

Diversity, Equity and Inclusion

NW Natural has a longstanding commitment to creating a diverse, inclusive culture that reflects and supports the communities we serve. We believe that excellence and innovation requires a focus on diversity, equity and inclusion of all our employees.

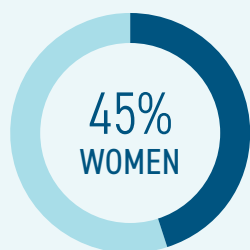


Diversity, Equity and Inclusion Highlights

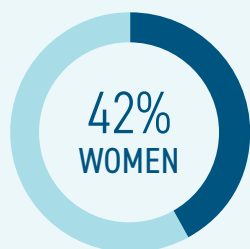


Actively building a workforce that reflects our communities—20% ethnic and racial diversity in 2021

NW NATURAL HOLDINGS
BOARD OF DIRECTORS⁴¹



NW NATURAL EXECUTIVES⁴¹



In 2021 the NW Natural Holdings' board elected a woman as chair, one of only 7% of publicly traded companies in the United States⁴²

Comprehensive diversity, equity and inclusion (DE&I) strategy overseen by our board of directors



MLK Day and Veterans Day added as paid-company holidays in 2021



Launched new procurement initiatives in 2021 to help us expand our work with diverse suppliers

Employee Resource Groups focused on diversity, equity and inclusion build awareness, create connections among employees, and provide company leaders with important feedback



⁴¹ As of January 1, 2022

⁴² According to the Women Business Collaborative April 2022 report

At NW Natural, we know all of us benefit when we amplify underrepresented voices, celebrate our differences and create an environment where everyone can contribute, thrive and prosper. We prioritize racial and gender equity in all aspects of our work, from our hiring and daily operations, to the way we interact with our customers and communities, to the biggest decisions we make as a business.

To accelerate our work in this area, in 2017 we hired an outside consultant to review our progress on diversity, equity and inclusion. We convened focus groups and created an assessment and set of recommendations for our executives. Incorporating this feedback, in 2019 we introduced a comprehensive new diversity, equity and inclusion strategy focused on three pillars: People, Partners and Customers & Community. The strategy is overseen by the Public Affairs and Environmental Policy Committee of our board of directors. We see the events of 2020 and 2021 and the growing movement for racial equity as opportunities to accelerate our work and serve as an active force for change.

NW Natural Gender 2021	NW Natural Holdings' Board	Executive Management	Mid & Other Management	All Employees
Women	45%	42%	30%	28%
Men	55%	58%	70%	72%
Decline to Respond	0%	0%	0%	<1%

Actively building a workforce that reflects our communities

Race/Ethnicity	NW Natural 2021	Oregon 2020 (Census Data)
American Indian or Alaska Native	2%	1%
Asian	5%	5%
Black or African American	4%	2%
Decline to Respond	1%	N/A
Hispanic or Latino	6%	13%
Native Hawaiian or Other Pacific Islander	1%	0%
Two or More Races	2%	4%
Undeclared	2%	N/A
White	77%	75%

Women hold 45% of NW Natural Holdings' board seats, and in 2021 the NW Natural Holdings' board elected a woman as chair. Nationally, women hold 27% of seats on the boards of publicly traded companies, and only 7% of publicly traded companies have a woman board chair.⁴²



Diversity at NW Natural

We actively work to build a diverse workforce that reflects the communities we serve. Today, about 20% of our employees self-identify as racially or ethnically diverse—an 82% increase since 2000. NW Natural maintains an affirmative action plan for its three primary employee centers, and these programs have been in compliance with every federal audit since the first one in 2003. Diversity starts at the top, and we have expanded the number of women and racially or ethnically diverse individuals in leadership positions. Our officer team includes five women, and five members of our 11-member NW Natural Holdings board of directors are women and three identify as racially or ethnically diverse.



2021 DE&I highlights - People

Recruiting, promoting and retaining diverse talent, building inclusive teams, and creating a culture that embraces differences are at the core of our People strategy. We view this emphasis on empowering a diverse workforce as a solid business decision that makes our company stronger and more innovative. We have a diversity strategy for all levels in our organizations, including senior management. Our VP, human resources and chief diversity officer leads these efforts and reports directly to the CEO, because we believe a diverse, equitable and inclusive workplace is vital to our long-term success.

Our People strategy has two key components:

STRATEGY 1 - Fostering an inclusive and diverse culture within our existing employee population

STRATEGY 2 - Recruiting more diversity into NW Natural, focusing on women and historically underrepresented groups

PEOPLE STRATEGY 1: Foster an inclusive and diverse culture

- Launched a year-long “Be the Change” challenge to engage employees in DE&I activities
- Announced MLK Jr Day and Veterans Day as new company-paid holidays
- Hosted quarterly sessions with cross-industry DE&I councils and ERGs
- Invested in DE&I learning and development by providing all-employee access to LinkedIn Learning

In our 2021 employee engagement survey, 87% of respondents said they felt a strong sense of belonging, which is strongly correlated to successful diversity, equity and inclusion initiatives.

Year-long DE&I program encourages employees to “Be the Change”

In 2021, NW Natural introduced “Be The Change” Challenge, a new way for employees to learn and think about topics related to diversity, equity and inclusion. Each month, all employees were invited to engage with new curated content through the Virgin Pulse health and well-being platform. In addition, employee resource groups (ERGs) sponsored wide-ranging events to celebrate observances such as Black History Month, Indigenous Peoples Day, Asian Pacific American Heritage Month, Women’s History Month, Hispanic Heritage Month and Veterans Day. The challenge and ERG events were part of our ongoing initiative to create connections and make our employees visible to each other, even while working remotely.





Embracing differences and diverse perspectives

As a gay, bi-racial woman raised in a small Colorado town, Mickey Lee has a diverse background that informs her work as co-chair of NW Natural's Diversity, Equity & Inclusion Council. Lee, an energy consultant on NW Natural's Customer Acquisition team, is passionate about the DE&I Council's vision to create a company culture that values and honors differences so that everyone may thrive. Looking back on 2021, she is proud of the progress the company is making. In 2022 one of her goals is to involve more field employees in DE&I work and reflect their perspectives.

"I have seen a powerful intersection between the DE&I Council, employee resource groups, company leaders and employees. And it's rewarding to see important adjustments the company has made to hiring and purchasing practices, to our philanthropy decisions, and to recognizing Martin Luther King Jr. Day and Veterans Day, which are now official company holidays."

— Mickey Lee, NW Natural Diversity, Equity & Inclusion Council co-chair



NW Natural-sponsored series features inspiring stories of Black Oregonians

NW Natural was one of five sponsors of a locally produced documentary series, “[Expressions in Black](#),” that focuses on creative, successful Black Oregonians and their inspiring stories. The show’s creators sought to widen the lens through which the Black community is often viewed, and present “the side of the Black Experience that will inspire people to change their views and enlighten us all about real Black excellence.” Portland’s Heart & Hustle Productions created the series with a team that produces cutting edge video content for brands like NIKE, the NBA and Brand Jordan.

PEOPLE STRATEGY 2: RECRUIT MORE DIVERSITY INTO NW NATURAL

A significant focus in 2021 and going forward is to understand and increase awareness of internal systems and structures that could limit representation and equity for underrepresented employees. In 2021, we developed a comprehensive “Philosophy & Practice” approach that includes: implementing new recruitment and hiring strategies, strengthening our community partnerships to increase our pool of diverse candidates, providing anti-bias training for HR and hiring managers, and creating an inclusive onboarding process.

- Developed strategy to include at least one diverse candidate for each external hire
- Increased diversity of interview panels

In collaboration with NW Natural’s employee resource groups, we are revising our mentoring program to focus on career advancement for women and diverse employees to ensure it is culturally relevant.

To continue promoting diversity within our field workforce, in 2021 we resumed NW Natural’s innovative Construction Internship Program, which was on pause in 2020 due to the pandemic. The paid internship provides members of underserved populations with on-the-job training to develop the skills they need to begin a construction career at NW Natural. The program recruits candidates through public schools, online channels, social media and community organizations focused on diversity, equity and inclusion. Internships include practical work experience for up to nine months, and can lead to full-time employment. For the 2021 construction class, 66% of the candidates were offered positions at the end of the program.

- Developed plan to create a Construction Field Services internship program similar to our existing Construction Intern program
- Increased the diversity of construction team by 8% from 2018 to 2021, now 26% of our construction team is diverse (women or people from underrepresented communities). Our internship program is a major contributor to this effort. In 2021, all the construction interns were diverse or a military veteran
- Continued to build relationships with DE&I community partners ([National Association of Minority Contractors](#), [Oregon Tradeswomen](#) and [Constructing Hope](#))

“Sponsoring ‘Expressions in Black’ is a great opportunity to highlight success stories of Black people in Oregon. It is cutting-edge work, and we’re excited to help make it possible.”

— Melinda Rogers, vice president and chief human resources and diversity officer

Employees engaged in DE&I recruiting

- “Say Hey” virtual networking events sponsored by [Partners in Diversity](#) to welcome professionals of color who are new to Oregon and Southwest Washington. NW Natural is a founding member of Partners in Diversity, and our VP, chief human resources and diversity officer serves on the organization’s board.
- The [Urban League of Portland Job Fair](#), which focuses on providing job opportunities to African Americans.
- [Constructing Hope](#), which supports women and people of color in various industries.
- Participated in the Military Western Regional Virtual Career hosted by [Military X](#). The career fair is for active and retired personnel looking for jobs in the civilian world.
- Happy hours sponsored by [Portland Women in Tech](#), which helps empower women, nonbinary and underrepresented people to join and remain in the technology field.
- Used advertising platform Handshake, which shares NW Natural jobs with universities and their job boards, including colleges that are ethnically diverse institutions.

Not just a job, a career

NW Natural's Construction Intern program provides members of underserved populations with paid on-the-job training to prepare for potential full-time employment at NW Natural. The program recruits candidates through public schools, online channels, social media and community organizations focused on diversity, equity and inclusion.

TONY THAO had no experience with underground construction when he entered NW Natural's first class of construction interns in 2018. Today he leads a construction crew—a position that requires expertise and leadership skills typically gained with many more years of on-the-job experience.

Thao wasn't in search of a career when he joined NW Natural. "I started working when I was 9 or 10, and a job was always just another job—something I needed to do," he said. During the short time it has taken him to be promoted to crew lead, he has come to realize that he now has a profession. "I didn't anticipate the advancement was possible to achieve," he said. "Now I have expertise in putting in gas lines. And there are so many opportunities in this company if I want to move up. NW Natural has a lot to offer."

Thao credits his success at NW Natural to hard work and his fellow crew members. "My team was fantastic about getting me to the level I needed to be at," he said. "Without them I wouldn't be where I am." Now Thao is the one training crew members on their way up. Leading a crew brings with it some weighty responsibilities he didn't have before, but he likes it. "Knowing people trust you to get things done feels good," he said. When he talks with friends who might aspire to something more than "just another job," he urges them to consider the construction internship program: "I tell people, 'You'll learn a lot, and you'll be here for a very long time.'"





Partners: Our Suppliers

Expanding the diversity of our vendor base is a priority at NW Natural. Through our Sustainable Purchasing Program, initiated in 2021, we form strategic partnerships that help us expand our work with diverse suppliers and increase the impact of that work. These relationships include businesses owned by minorities, women, veterans and other traditionally disadvantaged groups. Our CFO and our VP, controller and treasurer work with our chief diversity officer to oversee our diversity procurement activities.

2021 DE&I Highlights - Partners

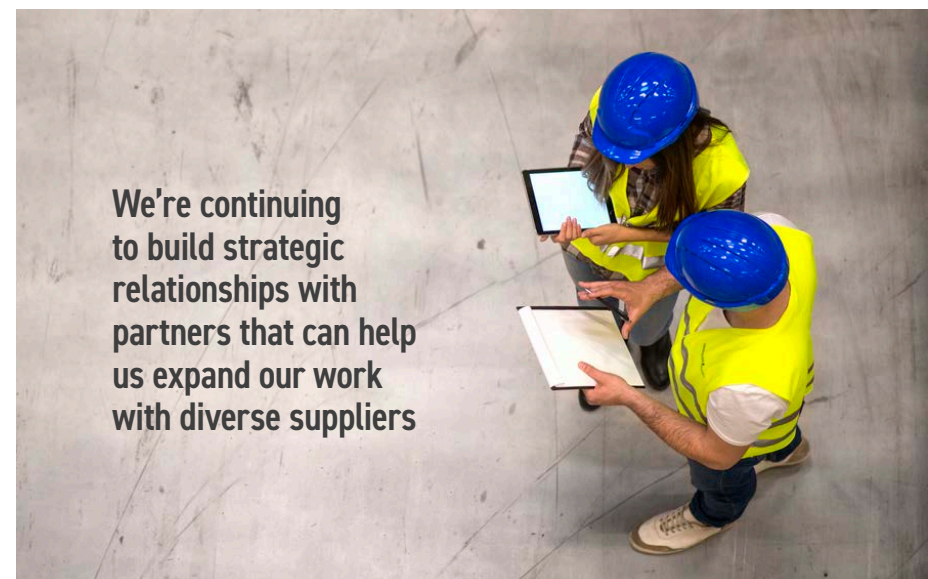
- Built a framework for our Sustainable Purchasing Program under which we strive to work with suppliers, and to procure products and services that deliver value and generate benefit—not just for NW Natural, but for the environment, society, and the economy
- Launched a [supplier website](#) with information about opportunities for diverse businesses to work with us in order to better encourage participation among diverse suppliers in our procurement process
- Developed tools to share with vendors on how to register as a diverse vendor
- Introduced vendor-management improvements, including engaging a third party to help update vendor classification and facilitate vendor analysis and reporting, including with respect to diversity measures; implementing technology improvements that will allow us to better measure and track our work with diverse vendors; and measuring our suppliers' spend on tier 2 subcontractors to determine impact on our diversity goals

PURCHASED
\$20.5
MILLION

in goods and services
from verified minority-,
woman- or veteran-
owned businesses
in 2021

PURCHASED
\$140.5
MILLION

from small businesses
in 2021



Our Corporate Purchasing and Expenditures Policy sets forth certain business requirements that are considered when reviewing purchase orders, including diversity. When evaluating requests for proposals (RFPs), we consider the prospective supplier's ability to help NW Natural increase our diverse business participation and seek information from the prospective supplier regarding, among other things: the prospective supplier's certification as a minority-owned, women-owned, disadvantaged or emerging small business, as well as its own diverse supplier program and opportunities to utilize diverse subcontractors.

We're continuing to build strategic relationships with partners that can help us expand our work with diverse suppliers, including Northwest Mountain Minority Supplier Development Council, National Association of Minority Contractors (NAMC), National LGBT Chamber of Commerce (NGLCC), Oregon Association of Minority Entrepreneurs (OAME), Oregon Native American Chamber (ONAC), Women's Business Enterprise Council (WBEC), and Latino Built, a trade association for Latino contractors in Oregon. We also continued to communicate our internal strategy with key stakeholders that routinely make significant purchases, such as construction, engineering and information technology & services.



Customers & Community

To serve our increasingly diverse community, our customers and community strategy is focused on:

STRATEGY 1 - Fostering diversity, equity and inclusion in our communities through partnerships, volunteering and financial support

STRATEGY 2 - Ensuring all customers have equitable access to natural gas programs

Multiple groups within our organization work to execute this strategy, including our customer service team, diversity council, and environmental and sustainability team. These groups work closely with our chief diversity officer.

2021 DE&I Highlights – Customers & Community

- Created more diverse language documentation for customers, specifically for bill assistance outreach
- Began developing a Community & Equity Advisory Group to provide NW Natural with feedback and recommendations related to low-income and arrearage programs, company philanthropic investments, system planning and renewable resource development
- Continued to employ an equity lens in our internal structures and how we engage externally as a funder, community partner and energy provider. In our philanthropic activities, this means that we seek out, acknowledge and fund nonprofit partners that demonstrate a shared commitment to diversity, equity and inclusion
- Redesigned and re-established a competitive grant program that increases, expands and accelerates funding for weatherization projects for income-qualified customers
- Proactively worked with our employee resource groups to identify and fund new partners in the energy justice, social justice and community specific space, and creating programs for philanthropy to match the funds the employee resource group raises for these initiatives
- Launched an emergency bill payment program and robust outreach campaign in partnership with community stakeholders to help customers pay down past due bills, focusing on our hardest to reach customers



Human Rights, Equal Opportunity and Prohibition on Discrimination

At NW Natural, we believe human rights are fundamental freedoms and standards of treatment to which all people are entitled. Our [Human Rights Policy](#) was reviewed and approved by our board of directors and articulates our commitment to identifying, preventing and mitigating human rights risks, including: prevention of harassment and discrimination; commitment to diversity; freedom of association; safety and security; land rights and biodiversity; and prohibition of child or forced labor, among other things. We also maintain policies on equal employment opportunity and prohibition of discrimination and harassment, in keeping with our intention to foster a culture of inclusivity and support employees' right to work in an environment free of discrimination and harassment.



FOR MORE INFORMATION SEE ALSO:

[Diversity, Equity & Inclusion](#)

[Human Rights Policy](#)