



Gender Pay Gap Report 2019/20



Foreword



We're proud to be part of an industry that has kept the energy flowing for over 200 years. Every day and every night, our people look after 11 million homes and businesses, keeping our customers safe and warm.

Our workforce should represent the communities we serve, but we know that our industry has traditionally been male dominated. This is something which we are working hard to change, within Cadent and across our industry. We know that more diverse teams lead to greater innovation and better outcomes for our customers.

We are taking clear, positive and inclusive actions to address our gender pay gap, including supporting and attracting talented women, equipping and empowering our leaders, and maintaining an inclusive culture.

Over the last year, we have defined our diversity and inclusion strategy, brought more conscious inclusion to our recruitment practices and delivered diversity and inclusion training to our senior leaders.

We are committed to continuing our work to address our gender pay gap and becoming a truly diverse and inclusive business.

Tina Sands
Chief Information Officer
Executive Sponsor for Diversity and Inclusion

Our people

Employee numbers

3,923



Full time

94%

Part time

6%

Gender split for part time employees



88.5%

11.5%

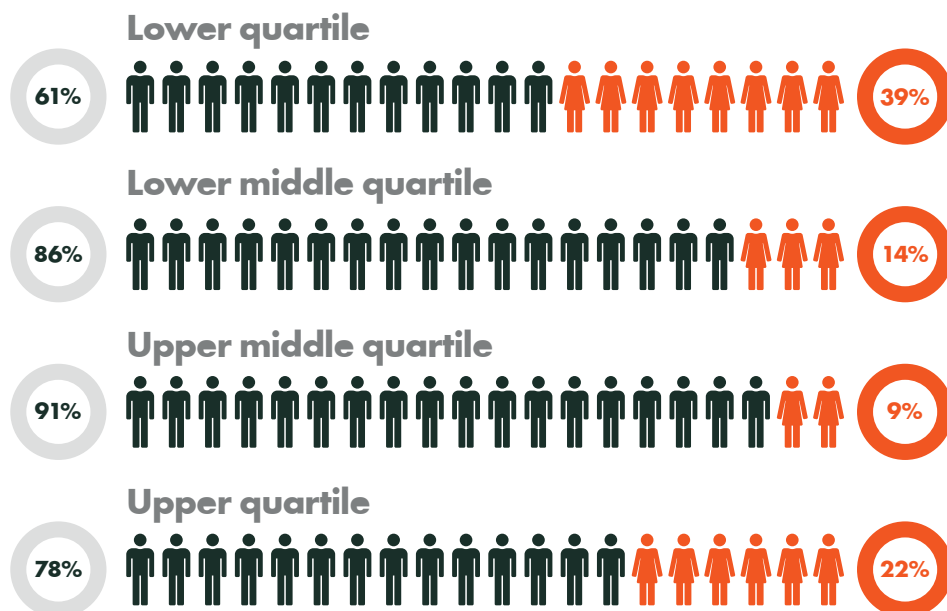
Our gender pay gap

Our 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.

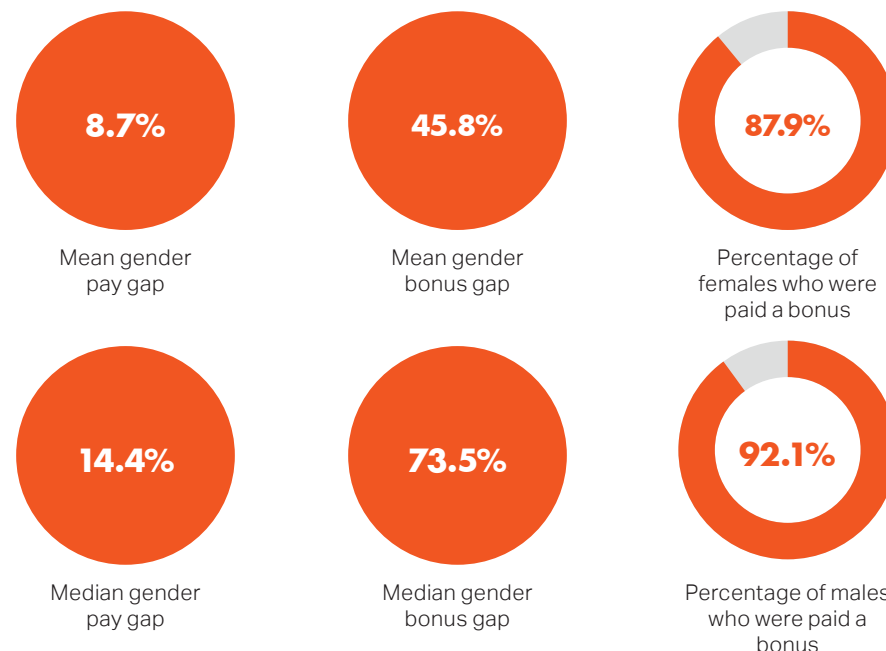
Due to the nature of our field force employees' work, providing a 24/7 gas emergency service, their pay comprises a salary and allowances (such as stand-by and overtime) plus performance bonuses driven by jobs completed.

As most of the field force population are men, this significantly increases the male hourly rate which impacts gender pay figures. Looking at only base pay (without allowances or salary sacrifice payments) across our business, the gender pay gap is positive towards women.

Proportion of males and females in each quartile.



Quartiles are calculated by listing the pay of every employee from lowest to highest, before splitting that list into four equally sized groups of men and women.



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 proportion of male and female employees in each of four quartile pay bands, as a percentage.

Our approach to ensuring high-quality talent across our organisation is broken down into four key stages:

Our talent strategy: Inspire

We are committed to inspiring people from a range of backgrounds to pursue careers in our industry.



EDUCATION AND SKILLS – PROGRAMME LAUNCHED SPRING 2019



In Spring 2019, we launched our Education and Skills Programme, which is designed to build a strong talent pool within the areas we serve, with a particular emphasis on promoting science, technology, engineering and maths (STEM) education routes and career paths. This year, we have established a relationship with two all-girls schools, giving us a valuable opportunity to discuss roles in engineering and break down the barriers and perceptions that may currently exist.

We actively seek opportunities to inspire women into engineering, and this year we have become members of the Women's Engineering Society. This is a charity and professional network of female engineers, scientists and technologists offering inspiration, support

and professional development. Through effective collaboration and best practice sharing, the Society supports and inspires women to succeed as engineers.

We have recently signed the Armed Forces Covenant, committing to be a fair and respectful employer for former members of the Armed Forces. To support people across a range of circumstances to succeed in the workplace, we are launching our very first bespoke training programme for those not in education, employment or training (NEET).



"Coming into Cadent as a graduate trainee, I was able to experience a range of projects, roles and departments, with real responsibility and challenge from the outset. I am now putting my professional development to good use as an engineering supervisor, managing a team of 12 engineers in Repair Operations. I look forward to continuing to progress my career with Cadent."

Gina Wong, Repair Network Supervisor



**RELATIONSHIP
FORMED WITH
2 ALL-GIRLS
SCHOOLS**

**MEMBERS OF
WOMEN'S
ENGINEERING
SOCIETY**



Our talent strategy: **Attract**

We have committed our support to The Energy and Utilities Workforce Renewal and Skills Strategy, which is designed to raise the collective profile of organisations in our industry.



We are also members of Energy & Utilities Jobs, which uses industry collaboration and digital platforms to attract a diverse range of people.

Our approach to writing job specifications has altered significantly, and we now place emphasis on writing job specifications that tackle myths about what it means to work in our industry. Through subtle changes in wording, we are attempting to widen the appeal of our opportunities and attract a gender split in applications which is more representative of the wider population.

We endeavour to attract a diverse workforce, and have focused on key areas this year to attract women into our organisation. This has included attending careers events with a specific focus on Diversity & Inclusion, including NewtonGrads, the STEM Recruitment Fair and the Equal Engineers Careers Fair. We ensure our

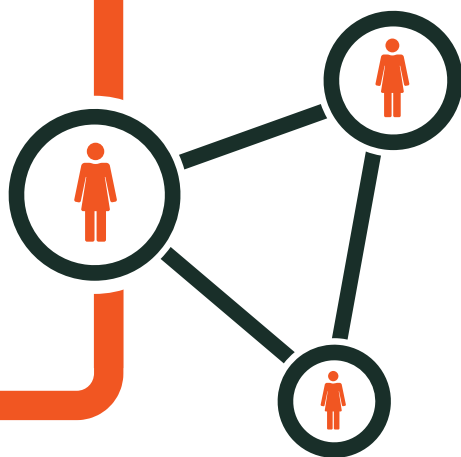
representatives at careers fairs reflect our diverse talent pool, with a fair gender split and strong BAME representation.

This approach is reflected across the videos and photos we produce for recruitment campaigns as part of our wider social media strategy.

There continues to be relatively low female participation in our operational apprenticeships, however the split is more even on our graduate development programme and our new Team Leader apprenticeship (see Develop).



MEMBERS OF ENERGY & UTILITIES JOBS



"I am on my last placement of the graduate scheme, supporting the establishment of the Cadent Foundation. The Foundation will award grants to charities and groups for projects which have charitable purposes and bring public benefit. Before this, I embarked on a placement in Emergency Operations in London, experiencing the situations our engineers face every day to safeguard life and property. More work needs to be done to encourage girls and women into our industry, because for me it has been an excellent experience and my development has been put at the forefront."

Paige Tonks, Graduate Trainee

Our talent strategy: Develop

We support the development of all our staff, and have programmes tailored to female employees. We are building future women's programmes pitched at junior, middle and senior managers.



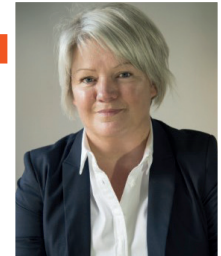
**WOMEN'S
SUPPORT
NETWORK**
LAUNCHED IN JANUARY 2020

To mark our commitment to achieving a more diverse and inclusive workforce, we have created and recruited a new Diversity & Inclusion (D&I) Manager. Our D&I Manager is already implementing significant changes, including working with Women's Engineering Society to offer operational experiences to office-based female employees, and a new trial training package on the topic of unconscious bias.

To further support our female apprentices, we have recently launched a Team Leader apprenticeship. 13 out of our 17 apprentices on the programme are female.

We have developed a women's network group, sponsored by our North West Network Director Jenny Moten.

UNCONSCIOUS BIAS TRAINING PILOT ROLLED OUT IN DECEMBER 2019



"I oversee the safe and efficient completion of all operational activities in our North West network, ensuring we meet and exceed our customers' expectations. It's very rewarding to be playing a key role in transforming Cadent, and I am constantly given new challenges and opportunities to develop my leadership skills."

**Jenny Moten,
Director of North West Network**



"I manage the communication of Cadent's vision and story to our internal and external stakeholders, and the monitoring of changes in our external environment. It's a fast-paced role, where no two days are the same and I am able to make a genuine difference each day. Working here gives me great opportunities to develop into a well-rounded leader, and I am constantly surrounded by talented, experienced and supportive people."

**Ranjit Blythe, Director
of Communications and
External Affairs (Interim)**



**13 FEMALES OUT
OF 17 APPRENTICES
ON OUR TEAM
LEADER PROGRAMME**

Our talent strategy: Retain

In addition to inspiring and attracting new people, we strive to offer packages that make Cadent a welcoming and inclusive place to work, and we have a range of initiatives to achieve this.



3 NEW DIVERSITY & INCLUSION GROUPS

We have established a number of new Diversity & Inclusion focus groups, including our Pride at Work group, which brings together our LGBTQ+ employees, and our Multicultural Community networking group. These are open to employees of all backgrounds and from all departments and regions, as we recognise that everyone has a part to play in achieving a truly diverse workforce and culture.

We are proud of our family-friendly policies, which we are continually reviewing to ensure that we provide an attractive offering. This year, we have reviewed our adoption policy to make the benefits comparable with those on offer for maternity.

We fully support flexible working arrangements where practicable, and we offer a range of options including reduced hours, term time and remote working. Most of our training packages can be accessed offline, allowing access to suit a range of working hours and locations.

Our benefits package remains attractive, with a generous flexible benefits offering. On average, our female employees exchange a higher proportion of their salary through the scheme to select benefits, and while this has an apparently negative effect on our gender pay statistics, we believe it is vital to our success as a family-friendly organisation.



“In my role, I ensure we create opportunities for people of all beliefs, backgrounds and characteristics to succeed and feel included. I have been supported throughout my career at Cadent by managers who have put our People Development Policy into practice, from effective mentoring to helping me complete my CIPD qualification. Most recently, I was enabled to take a five month sabbatical, which has benefitted me both personally and professionally.”

Sharna Matson, Diversity & Inclusion Manager



FLEXIBLE WORKING ARRANGMENTS IN PLACE



"I manage Cadent's bank accounts, ensuring we have sufficient funds and invest any surplus securely. In my role, I have opportunities to broaden my skill set and develop my management skills, while my manager's flexibility and understanding about my working hours allow me to spend quality time with my son. This means I am able to balance a rewarding career with a fulfilling family life."

Peter Chan, Senior Treasury Analyst

Moving forward



"I'm extremely proud of our continued efforts to ensure a diverse and inclusive workforce, where employees are given the tools and support they need to thrive in their roles and future careers.

As Tina highlighted at the start of this report, we know that we have a lot to do to change the face of Cadent and our industry, one which has traditionally been male dominated, to one which better represents the communities and customers we serve.

In the last 12 months, we have seen the first green shoots of our plan to make this a reality and with so much more planned over the next year, I'm confident that we'll continue to see big and positive changes, just as we have since our 2018 report.

Our organisation is built on over 200 years of history. It's important that we don't lose sight of this, but that we also build on our legacy to create an exciting and innovative future which all our people can be proud to be part of."

Martin Rimmer, Chief People Officer