's D&I working groups and Atos' D&I networks. A mapping exercise will be undertaken in August with proposals and discussion items brought by the D&I team to each respective working group.

In the medium term both organisations are reviewing the principles of authenticity and allyship and scoping opportunities to deliver joint activity both internally and externally. One opportunity includes [Ato's D&I Expo](#) in September where an invitation has been extended to all Nest staff and Leo Nicholas will be participating in a panel discussion.

## 2.5 Data including pay gap analysis

### Data capture

Data remains a big area of focus for the programme; both in relation to the information that we capture through Nest People (sensitive information) and the disaggregated staff survey data. A huge focus for the programme this financial year is improving the capture of sensitive information and reducing the number of prefer not to says in the staff survey. The Central Working Group in collaboration with Internal Comms are planning a sensitive information campaign after the summer holidays in order to improve the response rates. Particularly for disability status and sexual orientation. As part of the Q2 reporting we'll include an analysis of the declaration levels pre and post campaign.

### Targets

Another aspect of data that the programme is focused on is the establishment of annual targets to support the delivery of the corporate scorecard targets. The targets found in the Corporate Scorecard (see table below) are set to be delivered by 2025. However, to support the delivery of these targets we will need to identify and create annual milestone targets, underpinned by data modelling and an understanding of our talent & potential in the organisation. This work is expected to kick off in Autumn this year.

**D&I: Proportion ExCo by 2025**

Women	At least 3 women
Black, Asian and Ethnic Minorities	At least 1 person
With a disability	At least 1 person

**D&I: Proportion senior leaders by 2025**

Women	50%
Black, Asian and Ethnic Minorities	30%
At least 2 Black directors by 2025	
With a disability	12%

**D&I: Proportion of all staff by 2025**

Women	50%
Black, Asian and Ethnic Minorities	25%
With a disability	12%

**Pay Gap reporting**

ExCo requested additional analysis on the [gender pay gap](#) (focused on the bonus gap) and whether the removal of employees who are bonus ineligible improved the gender bonus gap. **Appendix 1** provides that analysis. As suspected in the GPG 2020 report's narrative, factoring out the bonus ineligible men and women eliminated the bonus pay gap. We recruited more women in 2019/20 and as a result more women received a bonus of £0. In future Gender Pay Gap and Ethnicity Pay Gap reports we'll include additional analysis of the bonus pay gap with and without ineligible employees.

**2.6 External Media**

As a result of the lack of diversity across the fund management industry Nest has signed a the Diversity's Project 'Diversity Charter' as a member of the Asset Owner Diversity Working Group. The Charter offers a toolkit for analysing how asset managers are performing on diversity and inclusion, and where they can improve. It has been put together by the working group, which was formed by the representatives some of the largest pension schemes in the UK, including us. By signing this we are committing to take account of diversity and inclusion records when choosing new partners, and to include diversity as part of our manager monitoring. A progress report will be produced a year from launch to highlight developing best practice and to equip signatories with ongoing engagement.

**3 Central working group**

The central working group (CWG) began meeting in May 2021 and will be overseeing the delivery of the corporation level activity. The CWG is currently focussed on the delivery of Black History Month activities in October 2021 with a scoping and planning session planned for August. Additionally, the CWG will be overseeing the implementation of a Nest wide allyship programme and campaign to be launched in January 2022, further detail on the allyship campaign will be shared with the D&I working

groups in September 2021 once the CWG has held its first scoping session.

Additional areas of focus for the CWG include:

- the development of Nest's D&I Strategy for 2022/23 which will be brought to ExCo for approval in spring 2022.
- the development of Nest's 'diversity in branding' principles and/or policy
- the launch of a D&I employee resource hub on Penny.

## 4 D&I working groups

All 6 D&I working groups are beginning to take ownership of their respective work programmes and are becoming delivery focussed. The D&I team had some honest conversations with the working groups about the team's capacity and the need to empower and push working group members to help deliver some activity. Each working group has risen to the challenge and are pushing forward with activity. The bigger working groups have begun to form subgroups to help deliver activity whilst the smaller working groups have decided to meet more frequently as a group to push through action.

By the end of Q3 it's expected that each working group would have delivered at least one form of staff engagement activity or initiative. As well developed and put in place a clear plan of action (with support from the D&I team) that will support the delivery of the priorities as outlined in their respective terms of reference. A summary of activity for each working group is provided below.

### 4.1 Disability and neurodiversity

The disability and neurodiversity working group is focused on building awareness, understanding and educating colleagues on accessibility and inclusivity. Speaker events focused on neurodiversity and disability are planned for later this calendar year. Additionally, the working group will be sharing a blog focused on their reflections on this year's staff survey results (disaggregated by disability).

### 4.2 Gender

The gender working group empowerment is a focus for the D&I team and its champions Mark Fawcett and Zoe Alexander. We are thinking about how we can empower the membership to begin to think about and own the delivery of initiatives in the coming months. The launch of Nest's menopause policy in October and a working group led campaign will be an opportunity to deliver.

### 4.3 Interfaith

The interfaith group is focused on the delivery of Interfaith week in November. Working group members are mind mapping ideas for the week. Additionally, this Interfaith week coincides with international kindness day which is an opportunity for different faiths and those with no-faith to reflect on the spirit of kindness and its value for all people.

### 4.4 LGBTQ+

The LGBTQ+ working group has just finished delivering an engaging and valuable pride campaign in June and will be meeting to in the Autumn to decide upon the next campaign as well as the areas of focus for the coming months. Additionally, Nest will be participating in Stonewall's Top 100 Employers list in September. Any gaps in our submission will be actioned through the working group.

### 4.5 Mental Health

The mental health working group has kicked off planning for World Mental Health Day on the 10<sup>th</sup> October. Additionally, they continue to focus on the impact of the covid-19 pandemic on mental health

and the road to recovery. This group in particular benefits from a number of awareness periods for mental health and are beginning to strategically plan activity and any associated messaging.

## 4.6 Race and social diversity

The race and social diversity working group has formed two subgroups to focus on social outreach and racial diversity at Nest. There was a recognition that the Corporate Race Action Plan was corporation led and there is need for the working group to deliver activity in their own right. The social diversity subgroup will be meeting later this month and the race subgroup will be meeting in September. Both groups with the facilitation of the D&I team are aiming to begin to define their specific work programmes for the rest of the financial year.

# 5 Conclusion

## 5.1 Q2 Focus

Quarter 2 will be an eventful period with a continued focused on:

- › developing the foundations for our capture and use of diversity data
- › empowering the 6 working groups
- › planning corporation wide activity and campaigns for Quarter 3 and beyond
- › engaging the diversity project
- › beginning to explore our D&I related relationship with Atos.

Additionally, the D&I working groups will be meeting to plan activity, establish subgroups and explore any differences in lived experiences for groups at Nest.

## 5.2 Considerations for ExCo

- › How effective have the working groups been so far and what more do we need to do?
- › Apprenticeships and internships are an important recruitment pathway. What role does your business units have in meeting this social priority?
- › What D&I data or modelling would be useful for you in the business/people planning process?
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