

Untapped Reserves 3.0

Advancing Diversity, Equity, and Inclusion in the Energy Sector

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Executive Summary

While diversity, equity, and inclusion (DE&I) is stated as a priority by many global energy companies, the energy sector continues to lag others in terms of representation and has been slow to make progress. These learnings are reinforced in the third version of the Untapped Reserves report, a collaboration between Boston Consulting Group and WPC Energy, which for the last seven years has monitored women's representation in the global oil and gas industry.

Since 2021, when our last report was released, the average percentage of women working in oil and gas has increased only slightly, from 22% to 23%. Although there have been some signs of incremental progress, such as a moderate increase in women in senior management, many challenges still persist, and impactful DE&I interventions, like flexible work and mentorship, are inconsistently implemented, applied, and utilized.

This year's report includes meaningful insights about the effectiveness of various DE&I efforts and interventions, along with perceptions of the challenges faced in advancing DE&I. Organizations with high levels of women in senior management typically have unbiased promotion practices, targeted recruitment programs, leadership compensation linked to performance against DE&I targets, and other foundational programs.

This report also is the first in our series to directly assess the medium-term impact of COVID-19 on DE&I in the energy sector. It is abundantly clear that the widespread adoption of flexible, remote, and hybrid working models has benefited women and other underrepresented groups. However, many energy companies are considering rolling back these changes, posing a risk to much of the progress that has been made in recent years.

In addition to the gender representation metrics we have reported on in the past, this year's report has been expanded to consider other groups. These include underrepresented ethnic and racial groups (UERG); LGBTQ+ (lesbian, gay, bisexual, transgender, questioning and/or queer) people; people with health conditions or disabilities; veterans who have served in active military, naval, or air service; caregivers of children and adult dependents; and people from economically disadvantaged backgrounds. While DE&I programs and interventions have consistent positive impact, their adoption and utilization varies greatly across these groups.

For leaders in the energy sector, the recommendations in this report offer an opportunity to not only advance diversity, but to improve business resiliency and innovation in this rapidly changing sector.

A Clear Business Case for DE&I

We use the term “Untapped Reserves” to remind readers that, like undeveloped energy sources, women and other underrepresented groups represent an enormous potential resource. Companies within and beyond the energy sector widely recognize that diversity is important for delivering better business results and can be a source of competitive advantage.

Strengthening DE&I leads to a multitude of benefits for companies by harnessing the power of varied perspectives, experiences, and talent. It fosters innovation and creativity by encouraging a diverse range of ideas and approaches, and can better enable companies in this sector to solve complex challenges, such as energy security and the energy transition.

“We are adapting with the energy transition,” says Lauren Morishita, Director of Diversity, Equity, and Inclusion at Enbridge, a Calgary-based North American pipeline and energy company. “As a result, we will need more diverse voices at the table to drive innovation and keep a competitive edge.” Diverse teams are more adept at understanding diverse customer bases, and thus at unlocking customer-centric service opportunities.

DE&I also enhances employee engagement and retention, as individuals are more likely to feel valued and supported. An inclusive work environment contributes to a positive company culture, strengthens the employer brand, and is critical for attracting top talent.

Gender diversity is also linked to higher financial returns. Our analysis of surveyed energy companies found that companies with above-median (21%) representation of women in senior and executive management experienced higher return on equity than companies with below-median representation. These findings, which are consistent with other cross-sector studies,¹ underscore the business value in championing representation initiatives for energy companies.

The Scope of this Year’s Report

The previous Untapped Reserves reports, released in 2017 and 2021, focused exclusively on gender diversity in oil and gas companies. For the 2023 edition, we have expanded the industry scope to cover the broader energy sector, including power and utilities companies as well as companies focused on new energy. This latter group typically provides technologies related to the energy transition, such as the development and production of low-carbon fuels, renewable energy equipment and systems, and carbon capture, usage, and storage.

Additionally, this year’s report has aimed to measure representation of other diversity groups beyond gender. However, tracking of other underrepresented groups is far more limited within the energy sector. In most countries, regulations often require that companies obtain employees’ consent before collecting and processing their demographic data, with few exceptions. Nonetheless, tracking representation across underrepresented groups and key metrics on outcomes is important to help business leaders understand representation in their organizations, make informed DE&I decisions, and create targeted interventions. See the Enbridge case study for an example of the deep impact that collecting and understanding representation data can have on advancing diversity and inclusion.

Since the last report was released in 2021, the energy sector has undergone significant changes, including disruptions from the COVID-19 pandemic, energy security concerns arising from the war in Ukraine, and an accelerated push for sustainability and renewable energy. These issues are top of mind for executives seeking to broaden DE&I while balancing core business objectives. (See “COVID-19 and the Impact on Flexible Working Models” and “The Role of DE&I in Advancing Innovation and Energy Security.”)

1. In a study analyzing financial performance of S&P 500 companies from 2005 through 2020, Bank of America found that companies with gender diversity on their board of directors above the global median of 30% achieved 15% higher return on equity (ROE). Companies that exceeded the median (30%) for women in management positions saw a 30% higher ROE.

Case Study: Enbridge

Enbridge, a Calgary-based North American pipeline and energy company, has made a concerted effort to become a more diverse, equitable, and inclusive organization. In 2021, Enbridge added Inclusion as their fourth core value—joining Safety, Integrity, and Respect—highlighting its importance across the organization.

The company’s leadership understands the business value of building a more inclusive organization. Prioritizing DE&I fosters greater innovation, driven by more ideas from a wider variety of people. It also enables the company to better understand their customers and reflect the communities in which they operate, to ultimately make better business decisions. As Manager, Leadership and Coaching, Kimberley Grant noted, “When we are in touch with the lived experiences of the people we deliver energy to and the communities we operate in, we can make business decisions that consider their needs and positively impact all stakeholders.”

Enbridge has set specific DE&I goals to reach by 2025 in their Inclusion, Diversity, Equity & Accessibility (IDEA) strategy. These include evolving their more than 12,000-member workforce to consist of 40% women, 28% UERGs, 3.5% Indigenous peoples, 6% people with disabilities, and 7% veterans. These goals are set based on labor market availability.

The IDEA strategy includes specific actions to achieve these representation goals, including a focus on recruitment, development and succession planning, and training. In addition, executive compensation is linked to performance in DE&I, and sustainability-linked bonds and loans provide a further lever for public accountability. With these mechanisms in place, the company has already surpassed some of its interim goals, such as reaching 30% women in manager-and-above positions by 2022. From 2018 to 2022, Enbridge increased the representation of women in management and senior management positions from 27% to 30%, women in executive positions from 22% to 32%, employees belonging to UERGs in leadership from 12% to 22%, and employees belonging to UERGs overall from 16% to 24%.



2. “Two-Spirit,” [Indian Health Service](#): The Federal Health Program for American Indians and Alaska Natives.

Enbridge has been recognized as a business leader in DE&I. In 2022, the company won the prestigious Catalyst award, a cross-industry global recognition that celebrates outstanding DE&I initiatives driving diverse representation and inclusion in the workplace.

Unique DE&I Interventions

Enbridge has made progress towards their 2025 DE&I goals through deep understanding of their workforce's demographics and specific needs, enabling the company to develop focused, intentional plans. To build awareness on the status of DE&I within the company, Enbridge created a Diversity Dashboard, an internal application available to all employees that shows representation across gender, UERGs, disability status, veterans, and 2SLGBTQ+ across the company. (The notation "2S" refers to "Two-Spirit," a term used by some Indigenous North Americans to describe individuals who perform activities of both men and women. This is considered a unique gender status in some tribes.²) The Dashboard also shows demographic data by job level and trends on hiring, promotions, and turnover (in aggregate to protect individual privacy). All data is self-reported through Enbridge's annual "Count Yourself In" survey, with 85% of employees opting to participate.

While the Diversity Dashboard is an essential tool to guide DE&I strategy, the Enbridge team understands that awareness alone is not sufficient to drive meaningful change. They have coupled learnings from the Dashboard with more than 100 listening sessions, along with annual surveys and engagement with their highly active Employee Resource Groups, to create targeted interventions that address specific DE&I challenges. This multifaceted approach has led to the launch of many programs and accountability measures, including:

- Compensation linked to DE&I metrics for all employees.
- A mentorship program that intentionally matches mentees and mentors based on diversity preferences. For example, an early-career employee can request to be matched with a more senior employee based on attributes such as gender, ethnicity, or race. In 2023, over 1,700 pairs were matched.
- A "human library" that contains stories of lived experience shared by Enbridge employees. These stories help drive meaningful conversations on social issues and advance a culture of inclusion.

- External partnerships to develop a more diverse long-term talent pipeline. The company's Engineering Futures program partners with local organizations to pair girls and UERG youth with women engineers at Enbridge. Another example is the company's partnership with [Build a Dream](#), a nonprofit that highlights non-traditional career paths for young girls.

Enbridge's strong and public commitment to DE&I is driven by its deep sense of responsibility to their employees and a desire for accountability for their 2025 goals. The leadership team understands that becoming an inclusive organization is not without its challenges. "There is no magic solution to making progress," said Lauren Morishita, Director of Diversity, Equity, and Inclusion. "It's about a combination of small and intentional changes." The Diversity Dashboard, listening sessions, and external partnerships alone have not accelerated Enbridge towards their DE&I goals. Rather, the numerous commitments that the company, the leadership team, and employees have collaboratively created have meaningfully advanced representation and inclusion across the organization.



The State of DE&I in Energy

Across the energy sector, the average percentage of women in energy companies is 24%, with significant differences across tenures, moderate differences across industries, and some differences across regions. (See Exhibit 1.)

Representation Across Tenures

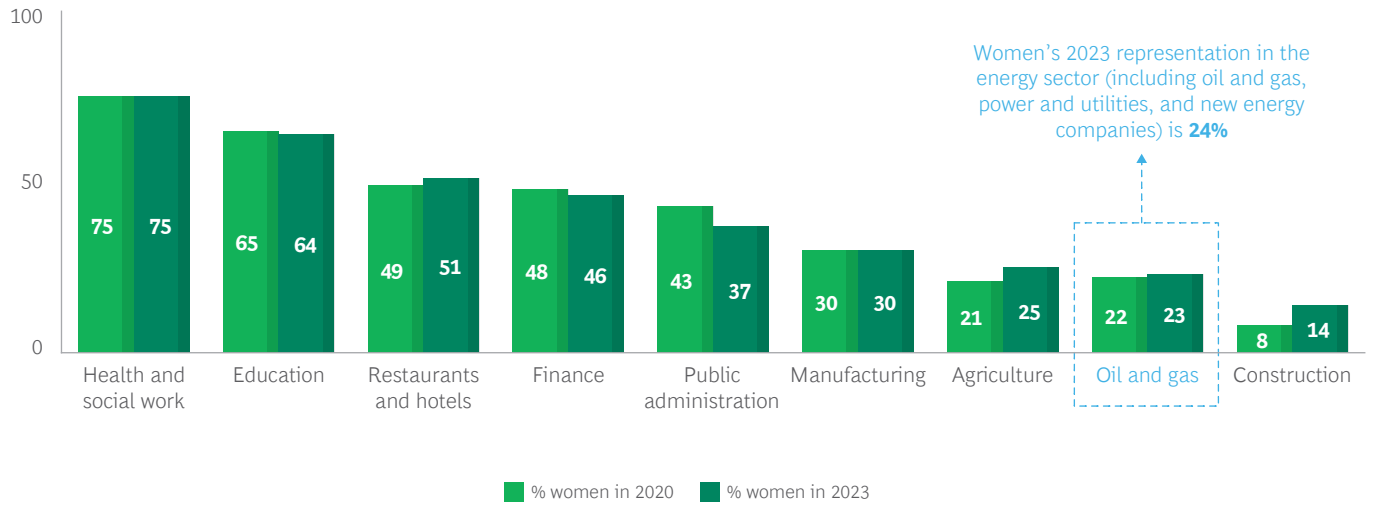
Representation of women in oil and gas companies increased slightly across all tenure levels in 2023 compared to 2020, with the most improvement at the mid-career,

senior, and executive levels³. (See Exhibit 2.) Representation of women in entry-level positions has increased only incrementally, up to 27% in 2023 from 25% in 2020. While the number of women at mid-career and senior levels also increased in 2023, the drop in representation (from 27% at entry level to 20% at senior level) continues to persist, consistent with our 2020 study.

3. For overall women's representation, all 50 surveyed oil and gas companies reported data; for tenure-specific data (e.g., % of women at entry-level, etc.), 38 oil and gas companies reported data. These differences in available data explain small change in overall representation vs. larger change in representation at each tenure level.

Exhibit 1 - Gender Diversity in the Energy Sector Still Lags Most Major Sectors

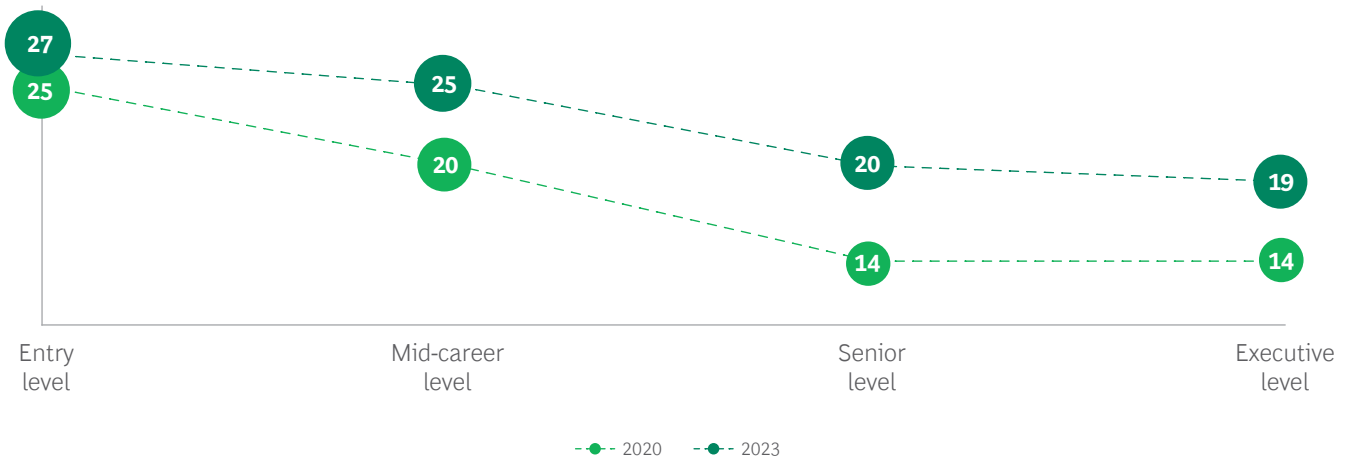
Women's workforce representation per sector (%)



Sources: ILO Stat database, 2020 and 2023; Untapped Reserves 2.0 and 3.0 company surveys; BCG analysis.

Exhibit 2 - Women's Representation Increased Since 2020 at All Tenure Levels in Oil and Gas, with Larger Increases at Mid-career and Higher

% of women's representation in oil and gas, by tenure



Sources: Untapped Reserves 3.0 and 2.0 company surveys; BCG analysis.

Note: N=38 oil and gas companies for 2023, and N=36 companies for 2020. Not all companies provided detailed breakdowns by tenure.

When we consider women’s representation in business and administration roles and operations and technical roles separately, distinct trends emerge, indicating that companies need to take specific actions to advance women’s representation for both functions. (See Exhibit 3.)

For operations and technical roles, entry-level representation is low at 18%. This constrains the talent pipeline for senior leadership, which is relatively stable through senior levels but falls sharply to 5% for executives. To achieve higher women’s representation in these roles, oil and gas companies need to invest in attracting more women to operations and technical roles to expand the talent pipeline. They also should invest in retaining and advancing women, maintaining representation through to the executive level.

For business and administrative roles, representation is approaching gender parity at entry level. This presence of women is important for many reasons, especially as it establishes a pipeline for senior leadership in the future. However, representation falls dramatically at mid-career and senior levels, reflecting the significant headwinds that women face as they climb the corporate ladder, as well as companies’ shortcomings in retaining and advancing women. The challenges can include balancing career with

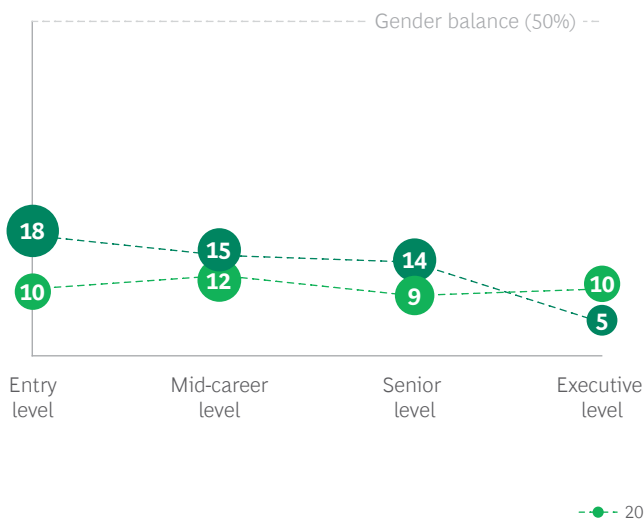
personal commitments, limited transparency into promotion practices, lack of mentorship or role models, and pay disparities. These factors can hinder professional development and affect women’s motivation to remain in the sector. As one female industry professional shared, “Progress in [my] career feels limited... It takes courage and patience to stay in the industry for a long time.”

In BCG’s 2022 Diversity and Inclusion Assessment for Leadership (DIAL) study, 25% of female junior managers at energy companies reported that they are considering leaving their jobs within a year, while only 12% of their male counterparts said the same. Among those who considered leaving, the top reasons were to seek higher pay and a lack of advancement opportunities.

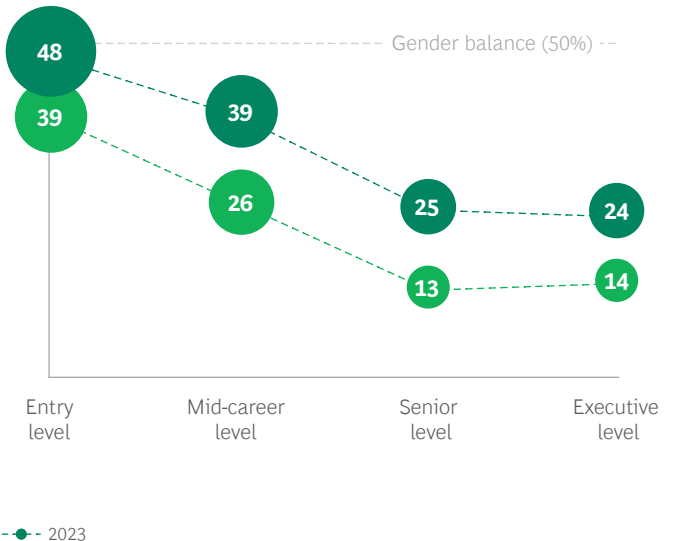
While energy companies largely recognize that career progression and compensation are key factors in women choosing to leave their positions, the drop in representation at higher tenure levels persists. To take action, companies should implement targeted interventions throughout the employee lifecycle. There are particularly effective interventions correlated with higher women’s representation at senior levels. (See “The Effectiveness of DE&I Policies and Programs” and “A Framework for Activating DE&I.”)

Exhibit 3 - Women’s Representation in Oil and Gas Shows an Upward Trend, Except in Operations/Technical Support Roles at the Executive Level

% of women in operations and technical support roles, by tenure



% of women in business and administration roles, by tenure



Sources: Untapped Reserves 3.0 and 2.0 company surveys; BCG analysis.

Note: N=36 oil and gas companies for 2023, and N=26 oil and gas companies for 2020. Not all companies provided detailed breakdowns by tenure and job type.

Perceptions on the Challenges Women Face

As in previous reports, we surveyed industry professionals about the issues that contribute to the lack of women in senior management in energy companies. Though men and women are broadly aligned in recognizing the challenges posed to women in the sector, they continue to attribute different causal factors as being most responsible. While 66% of men say the lack of qualified women in the industry is to blame, 66% of women believe that the issue is women being overlooked for promotions. (See Exhibit 4.)

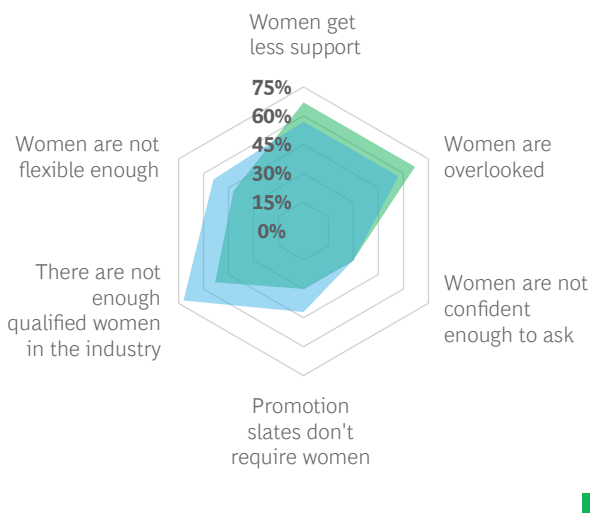
This disparity in perceptions indicates that unconscious bias continues to persist. To address this problem, energy leaders need to support specific measures to build male allyship. Companies also need to support the attraction, retention, and advancement of women in the energy sector. (See “Case Study: Pertamina” and “A Framework for Activating DE&I.”)

Regional Differences

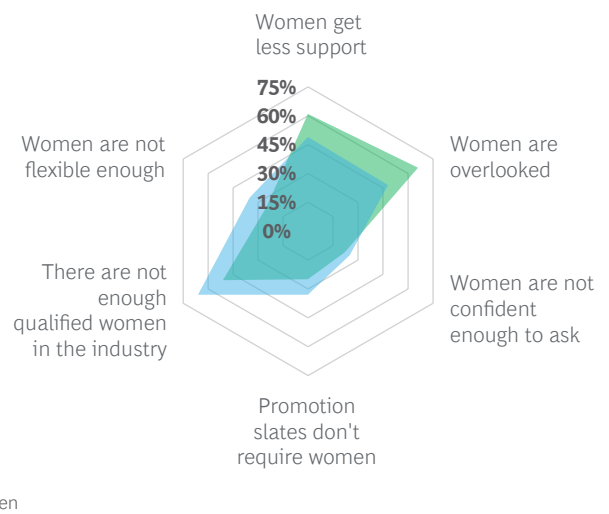
Across regions, there are moderate differences in overall women’s representation, with some expected variance in workforce composition reflecting cultural factors. On average, companies in Asia Pacific report the highest levels of representation (27%), followed by companies in Central & South America (26%), North America (25%), and Global companies (25%). Companies in the Middle East and Africa report the lowest women’s representation (20%).

Exhibit 4 - Men and Women Continue to Cite Different Causal Factors for the Lack of Women in Senior Management

2020: Men report lack of qualified women, lack of flexibility, and lack of promotion slate requirements as key factors holding women back



2023: Men continue to report lack of qualified women, while women report receiving less support and being overlooked as biggest factors



Source: Untapped Reserves 2.0 and 3.0 individual surveys; BCG analysis.

Note: N=775 energy industry employees surveyed for the Untapped Reserves 3.0 individual survey.

Differences Across Industries

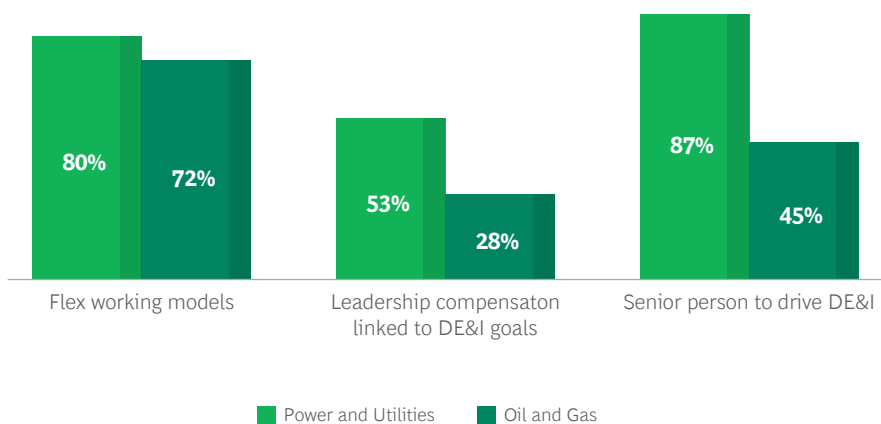
Power and utilities companies appear to have slightly higher workforce-wide representation (26%) than oil and gas (23%) and tend to have higher representation of women in senior and executive levels. Several factors may contribute to this difference, including industry perceptions, skillset alignment, mobility requirements, and the regulatory environment. Unlike oil and gas companies, which often require relocation and working in remote locations (such as on rigs or platforms), power and utilities companies are typically regionally-based with limited expectations for location flexibility (especially international requirements). This may appeal to diverse groups. Lastly, power and utilities companies may also be subject to stricter regulations, which may encourage higher rates of diversity and inclusion. For example, some companies are federally regulated and must abide by employment equity mandates.

Power and utilities companies also have higher implementation rates of key interventions, such as flexible, remote, and hybrid working policies; linking leadership compensation to DE&I goals; and establishing a Chief Diversity Officer (CDO) or similar role to drive DE&I strategy. (See Exhibit 5.) These interventions are strongly linked to increased women’s representation, and companies seeking to boost representation should prioritize these actions for implementation.

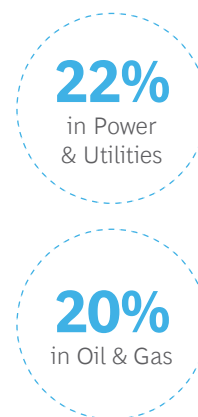
Our research also indicates that employees in oil and gas, power and utilities, and new energy companies utilize DE&I interventions at different rates. In our survey of professionals across the energy sector, new energy company employees reported slightly higher usage (37%) than their power and utilities or oil and gas counterparts (35% and 32%, respectively). Employees of new energy and power and utilities companies were also more likely to believe that DE&I is a top priority for their company, compared to their oil and gas counterparts.

Exhibit 5 - More Power and Utilities Companies than Oil and Gas Companies Have Implemented Key Interventions Tied to Higher Gender Representation at Senior Levels

% of companies that reported implementing key interventions



Women’s representation at senior & executive levels (%)



Sources: Untapped Reserves 3.0 company survey; BCG analysis.

Note: The “flex working models” category includes companies that implemented both flexible working models (including part-time and 60% or 80% capacity models) and remote/hybrid work policies; N=47 oil and gas companies and N=15 power and utilities companies. Not all companies provided detailed breakdowns by tenure.



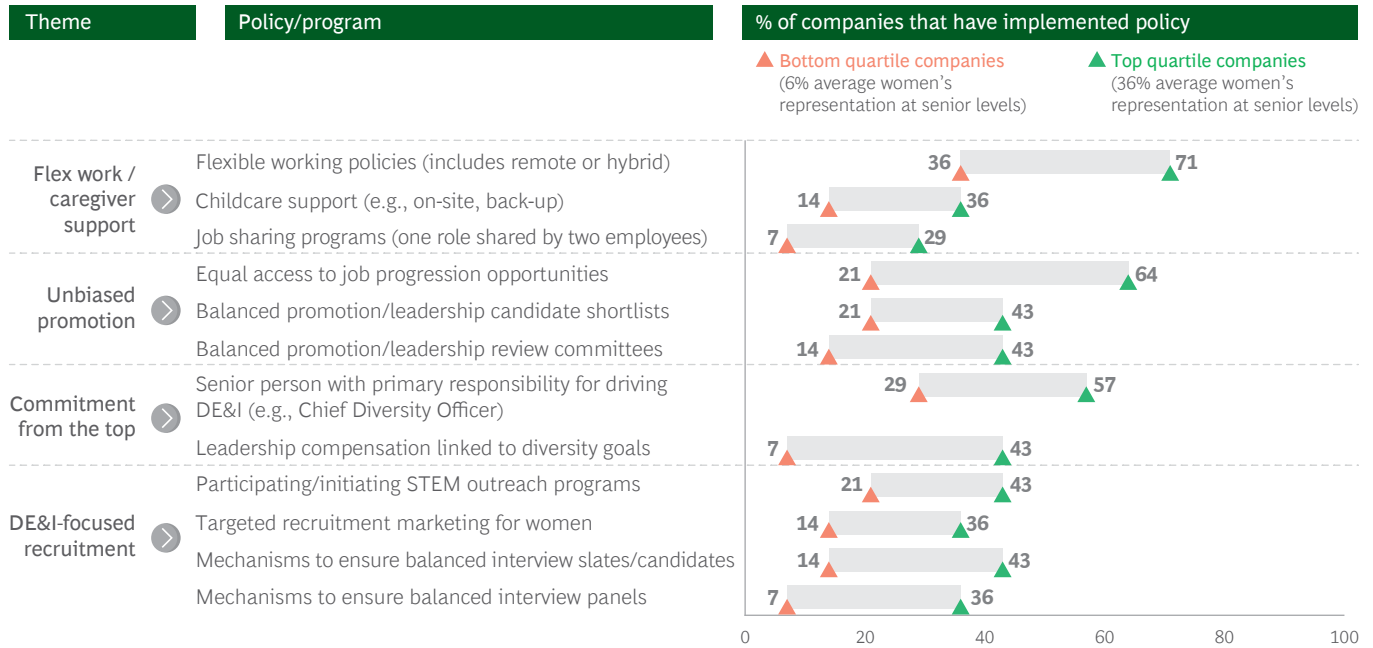
The Effectiveness of DE&I Policies and Programs

Since 2020, energy companies have continued to make progress in adopting and implementing DE&I interventions aimed at supporting underrepresented individuals across the employee life cycle. Overall, the most basic “table stakes” policies have been widely implemented. About 93% of energy companies surveyed have policies barring sexual harassment and 91% have anti-discrimination policies. Around the world, most companies have (or plan to develop) maternity leave policies. Fewer companies have implemented paternity leave; in the Middle East, only 36% of companies surveyed have a paternity leave policy.

Other important interventions are less widely implemented. These include establishing DE&I-oriented leadership teams (led by a CDO), developing clear and transparent equal pay policies and mechanisms (for example, salary bands), and enhancing support for caregivers.

To understand the effectiveness of DE&I policy and program implementation, we analyzed the interventions implemented by companies that scored in the top quartile for women’s representation at senior and executive levels (36% on average) and those that scored in the bottom quartile (6% on average) to identify particularly disparate implementation gaps. (See [Exhibit 6.](#)) We found that the interventions correlated with higher levels of senior representation fall into four categories: flexible working and caregiver support, balanced promotion practices, commitment from the top (senior leadership), and intentional recruiting. (See “[A Framework for Activating DE&I.](#)”)

Exhibit 6 - Interventions Correlated with Higher Women’s Representation at Senior Levels Include Flex Work, Unbiased Promotion, Leadership Commitment, and Targeted Recruitment



Sources: Untapped Reserves 3.0 company survey; BCG analysis.

Note: Range shows percentage of companies in the top quartile that implemented policies minus percentage of companies in the bottom quartile that implemented each policy. Percentages show average women’s representation at senior levels across quartiles. Quartiles are based on women’s representation at senior levels (including both senior and executive levels); N=54 energy companies. Not all companies provided detailed break-downs by tenure.

COVID-19 and the Impact on Flexible Working Models

The pandemic changed the way many business leaders think about remote work. Before 2020, only 22% of the energy companies surveyed had implemented some form of remote work as a company policy, permitting people to work full- or part-time from home. In response to the challenges to in-person work posed by the COVID-19 pandemic, an additional 56% implemented remote or hybrid work policies between 2020 and 2023.

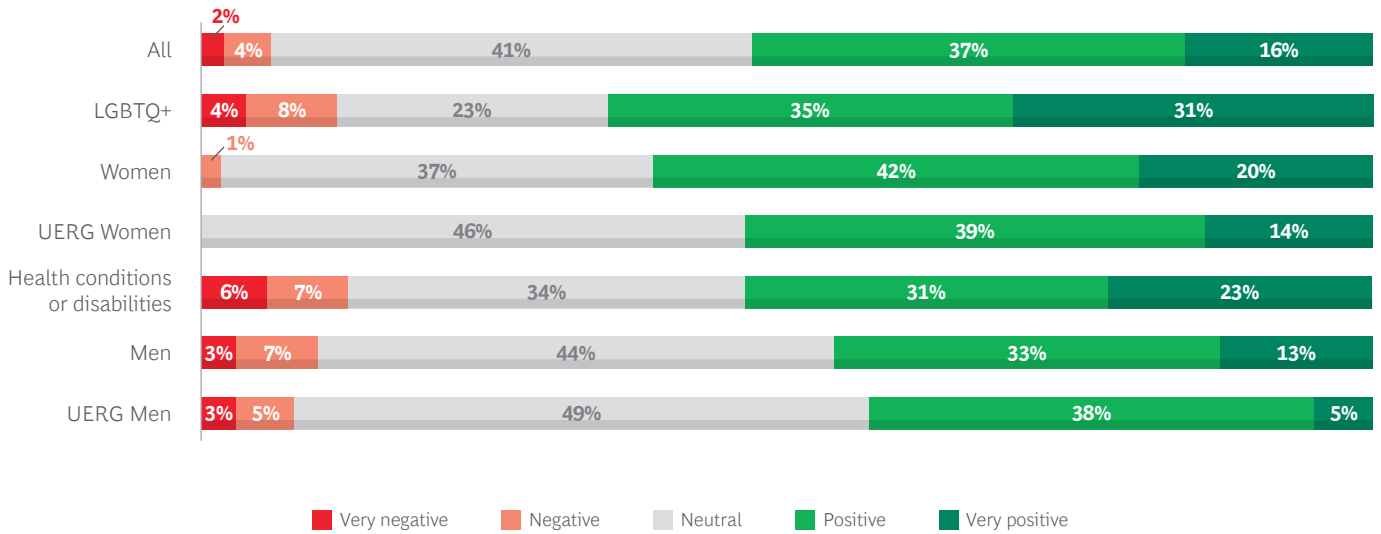
For companies, the benefits to these policies include attracting a more diverse workforce from broader geographic pools. For employees, remote and hybrid work provides those with caregiving responsibilities with far more flexibility, reduces commute time, and expands job opportunities beyond local companies. This new way of working had a particularly positive effect on underrepresented groups, especially women. In our survey of energy professionals, 62% of women and 53% of UERG women reported that flexible working policies had a positive impact on their career trajectory, compared to 46% of men. Very few women reported a negative impact, with no UERG women reporting a negative impact. Additionally, 66% of LGBTQ+ employees reported a positive or very positive impact. (See Exhibit 7.)

Underrepresented groups were also more likely to report lower work-life balance satisfaction compared to all employees. In a 2020 BCG study, 70% of employees reported that remote working increases work-life balance. Offering flexible working models can improve work-life balance and employee satisfaction, and can support companies in maintaining representation and engagement, particularly for diverse groups. As one Latina industry professional expressed, “Working from home allowed me to be more myself and more relaxed, but still get the job done.” Furthermore, a growing body of research supports that remote work has a limited impact on productivity. In this study, more than half of managers reported that their teams were more productive when working remotely. They attributed this to increased focus, greater work-time flexibility, and reduced absenteeism.

Despite the widespread popularity of remote and hybrid work, many energy companies are resistant to more permanent implementation. Our survey found that 56% of companies plan to either reduce or eliminate remote and hybrid working policies. (See Exhibit 8.) These plans will affect underrepresented groups disproportionately. Rather than cutting back flexible working programs, energy companies should protect and expand them. (See “Flexible Working Policies and Enhanced Caregiver Support.”)

Exhibit 7 - Underrepresented Groups Report that the Expansion of Flexible Working Models Has Had a Positive Impact on Their Careers

% reported impact of flexible working on career trajectory



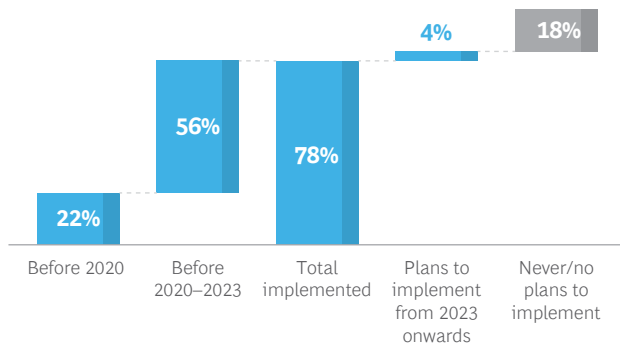
Sources: Untapped Reserves 3.0 individual survey; BCG analysis.

Note: N=775 energy industry employees surveyed for the Untapped Reserves 3.0 individual survey.

Exhibit 8 - After Accelerating Flexible Work Policies During the Pandemic, Many Companies Plan to Reduce or Eliminate Remote Work

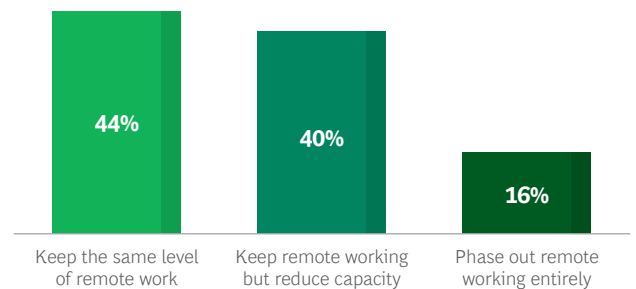
% of companies that implemented flexible, remote, and/or hybrid working policies

Survey question: Does your company have plans to implement remote or hybrid work policies?



% of companies that plan to keep or phase out remote work

Survey question: Does your company plan to phase out remote working and move back to pre-COVID working models?



Sources: Untapped Reserves 3.0 company survey (N = 68); BCG analysis.

Note: N=68 energy companies. Not all companies provided implementation data for interventions.

Case Study: Pertamina

Pertamina, Indonesia's state-owned oil and gas company, has adopted a mentorship, allyship, and community-focused DE&I strategy to promote gender diversity. This strategy emerged after Pertamina's leadership team observed stagnation in women's representation at the company (particularly at senior levels) and recognized that not many affirmative programs were available to support women. The leadership team, led by Nicke Widyawati—the company's second female CEO—considers gender inclusivity to be a strategic imperative, both for business continuity and improved financial results.

Since 2021, Pertamina has actively promoted gender diversity through several initiatives. As part of a larger ESG review, the company solicited a third-party assessment of gender diversity and inclusion practices. This built awareness of Pertamina's current state and helped the company set a goal of reaching 20% female representation in leadership by 2030. Pertamina also developed a comprehensive gender diversity program called PERTIWI (which stands for Pertamina Tough Inspirational Women of Integrity), and promoted company policies to support caregivers, such as near-office childcare and paid family leave to attend significant events like religious ceremonies and graduations.

With these early efforts, the company has swiftly expanded women's representation in leadership from 14% in 2019 to 18% in 2022—on par with industry representation at the executive level. CFO Emma Sri Martini attributes the company's sustained financial growth to these efforts to promote gender inclusivity. From 2020 to 2022, Pertamina's annual profits have increased from \$1B to \$3.8B USD, a ten-year high despite volatile economic conditions and depreciation of the local currency. Encouraged by these early outcomes, Widyawati is currently leading a review and update of the company's gender representation targets.



Unique DE&I Interventions

PERTIWI, Pertamina's flagship DE&I initiative, brings together multiple programs and policies to build community and energize gender inclusivity, based on the pillars of Development, Wellbeing, Sustainability, and Partnership and Communication. Male allyship is a core aspect of PERTIWI, and Pertamina's leadership believes this is key to driving gender inclusivity as sustained change requires a behavioral and cultural shift of the entire workforce. Both men and women are members of PERTIWI, and several of the initiative's leads are men, including Human Capital Director M. Erry Sugiharto and Employee Relations Expert Syahid Deradjat.

PERTIWI includes interventions to support women's career advancement, provide psychological care, and reduce discrimination and harassment in the workplace. Programs and initiatives include:

- **Women Leadership Accelerator Program (Women LEAP):** Launched in 2023, Women LEAP provides women in management positions with education and training to support advancement, with the goal of growing women's representation in senior leadership. Beyond training, participants report that the most beneficial aspect has been establishing a supportive community of women at the company. "[Women LEAP] has created space for women to realize their challenges are not individual," says Nathalia Mangaranap, PERTIWI's General Secretary. "They are something all women experience. [The program] has provided them space to vent and laugh." The first cohort of 40 women will complete the program in November 2023, and the company plans to offer Women LEAP on an annual basis.
- **Coaching and Mentoring:** Through PERTIWI, coaching and mentoring is offered to women who are not at management level. Now in its second year, the program aims to provide support and increase leadership competencies for women employees. Coaches are drawn from senior management levels, and men account for more than 40% of coaches as part of Pertamina's commitment to male allyship. To date, the program has served 400+ mentees.

- **Respectful Workplace Initiative:** In 2021, Pertamina developed the Respectful Workplace Initiative aimed at creating an inclusive work environment by preventing discrimination and harassment. It includes anti-discrimination training for all new employees as well as strengthened discrimination and harassment enforcement processes and whistleblowing procedures. Since the program was introduced, 20% of harassment reports have ended in offender termination and another 20% have resulted in demotions. These statistics are published for all employees and demonstrate Pertamina's strong commitment to promoting a harassment-free workplace.

The PERTIWI program has already proven effective in building community, fostering allyship, and promoting advancement for women. The program's success has garnered national and regional recognition. The Respectful Workplace Initiative has been adopted by the Indonesian Ministry of State-Owned Enterprises, and in 2021 and 2022, CEO Nicke Widyawate and CFO Emma Sri Martini were awarded the Women's Empowerment Principles Award by UN Women Indonesia and Asia-Pacific, respectively, recognizing their contributions to promoting gender equality in the region.

Beyond these intrinsic benefits, Pertamina's leadership team strongly believes that strengthening gender inclusivity will continue to drive improved business results. For energy companies seeking to promote gender inclusivity and realize the business benefits of DE&I more broadly, building allyship and community are critical first steps to creating workplaces that are inclusive and supportive of all employees. This is foundational for improving employee engagement, retention, productivity, and decision-making, which can ultimately contribute to improved financial results.



The Role of DE&I in Advancing Innovation and Energy Security

The war in Ukraine and its profound effect on global energy markets has resulted in significant energy disruptions globally, especially for European countries. These disruptions have reinforced the absolute importance of energy security. Increasing energy security will require expanding and stabilizing oil and gas supply in the near-term and accelerating energy transition solutions to provide additional capacity for the future. It will also be critical for companies to maintain a strong talent base. To boost employee retention, oil and gas companies should invest in DE&I initiatives, which play a crucial role in helping all employees feel valued and engaged, and therefore more likely to stay with their company.

To accelerate the energy transition, governing bodies and energy companies alike are setting ambitious targets. Driven by both energy security concerns and climate ambitions, the European Commission plans to eliminate Russian oil and gas imports by 2027 and increase the share of renewables in energy consumption to 45% by 2030. Of the

companies surveyed, 75% have made public commitments to reduce emissions, which will be achieved in part by broadening their renewables and low-carbon portfolios.

Companies will require innovative solutions to meet these ambitious transition goals, and DE&I has been consistently tied to innovation. Diverse teams provide a richer pool of perspectives, experiences, and talents, while inclusive environments create the necessary psychological safety for individuals to freely share ideas and unique approaches to problem solving. Taken together, diversity and inclusion promote collaboration and creativity, which can lead to innovation.

Indeed, new energy companies like Heirloom are explicitly championing DE&I as part of their innovation strategy. Its recruitment practices are designed to attract, retain, and advance a highly diverse workforce, which the company considers a core asset in its mission to develop innovative carbon capture solutions.

Case Study: Heirloom

Heirloom builds Direct Air Capture facilities—drawing and sequestering carbon dioxide from the atmosphere—with ambitions of removing 1 billion tons of carbon annually by 2035. Innovation is a key priority for Heirloom in their mission to scale and accelerate carbon removal, and their approach has attracted several high-profile customers, including Stripe, Microsoft, and Shopify, and investors like the Microsoft Climate Innovation Fund.

Since co-founding Heirloom in 2020, CEO Shashank Samala has viewed innovation as inextricably linked to diversity, equity, inclusion, and belonging (DEIB). Samala believes that a diverse workforce is a core asset for Heirloom as they build better solutions to current climate challenges. As a fast-growing startup now expanding its footprint beyond its Silicon Valley headquarters, Heirloom has been able to apply an intentional DEIB lens to all aspects of company operations, including recruiting, retention, advancement, and engagement. As Greg Russell, Head of Talent explains, “The entire clean tech industry has a clean slate and the chance to do things differently.”

This approach has already born significant results—34% of Heirloom’s workforce and 36% of its executive team are women, non-binary, or transgender, compared to energy sector averages of 24% overall and 19% in executive roles. Heirloom has also achieved remarkably high retention, losing less than 4% of the 80 employees hired since its founding in 2020.

Unique DE&I Interventions

Heirloom’s early success in building a diverse workforce and retaining that talent stems from their commitment to developing meaningful DEIB interventions that span the employee lifecycle and create a strong culture of belonging.

- **Recruitment:** Heirloom utilizes multiple strategies to build a diverse and inclusive workforce, with a focus on building a diverse top-of-the-funnel pipeline and implementing interview practices to reduce bias. To source diverse candidates, Heirloom uses tools like RecruitBot to help identify qualified candidates with positive diversity attributes, such as Latinx surnames or graduates from Historically Black Colleges and Universities (US-based universities founded with the mission of primarily educating Black/African American students). Heirloom restructured the format of job postings, minimizing conventional “bullet point” qualifications which have been shown to discourage women and other underrepresented talent from applying. In addition to mainstream job boards, Heirloom advertises openings with external diversity groups like Women Who Code and Lesbians in

Tech. During the interview process, the company ensures that interview panels are diverse, with the aim of having at least one interviewer on each panel who looks like the candidate. The company also utilizes an interview analysis tool called BrightHire, which records interviews and tracks metrics, such as how often the interview starts on time and how much the interviewer talks, in order to analyze and reduce bias.

- **Retention and Advancement:** Heirloom focuses on transparency to drive retention and help develop internal talent for advancement. The company has implemented salary bands—pay ranges for specific roles—for 90% of positions. In 2023, Heirloom shared the salary bands with its teams, with the aim of building employee trust and minimizing pay gaps based on gender or other demographic characteristics. To promote transparency in advancement, Heirloom has developed promotion matrices for core roles that delineate core competencies and outline the skills that must be demonstrated, offering employees a clear path to professional advancement.
- **Belonging:** One of Heirloom’s core values is “radical honesty,” defined as open and direct communication with empathy, and cited as key to employees’ sense of belonging within the company. Employees are encouraged to freely express their perspectives through biannual feedback surveys, and have the opportunity to serve on an internal committee specifically focused on advancing DEIB initiatives. The DEIB committee is composed of a dozen leaders of all tenure levels and functions across the company who volunteer to serve for six months. The committee meets monthly to discuss issues and develop new initiatives. It also leads regular “lunch and learns” on various DEIB topics. For example, one session focused on allyship to help employees understand what they can do to support colleagues from different backgrounds or with different values.

Through these interventions, Heirloom has been able to build and maintain a highly diverse workforce, bringing a wider range of unique and creative perspectives to bear in their mission to develop carbon capture technologies. Heirloom serves as a key example of how companies can advance representation, and in turn, innovation, by creating targeted DEIB interventions like intentional recruiting policies that build a diverse talent base, transparent and equitable salary bands and promotion matrices that build employee trust, and highly engaged employee groups that drive a workforce-centric DEIB approach. As the energy transition continues to accelerate, companies can learn from Heirloom’s approach to integrating DEIB efforts into their overall strategy to foster innovation.



A Framework for Activating DE&I

The shift to actively creating a diverse and inclusive organization, particularly in well-established sectors like energy, means addressing many habitual ways of working. These are often difficult to see clearly and even more difficult to change.

How then can senior leaders in energy companies create an environment that attracts, retains, and advances diverse individuals—particularly when their profiles and backgrounds differ from the sector’s prevailing workforce population?

Companies need to take action along four key levels to build effective DE&I strategies and diverse and inclusive organizations. As in the Untapped Reserves 2.0 report, our research reinforces three essential elements for DE&I strategy:

- **Clear, sustained commitment from senior leadership.** To advance DE&I throughout the organization, companies must demonstrate strong and visible commitment with clear accountability for senior leadership (such as through linking senior leadership compensation to performance against DE&I targets). This includes robust tracking and internal transparency of representation data and DE&I metrics, and sustained investment in a dedicated team to drive DE&I strategy throughout the organization.
- **Strategic operating model and targeted interventions.** Companies must develop an operating model and interventions that enable them to attract a more diverse talent pool, retain diverse talent through the employee lifecycle, and ensure that diverse individuals advance to senior positions. Recruitment, retention, and advance-

ment policies need to be free of bias and structured to best support all employees in order to drive meaningful change in workforce diversity.

- **Foundational DE&I policies and programs.** Companies need to ensure that programs and policies are in place to foster an inclusive and innovative culture. These include the expansion of flexible, remote, and hybrid working policies that are found to be especially beneficial to diverse talent, as well as more basic requirements such as parental leave and equal pay policies.

This year’s study surfaced a critical fourth dimension to drive DE&I outcomes:

- **Leveraging partnerships to build a DE&I ecosystem.** Companies can drive progress against internal DE&I targets by leveraging partnerships with their ecosystem partners, such as third-party vendors, government agencies, and community groups. Partnerships may focus on building a talent pipeline for the company or vendors, supporting STEM education for youth or underrepresented groups, or increasing commitment to diverse-owned suppliers. Through these partnerships, energy companies can not only support their own internal DE&I initiatives, but also advance the sector as a whole.

Together, these four elements form a framework to guide DE&I strategy and drive meaningful progress in the energy sector. (See Exhibit 9.)

Within this framework, our findings indicate nine key levers employed by companies that lead in DE&I outcomes:

CLEAR, SUSTAINED COMMITMENT

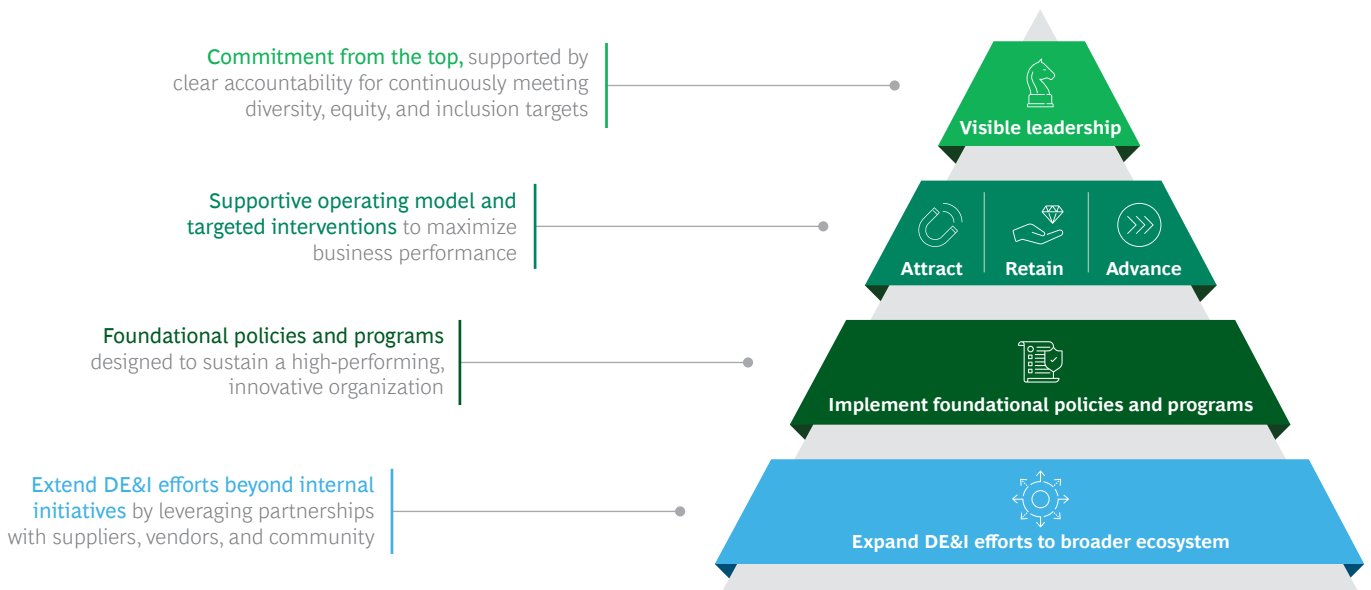
1. Establishment of a senior DE&I role, such as a Chief Diversity Officer, coupled with clear accountability, linking senior leadership compensation to DE&I performance
2. Robust measurement of representation and DE&I outcomes to guide intentional DE&I strategy

STRATEGIC OPERATING MODEL AND TARGETED INTERVENTIONS

3. Balanced, unbiased promotion policies to ensure fair opportunities for advancement
4. DE&I-focused recruitment to attract and hire a more diverse workforce
5. Restructuring of mentoring programs to work more effectively for diverse employees (see “Key Levers to Support Underrepresented Ethnic and Racial Groups.”)

Exhibit 9 - To Advance DE&I, Energy Companies Must Take Action on Four Levels

Essential elements to build an effective DE&I strategy



Sources: BCG analysis.

6. Optimization and expansion of technical training programs to continue to drive benefit for diverse employees (see “Key Levers to Support Underrepresented Ethnic and Racial Groups.”)

FOUNDATIONAL POLICIES AND PROGRAMS

7. Protection and expansion of flexible working programs, including remote and hybrid models (given the positive impact that expansion of remote work has had on women in the energy sector), and enhancement of caregiver-supportive programs
8. Strengthening of equal pay policies to ensure transparency and equity across all employees

ECOSYSTEM APPROACH TO DE&I

9. Leveraging partnerships to drive impact throughout company ecosystem

Based on our analysis, these levers were identified as particularly effective for improving women’s representation, supporting UERGs, and enabling broad DE&I impact, and are discussed in detail in the following sections.

Commitment and Accountability from Senior Leadership

Strong, visible commitment from senior leadership, supported with clear accountability throughout the organization, is a key element in strengthening DE&I efforts. This requires active and vocal promotion of DE&I as a top priority by senior leaders. Companies with higher women’s representation at senior levels tend to demonstrate their commitment by establishing a senior role, such as CDO, and by linking leadership compensation to DE&I goals. In our analysis of companies that scored in the top quartile for women’s representation in senior management, 57% of companies have CDOs (or a similar role) and 43% link leadership compensation to DE&I targets.

Establishing a CDO should not be perceived as a means to delegate responsibility to a single person or team for DE&I performance, but a way for companies to ensure that DE&I strategy and interventions receive adequate resourcing, investment, and attention to drive real organizational change. This requires sustained investment in a dedicated DE&I team to support the CDO, well-resourced programs, and accountability from senior leaders in the business to champion these efforts.

Companies seeking to link leadership compensation to DE&I targets can start by giving leadership teams accountability to collectively achieve diversity and inclusion results. Diversity results should be focused on representation, such

as hiring and promotion outcomes. Inclusion results should focus on day-to-day employee experience through activities such as voluntary employee pulse checks to gauge engagement, equity, and satisfaction.

Performance should be measured using a mix of metrics to incentivize mid- and long-term results to avoid short-term fixes. These metrics could include three-year representation targets, such as increasing diverse group representation in managerial positions. Short-term metrics could include improving diversity representation in hiring and recruiting, and creating a strong culture of inclusion among employees (measured through performance on employee engagement surveys and retention metrics). Bonus plans should be structured to create a direct tie between compensation and DE&I performance. Best practices for structuring bonus plans include increased weighting for DE&I-related metrics (for example, 10% to 15%) and structuring payouts to correspond with performance—with payout increases if targets are met or exceeded, and reductions for underperformance against targets.

Robust Measurement of DE&I Outcomes

Underpinning the development of DE&I strategy and accountability mechanisms—such as linking leadership compensation to performance against DE&I targets—is the measurement of employee representation data and DE&I outcomes. A robust data tracking program enables companies to build awareness of the current state of representation and to identify opportunities for targeted interventions.

Best-in-class programs, like the one developed by Enbridge, track underrepresented groups across multiple metrics, such as tenure, job level, and job function. These metrics help illuminate trends in hiring, promotion, and attrition, and can highlight potential areas to examine biases or develop interventions to better support the attraction, retention, and advancement of underrepresented groups. In most countries, companies can track representation data through voluntary, self-reported surveys. Where possible, surveys should be conducted at a regular cadence to track progress and efficacy of DE&I programs over time.

Companies should also consider publishing results internally to build greater transparency and employee trust in DE&I efforts. An internal repository of representation data can help build organization-wide trust in DE&I efforts and serve as a useful tool for DE&I teams to craft effective strategy and unlock other interventions. For example, Enbridge’s Diversity Dashboard has served as the basis for developing unconscious bias training and formal mentorship programs for their workforce.

Balanced and Unbiased Promotion Policies

In companies where women are more represented at senior levels, three key interventions related to advancement are generally found: balanced promotion-review committees, balanced promotion-candidate shortlists, and equal access to job progression opportunities.

Our analysis found that 43% of these top quartile companies established balanced promotion-review committees that include members from underrepresented groups; only 14% of the bottom quartile companies did. Separately, 43% of the top quartile group set up balanced shortlists for promotion (slates representative of the gender or diversity balance of eligible candidates), compared to 21% of bottom quartile companies. Finally, 64% of the top quartile companies implemented methods for providing equal access to job progression opportunities (such as providing challenging assignments that aid in career advancement consistently between men and women), versus 21% of bottom quartile companies.

Several other best practices can promote women's advancement. To reduce bias, companies should establish greater transparency in performance evaluations, such as clear evaluation frameworks that explicitly establish the criteria for promotions and salary increases. These frameworks should outline the skills and competencies for an employee's current position as well as those needed to advance. Employee performance should be tracked against a promotion matrix and clearly communicated to employees. For companies, this helps ensure consistency and objectivity in performance evaluations and promotion decisions across candidates. The US-based carbon capture company Heirloom uses this type of promotion matrix.

DE&I-Focused Recruiting

To recruit top talent, companies must focus on promoting DE&I. A 2022 BCG survey found that 76% of job seekers view workforce diversity as an important factor when considering employment opportunities, indicating that DE&I practices can be critical for companies seeking to become an employer of choice.

Companies are thus turning to several best practice interventions, including building a diverse talent pipeline and adopting balanced interview practices. Our research found that top quartile companies engage in STEM outreach programs and targeted recruitment marketing for women, and have mechanisms to ensure both balanced interview panels and balanced candidate shortlists. These findings are reinforced by our case studies with Heirloom and Enbridge.

To define their recruiting goals, Heirloom and Enbridge both utilize public demographic information, such as census or labor availability data, to understand local communities and the available labor pool. These demographics help inform overall representation goals and, in turn, candidate pipeline targets. To build a diverse candidate pipeline, both companies work with external organizations connected to diverse talent pools. For example, Enbridge advertises open positions with the Hispanic Association for Career Advancement, and Heirloom similarly shares open roles with Lesbians Who Tech. Additionally, Heirloom uses software tools to identify candidates from underrepresented groups and conduct direct outreach.

Heirloom has also structured its interview practices to better enable diverse recruitment. These practices include building diverse interview panels with at least one person who reflects the identity(ies) of the candidate, and deploying software that improves awareness of potential bias during interviews to help interviewers modify their behavior.

Flexible Working Policies and Enhanced Caregiver Support

The drop in representation at mid-career coincides with the age when many women face challenges balancing unequal caregiver responsibilities with career demands. "As you get older and start settling down, you want something that offers more work-life balance," reported one female industry professional. A variety of policies are needed to provide support for workforce flexibility. Flexible working policies, including remote and hybrid policies, are particularly beneficial for women and caregivers. This is especially clear coming out of the COVID-19 pandemic. As previously discussed, in our survey of energy sector professionals, women overwhelmingly reported that the expansion of flexible work during the pandemic had a positive impact on their careers.

This is reinforced by women's representation data reported by energy companies with and without flexible work policies. Of the companies that scored in the top quartile for women's representation at senior levels, 71% have implemented flexible, remote, and hybrid work policies, compared to only 36% of companies that scored in the bottom quartile. While less widely implemented, job sharing programs (where two or more part-time employees share a single full-time role) are similarly correlated with representation at senior levels. These policies benefit women and all caregivers by making it easier to balance care responsibilities and a career.

To support functional and productive flexible working models, companies can implement several best practices.

Performance management and evaluation should be adapted to focus on output rather than time. **Agile practices**, such as working in small autonomous teams and adopting daily “stand-up” sessions, can be employed to boost productivity. Companies should invest in IT systems that enable remote teaming and collaboration, such as communications and project management software. Companies should also ensure that flexible working does not hinder employee advancement, and should encourage leadership and men to demonstrate active utilization of these policies to encourage wide adoption and prevent stigmatization (that is, the sentiment that flexible working only serves women who typically bear unequal caregiving responsibilities).

Our research suggests that other policies to support caregivers are rarely available. Consider the table stake **policies supporting new parents**, such as maternity and paternity leave. While 93% of energy companies provide maternity leave, only 75% provide paternity leave and 71% have implemented re-entry programs to help parents return to work (for example, lactation rooms). Still fewer companies (35%) have implemented programs or policies that make it easier for parents to find, pay for, and schedule childcare while at work. To offer or expand childcare support, companies can partner with daycare centers to provide discounts to employees, offer dependent care flexible spending accounts, or provide complimentary childcare with on-site or near-site facilities.

Clear and Transparent Equal Pay Policies

Across all underrepresented groups, equal pay policies were identified as the top intervention employees wanted to see implemented at companies where such policies do not exist.

Although equal pay policies are widely viewed as table stakes—and 84% of companies reported having these policies in place—according to the International Energy Agency, a 19% gender pay gap persists in the energy sector worldwide (compared to a 17% pay gap in non-energy sectors).⁴ In BCG’s 2022 DIAL study, compensation was a top reason that women in the energy sector considered leaving their current position or company. Beyond gender, equal pay access and disparities persist for underrepresented groups, such as UERGs in the United States. For example, Black people struggle to access higher wage jobs within the clean energy workforce compared to their white counterparts.⁵

Clear and transparent equal pay policies, implemented consistently and evident in practice, are essential to increase the share of underrepresented groups in the energy sector.

Companies can start by conducting annual internal equal pay assessments to understand differences in total compensation between employees of varying demographics. In addition to base salary, equal pay audits should include discretionary pay, such as bonuses, to identify any biases or disparities in how total compensation is distributed among employees of different identities. The audits also should assess who demographically is able to access higher versus lower wage roles within an organization or industry. Best practices to ensure equal pay include establishing salary bands for specific roles (while incorporating a regional lens), creating transparency around those bands, and conducting regular means of feedback (such as surveys) to ensure that employees view pay policies as effective and equitable.

Leveraging Partnerships to Drive DE&I Progress More Broadly

Companies must think beyond internal opportunities to advance DE&I. By leveraging partnerships with external stakeholders—such as suppliers, government entities, unions, and nonprofits—companies can drive progress throughout their broader ecosystems. Examples of what this can look like include a commitment to supplier diversity, recruitment outreach programs with nonprofits that serve underrepresented groups, and diverse employee advancement programs through partnerships with other companies.

Employees at companies with commitments to supplier diversity were more likely to report an improvement in DE&I progress at their company in the last three years. Among employees at these companies, 56% perceive that DE&I is in the company’s top priorities, while only 23% of the employees at companies without a commitment expressed the same level of confidence.

Our case studies of YPF and Enbridge further revealed the potential of an ecosystem approach to advance both near- and long-term DE&I goals. An example of a near-term outcome is YPF’s Women’s Truckers Program. In partnership with fuel transportation services provider Scania, YPF hired six women from the first cohort of program graduates. Not only were these employees the first women truckers of YPF’s ~2,500 trucker workforce, they were the first female fuel cargo drivers in Argentina’s history, representing a paradigm shift for the type of work that women were capable of in the country. A long-term example of the potential outcomes of this approach are Enbridge’s multiple partnerships with nonprofit and community organizations, all aimed at building a more diverse future talent pipeline. These partnerships include Canadian nonprofit **Build a Dream**, which holds multiple annual events with thousands of young girls and works to expose them to traditionally male-dominated careers.

4. Antton Haramboure, Alex Hijzen, Ashley Acker, and Nick Johnstone, “Understanding Gender Gaps in Wages, Employment and Career Trajectories in the Energy Sector,” International Energy Agency, 2022.

5. E2, Alliance to Save Energy, American Associate of Blacks in Energy, et al., “Help Wanted: Diversity in Clean Energy,” 2021.

Case Study: YPF

YPF, Argentina's largest producer of oil, has prioritized advancing women's representation as a critical first step to expanding diversity more broadly. While YPF's workforce is currently comprised of 21% women—just below the industry average of 23%—the company is actively working to increase representation. In 2018, they announced ambitious goals of increasing women's representation in leadership to 25% by 2025. YPF has already made great strides in reaching this goal—from 2017 to 2022, the share of women in leadership positions broadly has increased from 11.9% to 18.4%. In executive leadership positions, women's representation has tripled from 5.8% to 15.9% over the same period.

In addition to its 23,000 full-time workers, YPF also employs 1,700 contract workers throughout the value chain, including in logistics and downstream operations. These contracted workers often occupy long-term positions and in many instances are hired as full-time employees. These workers play a significant role in YPF's business as they work alongside full-time employees during periods of increased activity.

Since 2018, the company has expanded its focus beyond internal efforts, working to drive DE&I progress throughout its ecosystem of contract workers, partners, and other external stakeholders. By leveraging partnerships with government agencies, unions, and suppliers, YPF has built a more diverse and inclusive company and has served as a catalyst within its ecosystem to expand DE&I. These partnership efforts have progressed from initial, exploratory conversations where the value of women's representation is introduced, to open and meaningful conversations focusing on strategies for improving women's representation.



Unique DE&I Interventions

Because contract workers heavily supplement its workforce and serve as a crucial talent pipeline for full-time employees, YPF began a broad initiative to assess and evaluate how people are hired through third-party companies and explore specific strategies to increase gender diversity. Through this effort, YPF advocated for inclusion of women on all third-party candidate hiring shortlists and noted this guidance on procurement contracts between YPF and third-party contractors. YPF also offered its partners trainings on DE&I and related company policies.

“This is not about forcing the quota, because we as a company do not force the participation of women,” says Soledad Clementi, the company’s People & Culture Experience Manager. “What we do want to do is foster opportunities for all, and that’s what this pursuit to be more equitable is all about.”

This effort has resulted in the development of several key programs in partnership with other entities in the YPF ecosystem. These include:

- **Women Truckers’ Program:** In 2022, YPF joined as an employer partner in a training program developed by transportation services company Scania aimed at increasing the share of female truck drivers. Scania trains women to transport general cargo, and YPF recruits program participants to work for their third-party trucking vendors, supplementing participants’ training with specialized instruction and certification in fuel transportation. YPF also addressed structural challenges like scheduling shifts for women with children that would not conflict with caregiving responsibilities and providing facilities for women at truck stops.

As a program partner, YPF placed six participants from the 2022 program cohort in jobs with their trucking partners. These women are the first in Argentina’s history to drive trucks transporting hazardous cargo, in this case, fuel. According to Gustavo Nuevo, YPF’s Executive Manager of Logistics and the company’s lead for the Women Truckers’ Program, the women’s success has made them local celebrities and demonstrated to the country that women can hold these traditionally male-dominated jobs. YPF aims to double the number of drivers in the program by the end of 2024.

- **Women 45+ Program:** YPF developed a program in partnership with Amazon Web Services (AWS) and the Argentinian Ministry of Labor to train unemployed women over 45 in valuable technology skills, such as coding and cloud computing. The program’s benefits are two-fold: it boosts women’s representation for YPF, while addressing the current shortfall of proficient tech talent.

The Argentine government, AWS, and YPF each play critical roles for this program. The Ministry developed the programmatic framework and provides access to talent pools, advertising the program to women in their internal database and sharing relevant candidate profiles with YPF. The Ministry also pays part of participants’ program compensation. AWS delivers technical training for four months, supplemented by Portrero Digital, a nonprofit dedicated to promoting a more diverse, inclusive, and competitive economy in Latin America. YPF places participants in paid internships for four months and provides the remainder of their program compensation. Ten women participated in the first cohort in 2022, five of which have since been hired by YPF third-party contractors. The program will continue in Fall 2023 with a new cohort of women over 45, and YPF plans to expand the program to women under 25, with the goal of building a long-term talent pool.

By leveraging its ecosystem of external partners, YPF has grown representation of women internally and catalyzed DE&I progress more broadly in its local communities and with its contractors. “A single company isn’t going to change an industry on its own,” says YPF’s Diversity Lead, Paola Argento. “For that change to be sustainable, you need the entire industry and all key players to come along with you.” Companies can learn from YPF’s approach by expanding their DE&I focus to include external partners. Through partnerships, companies can create unique interventions such as training programs to tap into new pools of underrepresented talent, leveraging the joint resources and reach of both partner organizations. These interventions can ultimately help companies solve skill gaps and grow representation both within their own organizations and with external partners.



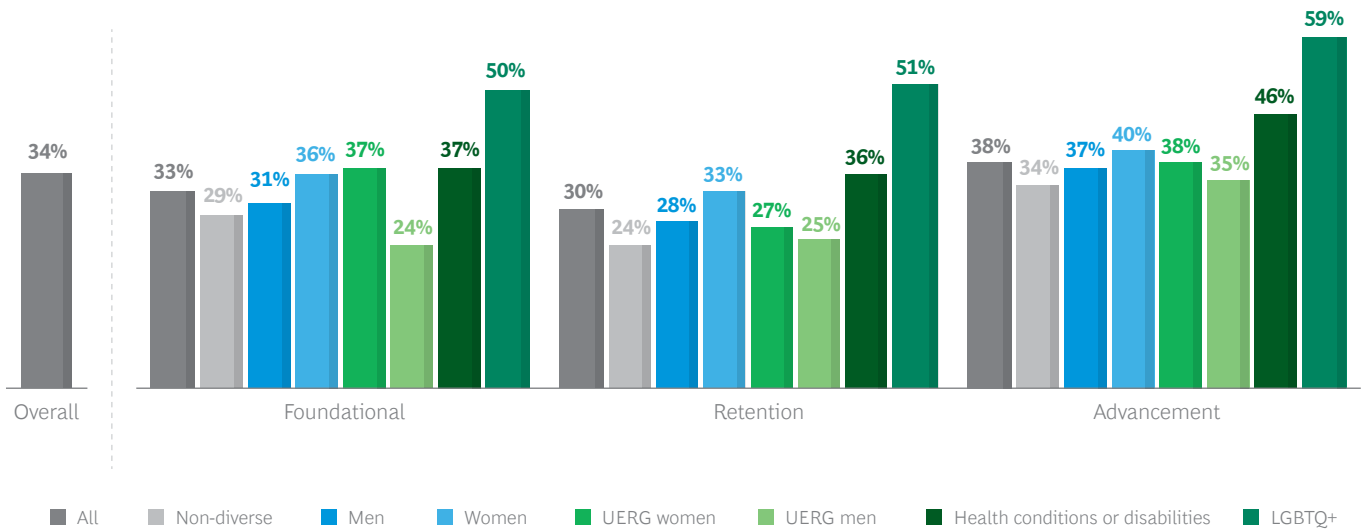
Supporting Underrepresented Ethnic and Racial Groups in the Energy Sector

In expanding our research scope beyond women to include UERGs, LGBTQ+ people, people with health conditions and disabilities, veterans, caregivers, and economically disadvantaged populations, we identified differences in intervention use among these groups. (See Exhibit 10.) Our findings suggest some areas where companies should focus their attention.

The greatest difference in intervention use occurs with UERG men. This group is least likely to participate in DE&I programs, with an average intervention utilization of only 26%, compared to an average of 34% across all groups. For all UERG respondents, 20% report believing that interventions are “just for show,” compared to 15% of all respondents. This implies that UERGs, particularly men, view current DE&I interventions as ineffective, and that interventions are not being effectively marketed or built around the needs of UERG men.

Exhibit 10 - Across Equity Groups, LGBTQ+ Individuals Are Most Likely to Use Interventions, Whereas UERG Men Use Them the Least

Intervention use rate by intervention type & diversity group



Sources: Untapped Reserves 3.0 individual survey; BCG analysis.

Note: The non-diverse group includes respondents who do not identify as female, UERG, disabled, or LGBTQ+; N=775 energy industry employees surveyed for the Untapped Reserves 3.0 individual survey.

On the other hand, LGBTQ+ respondents have the highest rate of utilization: 53% on average. This group is most likely to take advantage of flexible working and allyship-focused employee resource groups. This high utilization may be attributed to the LGBTQ+ community’s strong focus on inclusion and community. They typically represent a smaller portion of a company’s population relative to larger underrepresented groups such as women, and as a result may be more likely to seek out community provided by DE&I interventions, such as employee resource groups.

Key Levers to Support Underrepresented Ethnic and Racial Groups

Because UERGs, particularly men, were least likely to utilize DE&I interventions, we analyzed which interventions offer the biggest opportunity to better support these individuals. Our analysis found that mentorship and technical training in particular provide two important opportunities to attract, retain, and advance UERG employees in the energy sector. Effective structuring of these programs can drive benefit both for UERGs and for all underrepresented groups.

MENTORING

Mentoring is one of the most widely implemented and used DE&I interventions. Among the the energy companies surveyed, 79% have mentoring programs in place, and another 10% say they plan to implement a program in the future. Mentoring has long existed as a way of developing talent and increasing employee satisfaction. In a 2023 BCG study, 84% of employees with mentors reported being happy at work compared to 65% of employees without a mentor.

In our survey of energy professionals, 44% of men and 42% of women reported that they have engaged in mentoring programs. However, UERGs reported a use rate 10% lower than non-UERG respondents; UERG men reported the lowest use rate at 31%. DE&I-focused programs such as mentoring are often developed to provide greater support for underrepresented employees. However, our research shows that UERGs are the least likely to utilize these types of programs, indicating that improvements are needed to help these groups see participation as worthwhile and meaningful. It is imperative that companies improve their mentorship offerings to meet the needs of UERGs, particularly men, to ensure they have access to support that can help them advance in their careers.

Best practices for companies that want to restructure their mentoring programs include implementing intentional mentor pairing as a program feature, allowing mentees to indicate their pairing preferences, such as a mentor's gender or race/ethnicity. This can help promote psychological safety and inspiration for mentees. For example, Enbridge has implemented intentional mentor pairing, and in 2021 the company matched 1,800 employees with mentors, representing over 15% of its total workforce. Additional best practices include offering people-development competency training for mentors and promoting long-term connections, which are critical to drive the most benefit in professional growth and advancement for mentees.

TECHNICAL TRAINING

Like mentoring, technical training is a widely implemented intervention; 81% of companies surveyed have technical training programs and opportunities in place. This training can involve re-skilling (learning new skills), up-skilling (preparing for more senior positions), or cross-skilling (learning updated/advanced skills). More than half of all employees will need to upskill or reskill by 2025 to meet changing job needs, so offering these opportunities is essential to keep workforce talent competitive and relevant.⁶

Unlike mentoring, technical training is highly utilized by all underrepresented groups, particularly UERGs. While 59% of all employees reported utilizing these programs, 60% of women and 68% of UERGs reported using and benefiting from them. Furthermore, both UERG men and women were equally likely to utilize technical training. This aligns with the career priorities that employees reported, where 88% of UERGs indicated that training is a valued aspect of their career in the energy sector. Furthermore, UERGs were less likely to report that a lack of technical experience had been an obstacle in their career progression compared to all other groups, indicating that this intervention works.

To implement or improve technical training programs, companies should focus on a few best practices. Curricula should be tailored to employee needs based on the context of the organization and job role. Training should be offered on an asynchronous and flexible basis to improve accessibility for all employees. Companies should also clearly communicate the link between training and advancement to encourage widespread utilization of programs. After employees have completed training, companies should develop opportunities for them to implement new skills on the job to reinforce learnings through practice.

6. World Economic Forum: *The Future of Jobs Report 2020*.



Call to Action

Companies in the energy sector must continue to make progress in DE&I. Despite moderate progress made in women's representation at all tenure levels—especially at mid-career, senior, and executive levels—the sector has a long way to go to achieve gender parity, and companies must invest in programs to attract, retain, and advance women to realize meaningful growth. Additionally, substantial work remains to be done in tracking representation of other diversity groups to help companies build internal awareness of representation and develop interventions to strengthen support for these groups.

In the current period of economic uncertainty, companies may look to reduce spending on so-called discretionary budget items. So far, DE&I efforts do not appear to be under threat in the energy sector. In our survey, 76% of energy companies cite DE&I as a top priority despite current economic conditions—undoubtedly in part because 74% of these companies have CEOs who have publicly pledged to meet DE&I targets. However, future prospects appear dimmer. Only 58% of the companies surveyed plan to increase investment in DE&I, and only 64% expect DE&I to be among their top three priorities long term.

Energy leaders must remain committed to DE&I through sustained investment in and support of programs that are already in place, such as flexible work policies, to realize the benefits of DE&I—namely, improved financial returns; increased employee engagement, morale, and productivity; and the ability to attract and retain top talent.

Thus, it is imperative that companies seek to improve and invest in DE&I. Particularly, as discussed within this report, companies can act now by taking the following actions:

- Continue support for programs that have already been proven to be effective for women’s advancement (such as flexible, remote, and hybrid working models)
- Increase implementation of programs that are less widely adopted but also tied to women’s advancement (such as linking leadership compensation to DE&I performance)
- Broadly demonstrate commitment from the top with sustained and dedicated resourcing for DE&I strategy and robust data tracking to understand organization-wide representation and guide strategic decision-making

- Support DE&I across the energy sector by considering ways to leverage partnerships with business partners, community organizations, and government entities to jointly and broadly advance DE&I
- Improve interventions to support UERGs through best practices (such as tailoring mentorship programs to more effectively serve UERGs)

Energy leaders can begin to better understand where their company stands in terms of diversity, equity, and inclusion by using our DE&I Maturity Assessment Tool, which outlines best practices from leading DE&I policies and programs across the energy sector.

Promoting greater DE&I in the energy sector is essential to delivering improved business results and innovation, and to attracting top talent. The message continues to resonate: Energy companies across the sector need to prioritize DE&I as a strategic imperative, investing in targeted interventions and actively engaging all stakeholders.



Our Tool for Assessing and Advancing DE&I Maturity

For energy companies to create effective DE&I strategies, policies, and programs, they need to first understand the state of DE&I progress in their companies and identify areas for improvement. Our Diversity, Equity, and Inclusion Maturity Assessment tool helps companies evaluate their performance against best practices from leading policies and programs across the sector. The tool was first created in the Untapped Reserves 2.0 report, and has been updated to reflect best practices and recommendations featured in this year's edition. (See Exhibit 11.)

The DE&I Maturity Assessment tool includes a checklist of 18 parameters across the six categories included in our framework to advance DE&I. (See Exhibit 9.) Parameters new to the 3.0 edition of the tool include mentorship support, technical training support, balanced promotion practices, support for employees with caregiving responsibili-

ties, equal pay policies, and leveraging external partnerships to advance DE&I. Each parameter is defined along a five-step scale, where step 1 represents the bare minimum/no action and step 5 represents the current view of a progressive, forward-leaning action. The steps are typically sequential and additive, and they reflect the increasing maturity of DE&I practices when read from left to right.

We encourage energy companies to use this tool to reflect on the current state of DE&I at their organizations, identify areas for growth, and set targeted goals with clear deadlines and milestones to track progress. Through honest reflection, commitment to action, and continued investment in effective DE&I strategies, energy leaders can guide their organizations and the sector more broadly to a more inclusive future.

Exhibit 11 - Diversity and Inclusion Maturity Assessment Tool

	Category	Top 17 parameters	1	+	2	+	3	+	4	+	5
1	Visible leadership	What is included and measured in your definition of DE&I?	Includes and measures gender diversity		Includes and measures gender and racial diversity		Includes and measures all visible differences		Includes and measures all visible and invisible differences		Includes and measures equity to bring everyone to a level playing field
2	Visible leadership	What drives your focus on DE&I?	The government mandates it		It is a CSR initiative and about social justice		It is part of the company's ESG goals		It makes business sense		It is who we are and is a part of our values
3	Visible leadership	How committed is your CEO to DE&I?	HR leads DE&I, with no executive sponsorship; disaggregated responsibility with individual managers		Internally sponsors the DE&I team; or nominates another Executive sponsor		Includes DE&I internally as a top-three priority		Advocates and takes leadership externally in the sector; drives change		Appoints an Executive Leader to own the DE&I agenda and dedicates resources to it
4	Visible leadership	How often do you communicate on DE&I?	Never		Only on International Women's Day/during Pride month, etc.; only internally		Only on International Women's Day/ during Pride month. etc.; internally and externally		Through participation in external conferences, benchmarking exercise, etc.		Report on DE&I goals, progress, and actions being planned as part of annual reporting
5	Visible leadership	How do you use DE&I targets?	No targets used/use only those mandated by the government		In defining process-based metrics (e.g., mandatory unconscious bias training, allyship training once year)		In defining targets for recruitment and senior leadership roles		In defining target outcomes (e.g., equal retention across diverse groups, engagement scores)		In linking targets to incentives and salary structure of leaders
6	Recruit	How do you ensure diverse and bias-free recruitment?	Do nothing		By targeted marketing to diverse groups		By having balanced candidate shortlists and balanced interview panels (e.g., at least one interviewer reflective of candidate's demographics)		By doing blind screening of resumes		By using combination of techniques to remove bias (e.g., building inclusive job descriptions, utilizing software to remove bias in interview process)
7	Retain	Do you have any gender-appropriate facilities? ²¹	None		In corporate offices, for men and women		In corporate offices, gender-neutral, for men and women		Everywhere, for men and women		Everywhere, gender-neutral, for men and women
8	Retain	What purpose do your Employee Resource Groups serve?	None supported by company; employees can form them for informal networking		To build affiliation and to network, only for diverse groups, supported by company		For advocacy to leadership, for different diverse groups and allies		To act as strategic partners for business (e.g., actively involved in developing DE&I policies and programs)		As a force for good for the community in which the business operates (e.g., community outreach, advocates for employers)
9	Retain	How you do support mentorship for diverse employees within your organization?	No formal or informal mentorship program		Informal mentorship program(s) (e.g., no structured programming or KPIs measured)		Formal mentoring program(s) with structured programming and associated KPIs (e.g., retention rate)		Offer mentor training to teach people development competencies		Intentional mentor pairing with option to indicate preference (e.g., based on aspects of identity); promote long-term connections
10	Advance	How do you avoid over-indexing on technical and/or international experience for promotion decisions?	Do nothing specific		Include direct supervisor feedback against capabilities required for role		Include 360-degree feedback against capabilities required for the role		Include an interview with a diverse candidate shortlist		Include assessment by a diverse decision committee

Exhibit 11 - Diversity and Inclusion Maturity Assessment Tool

(continued)

	Category	Top 17 parameters	1	+	2	+	3	+	4	+	5
11	Advance	How do you support your diverse employees with technical training?	Do nothing specific		Ad-hoc technical training offered for certain roles or job functions		Structured technical training programs based on employer-specific contexts and needs		Develop curricula based on employees' needs; establish asynchronous training and flexible timing for program accessibility		Integrate technical training into performance evaluations, with a clear connection between training and advancement
12	Advance	How do you ensure balanced promotion decisions across diverse groups?	Do nothing specific		Communicate clear and transparent promotion processes		Transparency in performance evaluation criteria (e.g., promotion matrices outlining competencies needed for promotion)		Establish balanced candidate shortlists and review committees to mitigate bias and ensure equitable promotion decisions		Collect data and analyze trends in advancement and promotion to identify bias
13	Foundational policies and programs	Which flexible working options do you provide?	None		Hybrid working models with some restrictions (e.g., fixed days to work from home)		Remote & hybrid working models; plus flextime		Remote & hybrid working models; plus flextime, unpaid leave		Remote & hybrid working models; plus flextime, unpaid leave, job sharing; employees have autonomy to decide how to use
14	Foundational policies and programs	What is your paid parental leave policy?	Only for women, for birth and adoption, for a government-mandated period with no/partial compensation		Only for women, for birth and adoption, for more than a government-mandated period with partial compensation		For women and less for men, for birth and adoption, for more than a government-mandated period with partial compensation		For women and less for men, for birth and adoption, for more than a government-mandated period with full compensation		For everyone, regardless of gender, for birth and adoption, for more than a government-mandated period with full compensation
15	Foundational policies and programs	How do you support employees with caregiving responsibilities (e.g., of children or dependents)?	No specific care programs		Informative resources or referrals for external care options		Partnerships with care centers to provide discounts for employees		Care subsidies or reimbursement programs (e.g., dependent care spending accounts)		Complimentary care facilities program; for childcare on-site or near-site
16	Foundational policies and programs	What policies do you have in place to ensure equal pay for equal work?	No policy in place		Equal pay policy in place, but not clearly articulated or enforced (e.g., salary negotiations strongly affect outcomes)		Clearly articulated equal pay policy in place, with established salary bands for base pay		Conduct regular internal pay equity studies on base pay to identify pay disparities across all employees		Incorporate discretionary pay into pay equity studies; promote transparency and open communication on salary bands at each level
17	Ecosystem approach	How do you leverage external partnerships to advance your DE&I strategy?	Do nothing beyond internal initiatives		Partner where required to meet internal DE&I goals		Partner beyond what's required to meet DE&I goals		Develop initiatives together with ecosystem partners to jointly advance DE&I		Collaborate with sector & cross-sector partners to progress joint DE&I goals aimed at advancing the sector

Source: WPC and BCG, Untapped Reserves 3.0 company survey.

Note: A rating of 5 generally assumes that the company has met the criteria for stages 1 through 4.

¹Includes restrooms, accommodation on sites/rigs, eating facilities where culturally needed, prayer rooms, break rooms, parent rooms, etc.



Methodology

The workforce data that we analyzed for this report came from oil and gas, power and utilities, and new energy companies that span a broad range of company types and geographies. (See Exhibit 12.) Although the data set in 2023 is not identical to the ones we used in 2020 or 2017, all three data sets are representative of the


global sector. In 2023, we conducted research on 71 companies with collective revenues of \$3 trillion. In addition, we surveyed 775 energy sector employees across 35 countries and interviewed more than 20 senior executives and other industry professionals.

Exhibit 12

Untapped Reserves 3.0 – a collaborative project of WPC Energy and BCG



The only global energy sector focused study on diversity, equity, and inclusion (DE&I)



An opportunity for the sector to track progress over time



An opportunity for companies to learn from best practices and successful strategies

Since 2017, WPC Energy and BCG have collected extensive data from individuals and companies on representation and DE&I interventions

Company Benchmarking

- Primary data from **71** companies in the energy sector, including oil and gas, oilfield services, power and utilities, and new energy companies
- **\$3 trillion** in combined revenue

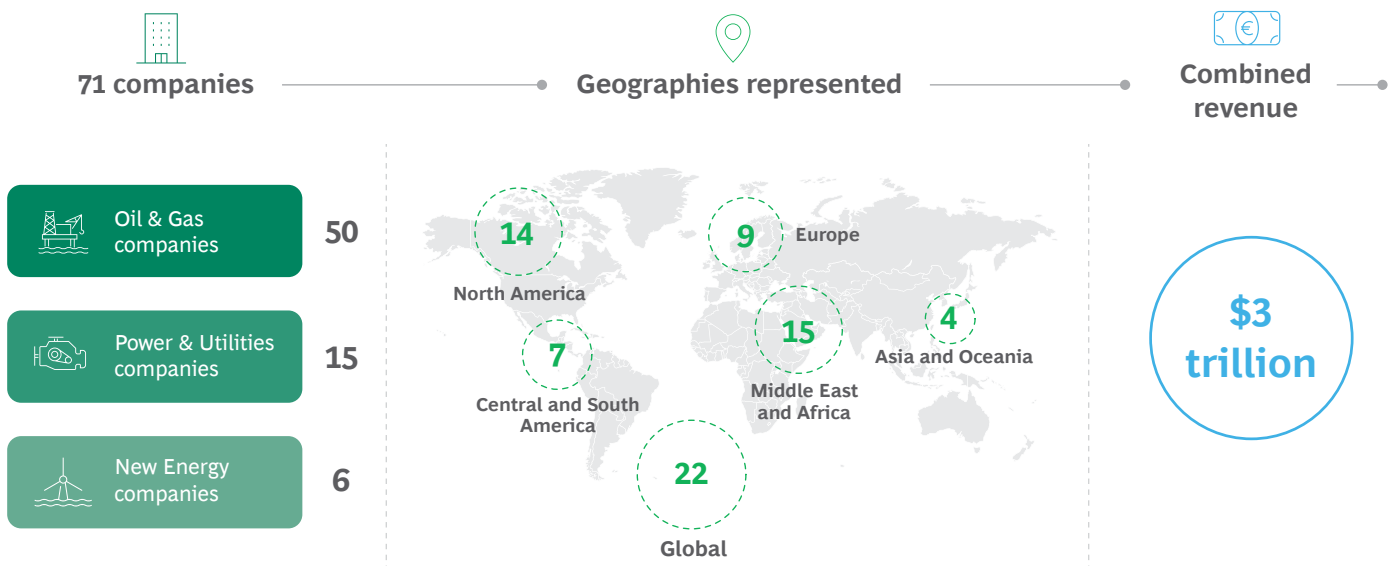
Employee Survey

- Survey of **775** sector professionals
- **37** countries represented

Individual Interviews

- **15+** interviews with sector senior executives and HR leaders
- **20+** interviews with energy sector professionals

Breakdown of companies that participated in benchmarking in 2023



Source: WPC and BCG, Untapped Reserves 3.0 company survey.

Note: 50 Oil and Gas companies include 6 oilfield services companies.



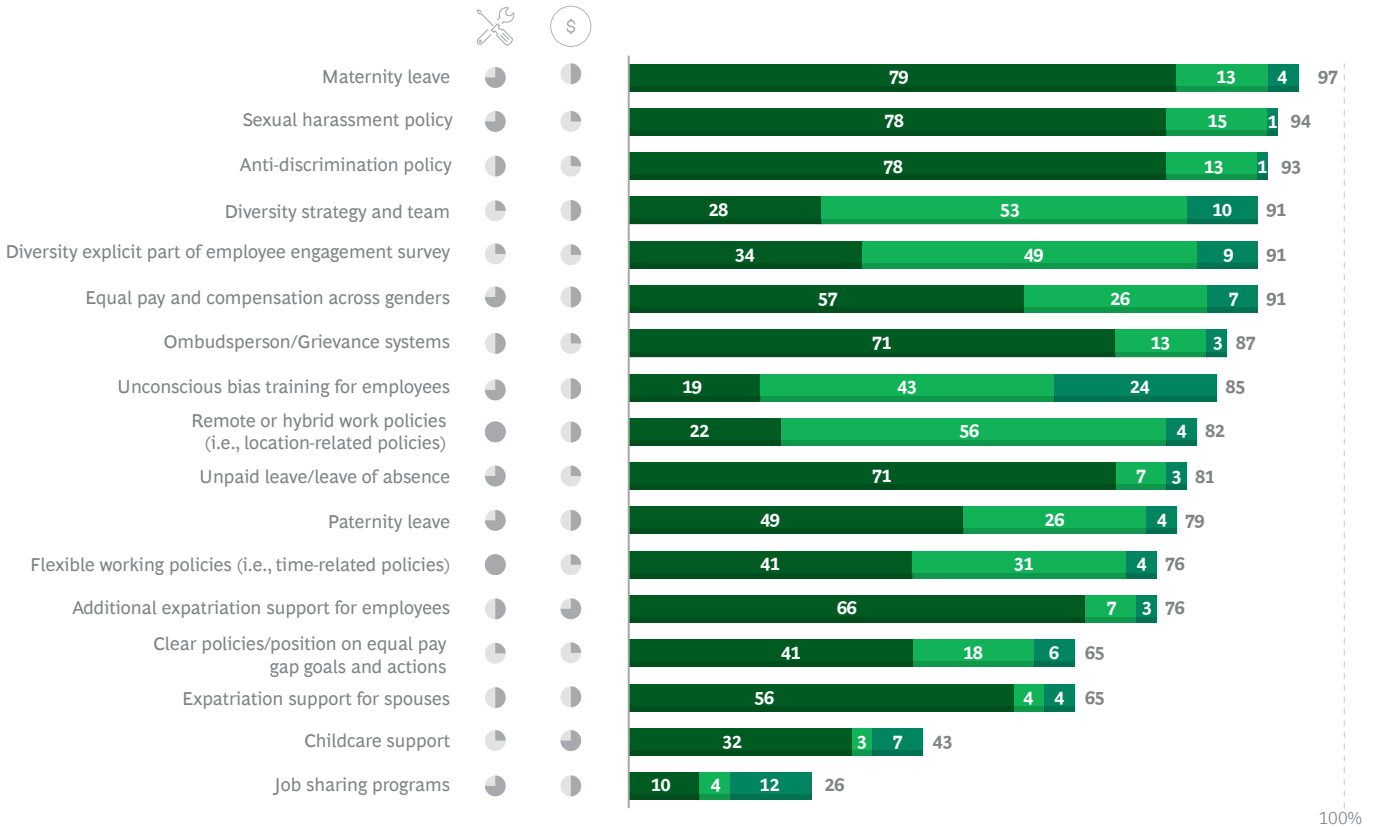
Appendix: Full Data on Company Policies and Programs

In the following charts, we have analyzed performance data from 68 companies across five categories of DE&I policies and programs included in the framework. The five categories are foundational policies and programs, recruitment (denoted as “attract” in the framework), retention (“retain”), advancement (“advance”), and visible leadership.

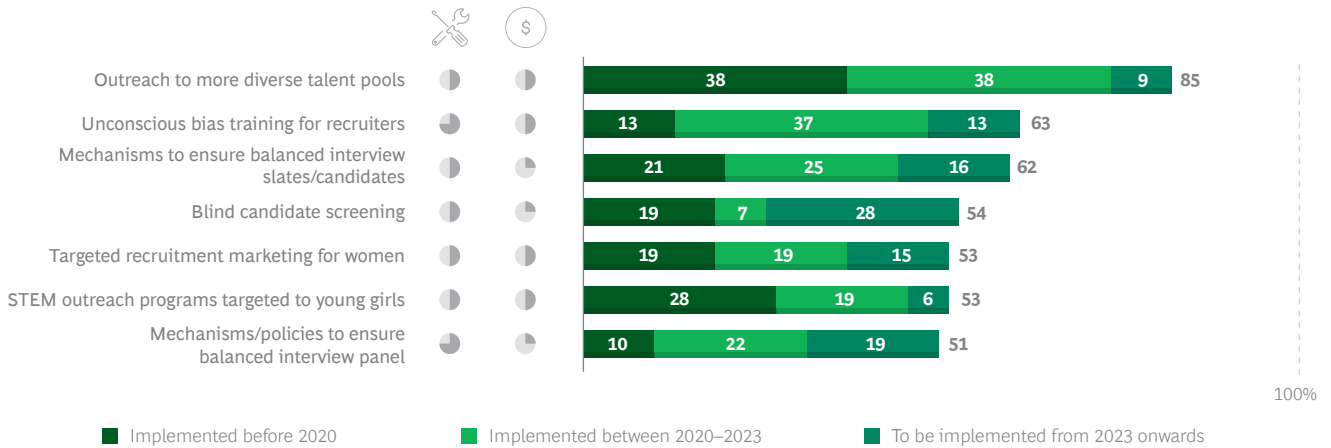
Each chart shows the percentage of companies that implemented a given policy or program prior to 2020, did so between 2020 and 2023, or have committed to implementation in the future.

DE&I Policies and Programs

Foundational policies and programs



Attract



■ Implemented before 2020
 ■ Implemented between 2020–2023
 ■ To be implemented from 2023 onwards

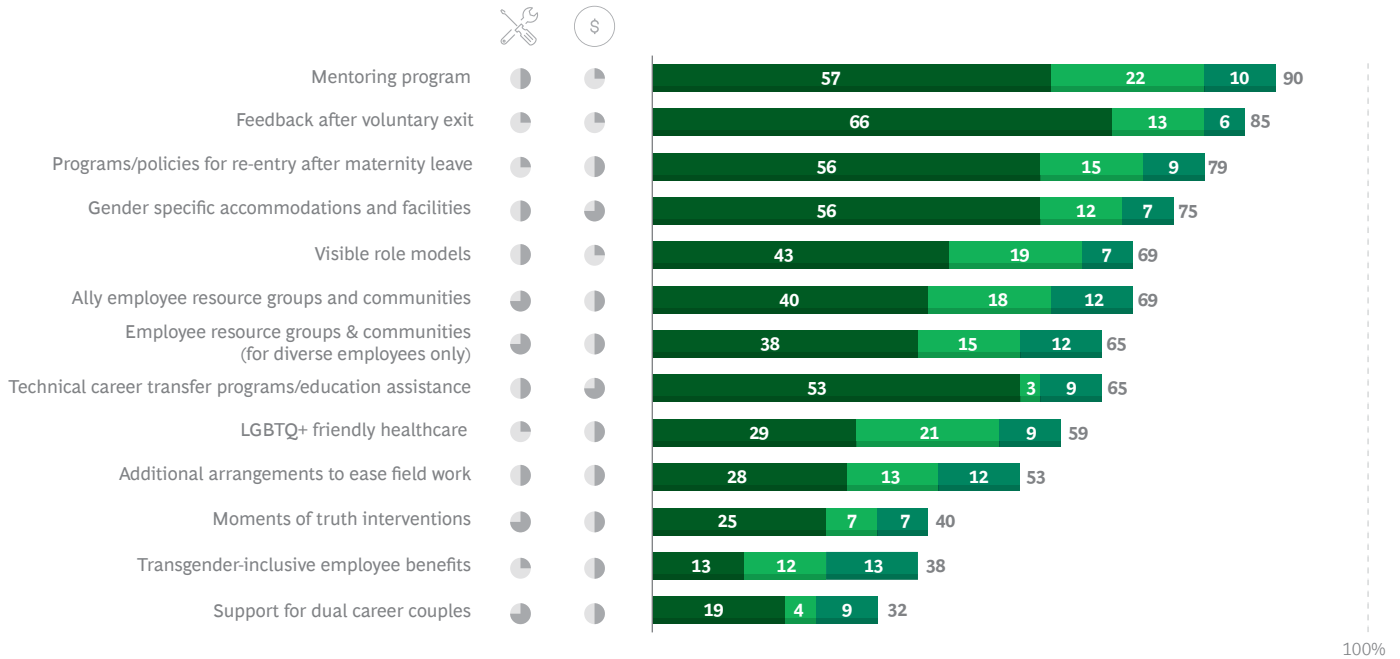
Effort required:
 ✂ Behavioral/process change
 \$ Financial investment

Degree of effort:
 ● Very significant
 ● Significant
 ● Some
 ● Insignificant

DE&I Policies and Programs

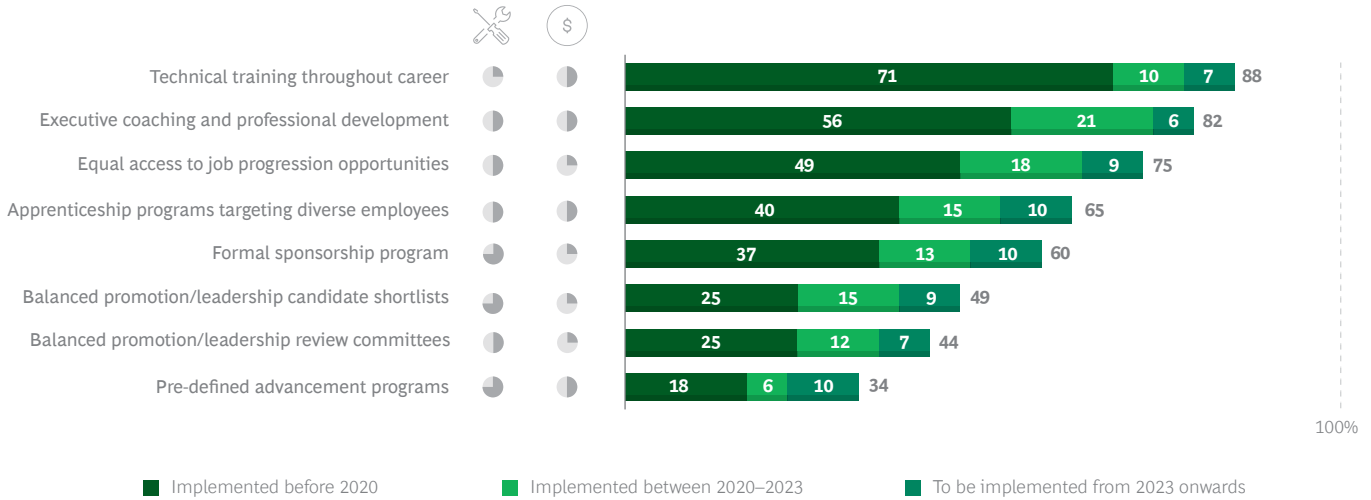
(continued)

Retain



100%

Advance



100%

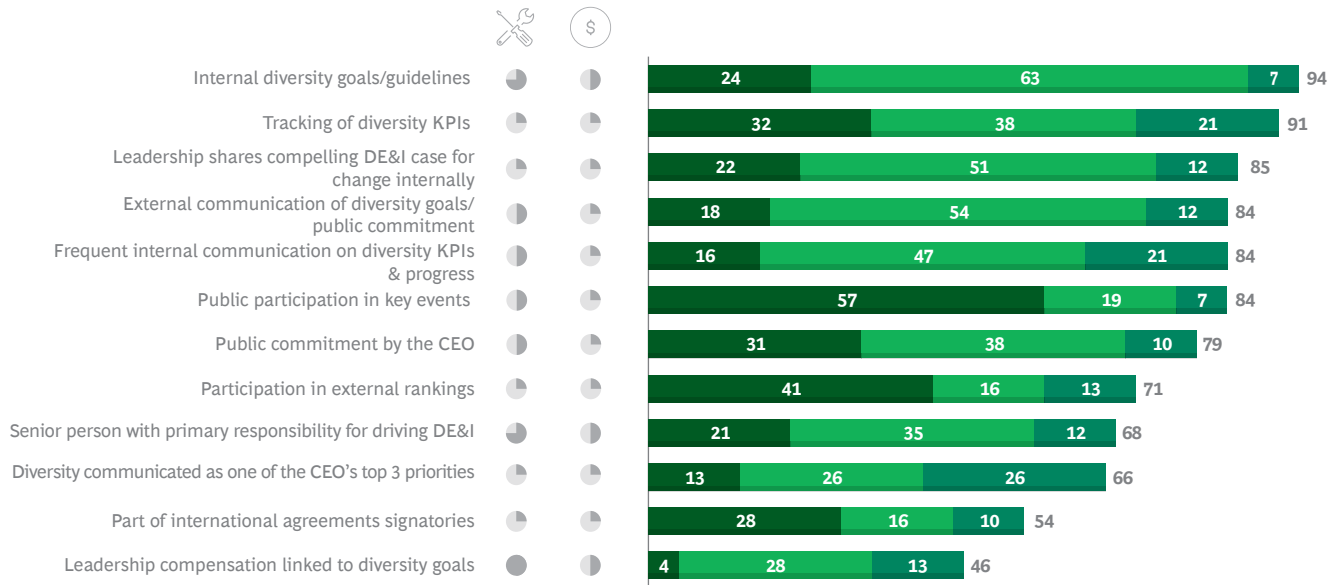
■ Implemented before 2020 ■ Implemented between 2020–2023 ■ To be implemented from 2023 onwards

Effort required: ✂ Behavioral/process change (\$) Financial investment
Degree of effort: ● Very significant ● Significant ● Some ● Insignificant

DE&I Policies and Programs

(continued)

Visible leadership



100%

■ Implemented before 2020
 ■ Implemented between 2020–2023
 ■ To be implemented from 2023 onwards

Effort required: Behavioral/process change Financial investment

Degree of effort: Very significant Significant Some Insignificant

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- **Element NL**, Netherlands
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- **Enserva**, Canada
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- **IGU**, International Gas Union, UK
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- **KAZENERGY Association**, Kazakhstan
- **LEWAS**, Leadership Excellence for Women Awards & Symposium, Dubai
- **PFW**, Powerful Women, UK
- **World Energy Council**, UK
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