

Gender & Ethnicity Pay Gap

Report 2023





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Our journey to close the gap

2017-2030

We evaluate and track our gender pay action plan (GPAP) and ethnicity pay action plan (EPAP) 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 pay gap actions will be aligned to our Equity, Diversity and Inclusion policy to elevate our culture from inclusion to one of belonging.

2017-2020

Flagship and RFT reported their gender pay gap for the first time and spent time to understand the reasons for the gap.

Gasway reported their gender pay gap for the first time. We continued to create actions to address and reduce our gender pay gap across the Group, and reviewed our recruitment processes and *Equality* Diversity and Inclusion* (ED&I) policy to support a culture of inclusivity.

*We have since updated the name of our ED&I policy to *Equity, Diversity and Inclusion*, to reflect our commitment to ensuring all employees receive the individualised support they need to succeed in their roles.

2021-2024

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

In 2022 we published our first ethnicity pay gap (EPG) report to be transparent on the work we are currently doing to develop the diversity of our workforce and benchmark where we are now for comparison in future years.

Blueflame transferred into Gasway effective 1 September 2022.

2025-2030

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. We have hit our target to increase our workforce ethnic minority representation to 15%, in line with the communities we serve. We no longer have a gender or ethnicity pay gap.



What are gender and ethnicity pay gaps?

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 of 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.

What is an ethnicity pay gap?

An ethnicity pay gap is the average difference between the hourly earnings of 'white British' and 'ethnic minority' employees, regardless of the role they occupy, as of 5 April each year. It is not the same as equal pay, where white British and ethnic minority employees must get equal pay for the same or similar work.

How is it calculated?

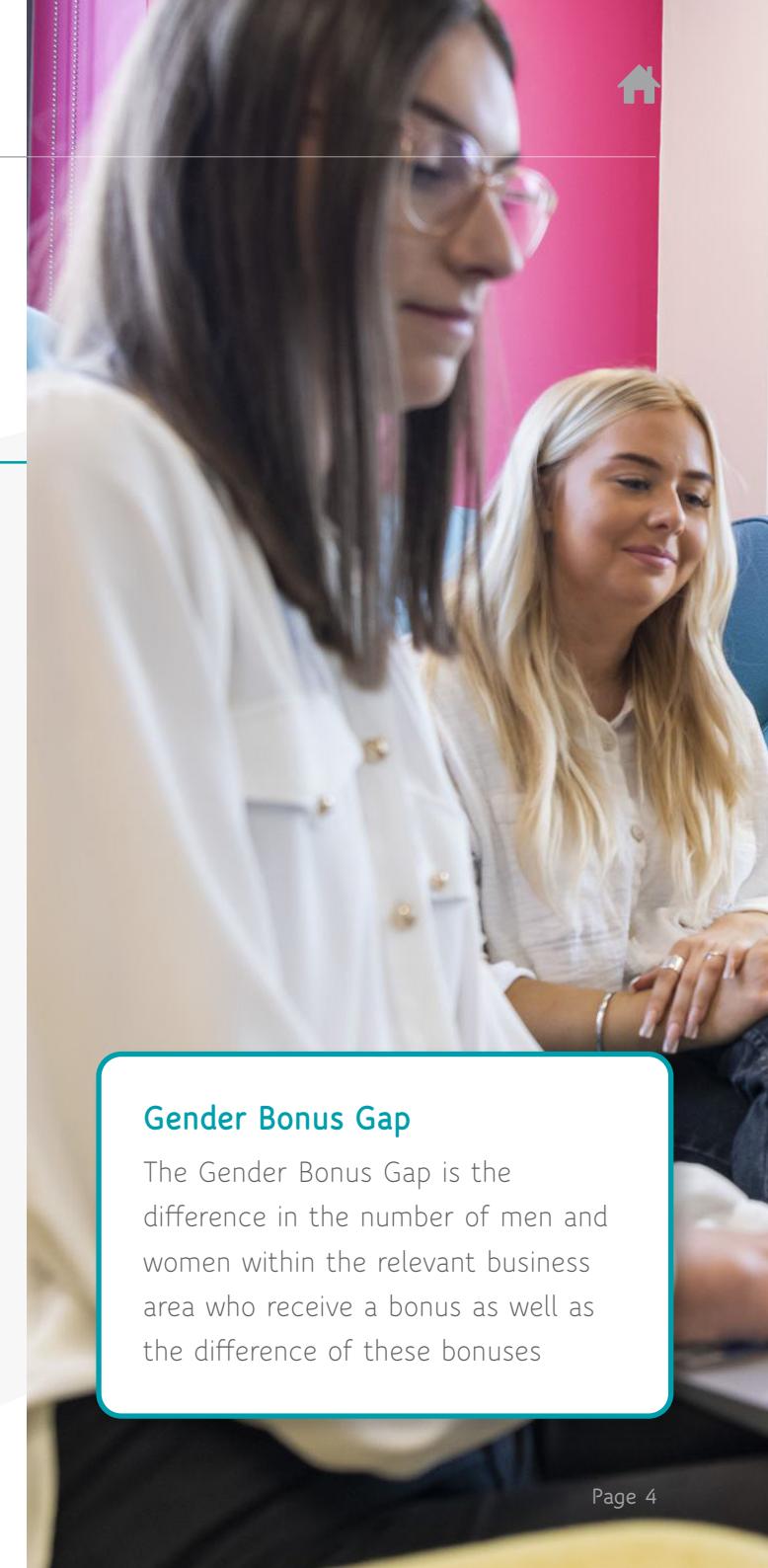
Mean

Mean is the average hourly pay gap either between men and women or between white British and ethnic minority employees (regardless of role or seniority).

Median

Gender Pay: 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.

Ethnicity Pay: Median is calculated by analysing salary data for all employees in the relevant business areas and comparing the middling salary for an ethnic minority employee against the middling salary for a white British employee.



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.

Methodology for Ethnicity Pay Gap reporting

In the absence of any formal guidance for ethnicity pay gap reporting, we have chosen to compare the pay of our white British employees with that of our ethnic minority employees. We recognise the importance of reporting on each ethnic group individually; however, to provide anonymity, we have chosen to publish our figures in this way. Our initial ethnicity pay gap analysis does not include any bonus pay gap insight, which is only relevant to Gasway.

White British

Within this report 'white British' is used to refer to all employees who have self-identified as the ethnic group 'white British' within equality monitoring.

Ethnic minority

Within this report 'ethnic minority' is used to describe all employees who have self-identified as any ethnic group apart from 'white British' within equality monitoring. This includes all other white ethnic groups.

Undisclosed

This is used to refer to any employee who has chosen not to disclose their ethnicity.





Summary: Gender Pay Gap

Any UK company with more than 250 employees is required to publish its gender pay gap report. There is no legal requirement to publish its ethnicity pay gap information but we have voluntarily chosen to analyse this to understand the impact of our work so far and to set a benchmark for future years

This report has been compiled using people data for Flagship Group and Gasway as at 5 April 2023.



Flagship (inclusive of Flagship Services) has seen an increase in both the mean (average) and in the median (middle) hourly pay gaps in 2023. The mean has increased from 3.13% in 2022 to 5.06% in 2023. The median has increased from -5.99% in 2022 up to 8.76% in 2023. These increases are because we have a higher proportion of men in the upper quartiles compared to the previous year.

5.06%
mean hourly
pay gap

8.76%
median hourly
pay gap

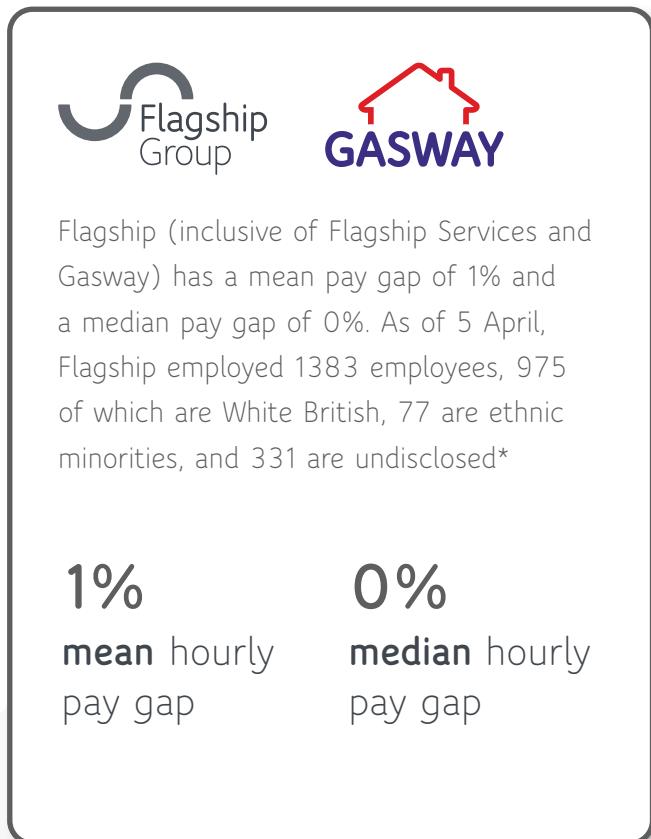


Gasway has seen a decrease in both the median and the mean hourly pay gap for 2023. The mean has decreased from 32.78% down to 25.09% and the median also has decreased from 37.86% down to 35.34%. Bonuses at Gasway have been awarded during this period to 4.76% of women and to 5.73% of men. We have seen an increase in the mean bonus gap up from 36.59% to 92.31% and also an increase in its median bonus pay from -60% up to 71.15%

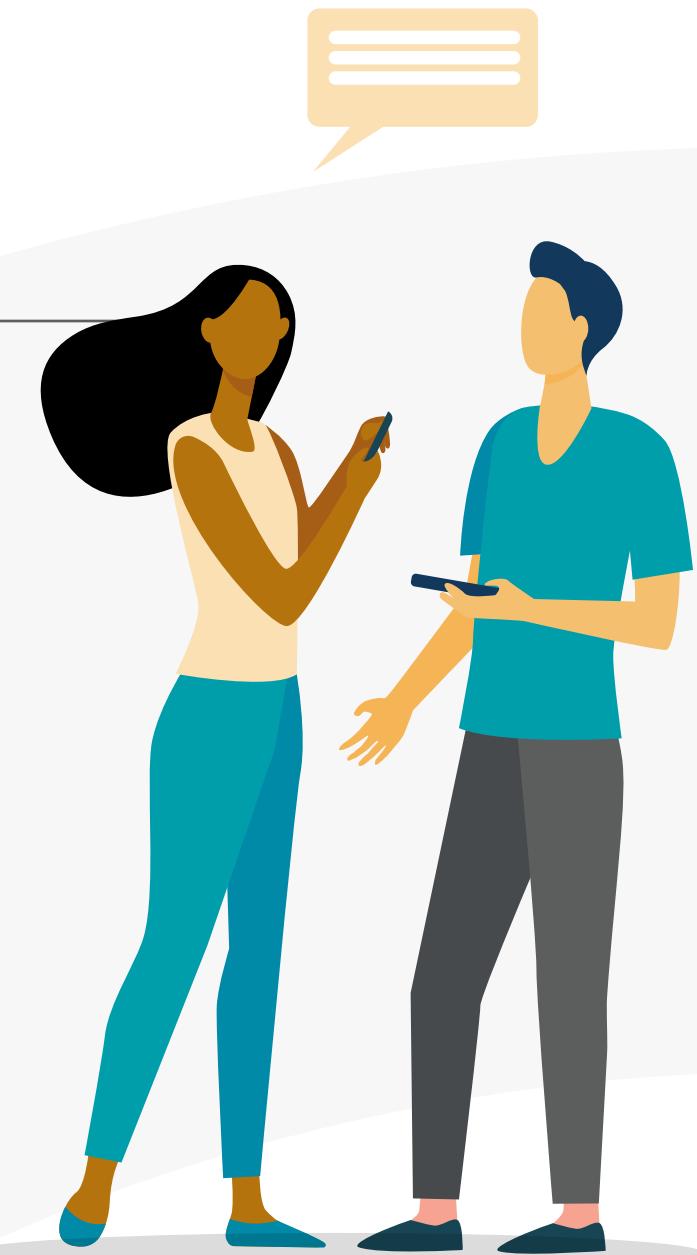
25.09% **35.34%**
mean hourly
pay gap **median** hourly
pay gap

Summary: Ethnicity Pay Gap

The data has been compiled using people data for Flagship Group as of 5 April 2023. Due to the high instance of undisclosed ethnicity data within Gasway, we have chosen to include them within the overall Flagship Group ethnicity pay gap data to ensure anonymity for those who have disclosed data within Gasway.



*Undisclosed ethnicity data currently makes up 24% of all employees across Flagship, which is a 2.4% decrease on last year. Gasway still has the highest instance of 'undisclosed ethnic group' sitting at 80%, due to being on a different HR system to the rest of Group until recently. The salaries of those with undisclosed ethnicities have not been taken into consideration in pay gap calculations but have been included in charts to benchmark where we are currently.



Flagship: Gender Pay Gap 2023

Inclusive of Flagship Services

Our workforce profile 2023

Employees are excluded for reporting purposes if they are not receiving full pay within the relevant pay period

463
Number of women

599
Number of men

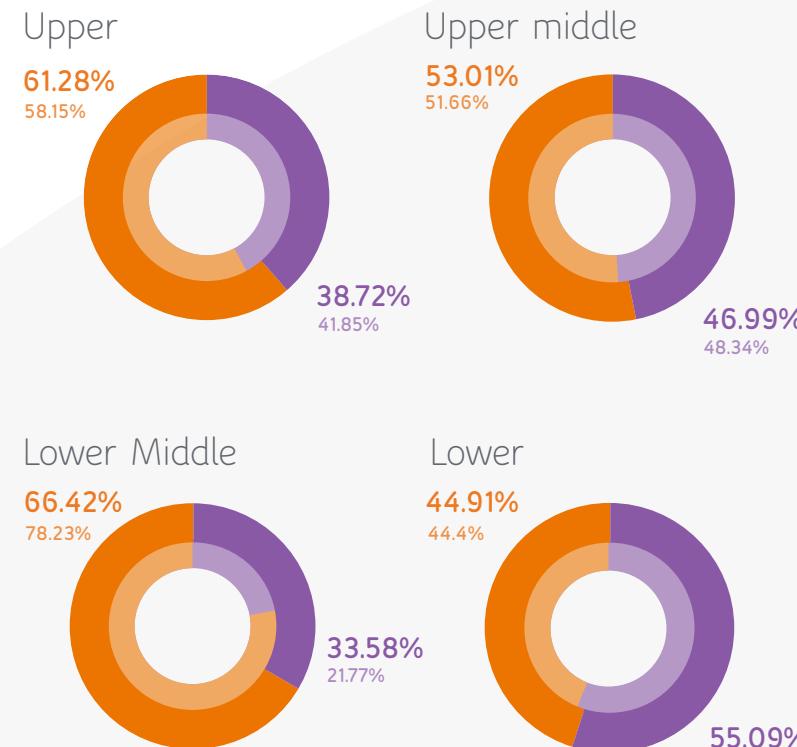
5.06% ▲ 1.93%
(since 2022)
Mean (average) gender pay gap

8.75% ▲ 14.75%
(since 2022)
Median (middle) gender pay gap

Our pay quartiles*

2023 Men Women

2022 Men Women

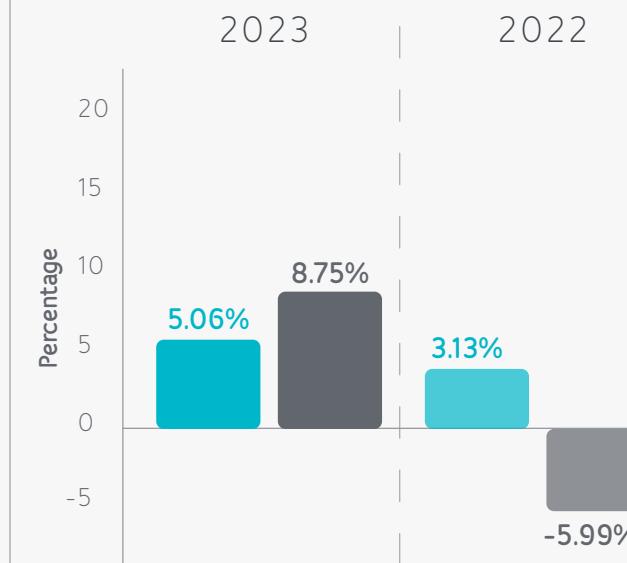


Gender pay gap

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

2023 Mean Median

2022 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: Gender Pay Gap 2023

Our workforce profile

2023

Employees are excluded for reporting purposes if they are not receiving full pay within the relevant pay period

42

Number of women

279

Number of men

25.09%

▼ 7.69%
(since 2022)

Mean (average) gender pay gap

35.34%

▼ 2.52%
(since 2022)

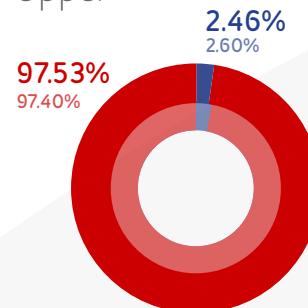
Median (middle) gender pay gap

Our pay quartiles*

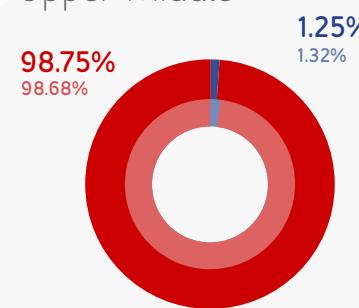
2023 Men Women

2022 Men Women

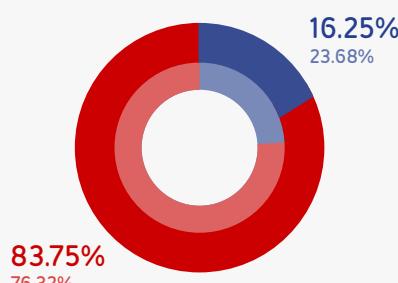
Upper



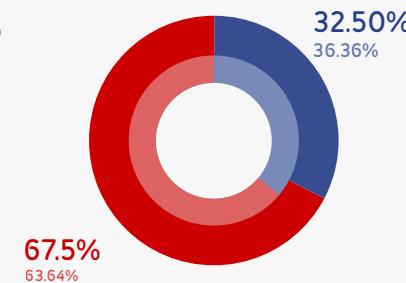
Upper Middle



Lower Middle



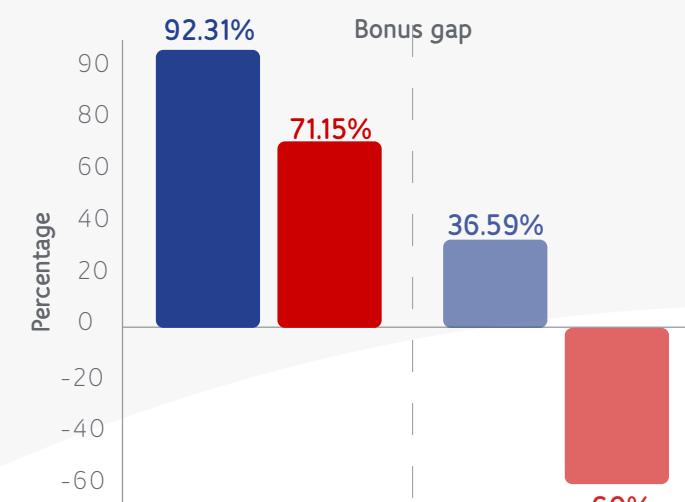
Lower



Gender pay & bonus gap

2023 Mean Median

2022 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.

Ethnicity pay gap results 2023

Inclusive of Flagship Services and Gasway

Our workforce profile 2023

Employees are excluded for reporting purposes if they are not receiving full pay within the relevant pay period

77
Number of ethnic minority employees

1%
Mean (average) ethnicity pay gap

975
Number of white British employees

0%
Median (middle) ethnicity pay gap

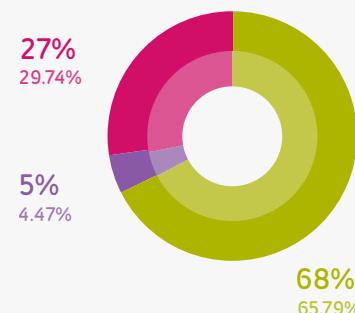
331
Number of employees with undisclosed ethnicity data

Our pay quartiles*

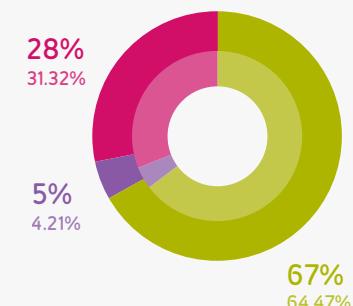
2023 White British Ethnic minority Undisclosed ethnicity

2022 White british Ethnic minority Undisclosed ethnicity

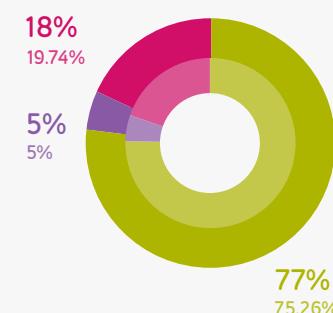
Upper



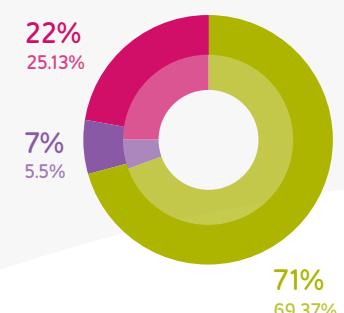
Upper Middle



Lower Middle



Lower



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

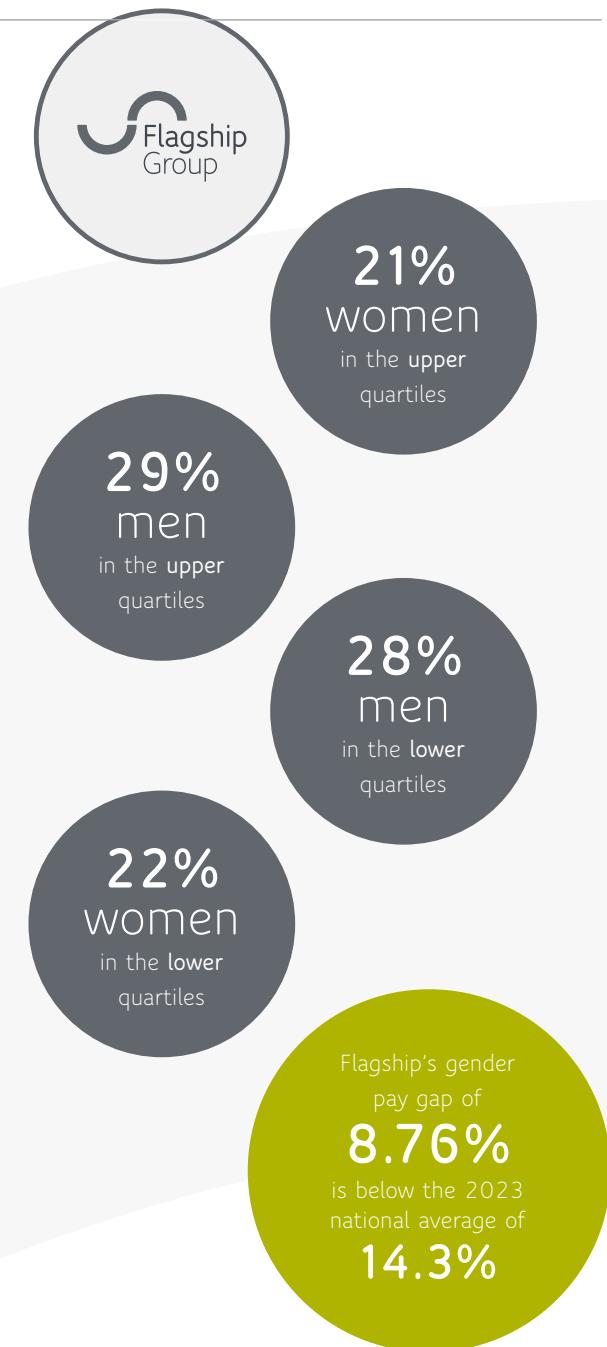
Understanding the gender pay gap

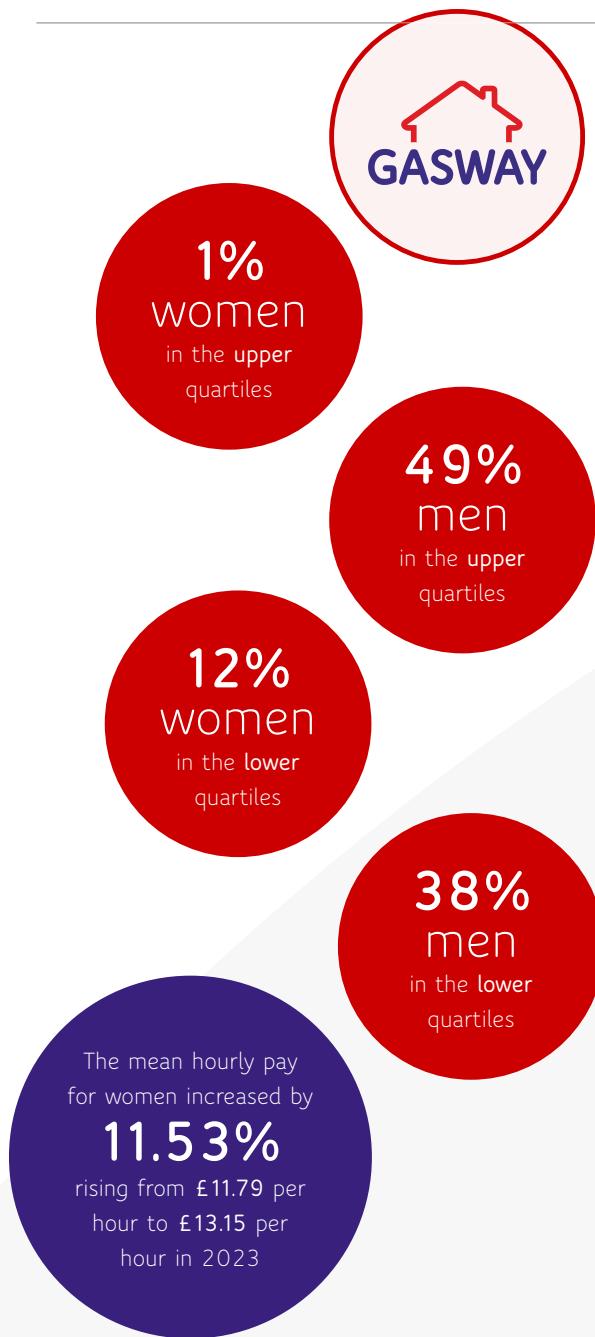
In 2023, the pay gap at Flagship Group has seen an increase in both the mean and median values. The mean pay gap rose to 5.06% from 3.13% last year. Notably, the median gap shifted more significantly from a negative -5.99% to a positive 8.76%. While this marks a change of 14.75%, the actual pay gap only increased by 2.77%, but in the opposite direction now to be more in favour of men.

Flagship Group continues to employ more men than women with 56.4% of the workforce being male and 43.6% being women. The percentage of women that work for Flagship has increased in 2023 by 2.20% and the percentage of men has decreased by 4.77%. This change in makeup of the workforce has impacted the number of women and men in the upper and upper middle quartiles as although we employed fewer men compared to last year, the number of men in the upper quartiles has increased and number of women has decreased.

The most significant change is the percentage of women versus the percentage of men in the lower middle quartile. Men still account for the majority of the lower middle quartile, due in part to the significant number of the trade roles sitting in this quartile. However, women now account for 33.58% in this quartile (an increase of 11.81% on last year's 21.77%) and men account for 66.42% in comparison to 78.23% in 2022.

A further reason for the increase in the pay gap is also due to the starters and leavers through the year with 39% of all leavers being women and 61% men. Men who joined and left the company tended to be in similar pay quartiles. However, there is a notable difference among women: a higher percentage of women left the company from the upper pay quartiles compared to the percentage of women who joined in this quartile.





In 2023, Gasway has made good progress in reducing the gender pay gap, with both the mean and median gaps decreasing. The mean pay gap dropped from 32.78% to 25.09%, while the median decreased from 37.86% to 35.34%. While these gaps still exist, it marks a positive step forward.

To understand this reduction, it's essential to consider the workforce composition. Currently, 87% of the workforce are men (279 employees), and 13% are women (42 employees). Although Gasway's headcount increased by 15 employees, the number of women decreased from 49 to 42, while the number of men rose from 257 to 279. Consequently, the mean hourly pay for men remained relatively stable, increasing by only 0.05% from £17.54 per hour in 2022 to £17.55 per hour in 2023. In contrast, the mean hourly pay for women increased by 11.53%, rising from £11.79 per hour to £13.15 per hour.

The existing pay gap at Gasway arises not from paying different rates for the same work but due to the underrepresentation of women in more senior, higher-paying roles, compounded by the male-dominated nature of the heating

services industry. While short-term change is challenging, Gasway remains committed to increasing representation of women across all pay levels. Currently, men constitute 49% of the upper quartiles, while women make up just 1%, a statistic that has remained unchanged since the previous year.

Regarding bonuses, Gasway has seen significant shifts. The mean bonus pay gap increased to 92.31%, and the median bonus pay changed from -60% to 71.15%. In 2023, 16 men and 2 women received bonuses. The substantial bonus gap can be attributed to historical higher-value bonus payments, which were not extended to new starters and are declining through organic turnover. Additionally, the bonus payments to the 2 women employees were commission-based and comparable to the payments issued to 7 men within the team for the same purpose.

It's important to note that the bonus and commission schemes at Gasway are role-specific, regardless of gender. However, the gender disparity in the workforce means that more men than women are eligible for bonus payments.

Understanding the ethnicity pay gap

In 2023, the pay gap at Flagship Group (inclusive of Flagship Services and Gasway) has seen a decrease in both the mean and median values. The mean pay gap decreased to 1%, from 2.58% last year. The median saw a more significant change, and shifted from 3.08% last year, to 0% this year.

Flagship Group continues to employ more white British employees than ethnic minority employees, with 70.4% of the workforce being white British, 5.6% of the workforce an ethnic minority, and 24% from an undisclosed ethnic group. The percentage of ethnic minority employees has increased in 2023 by 5.5% and the percentage of white British employees has decreased by 6.9%. We have also seen a decrease of 17.9% of employees from an undisclosed ethnic group. We believe these changes are a result of the number of employees who have disclosed which ethnic group they identify as, which can be seen across all pay quartiles.

It's important to note that the high instance of undisclosed ethnic group data within Gasway impacts how accurately we can analyse our workforce demographics in relation to the communities we serve. However, Gasway recognises the need for continued efforts to reduce the amount of undisclosed ethnic group

data and is working towards getting higher disclosure rates throughout the organisation, particularly now that they are on the same HR system as the rest of the Group.





What we have done in the last year

- We have committed to ensuring the imagery and language of our external communications are inclusive and reflective of the communities we serve
- We've taken proactive measures by appointing a dedicated Recruitment Business Partner. Their role is pivotal in driving initiatives aimed at breaking gender stereotypes, encouraging more women to explore traditionally male-dominated roles and vice versa
- We have reviewed our Equity, Diversity and Inclusion policy to outline our anti-racist stance
- All policies are now assessed using an Equality Impact Assessment to ensure we are not negatively impacting anyone from marginalised groups
- We are in the process of launching a risk assessment for employees currently experiencing symptoms of menopause and/or menstrual disorders, and a line manager guide on how to support employees currently experiencing this
- We launched a 'Hate Crime and Anti-Racism Awareness' eLearning module for all employees in 2023 following a series of anti-racism workshops for senior leaders in 2022
- As part of our continued commitment to education, we actively supported Black History Month with a programme of development opportunities
- We have launched three diversity networks to celebrate and educate our teams on disability, maternity, and the LGBTQIA+ community
- We have increased staff training on race and intersectionality* as part of our commitment to achieving the Domestic Abuse Housing Alliance (DAHA) accreditation
- We have trained a group of 21 menopause champions to educate and support our teams on the impact of menopause and menstrual disorders on wellbeing
- We introduced a 'You said, we did' campaign as a result of our annual ED&I survey 'This Is Me' and documented the resulting actions and initiatives
- We have begun work on improving our rates of ethnic group disclosure to get a more accurate idea of how closely we represent the communities we serve, and will continue to do so.

*intersectionality describes the ways in which inequalities related to protected characteristics and other forms of discrimination "intersect" to create unique dynamics and effects

The actions we've embedded

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 our 'Part I Play' statements are now all gender decoded - to remove any gender bias in how adverts and recruitment materials are written
- 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
- The HR Team have undertaken inclusive recruitment training
- We use the real Living Wage as set by the Living Wage Foundation as the minimum base pay for employees regardless of gender or ethnicity

- 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 trade apprenticeship campaigns to specifically encourage more women into trade roles
- We deliver 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 an Equity, Diversity and Inclusion Manager to lead, develop and promote our Equity, Diversity and Inclusion policy across Flagship Group
- We want to continue to develop our partnerships with local schools within the Eastern Region to enable us to engage equally

with men and women and 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, by minimising the chance of pay disparities, increase diversity. We do not ask applicants to disclose salary history to help them negotiate pay on a fairer basis





Retain

- 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 are 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
- We offer 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 offer Carers Leave, providing paid leave for our employees with caring responsibilities.
- We offer an online employee benefits system to enable employees to have greater visibility of and access to the benefits they have available to them
- We have 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 have an online Equity, Diversity and Inclusion course focused on educating and raising awareness of intersectional identities and ED&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 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 Management Training Programme launching in October 2023
- We conduct ED&I refresher training for all employees focusing on the protected characteristics and intersectionality.



Review

- We monitor our gender and ethnicity pay gaps bi-annually to track our changes throughout the year to provide an insight as to the impact of our action plan
- We will monitor the progression of men and women and both white British and ethnic minority employees through our talent management framework
- We will periodically review our progress towards our 'Change the Race Ratio' commitments and share them with the CBI.

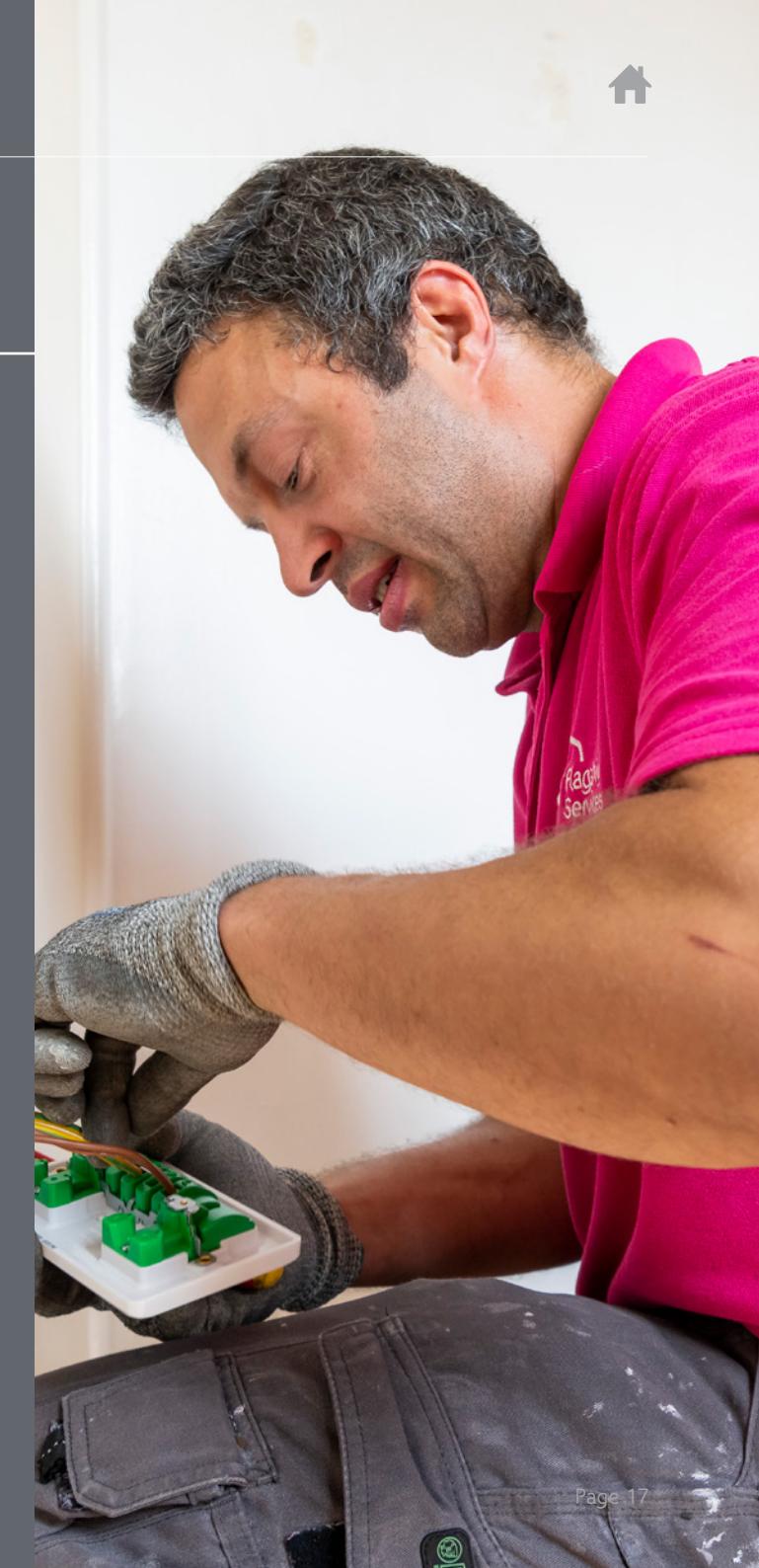
What next?

At Flagship, we recognise that achieving true equity in our workplace requires a multifaceted approach. Our analysis has revealed that the key driver affecting our ethnicity pay gap is the level of disclosure within our data. To gain a comprehensive understanding of our EPG, we are committed to increasing disclosure rates. To achieve this goal, we have streamlined our systems and reporting procedures. Moreover, we've initiated communication campaigns to staff emphasising the importance of disclosure and its role in shaping a fair and inclusive workplace.

Our commitment to diversity extends beyond statistics. We are driving forward our efforts to bolster school engagement and apprenticeship programs, aiming to cultivate a more diverse talent pool within Flagship over time. Additionally, we've taken proactive measures by appointing a dedicated Recruitment Business Partner. Their role is pivotal in driving initiatives aimed at breaking gender stereotypes, encouraging more women

to explore traditionally male-dominated roles and vice versa. We have actively participated in recruitment events within our operational areas, showcasing Flagship Group and Gasway. It's not just about attending these events; we ensure where possible that there are female trade operatives present, breaking barriers and fostering a more inclusive environment.

Over the next year we will be launching three more diversity networks to celebrate and educate our teams on race and religion, gender equity, and social mobility. Furthermore, our commitment to fostering inclusivity is reflected in our training programmes. In 2024, we are continuing our comprehensive Management Training Programme for both existing and new line managers, which now includes a dedicated module on inclusive leadership. By equipping our leaders with the tools to embrace inclusivity, we are shaping a workplace culture where differences are not only acknowledged but celebrated.



A message from our Director

At Flagship, we've embraced the understanding that diversity extends beyond gender and ethnicity. Last year, we took a significant step by delving into our ethnicity pay gap, culminating in the publication of our ethnicity pay gap report. This year, we've taken another stride by merging our gender and ethnicity pay gap reports into one comprehensive document. This amalgamation signifies our commitment to transparency and accountability in our diversity initiatives.

Our dedication to fostering diversity and inclusion at Flagship goes beyond statistics. We are devoted to creating an environment where authenticity thrives, where every individual feels empowered to express their true selves at work. Fundamental to this ethos is the belief that fairness, dignity, and respect should be extended to everyone.

We firmly believe that our differences are not weaknesses; they are our strengths. This belief underpins our commitment to building

an inclusive culture. We understand that substantial change takes time, but we are resolute in our efforts. Embracing diversity fuels creativity, encourages innovative thinking, and increases 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.

Crucially, we are aligning our Equity, Diversity, and Inclusion (ED&I) ambitions with our EPG commitments. This strategic alignment provides us with profound insights into the barriers faced by ethnic minority employees throughout their careers. Armed with this knowledge, we are better positioned to dismantle these barriers and create a workplace where

Lisa Collen
Director of People
& Workplaces



everyone, regardless of their background, thrives.

In essence, our journey toward a more diverse workforce is not just a commitment; it's a pledge to create a workplace where every individual is valued, respected, and given equal opportunities.

A handwritten signature in black ink that reads "Deller".

Lisa Collen