

POST OFFICE LIMITED GE REPORT

Title:	Equity, Diversity and Inclusion Commitments	Meeting Date:	30 th November 2022
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Input Sought: Decision

The GE is requested to:

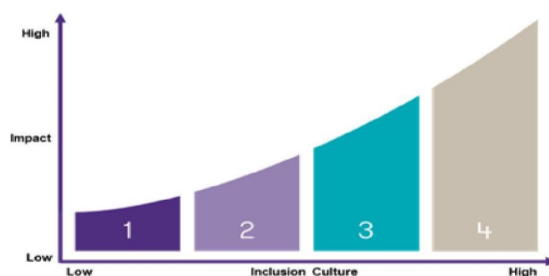
- i. Approve the Post Office commitments to Equity, Diversity and Inclusion

Executive Summary

To enable Post Office to 'be there, in person, for those who rely on us' we need to ensure we have a workforce that reflects the communities that we serve. Creating a diverse and inclusive workplace is not only the right thing to do – it's a strategic business priority that fosters greater creativity, innovation and connection to the communities we serve.

We must celebrate diversity and inclusion and provide an environment where we all feel valued, supported and comfortable being 100% ourselves, our E,D&I survey results tell us that disabled colleagues or those with a mental health condition have a significantly different experience when asked about equity at Post Office. We must continue to support each other to learn and grow, investing in our diverse internal talent pipelines to develop our leaders of the future to ensure we build diverse succession plans. We must challenge all forms of discrimination in the scope of our work, our E,D&I survey highlights the level of perceived discrimination that our under-represented communities face. We must improve the diversity of our Senior Leadership population, specifically our gender balance and black representation, in order to achieve our representation targets.

The actions outlined in the attached document aim to improve our Inclusion maturity to level 3 on the attached model, with a focus on activity over the next 12-18 months. We have further work to do to define our strategy to accelerate our maturity to Systemic. The upcoming audit will provide us with the insight to build the 3 year plan will be defined following this audit.



Types of organisations:

1. Emergent

The organisation is setting out on its inclusion journey and is doing what it needs to from a regulatory and legal perspective to enable inclusion for colleagues.

2. Characteristic-focused

The organisation recognises that it needs to provide tailored support to under-represented groups to 'level the playing field'.

3. Inclusive

The organisation is breaking down barriers to inclusion for all of its colleagues to enable psychological safety and to help them bring their whole selves to work.

4. Systemic

The organisation is reflecting their inclusion culture on every touchpoint with stakeholders, suppliers and clients – leading their sector in inclusive practices.

(Grant Thornton Inclusion Maturity Model)



Report

To ensure we are focused on the actions that will drive change for the D&I agenda, and ensure we have clarity over our priorities and alignment with prior charters and commitments made, the following will be our focus for commitments to drive change. These commitments are supported by the action plan outlined on the following pages. These would reset any prior commitments made and have been designed to ensure we keep focus on the various charters that we have committed to as detailed in Appendix 1.

- CEO will be accountable for Diversity and Inclusion in Post Office, and will appoint an executive sponsor with ownership for each Network Group ^{1, 2, 4}
- We will ensure there is no bias in the recruitment process and will undertake a transparent process of audit* ^{1,3}
- We will take positive action that supports open career opportunity and progression and will undertake a transparent process of audit* ^{1,3,4}
- We will commit to capturing and publishing diversity data, including tracking our commitment to our 2024 targets of 14% ethnic minority representation, 50% female representation, 5% disabled and 5% LGBT+ representation at levels up to SLP. We also understand the challenges that we face at GE level and will ensure that representation continues to be a commitment but extend targets to 2025. ^{1,2,3,4}
- We believe that supporting equity in the workplace is the responsibility of all leaders and line managers, and will commit to introducing EDI objectives for all People Managers ^{1,2,3,4}
- We commit to creating a respectful, inclusive work environment within which every employee has the opportunity to make meaningful contribution to the company's vision and values, taking a zero-tolerance approach to harassment and bullying ^{1,4}
- We will ensure that all elements of reward and recognition, from performance development reviews to bonus and pay, are fair and we will report on this, and action taken to close the gap through our Ethnicity and Gender Pay Gap Reporting ^{2,3}

*Whilst we continue to support all minority groups, over the next 18 months we will place a particular focus on black and female representation, alongside removing barriers for our disabled colleagues.

Notes

The numbers denote the alignment to previous commitments made.

- 1 Commitment in BRC Diversity in Retail Charter
- 2 Commitment in Women in Finance Charter
- 3 Commitment in our October 2020 Diversity Objectives
- 4 Commitment in our Race at Work Charter



How will we deliver these commitments?

Whilst there is planned activity that sits behind each of these commitments the key drivers for change will be:-

- Rigorous EDI audit on recruitment and talent processes
- Leader/Line Manager EDI objectives
- Internal Fast-track development programme for ethnic minority and female talent
- External talent pool engagement programme for future black talent

Each commitment will be delivered with the following activity

1. CEO will be accountable for Diversity and Inclusion in Post Office, and will appoint an executive sponsor with ownership for each Network Group
 - All network groups have an exec sponsor
 - Reverse mentoring in place for those are not sponsoring a network group
 - Bi-annual CEO and Network Chair meetings
 - Bi-annual discussion at GE to check on progress against commitments
2. We will ensure there is no bias in the recruitment process and will undertake a transparent process of an external independent audit
 - Increase engagement with diverse job boards to increase diversity of talent pools for female and black applicants
 - Run an RFP to identify an organisation to complete a rigorous audit on our recruitment process and create action plan based on findings, including defining accessibility improvements to support disabled applicants
 - Re-launch employer branding with EDI focus
 - Launch external black talent pool programme
3. We will take positive action that supports open career opportunity and progression and will undertake a transparent process of an external independent audit
 - Run an RFP to identify an organisation to complete a rigorous audit on our talent process and create action plan based on findings, including defining accessibility improvements to support disabled colleagues
 - Launch fast track internal development programmes focused on female and ethnic minority future leaders
 - Define Post Office Career Frameworks
4. We will commit to capturing and publishing diversity data, including tracking our commitment to our 2024 targets of 14% ethnic minority representation, 50% female representation, 5% disabled and 5% LGBT+ representation at levels up to SLP. We also understand the challenges that we face at GE level and will ensure that representation continues to be a commitment but extend targets to 2025.
 - Introduce a new applicant tracking system to provide better recruitment data



- Publish quarterly ~~commitments~~ updates on progress against
 - Share monthly diversity data, including identifying a transparent audit process
 - Ensure all vacancies, including Group Executive vacancies, have a diverse shortlist, with female and ethnic minority representation
5. We believe that supporting equity in the workplace is the responsibility of all leaders and line managers, and will commit to introducing EDI objectives for all People Managers
- Mandatory workshops for senior leaders to increase understanding and awareness
 - Launch mandatory E,D&I objective for all people managers, with support provided to define individual areas of focus
 - Attend leadership team meetings to educate on playbook
6. We commit to creating a respectful, inclusive work environment within which every employee has the opportunity to make meaningful contribution to the company's vision and values, taking a zero-tolerance approach to harassment and bullying
- Complete a rigorous audit on our policies and review these with unions/network groups
 - Share feedback from E,D&I survey to highlight areas of concern and implement action plans
 - Review DAW cases with ER Manager bi-annual to understand trends/concerns
 - Ongoing inclusion and awareness training to drive behavioural change
7. We will ensure that all elements of reward and recognition, from performance development reviews to bonus and pay, are fair and we will report on this, and action taken to close the gap through our Ethnicity and Gender Pay Gap Reporting
- Publish Gender and Ethnicity Pay Gap Reporting annually
 - Launch a committee to focus on action planning and monitor progress
 - Review performance and bonus data to provide diversity breakdowns

What do we need from GE/SLG?

To drive true cultural change with EDI, symbols and rituals need to be led from the top. To assist the ask would be for the following individual commitments to be made: -

GE

- Attend all E,D&I events – with exec sponsors visibly leading network group activity
- Sponsorship of a Female or Black, Asian or Ethnic Minority Colleague or development programme, by providing mentoring and identifying opportunity for progression



- Communicating personal objective regarding D&I, when sharing organisational objectives.
- Challenging all recruitment shortlists to be at least 50% female and 14% ethnically diverse
- 6 monthly review of E,D&I progress and commitments at GE meetings

SLG

- Attend all E,D&I events – encouraging attendance with team members
- Challenging all recruitment shortlists to be at least 50% female and 14% ethnically diverse
- Regular talent discussions focusing on lower levels of the organisation where some diversity is greater and sponsorship of diverse talent for developing future leaders
- Develop an understanding of the impact of our services on colleagues, Postmaster or Customers and identify opportunity to promote equality and best practice through their EDI objective

Appendix 1

Post Office Charters and previous commitments.

1 BRC Diversity in Retail Charter

- Our CEO will be accountable for Diversity and Inclusion in our business and will appoint an Executive with ownership for D&I
- We will ensure there is no bias in the recruitment process and will undertake a transparent process of audit
- We will take positive action that supports open career opportunity and progression and will undertake a transparent process of audit
- We commit to Contributing data on our diversity in the workplace which will feed in to the BRC Better Jobs dashboard
- We commit to create a respectful, inclusive work environment within which every employee has the opportunity to make a meaningful contribution to the company's vision and values
- We believe supporting equity in the workplace is the responsibility of all line managers

2 Women in Finance Charter

- Have one member of our senior executive team who is responsible and accountable for gender diversity and inclusion
- Setting internal targets for gender diversity in our senior management
- Publishing progress annually against these targets in reports on our website
- Having an intention to ensure the pay of the senior executive team is linked to delivery against these internal targets on gender diversity

3 October 2020 Diversity Commitments

- Gather and monitor data about ethnic diversity
- Set targets and KPIs for the senior leadership
- Raise awareness of BAME issues in the business
- Continue to improve recruitment processes
- Change our processes to encourage diversity through ensuring fairness in reward, recognition and being open about our career pathways

4 Race at Work Charter

- Appoint an executive sponsor for race.
- Capture ethnicity data and publicise progress.
- Commit at board level to zero tolerance of harassment and bullying.
- Make clear that supporting equality in the workplace is the responsibility of all leaders and managers.
- Take action that supports ethnic minority career progression

Appendix 2

Number of hires required at each level of the organisation to achieve targets (assuming total headcount remains the same and minority group leavers are also replaced)



	Headcount	Ethnic Minority	Female	Disability	LGBT+
GE	10	+1	+2	+1	0
SLP	59	+2	+11	+3	0
Band 4	206	+2	+24	+2	0
Band 3A	316	0	+7	+3	0
Middle Manager	818	0	+28	0	+15
PO	1994	0	0	+20	+50

(0 indicates that target is currently being achieved)

Current Ethnic Minority Breakdown	Headcount	Current Black Representation	Current Asian Representation	Current Mixed and Other Representation
GE	10	0	0	0
SLP	59	0	5	2
Band 4	206	1	17	9
Band 3A	316	12	39	7
Middle Manager	818	32	107	18
PO	1994	110	359	56