

Gender Pay Gap

Report 2022



Contents

Page 3	Our gender pay gap Our journey to close the gap
Page 4	What is a gender pay gap? How is it calculated?
Page 5	At a glance Analysing the data
Page 6	Understanding the gap Flagship Group and Gasway
Page 8	Flagship Group Our gender pay gap results
Page 9	Gasway Our gender pay gap results
Page 10	What we're doing Our current initiatives: Recruit, Retain, Develop, Review
Page 14	What's next? Creating a gender balanced workforce
Page 15	A message from our Director Lisa Collen, Director of People & Workplaces



Our gender pay gap

Our journey to close the gap

Flagship and RFT reported their first Gender Pay Gap; and spent time to understand the reasons for our gap.

We evaluate and track our gender pay action plan (GPAP) to measure impact. We will be brave in reporting what didn't work – and we will be relentless in our pursuit of reducing the gap. Our Gender pay gap actions will be aligned to our Equality, Diversity and Inclusion policy to elevate our culture from inclusion to one of belonging.



2017

2018-2020

2021-2024

2030



Gasway reported their first gender pay gap. We continued to create actions to address and reduce our gender pay gap across the Group; reviewed our recruitment processes and our Equality, Diversity and Inclusion policy to support a culture of inclusivity.

RFT transferred into the Group effective 1 April 2021 and became Flagship Services, a department of Flagship Group.

We have a sustained culture of belonging where our employees are comfortable to bring their whole selves to work. They are completely engaged and we have equal gender representation across the business. And we no longer have a gender pay gap.

What is a gender pay gap?

A gender pay gap is the average difference between the hourly earnings of men and women regardless of the role they occupy, as at 5 April each year.

It is not the same as equal pay, where men and women must get equal pay for the same or similar work.

How is it calculated?

Mean

Mean is the average hourly pay gap between men and women (regardless of role or seniority).

Median

Median is calculated by analysing salary data for both genders in the relevant business areas and comparing the middling salary for a woman against the middling salary for a man.

Gender Bonus Gap

The Gender Bonus Gap is the difference in the number of men and women within the relevant business area who receive a bonus as well as the difference of these bonuses.



At Flagship Group, we know that our gender pay gap is not due to paying men and women differently for doing the same or equivalent work.



At a glance

Any UK company with more than 250 employees is required to publish its gender pay gap report. This report has been compiled using people data for Flagship Group and Gasway as at 5 April 2022.



Flagship (inclusive of Flagship Services) has seen a decrease in the mean (average) and an increase in the median (middle) hourly pay gaps in 2022. The mean has decreased from 3.57% to 3.13% in 2022. This is a small percentage decrease down 0.44% from 2021. The median has increased from -5.57% in 2021 down to -5.99% in 2022.

3.13%
mean hourly
pay gap

-5.99%
median hourly
pay gap



Gasway has seen a small increase in its median hourly pay gap for 2022, increasing from 37.51% to 37.86%. The mean has also increased from 29.90% to 32.78%. Bonuses at Gasway have been awarded during this period to 6.12% of females and to 2.72% of men. We have seen a decrease in the mean bonus gap from 40.54% down to 36.59% and a reduction in its median bonus pay, from 10.18% in 2021 down to -60% in 2022.

32.78%
mean hourly
pay gap

37.86%
median hourly
pay gap

Understanding the gap

We are pleased to report that 2022 has seen a decrease to the mean pay gap at **Flagship Group**. The median pay gap has slightly increased in a negative direction to -5.99%. Whilst we are not aiming for a negative result, as the ideal would be zero pay gap, however, the gap is small and in this direction feels like an achievement, especially considering the mean hourly pay gap is also low at 3.13%.

This is now the second year that **Flagship Services** have been included in Flagship Group's gender pay gap reporting following their transfer of undertakings into the Group. The changes that this made in 2021 were significant and gave us a clearer understanding of our pay gap. Since 2021 our pay gap has remained stable. This is because although headcount at Flagship has increased from 1000 to 1082 in 2022, the split of men and women in each quartile has remained consistent.

Flagship Group employs more men than women with 58% of the workforce being men and 42% being women. There is a slightly higher ratio of men in the upper quartiles with 27% men compared to 23% women, and also a larger ratio of

men in the lower quartiles with 31% men compared to 19% women. There is no change at all to this split from 2021, the reason for the higher numbers of men in the lower quartiles is the high volume of trade roles which tend to sit in the lower quartiles and are traditionally occupied by men.



23%
women
in the upper
quartiles

27%
men
in the upper
quartiles

19%
women
in the lower
quartiles

31%
men
in the lower
quartiles





1%
women
in the upper
quartiles

49%
men
in the upper
quartiles

15%
women
in the lower
quartiles

35%
men
in the lower
quartiles

Understanding the gap

The gender pay gap at **Gasway** in 2022 has remained relatively consistent, although we have seen small increases this year in both the mean and the median pay gap.

We know that our pay gap at Gasway exists because women are under-represented in the more senior, higher paid roles, and because for decades the gas industry has been a male dominated industry. We are committed to tackling this to encourage more female representation across all pay levels. We still have a significantly higher number of men in the upper quartiles, with 49% men compared to 1% women. In the lower quartiles we have 35% men compared to 15% women. Overall, the workforce is 84% male and 16% female, with 49 women and 257 men.

This year we have seen small increases in our pay gaps with the mean pay gap increasing from 29.9% up to 32.78%. Both men and women's mean pay has increased in 2022 from 2021, however the mean pay rate for men has increased by a higher percentage creating the larger pay gap. Since 2019, we have made progress and seen a reduction in the mean pay gap from 35.18% down to 32.78% and the median has reduced from 40.83% down to 37.86%.

We accept that we have a big pay gap at Gasway and that we have a long way to go to address this, but also recognise that it will take time to develop a more diverse talent pipeline. This we plan to address through our apprenticeships scheme and by working closely with schools and colleges to try and encourage more women into these traditionally male dominated roles.

We have seen significant moves with our bonus pay gap at Gasway with the mean bonus pay gap reducing from 62.71% in 2019 down to 36.59% in 2022. The median has also reduced from 57.54 down to -60% in the same time period. 10 employees at Gasway received a bonus and this number will decline next year due to the historical bonus scheme at Gasway being withdrawn. The commission/bonus scheme currently offered is for specific positions in Gasway (Customer Services Team and Engineers) regardless of gender.



Flagship in 2022

Our workforce profile 2022

453

Number of women

629

Number of men

3.13%

0.44%
▼ (2021)

Mean (average)
Gender pay gap

-5.99%

- 0.42%
▲ (2021)

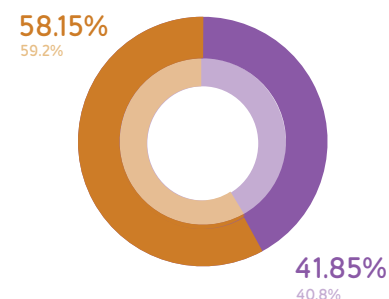
Median (middle)
Gender pay gap

Our pay quartiles*

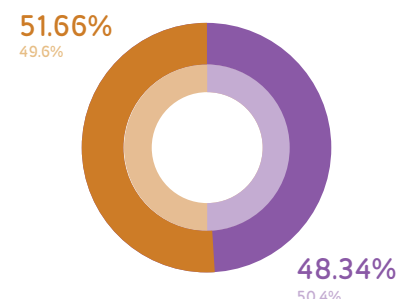
2022 ■ Men ■ Women

2021 ■ Men ■ Women

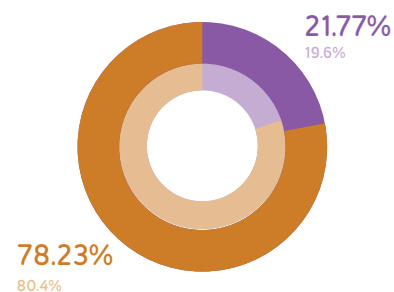
Upper



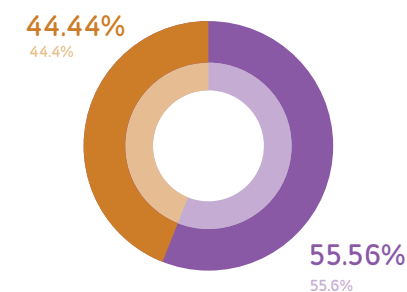
Upper Middle



Lower Middle



Lower

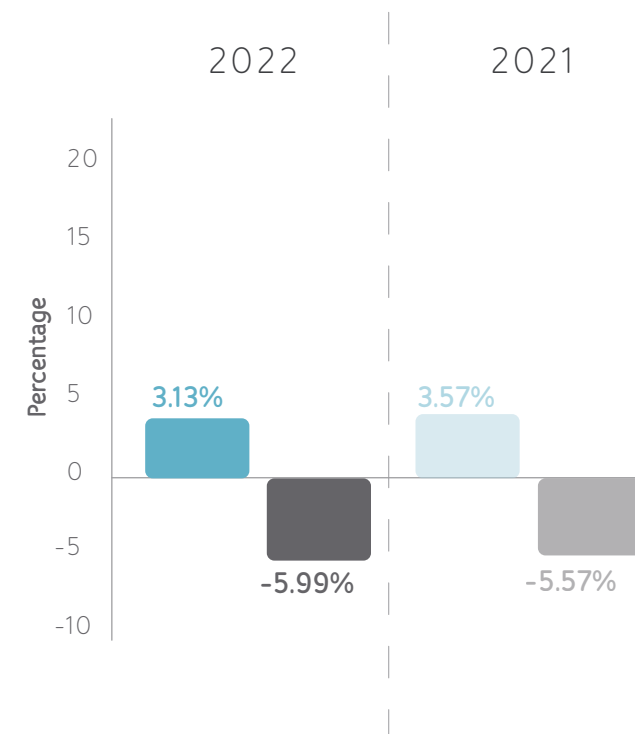


Gender pay gap

Hourly difference in pay between men and women regardless of role or seniority

2022 ■ Mean ■ Median

2021 ■ Mean ■ Median



*Our pay quartiles do not indicate a pay equity issue; they demonstrate how many men and women fall within each of the four pay quartiles.



Gasway in 2022

Our workforce profile 2022

49

Number of women

257

Number of men

32.78% 2.88%
▲ (2021)

Mean (average)
Gender pay gap

37.86% 0.35%
▲ (2021)

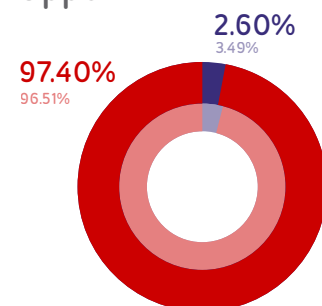
Median (middle)
Gender pay gap

Our pay quartiles*

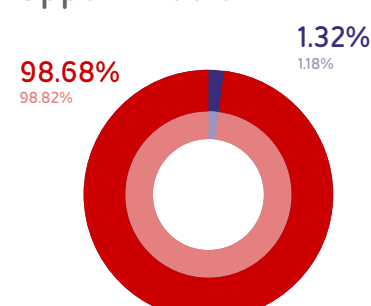
2022 ■ Men ■ Women

2021 ■ Men ■ Women

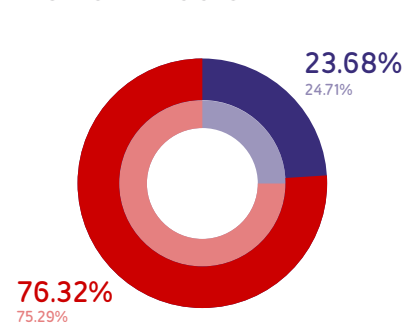
Upper



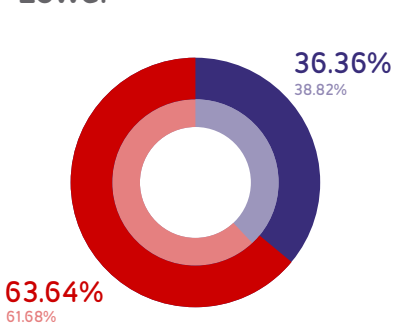
Upper Middle



Lower Middle



Lower

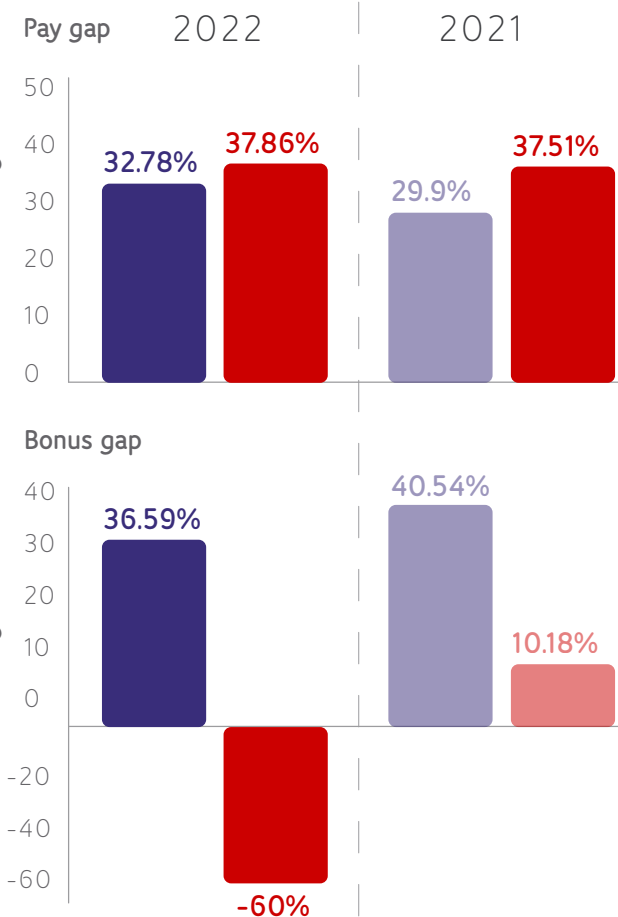


*Our pay quartiles do not indicate a pay equity issue; they demonstrate how many men and women fall within each of the four pay quartiles.

Gender pay & bonus gap

2022 ■ Mean ■ Median

2021 ■ Mean ■ Median



What we're doing

Our gender pay actions

Our focus on reducing the gender pay gap is split into 32 initiatives across four key areas:



Recruit



Retain



Develop



Review





Recruit

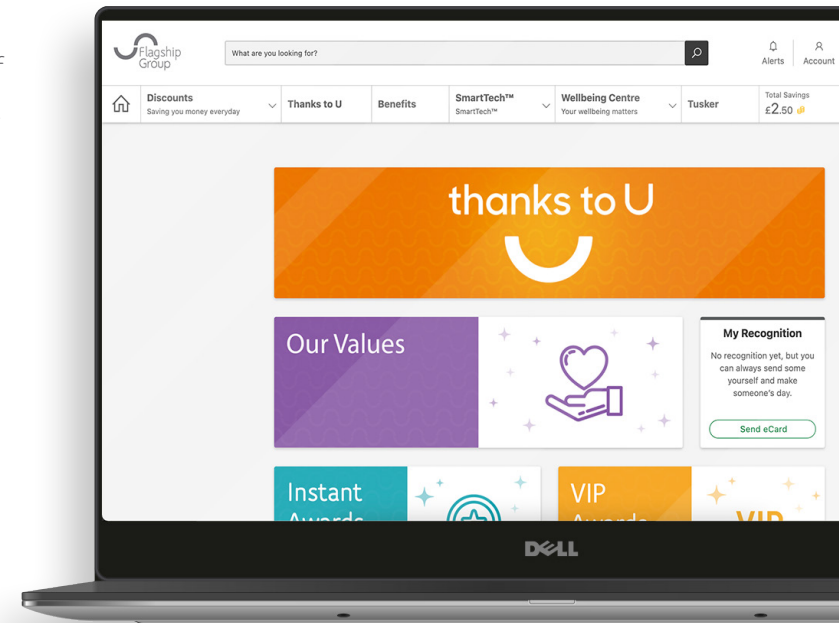
- All roles (including senior posts) are advertised to include flexible working to encourage applications from those seeking part time hours or flexibility in their working hours.
- We ensure a gender balanced interview panel (where possible) to help avoid hiring based on shared bias.
- Job advertisements and job descriptions are now all 'gender decoded' - to remove any gender bias in how adverts and recruitment materials are written.
- We have introduced an Applicant Tracking System which enables applicants to apply for our roles with personal and identifying details removed from their applications, which removes the opportunity for unconscious bias in recruitment decisions.
- We currently use gender-neutral job evaluation tools to ensure salaries are defined and assessed by responsibility and internal and external comparisons to roles of similar discipline.
- In 2021 and again in 2022 we rolled out Inclusive Recruitment training to HR teams.
- We use the real living wage as set by the Living Wage Foundation as the minimum base pay for employees regardless of gender.
- We ensure that those joining our business under TUPE regulations are paid at least the real living wage as set by the Living Wage Foundation.
- We have been involved and supported with targeted female Trade Apprenticeship campaigns to specifically encourage more females into trade roles.
- Across 2022, we are delivering recruitment training to all line managers with a focus on inclusive recruitment and diversity in the workplace.
- To support inclusion, rather than relying solely on a traditional interview approach, we also use skills-based assessments in the recruitment process, where possible.
- We have appointed an Equality, Diversity and Inclusion Specialist to lead, develop and promote our Equality, Diversity and Inclusion strategy across Flagship Group.
- We want to continue to further develop our partnerships with local schools within the Eastern Region to enable us to engage equally with men and women; to address social mobility issues (providing men and women with equal access to our brand and career opportunities).
- All roles are advertised with a salary where possible to ensure transparency and to increase diversity.



Retain



- We have reviewed our Equality, Diversity and Inclusion Policy accompanied by an action plan to include initiatives which will support an inclusive gender-neutral culture.
- We will continue to ask employees what additional benefits they would like to see implemented, via our annual staff engagement survey.
- Reward, Recognition, Promotion and Career Development is based on individual contribution and output and is considered as part of our Talent Management Process with employees.
- We offer flexible working and have a culture of agile working for office-based staff to support work/life balance and caring responsibilities.
- In 2018, we enhanced family leave provisions to support parents whilst they are on maternity, paternity, shared parental or adoption leave, or if they need to take time off for IVF treatment.
- We also introduced Carers Leave, providing paid leave for our employees with caring responsibilities.
- We have implemented an online employee benefits system from April 2022 to enable employees to have greater visibility of and access to the benefits they have available to them
- In October 2022 we also introduced total reward statements, which break down the monetary value of all contractual and discretionary benefits so that our people have insight to the total value of their employment package





Develop

- All new starters complete Unconscious Bias training as part of their induction.
- We will continue to actively encourage men and women to reach their potential by setting them achievable and meaningful objectives within their individual Personal Objectives & Development Plan.
- We have an online Equity, Diversity and Inclusion course focused on educating and raising awareness of intersectional identities and E,D&I at work which all employees are required to complete.
- We will continue to use 'Individual Talent Reviews' and training and development solutions to reduce any skills gaps with individuals and roles, regardless of gender.
- We have a mentoring programme and coaching network available to all to help support and further support career development.
- We have an active group of 'Inclusion Champions' who lead on educating and raising awareness of Equality, Diversity and Inclusion at work.
- We have launched an online guide for line managers giving support and advice across all areas of the employee journey, including ED&I. This will be supplemented with a training programme for line managers.



Review

- We will monitor our gender pay gap bi-annually to track our changes periodically throughout the year to provide an insight as to the impact of our action plan.
- We will monitor the progression of both men and women within the organisation through our talent management framework.
- We encourage colleagues and all new starters to update their personal information on our 'This is Me' form so that we can better understand our workforce diversity and help target any initiatives.

What's next?

We will continue to develop new initiatives to support our actions and over the forthcoming year we plan to set up a Gender Equality Network to support us in assessing our policies and procedures for impact.

We also know that we need to be creative in how we attract women into roles that are traditionally seen as male orientated, and we aim to run more female targeted apprenticeship campaigns specifically to encourage more females into trade roles. We plan to further develop our partnerships with local schools within the Eastern Region to enable us to engage equally with males and females, to address social mobility issues and provide equal access to our career opportunities regardless of gender.

Throughout this year we will also be delivering training to all line managers. The training will focus on key elements of the employee journey including recruitment, induction, performance management and reward and recognition, recognising the importance of embedding diversity and inclusion throughout.

We are passionate about reducing our gender pay gap and will continue to progress with our actions to eradicate the pay gap entirely by 2030.



A message from our Director

Lisa Collen
Director of People
& Workplaces



We are always looking at what more we can do, not only to decrease the gender pay gap but also increase diversity throughout Flagship. It is not only gender where we have taken action to improve diversity, our focus on inclusion is also about creating an environment where everyone should be able to be themselves at work, with the freedom to express who they are. We think that it is essential that everyone should be treated fairly, with dignity and respect. We think that our differences are a strength, not a weakness and that is why we are committed to creating a culture which is inclusive.

We are passionate about continuing to work to reduce our gender pay gap alongside wider diversity initiatives, but are aware that this level of substantial change takes time. Organisations with diverse workforces

perform better. Diversity helps increase creativity, innovative thinking and strengthens employee engagement. Therefore, it is vital that we continue to improve the diversity of our organisation across all levels. In doing so, we will better represent the tenants and communities that we serve.

We are confident that our Equality, Diversity & Inclusion Policy (E,D&I), together with the work of our ED&I Specialist, Inclusion champions, HR team and line managers will enable us to further embed a culture of belonging for our people. Linking our ED&I ambitions with our gender pay gap commitments will provide us with a greater insight into the barriers women face at any point in their career and will

further our understanding in what else we need to do to create a more gender-balanced workforce.

A handwritten signature in black ink, reading 'L Collen'. The signature is stylized and fluid.

Lisa Collen