

Gender Pay Gap Report 2018



Foreword

We're proud to be part of an industry that has kept the energy flowing for over 200 years. Every single day, thousands of employees look after over 11 million customers, keeping them safe and warm.

We know that our industry has traditionally been male dominated and this is something which we are working hard to change, not just as Cadent, but as a broader industry and we know there is work to do.

Across our business, we are constantly looking at how we can inspire, encourage and support future employees. From the very earliest stages of education, through to our apprentice scheme and professional development programmes, helping our employees to advance their careers, whatever their area of expertise.

We are a business with new ownership and identity with a commitment to deliver on our ambition of customers being at the heart of everything we do. We will achieve this by developing and inspiring our people to deliver on our values and becoming a fully inclusive and diverse business.



Chris Mead
Director of HR

Our people

Employee numbers

4016

Full time

95%

19% 

Part time

5%

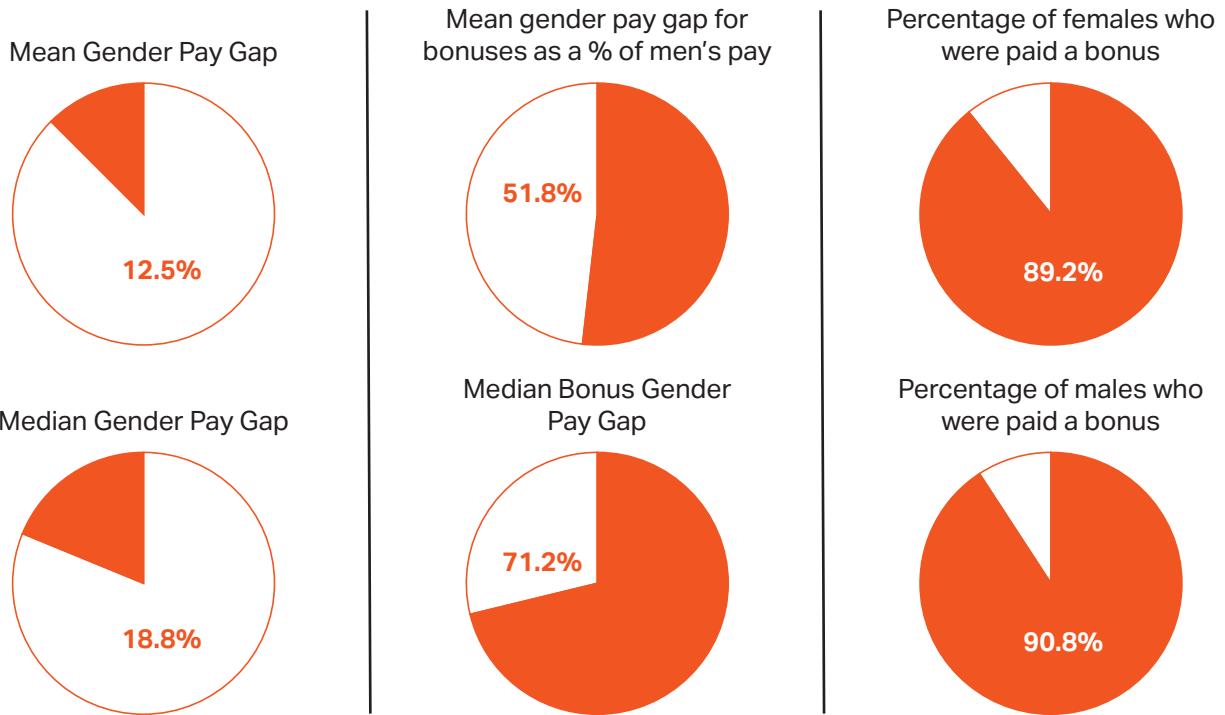
81% 

of these

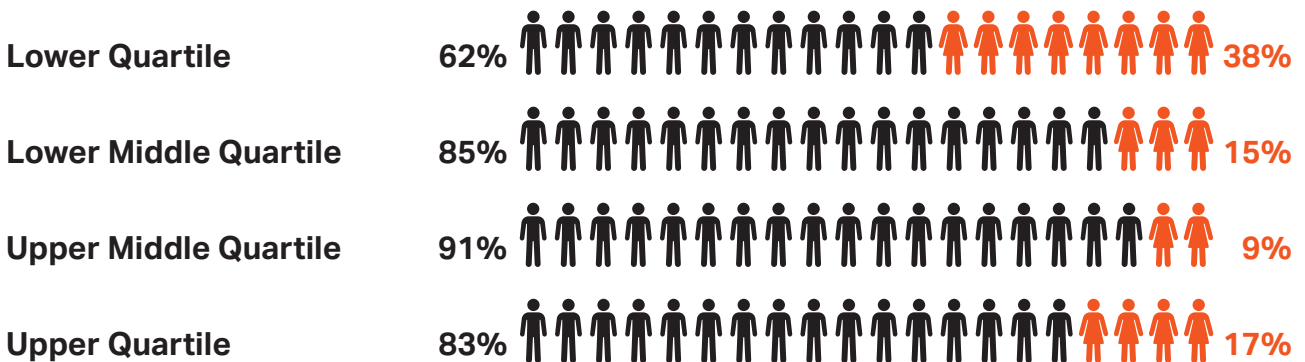
91%  **9%** 

Our gender pay gap

Gender pay reporting shows the difference between the average (mean or median) earnings of men and women. This is expressed as a percentage of men’s earnings, e.g. women earn 15% less than men.



Proportion of males and females by pay quartile



Mean gender pay gap: the difference between the average (mean) hourly pay of female employees and the average (mean) hourly pay of male employees, as a percentage.

Median gender pay gap: the difference between the median hourly pay (pay amount that falls in the middle of a range when everyone’s pay is lined up from smallest to largest) of female employees and the median hourly pay of male employees, as a percentage.

Mean gender bonus gap: the difference between the average bonus pay of female employees and the average bonus pay of male employees, as a percentage.

Median gender bonus gap: the difference between the median bonus pay (bonus amount that falls in the middle of a range when everyone’s pay is lined up from smallest to largest) of female employees and the median bonus pay of male employees, as a percentage.

Proportion of males/females receiving a bonus: the proportion of male and female employees who received bonus pay during the 12-month period ending with the snapshot date, as a percentage.

The proportions of male and female employees in each quartile pay band: This identifies the proportions of male and female employees in each of four quartile pay bands, as a percentage.

About our gender pay gap

We are committed to addressing our gender pay gap by consistently reviewing and addressing policies and practices within our business. We recognise that a large proportion of our workforce require skills from the STEM (Science, Technology, Engineering and Maths) disciplines, known to face societal challenges in attracting women to study towards these professions, so we have initiatives in place to work towards addressing this. As we take positive steps forward, we appreciate it may take time to change as we work within our communities to inspire and attract a diverse range of talent.

In summary, the gender pay gap and gender bonus gap is mainly driven by a lower proportion of women in senior roles and field force roles compared to the wider workforce.

Since April 2018, we now have four female directors within our business. We have a very low proportion of women in our field force population and we would like to continue encouraging diversity into and within our business, particularly into senior roles and our field force.

Due to the nature of the work undertaken by our field force employees, providing a 24/7 gas emergency service, their pay is made up of a salary and allowances (such as standby and overtime) plus performance bonus payments driven by jobs completed. As the majority of the field force population are men, this significantly drives up the male hourly rate which impacts the gender pay figures. When looking only at base pay (without allowances or salary sacrifice payments) across our business the gender pay gap is actually positive towards women.



We are pleased to say that we have excellent take up rates for 'My Choices', our flexible benefits programme at over 95%. On average, our female employees exchange a higher proportion of their salary through this scheme and whilst this has a negative impact on our gender pay gap, we continue to support this as a family friendly initiative.

The quartile analysis shows that females are under-represented in our business and this is reflected more generally in our industry. Our focus is not only to address this within our business, but also to support our energy and utility industry, where engineering roles have previously attracted more males than females. It also reflects the statement earlier about fewer women in senior roles.



Our continued work to close the gender pay gap

We published our first gender pay report in 2018, in which we outlined key areas of opportunity for us to actively focus on to make a difference towards influencing the gender pay gap. We continue to work on these initiatives as well as some other key areas of future focus.

Inspire

We want to inspire people in our communities and one of the ways we are doing this is through our new Education and Skills Programme which is due to begin in Spring 2019. This is designed to engage a strong and diverse talent pool by developing young people in our communities, with a particular focus on promoting the STEM curriculum in schools and colleges, targeting areas to attract females and BAME (Black, Asian, and minority ethnic).



"I am proud to lead the IS team as we progress through an exciting journey of being a truly diverse and inclusive business. My team brings together a male and female split of 50/50 with opportunities at every level. I am committed to drive the changing dynamic of the team, share best practice and provide equal opportunities. I want to make sure my team is at the forefront of change for all current and future employees."

Tina Sands, Chief Information Officer

We continually look for opportunities where we can help to inspire, such as the work our Chief Information Officer is currently doing with local schools to inspire females into STEM subjects.



Attract

We want to actively encourage diversity into the engineering and utilities industry which we do through our membership and active participation in Energy and Utility Skills. Our Head of Organisation Development, Tony Moloney participates within this group and one of its objectives is to “focus on the engagement, attraction and awareness of key target audiences including: Women, BAME, Service Leavers, Parents, unemployed, and NEETS (Not in Education, Employment, or Training)”.

We are committed to The Energy & Utilities Workforce Renewal and Skills Strategy, developed by the Energy & Utilities Skills Partnership which highlights that the industry must raise its collective profile. To compete effectively for the workforce it needs to be sustainable and resilient. We are members of the Talent Source Network (TSN), which allows us to use proactive industry collaboration and digital platforms to reach a diverse range of people.

We actively ensure that opportunities are attractive and available to all across the business, particularly our field force. We have been focused on developing our employer brand to attract a

diverse audience through the use of imagery and recruitment campaigns, including the use of social media. We have a good gender balance within our finance, HR and Legal functions and we continue to build and shape our business, continually looking for opportunities to develop inclusion and diversity. This is highlighted within our newly formed IS function where we are proud to have a team with an equal gender balance, being much higher than the industry average.

"I am an apprentice Emergency Gas Engineer and my key priority is to identify, make safe and protect our customers in their homes. I joined the apprentice scheme when I was 30 and Cadent fully support me in my journey to develop and progress through my apprenticeship. I am passionate about what I do and enjoy helping our customers – no one day is the same. My role is exciting, challenging and demanding. Cadent provide me with all the opportunities to develop into a qualified emergency engineer and I look forward to my future."

Rachel Green, Apprentice



The proportion of women joining us at graduate/trainee level has increased to 10%. There is lower female participation in engineering apprenticeships, however there is higher participation on our graduate development programme.

We endeavour to explore how to attract a more diverse workforce into our business and to continually scrutinise the way we recruit, which includes our commitment to using gender neutral language on job adverts and inclusive wording in recruitment campaigns.



Cadent has given me the opportunity to truly grow and develop. I have worked across a number of different functions and led complex strategic change. I have recently been

appointed as director to run one of our distribution networks, a role which will allow me to build a diverse team, drawing on the breadth of experience in our business.

Kate Jones, Director of West Midlands Network



"I am an Emergency Network Supervisor looking after a team of engineers in North London. This is a very demanding role both physically and mentally. I love what I do

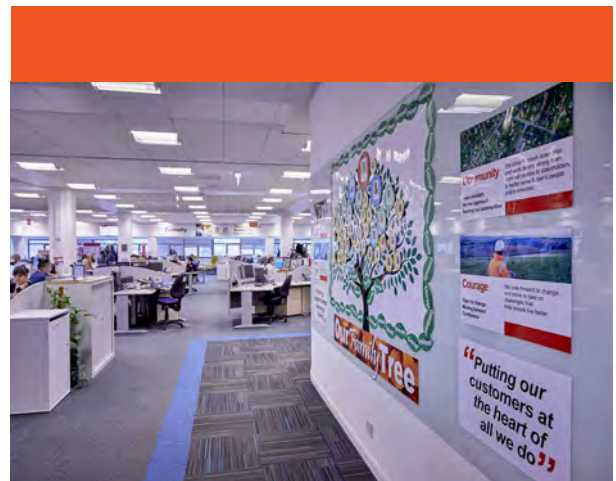
and I am keen to develop within the business. I am working to progress my engineering chartership and I am confident that Cadent will fully support me in providing equal opportunities to progress my career and take on new challenges in the future."

Priya Talwar, Emergency Network Supervisor

Develop

We continue to support the development of female staff within our business through the Women in Leadership schemes (Spring Forward and Spring Board). These are designed to coach, train and support ongoing empowerment and confidence for women in the workplace, with proven benefits in the wider industry. We aim to help women develop capabilities to progress their careers to more senior roles.

We have regular meetings with leadership teams to support the development of our talent and our succession plans. We coach and challenge our managers to encourage an inclusive approach across the business.



Retain

In addition to inspiring, attracting and developing our people, we also want to work hard to retain our talent. One of the ways we seek to do this is through the Inclusion and Diversity Conscience Group. This group is made up of representatives from across our business who ensure that inclusion and diversity remains a key focus for us. We are proud of our family friendly policies and continue to support an attractive maternity offering. We encourage women to return to the business and accommodate flexible working arrangements where reasonably practical. We support flexibility and provide tools to allow remote working where feasible. Many of our learning activities are accessed online which allows employees to access these to suit their working hours and locations.

Our Human Resources team have regular meetings to ensure a consistent pay and bonus approach is taken across the business. We actively encourage our managers to reflect on fairness when making reward decisions. We analyse our pay and bonus data to ensure fairness and provide challenges where necessary.



“My role as Director of Communications and External Affairs at Cadent has given me the most diverse and interesting opportunities that I have seen in my career so far.

The support that I have experienced throughout all levels of the business has been unquestionable, helping me to grow and develop my skills and experiences. I am determined to lead by example in everything I do to help Cadent become a more diverse business.”

Roseanne Thomas, Director of Communications and External Affairs



“With the formation of Cadent, we now have the opportunity to significantly transform and improve our business – this will enable us to further develop strategies that will

accelerate the changes required in our gender pay gap going forward.”

Chris Mead, Director of HR

