



**GENDER**

**PAY** (DIVERSITY &  
INCLUSION)

**REPORT**

2022

**VITAL**  
ENERGi



## Foreword

The Heat Networks Industry Council (HeatNIC) estimates that there will be up to 35,000 jobs required/created within our sector, with the industry being set to grow from around 3% in the UK to nearer 18% for our heat generation sector. We will need to work collaboratively alongside our industry partners to ensure we meet the demand and skills required.

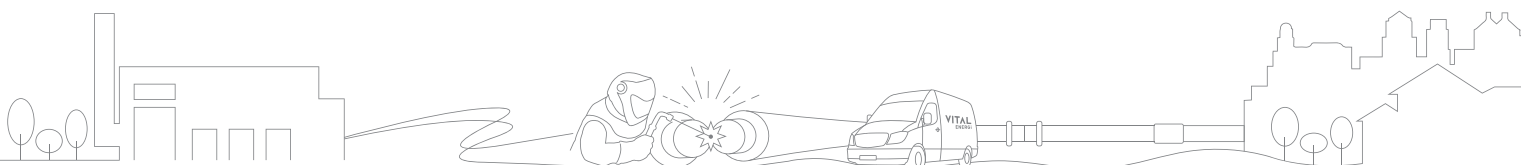


We can only achieve these targets by being an inclusive and diverse organisation. This will not only contribute to our success and enhance our resilience for the future but will also provide an excellent, welcoming and all-encompassing experience for our workforce, as well as promoting better practices within our industry. Vital Energi are and remain committed to encouraging and engaging with individuals from under-represented and diverse groups to join and remain in our industry.

The aim of this report is to communicate our overall Gender Pay Gap figures and statistics allowing us to better understand the shortfalls and gaps within our company, as well as enabling us to focus on identifying improvements to help achieve our overall aim of becoming an inclusive and diverse employer. We work within diverse societies/communities and want to ensure we continue to do so, showing respect, acceptance and commitment to their needs. We also wish to ensure that all individuals working or engaged with Vital Energi feel safe, able and willing to do so without any prejudices, detriment or restrictions.

Vital is my passion but creating a better future for our industry, our future generations, and our planet, is my goal.

**Gary Fielding** | Executive Chairman





## Defining/understanding the terminology:

Since April 2017 under the Gender Pay Gap Regulations all organisations that employ over 250 employees are required to report annually on their gender pay gap. The gender pay gap is defined as the differences in the average earnings of men and women over a standard time period, regardless of their role or seniority.

The data presented in this report represents the gender pay gap for Vital Energi for the snapshot date of 5th April 2022 using our HR and payroll (Sage) records. The Bonus period for the purposes of the bonus calculations is 6th April 2021 to 5th April 2022.

### Median pay gap:

The median pay gap is the difference in pay between the middle-ranking woman and the middle-ranking man. If all parties were placed on two lines (males and females), in order of salary, the median pay gap will be the difference in salary between the woman in the middle of her line and this man in the middle of his line.

### Mean pay gap:

The mean pay gap is the difference between Vital Energi's total salary spend-per-woman verses that total salary spend-per-man. The number is calculated by taking the total salary bill for each group and dividing it by the number of employees employed in the Vital Energi on the relevant snapshot date.

### Calculations:

There are six calculations that show the difference between the average earnings of women and men in Vital Energi.

- 1 Mean (average) gross hourly rate of pay
- 2 Median gross hourly rate of pay
- 3 Mean (average) bonus pay
- 4 Median bonus pay
- 5 Proportion of males/females in receipt of bonuses in the last 12 months before the snapshot date of 5th April 2022
- 6 Proportion of males/females in hourly rate of pay quartiles (four bands)





## What the stats say:

Vital Energi's figures are reporting on 499 full-pay relevant employees on 5th April 2022. Of this population, 84.6% were men and **15.4% were women** (77 females in total). On this snapshot date, our overall mean gender pay gap was 31.4%, with the median pay gap being 39.2%.

### Pay gap data:

MEAN - APRIL 2023

**31.4%**  
(% lower for women)

MEDIAN - APRIL 2023

**39.2%**  
(% lower for women)

### Analysis of this data:

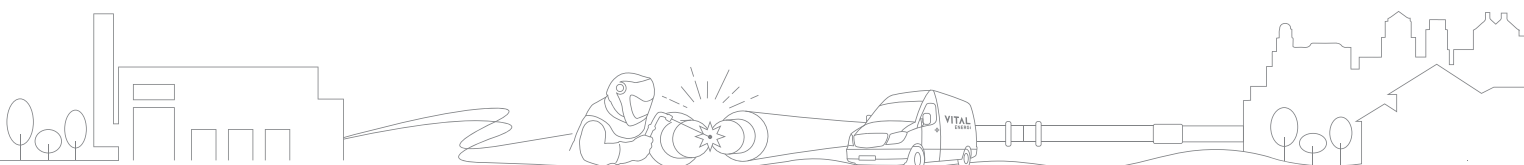
- > In 2021, our figures show that the pandemic, specifically the furlough scheme, had significant impact on our statistics. Due to the construction industry coming to a standstill, it would appear that the stats reflect this fact; with a substantial amount of our male employees, particularly those that were London based, had a reduction in their pay on the snapshot date.
- > Within our support services function, which has a high number of female representatives but reside in the lower quartiles, we implemented various flexible working approaches, which positively supported our results.

Our markets, particularly in the South, have predominantly been in the construction industry. The headcount in the southern functions have seen a reasonable increase over the last 4 years.

As a result of this and the London weighting in terms of salaries paid, this may have also contributed to the median increasing since 2018. Positively though, we have actually seen a slight decrease in the median in 2021 to 2022.

In terms of our Bonus statistics, the following calculations can be shared:

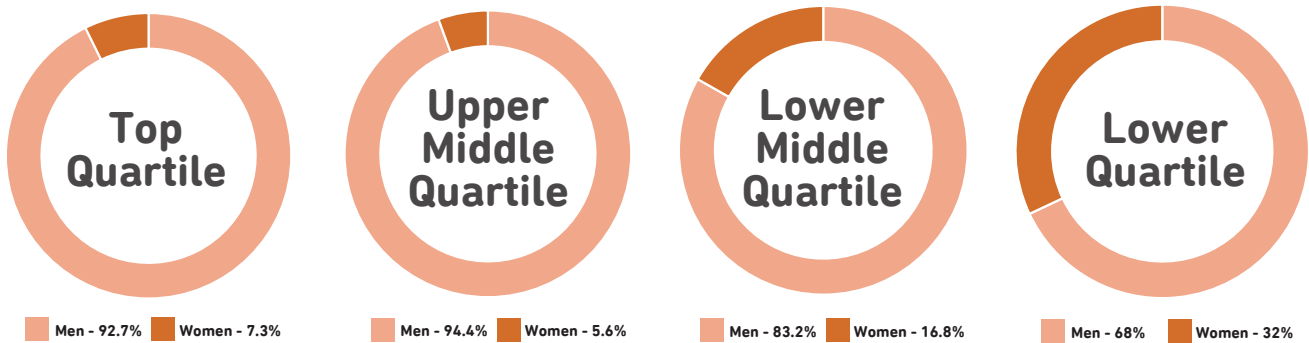
- > Mean gender bonus gap is **69.1%** lower for women (point 3.)
- > Median gender bonus gap is **64.3%** lower for women (point 4.)
- > The proportion of male employees receiving a bonus is **2.9%** compared to **2.3%** of females







Pay quartiles by gender:

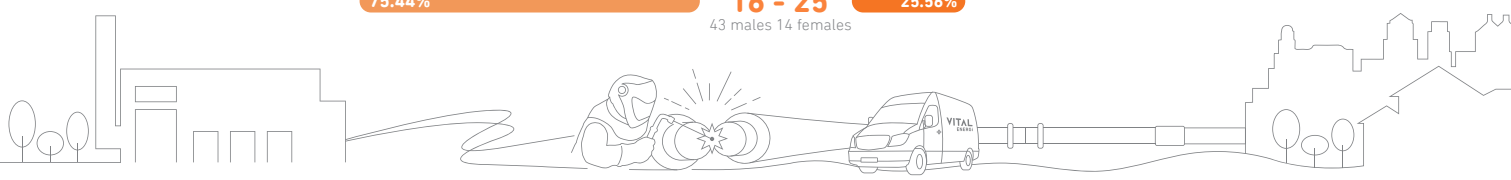
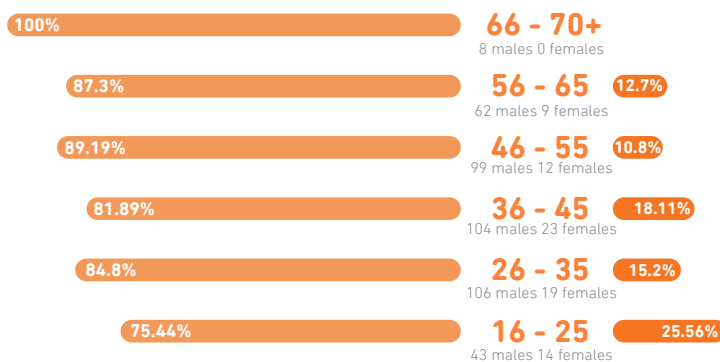


Our biggest notable achievement is the **increased percentage of women**, particularly **in the Top Quartile**, as well as **our Upper Middle Quartile**. With recognition for their ability, commitment and service, it would also appear that our **female representatives within the company are being promoted**. Evidence of these two quartile increases include the appointment of our first **female Board Director**, as well as a number of female employees being promoted internally to 'Heads of' functions within the business.

Bonus payments are being made and it is welcoming to see that the gap in terms of this continues to reduce; with even less men receiving a bonus than in previous years but with **females continuing to be in receipt of a bonus payment**, even seeing a slight increase to last years' reporting statistics.

We know year on year we have not seen the improvements we desired in terms of our males verses females statistics. However, we believe we have and will continue to make inroads in **improving our gender balance**. We are consistent with our growth in terms of employing the number of women verses men; **seeing the headcount increasing across the group year on year**, with the ratio of women **representing a consistent level of 17%** of the overall total number of employees. We see this as a positive impact in terms of our overall growth, particularly in a male dominated industry.

Age profile by age band:



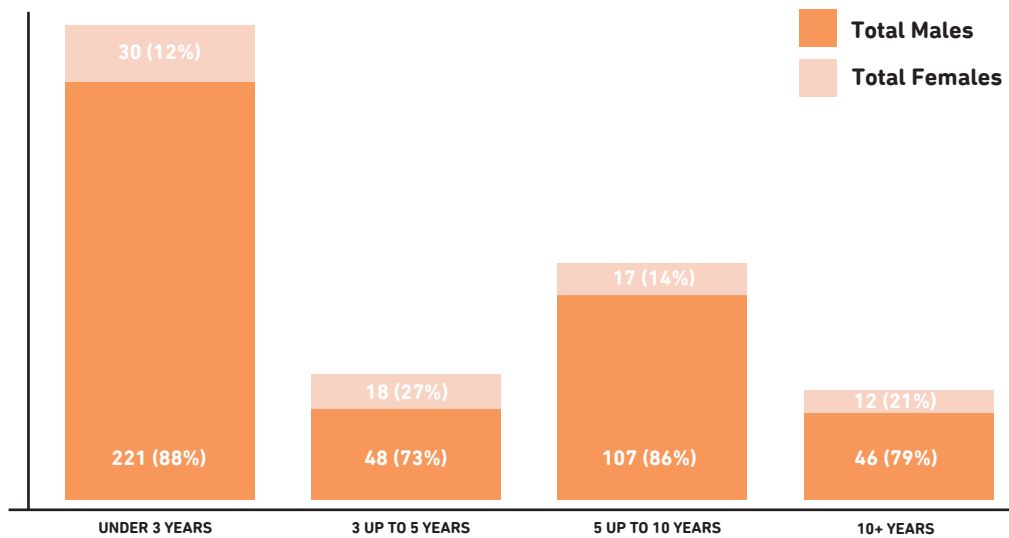


Data provided above shows that our **highest percentage of women reside in the lower age bracket of 16 – 25 year olds**, with a close second being with the age bracket of 36 – 45. This is a positive outcome, as it supports **the initiatives that we are creating in bringing those from outside the predominantly male industry into Vital Energi from an early age.**

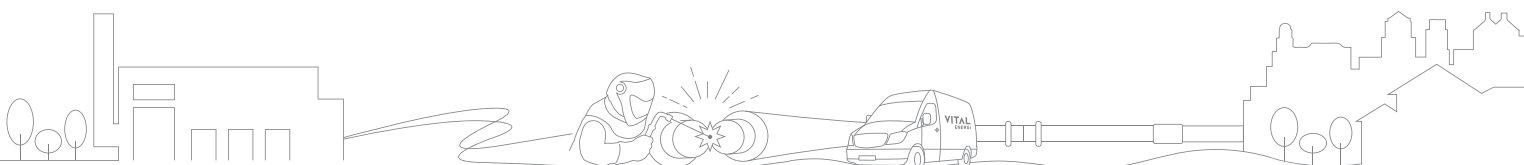
The mean age of our male and female counterparts are at a similar level of just under 42 compared to that of nearly 38 years old retrospectively.

Our median middle-aged female in comparison to their male counterpart both reside in the same age profile bracket of between 36 – 45 years old; again this is positive news.

**Service profile by years band:**



It is positive news that over **1/5th of our employees with over 10 years' service is represented by females**, with over 27% of our employees with 3 – 5 years' service being females. Our aim is to continue working hard on improving the stats in terms of the females entering and remaining in the sector; with a view to increase this ratio to a 75:25 split.





## Closing the gap and making the difference now and in the future:

### Enhance engagement:

- > We are proud to have become one of the key leaders of the Diverse Heat Network which has been established to ensure that the emerging UK heat network sector breaks the barriers and stigma towards under-represented groups, ensuring inclusion is available for all and prejudices are removed from our industry
- > Our employees are encouraged to actively participate in volunteering work. As a means to encourage this initiative, we offer up to 2 days paid leave each year to undertake volunteering or charity work
- > We are offering inclusion and diversity training to all our senior managers and those actively involved within the recruitment process. We will create an inclusion and diversity network working group within the business, enabling our employees the voice to raise ideas, promote two-way communications and drive initiatives for change.

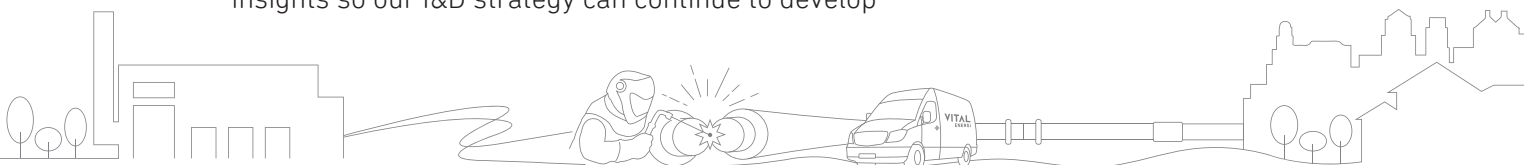


Being part of the Diverse Heat Network is inspiring, motivating, and makes my heart sing.

Gemma Dyson - Proposals Manager

### Listening to our people and our communities:

- > Following such difficult times faced by all our employees during the pandemic, as well as entering the cost-of-living crisis, we have learnt that listening to our employees not only promotes a better engaged workforce but also allows us to learn from their experiences, thoughts and difficulties, to enhance the multi-cultural workforce we crave for
- > We will continue to adopt a 'You said, We listened' approach, collaborating with our employee networks on improving our employment policy design and communication to maximise employee benefit and engagement
- > Where possible we will continue to improve our policies and approaches; we have introduced enhanced maternity leave (including contractual enhanced pay up to 26 weeks) and paternity leave has now increased to 2 weeks full pay
- > Our aim is to gather the views from various demographic groups within the business (Black, Asian and ethnic minorities, people with disabilities, veterans, white female, white male and LGBT+), as well as our communities, to better understand the lives that they live and the drivers they desire. One initiative is to hold workshops to engage with our employees and local communities to enable us to create and understand better insights so our I&D strategy can continue to develop





**Improving wellbeing, flexibility and inclusion throughout:**

- > The wellbeing of our workforce is a priority and we have developed a Wellbeing Policy which sets out our individual aims and objectives; including an annual wellbeing calendar, which will be distributed monthly to all employees, promoting, enhancing and supporting national well-being topics/initiatives
- > Along with our EAP schemes we will provide further supporting advice for our female employees in areas such as menopause, sleep, breast cancer awareness and nutrition, whilst also recognising and supporting the celebration of key events like International Women's Day
- > As well as the 'buying and selling' of annual leave, we have enhanced our annual leave entitlements in line with length of service acquired, in recognition of the commitment shown/gained by our workforce
- > In addition to the fully equipped on-site gym, we now offer benefit rewards, including discounted gym memberships, dental and health assessments, to support and enhance our employee's lifestyle and mindset; even encouraging 'walk and talk' meeting between various employee groups and managers
- > We continue to review our family friendly policies complying with employment legislation and using best practice from within the employment market; working in collaborative and flexible manners to ensure fair treatment for all



**Enhancing our abilities:**

- > Collaborative working is one of our key drivers for enhancing our abilities at Vital Energi. We have introduced various strategy groups, including ESG, Senior Leadership and Inclusion & Diversity, which all positively encourage communication and fair treatment to all at Vital Energi. The recently created a 'Senior Leadership Team' (SLT) embraces teamwork whilst allowing cross functional discussions with the relevant people around our business to address/improve various topic areas including; ESG and Social Values; People and Talent Management, Governance, Marketing and IT Strategy. With a predominantly female-led action group, we believe this is positive move in working towards gender equality and women's empowerment
- > Key members of the Senior Management team will continue to actively support diverse working groups to positively promote and openly support development and engagement initiatives within our industry. We will continue to drive our 'Women in Engineering' initiative, encouraging key speakers to support our employees with the aim of all our workforce becoming 'positive promoters' of gender balanced inclusion and diversity strategies







- > We recognise that in order to create and build a diverse talent pool of future leaders, we need to invest in our 'emerging leaders'. As a result, we have created a development programme which will empower our emerging leaders with the knowledge, skills and confidence needed to effectively 'lead and manage' others
- > Vital Energi are also looking to create a mentoring scheme, which will be offered to all employees, as a means of allowing those who have faced challenges or adversity, the opportunity to guide and support others that may be facing the same or similar experiences in life

**Attracting the right talent:**

- > A real passion of Vital Energi is to actively promote our early careers opportunities. We are now in the third year of our national apprenticeship programme. We will continue to focus on providing apprenticeships, industrial placements and work experience opportunities for all, as well as relaunching our specialised and improved Graduate Programme in 2023

- > In order to challenge the stereotypes in the industry, we have actively promoted the STEM Ambassador network and encouraged our employees to sign up to become STEM Ambassadors. Our ambassadors are working to help young people understand the career options available within the industry. Our aim is to get all levels of our workforce to be actively involved in initiatives such as CV writing, offering interview techniques or giving insights into our industry



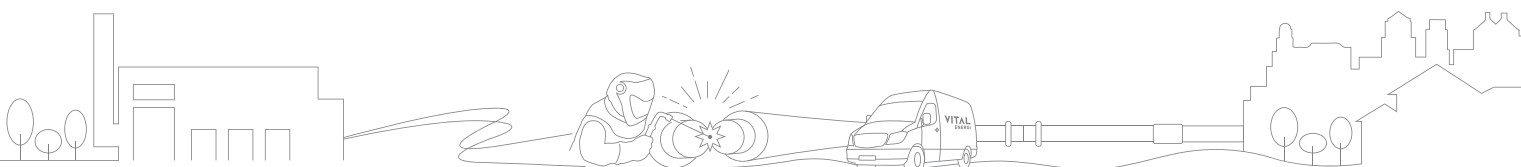
**I believe that our work plays such a major role in the quality of people's day to day life, so it is important to invest into its future.**

Ibrahim Qadir - Technical Apprentice

- > We have also launched our own Climate Education initiative within schools across the UK. We are encouraging all staff to take accountability to open up the energy industry to people from all walks of life to keep the climate change conversation going and encourage, educate, inspire and include future generations to think about the impact they can have



- > We are actively engaging in our exit interview process across all facets of the business to help us better understand why people chose to leave the company. By gathering the views, data and insights, it allows us to determine key reasons for leaving and monitor





differences in overall trends in relation to gender and ethnicity. To ensure positive outcomes are achieved, we will be using these outcomes to inform, educate and guide us for future retention and engagement improvements

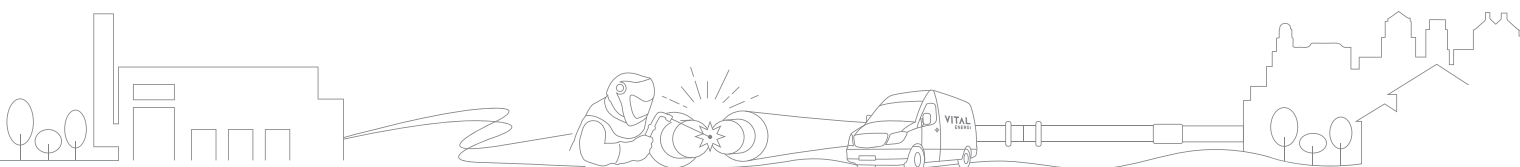
- We will ensure balanced and objective recruitment panels are involved in any senior appointments at Vital Energi. We will further ensure a diverse range of applicants are considered and encouraged at all stages of the recruitment process
- As part of our recruitment strategy improvements, we are also removing all gender references, ensuring unconscious bias is removed where possible, from the CVs we receive and within the information shared with our hiring managers
- We are in the process of introducing recruitment training for our hiring managers, with 'unconscious bias' training also being offered to all managers within the business. Not only will the latter be a positive impact on our recruitment strategy but it will also ensure our employees, clients and communities are always treated in a fair and reasonable manner at all times

### Final say...

This year we have an exciting opportunity in front of us to continue to strengthen our diverse networks and promote positive initiatives throughout all aspects of Vital Energi; from early careers, to positive promotion and active engagement with our under-represented network groups.

As the UK continues on its net zero journey and moves towards a greener future, Vital Energi are keen to continue helping to shape the outlook of our industry, by broadening our demographic and gender diversity; ensuring that these key drivers and principles are at the heart of our recruitment and inclusion and diversity strategies.

We know that the success of our company and the industry that we work within requires a diverse network, full of all individuals with the passion, skills, and talent to make the necessary and continued changes for improvement. By investing in the right tools, embracing training, and generating initiatives, we know we can create an inclusive, supportive, and innovative environment for our employees, our customers, and our communities to grow. We will empower all and engage throughout, to ensure we evolve to the best of our abilities.





We support the UK Government's initiative on gender pay reporting and are prepared to push our targets of our leadership team to improve within the below parameters over the next 3 years:

- > Increase the number of females in our senior leadership population (i.e. top quartile) and middle management population (i.e. upper middle quartile) to exceed 20% by 2025 (currently just over 12.5%)
- > Increase the number of females in our lower quartile population to exceed 45% by 2025 (currently just over 32%)
- > Increase our overall female representation within construction related roles/responsibilities. Although we are already working towards this, our view is to increase the headcount in this area of expertise to make a more balanced approach of no less than 4:1 ratio split in the next 3 years

Although we still have a way to go in achieving a balanced gender parity, our progress over the last 4 years provides a positive outlook and promotes the fact that our actions and goals are making the right differences.

We can confirm that the information and data provided within is accurate [27th March 2023].

