

Certas Energy

2020 Gender Pay Gap Report



Our 2020 gender pay gap report

From April 2017, all UK organisations that employ in excess of 250 employees are required by law to report annually on their Gender Pay Gap. The Gender Pay Gap is defined as the difference in the average earnings of men and women over a standard period of time, regardless of their role or seniority.

It is our desire to be an Employer of Choice and attract and retain the best talent with diverse backgrounds and experiences. Therefore, we fully support this requirement and have continued to focus our efforts over the last 12 months on both improving the gender balance and empowering all colleagues to achieve their full potential.

Report Demographics

Whilst 2020 was an unprecedented year and had many consequential impacts on the economy such as furlough, it is important to note the following when reviewing this report:

- The data in this report was captured in April 2020
- This was before the impact of furlough

We expect that the narrative of the next Gender Pay Gap Report will be altered and will need further detail on the impact of the pandemic. However, for the benefit of this year's report, we do not need to acknowledge this in our results.

Our gender ratio: This report uses a population of **2,317** employees of which there is a **69%:31% split** (Male:Female).

The results are characteristic of the industry that we operate in i.e. Oil, Gas and Logistics, which is predominantly male dominated. Roles, such as Drivers and Heating Services Engineers, which makes up circa 40% of our workforce are particularly male dominated. These roles also typically struggle to attract women, however, we do currently have 3 female Tanker Drivers and 1 female Heating Services Engineer.

Findings

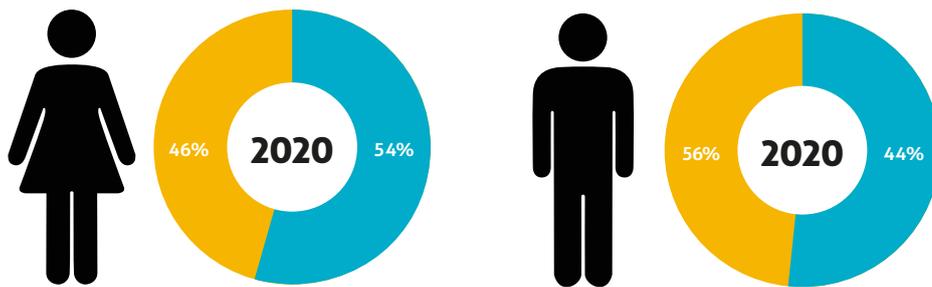
Our overall gender pay gap of 19% remains in favour of men and has increased marginally by 1%, which broadly aligns with the dominant gender in the highest pay quartiles (D and C).

We have seen a 4% increase in the median hourly gender pay gap.

Our Drivers terms and conditions are negotiated through a collective process with our union partners which resulted in pay settlement covering 2019 to 2022. As our Driver workforce is a large percentage of our employee headcount, this has resulted in the marginal increase.

	Mean		Median	
	2019	2020	2019	2020
Gender pay gap (hourly fixed pay)	18%	19%	20%	24%
Gender bonus gap	33%	26%	-27%	-10%

Bonuses



Key

- Received a bonus
- Did not receive a bonus

Gender bonus gap: Positively, we are pleased to report that the gender pay gap has closed by 7%

The gap was largely affected by bonuses across the business.

To summarise:

44% of male population received a bonus

54% of female population received a bonus

Although the number of females receiving a bonus has decreased by 1%, the average bonus received by the female population increased by 23%.

In addition, the number of males receiving a bonus decreased by 14%, however the average bonus received by males increased by 10%

We continue to have more men in senior higher paid roles.

Bonus payments continue to be based on achievement of key performance metrics and objectives and we are confident that men and women in the scheme are treated equally where their roles are at similar levels.

Pay quartiles

DETAILS	TYPICAL ROLES	MALE		FEMALE	
		2019	2020	2019	2020
Band A (lowest)	Admin, Telesales and Retail	34%	31%	66%	69%
Band B	Drivers, Sales	82%	80%	18%	20%
Band C	Drivers, Support functions and 1st line Supervisor / Manager	86%	89%	14%	11%
Band D (highest)	Support / Management	77%	75%	23%	25%

The above table illustrates the gender distribution at Certas Energy across four equally sized quartiles ranked from lowest hourly rate to the highest hourly rate. Each quartile represents 1/4th of the total workforce and their “mean” actual pay as it stood in April 2020.

Observations:

- Band D:** This is the highest pay band. The number of males in this band has decreased by 21% and the number of females in this band decreased by 12%. Overall, this has resulted in an increase of 2% of females mean actual pay.
- Band C:** The gap has increased in this band due to the Driver's pay increases. The number of females in this band has decreased by 36%.
- Band B:** Some of the higher earners in band B have moved into band C. This is due to the Drivers pay increase. In turn, this has led to the lower earners of band C moving into band B. This group were predominantly female.
- Band A:** Approximately 70% of the population in band A are retail workers and are predominantly female.

So what have we done...

We are committed to ensuring that our people practices continue to focus on how best to remedy the existing gender pay gap. One of the benefits in preparing the Gender Pay Gap Report is presenting the opportunity to analyse the data and our business demographics to highlight any disparity in pay.

Inclusion & diversity at Certas Energy:

We strive to attract more females into our business, particularly into the more male dominated roles and are reviewing our agenda to put this into effect.

We have positively encouraged Flexible Working opportunities in our recruitment and selection activity and partnered with providers that cater specifically for the parent population. We have also invested in exploring diverse talent pools through our Apprenticeship programmes.

A number of women have also been appointed or promoted to senior roles and we are committed to continuing with this trend. As at November 2020, 36% of our Senior Leadership Team is female.

Women comprise 42% of the cohort on our Management Apprenticeship programme and 31% of our Leadership Development cohort.

The reward principles that we have developed and apply over the last few years are designed to control potential biases and to ensure equitable pay and reward regardless of gender. We continue with a meritocratic based reward philosophy based on achievement underpinned by the HAY methodology.

In addition to the above, we are proud to introduce our commitment to Inclusion and Diversity at Certas Energy. In August 2020, Managing Director, Steve Taylor issued a commitment statement to our colleagues to make Inclusion & Diversity a key agenda at Certas Energy. As part of this, we have now recruited a team of I&D champions from across the business. Part of our strategy will be to assess and discuss the findings of the published Gender Pay Gap Reports.

How will we continue addressing the gap?

More work is needed to bridge the gap in pay between men and women. We are also aware that this requires a long term investment of time, commitment and resources. The difficult demographic of the industry that we operate in and the challenges around attracting and retaining women particularly in management roles must be acknowledged.

We value the benefits of having a diverse workforce and our strategy continues to focus on embedding a High Performance culture.

We are committed to achieving a better gender balance at the middle/first line leader level and providing and promoting more opportunities for women in the workplace. We will continue to work with our partners to ensure that we are targeting women particularly in specialist and senior roles and in areas of under representation such as Drivers and Heating Services.

We also commit to women having proportionate representation in our Talent and Development programmes and will recommend the use of a 'Balanced Shortlist' for recruitment in roles above a certain grade to encourage more diversity of experience.

As part of our HR strategy, we are focused on Workforce Agility and will continue to promote our Flexible Working policies and encourage our leaders and workforce to consider non-traditional working arrangements and methods.

We will continue to champion meritocratic reward and pay principles that have been developed over the last few years and are designed to ensure equitable pay and reward regardless of gender. We have also developed a standard approach to job sizing using the Hay methodology which provides us with a framework of reference for pay and reward.

We will continue to undertake regular analysis and monitoring to understand the impact of these initiatives.