

Diversity, Equity and Inclusion Strategy

FY2023 – 26



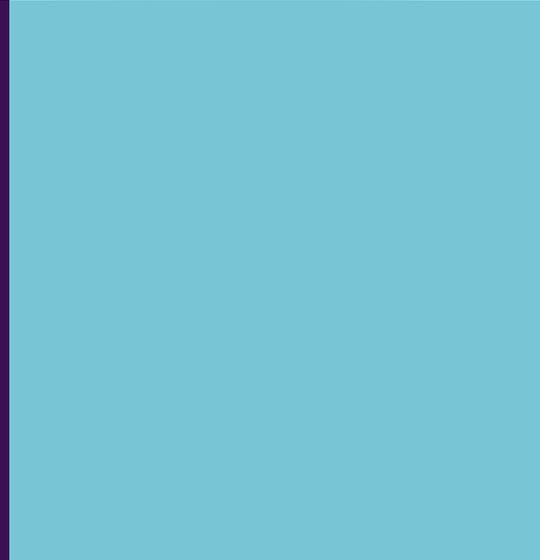
Updated for FY2023

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AEMO acknowledges the Traditional Owners of country throughout Australia and recognises their continuing connection to land, waters and culture. We pay respect to Elders past and present.





A message from AEMO's CEO



Australia is experiencing a once in a generation transition in how we generate electricity, and more broadly, how we use energy.

For the first time all Australian governments, and most of the business community, are aligned in striving for a net zero energy system, and ultimately a net zero economy by 2050.

As we embark on this transition, we must remind ourselves that it is people that matter most.

It is people that will solve the engineering challenges, it is people that will build the social licence, and ultimately, it is people that will benefit from a clean and reliable supply of energy.

AEMO sits at the very heart of Australia's energy system. And for AEMO to successfully tackle the energy challenges ahead, we need to harness talent from all parts of the community.

We need to access a diverse mix of skills, experience and thinking and foster an inclusive environment that enables people to implement new technologies and systems so the community can benefit from the transition.

For too long the energy industry, like a lot of engineering-based sectors, has traditionally recruited and promoted from a narrow, homogenous group.

This cannot continue. The challenges are too big, and the opportunities are too great.

A broader attitude to diversity, equity and inclusion enables us to welcome the right people into our workplace.

And it will enable these people to be their very best – their whole self – irrespective of their cultural background, age, gender, religion, sexual orientation, carer status or disability.

We want all our people to feel safe, supported and fully engaged with AEMO's work, so we can harness 100% of their talent and they can reach their full potential and thrive.

Our new Diversity, Equity and Inclusion Strategy will elevate the importance of these issues and list the tangible steps we will take as an organisation to drive positive change.

It recognises that some sections of the community face barriers that have no place in a modern workplace. We want to counteract unequitable bias and stereotypes, so all people are valued for their unique strengths and contributions.

We want all our people to feel safe, supported and fully engaged with AEMO's work, so we can harness 100% of their talent and they can reach their full potential and thrive.

Diversity, equity and inclusion. They may be just three small words. But they make the world of difference.

Daniel Westerman
AEMO Chief Executive Officer

Introduction

At AEMO we want to be a leader in workplace inclusion in the Australian energy sector.

A diverse, equitable and inclusive workplace and culture that attracts, develops, and retains the best and brightest talent is essential if AEMO is to deliver on our ambition to be a world-leading operator that ensures a sustainable system providing affordable, safe, and reliable energy for all Australians.

To achieve this, AEMO is committed to bold action through the implementation of its second Diversity, Equity and Inclusion (DE&I) Strategy. This strategy will drive further cultural change and support our aspiration to be a workplace of choice where diversity is celebrated, everyone feels safe and has a strong sense of belonging, with the opportunity to utilise their unique talents to be their best and succeed.

Our achievements so far

AEMO's first Diversity and Inclusion (D&I) Strategy was established in 2019, setting the direction of priorities and actions through to June 2022. Under the sponsorship of the Executive Leadership Team, a newly formed D&I committee comprising passionate volunteers from across the organisation played an integral role in the development and delivery of this strategy, working in close partnership with the AEMO People and Culture (P&C) team.

The 2019-22 strategy had a specific focus on the areas of gender, cultural background and flexibility. A broad range of initiatives were delivered over three years to lay the foundation for AEMO becoming a leader in diversity, equity and inclusion in the energy sector.

Pages 6 and 7 are a summary of the key achievements to date.

AEMO is committed to bold action through the implementation of our second Diversity, Equity and Inclusion (DE&I) Strategy.





Gender:

- ✓ Increased representation of females occupying senior leader permanent positions (Executive Leadership Team (ELT) and level 3 leaders reporting to ELT). The ELT currently comprises 63% females, an increase of 30% since June 2019. Level 3 leaders are 30% female compared to 17% in June 2019.
- ✓ Increased overall female representation, from 32.6% in June 2019, reaching 37.6% in December 2022. This upward trend is also reflected in a year-on-year increase of 3.9% points, setting AEMO on a path to achieving our target of 40% females by 2025.
- ✓ Introduction of policy changes to pay superannuation on unpaid parental leave and for gender neutral primary carer's leave.
- ✓ Annual gender pay gap reviews introduced, with the 2021 review highlighting no systemic issues and any ad hoc pay gaps rectified.
- ✓ Women@AEMO was established to assist in driving a range of bold actions to further progress gender equality at AEMO.
- ✓ Successful on-boarding of AEMO's first all-female graduate intake in 2022.
- ✓ Revised recruitment practices to comprise gender diverse interviewer panels and candidate shortlists.
- ✓ Developed AEMO's 'mPower' mentoring program and successfully delivered three programs to 47 female mentees from across the organisation, with 100% positive feedback on value from both mentees and mentors.
- ✓ AEMO has become a member of the Champions of Change Coalition, with an ambition to form an energy sector group to enact positive sector change in gender equality.
- ✓ Sponsorship of the WA Women in Energy Forum, Chloe Munroe Scholarship for (Female) Transformational Leadership and Australian Power Institute.
- ✓ Introduced a standard practice that all external conference and speaking event panels on which AEMO participates now must include a diverse representation of panelists and speakers.



Flexibility:

- ✓ Developed a hybrid working toolkit to support leaders and employees with developing balanced office and remote work arrangements.
- ✓ Delivered workshops to support effective hybrid working to both People Leader and general employee populations (over 400 participants during 2022).
- ✓ Hybrid working was the highest rated category and top-rated question in the 2022 culture and engagement survey, including positive sentiments relating to work/family balance.

Cultural diversity:

- ✓ Strengthened our relationship with Supply Nation and rolled out information sessions to all employees to build engagement and adoption of procurement through Supply Nation providers.
- ✓ Acknowledgment of Country and Welcome to Country adopted to open large-scale meetings and events.
- ✓ Developed an annual calendar of DE&I events to raise awareness of and celebrate culturally significant days across the year, including Harmony Day as a major annual event.

Inclusion:

- ✓ In our 2022 culture and engagement survey, 81% of our people reported that they can be their authentic selves at work and 86% agreed that people from all backgrounds have equal opportunities to succeed at AEMO.
- ✓ Rolled out an Inclusive Leadership program to our SLT population to embed inclusive leadership behaviours.
- ✓ Developed a talent toolkit to ensure consistency and inclusiveness in talent management practices across AEMO. The toolkit incorporates guidance for leaders on talent assessment, talent mapping, succession planning, 'critical talent identification' and development planning, including DE&I considerations.
- ✓ Commenced re-engagement of the AEMO LGBTIQ+ community, with 'Pride@AEMO' brand and initiatives.
- ✓ Sponsored the further development of AEMO's Young Energy Professionals Network (YEPN), a DE&I and talent network focused on younger employees, with the signature event involving a YEPN symposium, held in July 2022.
- ✓ Major DE&I annual calendar celebrations for International Women's Day, IDAHOBIT, NAIDOC Week, and International Day of People with Disability.

Our approach moving forward

To support the development and communication of the FY23-26 DE&I Strategy, the following Strategic Framework was formed, introducing 'Equity' as a third outcome. This framework guides the vision, outcomes and levers for facilitating prioritisation, measurement and activation.

Diversity, Equity and Inclusion Strategic Framework



Our strategic focus

To achieve our DE&I vision we will focus on these objectives over the next three years:



Be a highly **inclusive** workplace.



Be an employer that is recognised in the energy industry for valuing and achieving **gender diversity**.



Harness the benefits of **flexibility** to attract, engage and retain great talent.



Demonstrate a commitment to **reconciliation and Indigenous employment** and career advancement through targeted and actionable plans.



Be an industry leader in **supporting people with disability** in the workplace.

Diversity, Equity and Inclusion Strategy

FY23 Action Plan

The strategy includes three time-based horizons. An action plan for our first year is outlined on the following pages.

Our plans for FY24 and 25 will be formed, based on progress made and new data and insights becoming available through the course of each year.



Strategic Objective 1:

Be a highly **inclusive** workplace.



FY23 initiatives

- Incorporate DE&I actions in ELT and SLT FY23 performance measures.
- Refresh and relaunch AEMO's values to drive stronger behavioural change in support of DE&I vision.
- Refresh the talent management toolkit and practices to be more objective and inclusive of diverse talent.
- Profile diverse talent in each ELT talent review meeting.
- Relaunch the Public Holiday 'exchange' policy.
- Domestic and family violence leave policy introduced and support program established.

Success measures

- 90% favourable scores on inclusion measures in AEMO surveys by 2025.
- Employee Value Proposition developed for key minority groups by end FY24.
- Industry recognition via awards and media coverage.

"Australia's energy transition has the power to transform the way we live, turbo charge our economy and achieve Australia's net zero targets.

But this will only be possible if we tap into the full spectrum of the talent that Australia has to offer, and create a workforce that truly reflects the society that we serve."

Daniel Westerman
AEMO Chief Executive Officer



Strategic Objective 2:

Be an employer that is recognised in the energy industry for valuing and achieving **gender diversity**.



FY23 initiatives

- Formalise Champions of Change Coalition membership and lead the establishment of an energy-specific group of like-minded CEOs.
- Maintain focus on career development through mPower mentoring program.
- Implement targeted leadership development programs for women.

Success measures

- 40% females within AEMO by 2025.
- 50% female senior leaders by 2025.
- 50% of early technical talent pipeline female by 2025.
- Establishment and leadership of a Champions of Change Coalition energy sector group.
- Industry recognition through awards and publications.

“The energy sector has had historically low female participation and has also struggled to attract, retain and foster women as leaders.

Women make up only 18.3% of key management personnel within the industry in Australia. Our sector remains one of the least gender diverse sectors and closing this gender gap will be vital as we navigate the energy transition”.

At AEMO we have strong momentum in attracting and retaining talented females as we pursue our goal of being a gender balanced organisation.”

Glenn Jackson
Executive General Manager -
People & Culture



Strategic Objective 3:

Harness the benefits of **flexibility** to attract, engage and retain great talent.



FY23 initiatives

- Review of AEMO’s recruitment practices for inclusion barriers and enablers.
- Rollout of hybrid ways of working workshops to strike the right balance between remote working and office-based collaboration.

Success measures

- Employee satisfaction with workplace flexibility sustained at FY22 levels of 87% favourable (engagement surveys).
- Employee engagement scores increase improve year on year (meeting annual Corporate Plan improvement targets).
- Talent retention above industry average.

“Research shows that flexible work promotes both women’s and men’s workforce participation, employee satisfaction and productivity.

COVID disrupted the way we work and has illustrated that traditional ways of working are now firmly in the past.

These major changes to employees’ preferences about different workplaces, work time and patterns are here to stay at AEMO and offering flexibility will be key to attracting the best and brightest talent to our organisation.”

Nicola Falcon
Group Manager - Victorian Planning System Design



Strategic Objective 4:

Demonstrate a commitment to **reconciliation and Indigenous employment** and career advancement through targeted and actionable plans.

FY23 initiatives

- Development of a Reflect Reconciliation Action Plan (RAP) for launch in FY24.
- Develop an undergraduate scholarship program for selected minority groups (women, Indigenous, disability) in targeted skills segments to launch in FY24.

Success measures

- Launch a RAP in FY24.
- Positive recognition from RAP partners and stakeholders.
- Increased level of employees reporting as Indigenous.



“At its heart, reconciliation is about strengthening relationships, for the benefit of all Australians.

Reconciliation requires us to recognise and respect the First Peoples of this land, to acknowledge the past injustices, and the ongoing inequalities, experienced by Aboriginal and Torres Strait Islander peoples since colonisation, and to commit to working towards a more equal and respectful future.”

Nevenka Codevelle
Executive General Manager -
Government & Stakeholder



Strategic Objective 5:

Be an industry leader in **supporting people with disability** in the workplace.

FY23 initiatives

- Partner with Australian Network on Disability to undertake accessibility review for employment and commence accreditation for employment of persons with a disability.

Success measures

- Develop a Disability in Employment Action Plan (DAP) in FY24.
- Positive recognition from DAP partners and stakeholders.
- Increased level of employees reporting as having a disability.



“Australians who have a disability, and their carers, have not been counted – and it’s not fair.

They have a wealth of skills and expertise that this country needs, now more than ever.

At AEMO we need to challenge the status quo to adopt new and innovative ways to make it possible for everyone to contribute to our vision and reach their absolute full potential.

It’s all our responsibility.”

Gordon Dunsford
Executive General Manager - Digital

Roles and responsibilities

Cultural change requires dedicated focus and effort by leaders at all levels.

AEMO is firmly committed to a bold DE&I change agenda. The Board and ELT want AEMO to strive to be a significantly more diverse organisation where everyone has a strong sense of belonging and is highly valued for their unique contributions. The ELT will continue to champion DE&I at AEMO through role modelling inclusive leadership and sponsorship of events and initiatives designed to achieve our DE&I vision.

The DE&I Committee will continue to work in close partnership with the People and Culture (P&C) team who are responsible for leading the delivery of this strategic plan. Together they will ensure the achievement of AEMO's shared DE&I objectives.

Each focus area of the strategy (inclusion, gender diversity, flexibility, reconciliation and disability) will be led by an executive sponsor.

All senior leaders will play an active role in supporting the engagement and execution of this strategy and drive the change needed to support AEMO's ambition of becoming a DE&I leader in the Australian energy sector.

Key stakeholders and partners

AEMO P&C will engage and work collaboratively with the following internal and external stakeholders and partners to ensure the successful delivery of the DE&I strategy and associated action plan.

- AEMO Board and People and Remuneration sub-committee.
- Executive and Senior Leadership Teams.
- Diversity, Equity and Inclusion Committee.
- Reconciliation Action Plan Working Group.
- Pride@AEMO.
- Young Energy Professionals Network (YEPN).
- Women@AEMO.
- Champions of Change Coalition.
- Reconciliation Australia.
- First Nations representatives on the Community Advisory Council.
- Australian Network on Disability.



Measuring our success

AEMO is committed to measuring outcomes for diversity, equity and inclusion.

To know whether we are having the desired impact, P&C will assess our progress on an ongoing basis and use the insights gained to inform any adjustments required to ensure we can achieve our DE&I strategic objectives over the next three years.

Data sources

To measure our progress, P&C will collect data from a range of sources including:

- Culture and engagement surveys.
- DE&I surveys.
- Onboarding surveys for new starters.
- Exit surveys / interviews.
- Workforce demographic data.
- Recruitment data.
- Gender pay equity reviews.

Reporting

P&C will publish a DE&I dashboard on a quarterly basis which will be distributed to the Board, Executive Leadership team and all staff to communicate our progress against our DE&I success measures.



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