

Gender Pay Gap Report 2021



About us

Northern Powergrid manages the electricity distribution network that powers everyday life for 8 million customers across 3.9 million homes and businesses in the North East, Yorkshire and northern Lincolnshire.

Our distribution business comprises two licensed entities: Northern Powergrid (Northeast) plc ("Northeast") and Northern Powergrid (Yorkshire) plc ("Yorkshire"). The Northern Powergrid group* also operates Integrated Utility Services which offers turnkey engineering solutions to its customers, across the UK and Ireland, and CalEnergy Resources which participates in upstream oil and gas projects in Australia, Poland and the UK.

* The Northern Powergrid group comprises Northern Powergrid Holdings Company and its subsidiaries, and includes the following employing entities: Northern Powergrid (Northeast) plc, Northern Powergrid (Yorkshire) plc, Northern Electric plc, Integrated Utility Services Ltd, CalEnergy Resources (UK based employees only) and IUS Ireland.

Powering our lives, communities and careers

As a business, our workforce needs to grow as we develop new capabilities for our customers and manage the energy systems of today and tomorrow.

Our people are at the heart of delivering for our customers and the region we serve every day. We want to continuously develop our workforce; improve the experiences we create and open up opportunities as part of our ongoing commitment to meet the current and future needs of our people.

The North of England has a rich industrial heritage, which our company is proud to be part of. Times have changed, and as industries have disappeared and new ones emerged through a growing green economy, we are pleased to continue to be one of the larger employers in our region.

Our responsibility as a major investor into the region and one of the leaders in its journey towards net zero emissions creates an exciting opportunity for us to increase our pace for creating an increasingly diverse, skilled and resilient workforce. This enables us to provide alternative and new career opportunities to those with transferable skills or seeking a career change, in a region that has known more than its fair share of challenge in terms of job creation and socio-economic disadvantage.

Societal views around what employees, prospective employees and customers expect from an employer continue to change. Today there is widespread recognition that diversity, equity and inclusiveness are essential for high-performing teams, and we want more and more people to see Northern Powergrid as a place of opportunity.

That's why we're committed to taking targeted action to remove barriers and attract and retain colleagues from underrepresented groups in the region. This will include a particular focus on increasing the number of women and people from ethnic minority backgrounds, particularly within technical, engineering and leadership roles.

The requirement for gender pay gap reporting is one of the practical changes that has happened. It shines a spotlight on women's historically lower participation in higher paid roles in our sector and helps us to set plans to combat this. This is the fifth year of reporting our gender pay gap figures and our results continue to reinforce the importance of diversity in the workplace.

Increasing representation is critical, but it is only one side of the equation. Creating an inclusive environment where there is space for everyone is just as important. We will continue to take action to create a workplace where all our colleagues can be themselves, have access to opportunities and are able to share their diverse backgrounds, skills and expertise.

We know there is a lot of work to do, and it will take time. Our demographics today are a reflection of industries which have historically been supported by workforces that were limited in both gender and ethnic diversity. The factors that led to this outcome are complex and quite deeply embedded in society, and we acknowledge that we will need to take positive action to broaden the makeup of our workforce, if we are to see this balance move in a meaningful and lasting way.

We are committed to addressing this challenge as the prize is a significant one. Our teams will be stronger, our workforce will better represent the region that we serve, our employees will be better engaged, and we will be better placed to meet the differing needs of the communities and customers we serve.



Our commitment to improving Diversity, Equity and Inclusion within our business

As part of our business plan for the 2023-28 regulatory period, submitted to our regulator in December 2021, we have set out the importance of having talented, dedicated people to help us deliver our ambitions to create a green energy future for our customers and the region.

We have been clear about how we will develop a modern, diverse high-quality, well-trained workforce fit for the future and in so doing, we will attract and recruit from the broadest range of people possible, thereby opening up the range of skills we can access as an organisation.

We will upgrade our people processes to ensure that we are able to attract talent from a broad spectrum of applicants through our recruitment campaigns, and identify the right skills, potential and raw talent in the selection process. Our 2021 Diversity, Equity and Inclusion Plan provides firm foundation for us to be an employer of choice with as broad a range of talent as possible.

To further expand the possible feedstock for our future workforce, we will also continue to promote opportunities to girls studying Science, Technology, Engineering and Maths (STEM) subjects at school to ensure we have access to the full spectrum of talent to support the delivery of decarbonisation.

Decarbonisation and the progression towards an increasingly smart, digitalised and connected energy system opens up more opportunities to upskill, develop and progress with us. We must ensure these opportunities are accessible to all and that we take targeted actions to remove any barriers that may prevent that.

We want colleagues to be confident to take these opportunities. To do so we are reviewing how we can provide more flexibility in our working practices and roles for all employees as they seek to balance work-life commitments.

In doing so we aim, particularly, to reduce the likelihood that caring responsibilities negatively impact progression in the workplace. Statistically this is more likely to fall to women and therefore disproportionately impacts women's advancement opportunities.

However, we recognise that this can impact any colleague and we are committed to greater flexibility to enable progression for all colleagues.

We continued to rollout our 'Building Inclusive Teams' workshops which trailers the concept of unconscious bias and discusses the importance of inclusion and diversity.

We are also strengthening our training programme with implicit bias towards e-learning training module deployments working alongside partners to develop 'Equipping Bystander' training as well as 'Inclusive Language' e-learning.

Furthermore, throughout 2021 we have continued to survey our colleagues to ensure our 'colleague voice' informed our diversity and inclusion approach and actions.

That's why, following feedback from a number of colleagues, we set up a project group to help us improve the Personal Protective Equipment (PPE) and workwear that we provide for all of our colleagues so that they can come to work feeling comfortable and confident to be themselves in their workwear.



Working in partnership

Our established working partnerships with technical colleges such as Gateshead, Tynemet and Bradford, and participation in a national skills drive through the Energy and Utilities Skills Partnership, continues to enable collaboration between the education and training sectors and employers.

We also continue to actively help colleges in the communities we serve deliver maths and electrical engineering courses which are directly applicable to positions that we'll be recruiting for in the years ahead.

As a member of Women into Science and Engineering (WISE), which campaigns for gender balance in science, technology and engineering, we have continued to look for opportunities to share expertise and knowledge with other businesses, where possible, and access best practice in engaging women into engineering roles despite 2021 proving to be as challenging as 2020.

We believe this work will help contribute to us attracting, retaining and developing a more balanced technical and engineering workforce that reflects the different communities we serve now and in the future.

We also continue to be involved in Women's Whole Energy Systems Research and Industry Network (Werin) – a collaborative, interdisciplinary and cross-sector initiative that provides networking opportunities and professional support to women in the sector and shows the positive impact that women bring to the energy sector.

By working with schools and key partners to make science, technology, engineering and maths (STEM) subjects equally attractive to school age pupils of both genders

and working with the higher education sector to better market technical and engineering courses to all school leavers, we can play our part in encouraging a more diverse energy sector.

Despite the ongoing global Coronavirus pandemic significantly limiting our ability to engage directly in schools, we have continued to look for ways to be a force for good.

In 2021 we teamed up with Solutions for the Planet and sponsored its Central Belt Scotland and North England Big Ideas Competition Regional Finals.

The Big Ideas Programme encourages creative thinking and teamwork and develops STEM (science, technology, engineering and maths) and wider employability skills as well as giving young people a voice in the dialogue around sustainability and linking their ideas to the UN's Sustainable Development Goals.

We were proud to help inspire and encourage young people to develop their STEM skills and have innovative ideas about how to get to net zero and make the world a better place.



Northern Powergrid colleagues Cathryn Harper and Justin Elliott at careers fair at Sirius Academy West, Hull.



Our approach to reporting

The data provided in this report has been collated and audited and is in accordance with regulatory requirements.

In addition to presenting data for each of our companies which have more than 250 employees (Northeast and Yorkshire), we have chosen to include data for all UK based employees within the Northern Powergrid group – which looks at our company in aggregate.



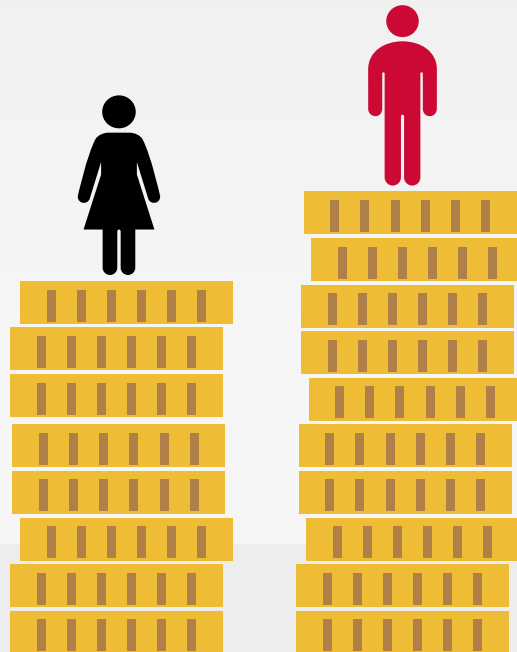
The gender pay gap

The mean gender pay gap shows the difference in the average hourly pay rate between men and women in an organisation.

The median gender pay gap is calculated by grouping employee numbers by gender and ordering highest to lowest the hourly pay rates for each of the respective genders.

Following this the middle figure is selected for each gender and compared.

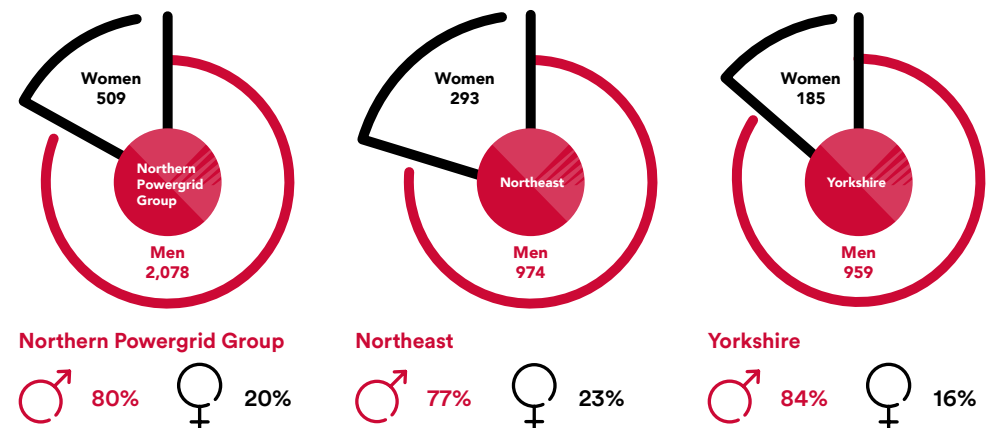
The difference between the average earnings of men and women.



Our people today

We have historically attracted a higher proportion of men than women into more highly paid technical roles and the reverse is true in respect of administrative roles, which are generally at the lower-paid end of the spectrum.

The Northern Powergrid group, as a business with a large engineering and technical workforce, aligns closely with overall UK labour market demographics for the sector and the overall UK position that fewer women have previously taken science, technology, engineering and maths subjects as part of their education and future career path.



Powering careers

Having set out to create 1,000 new opportunities in our region between 2015 and 2023, we are pleased to pledge our commitment to creating a further 1,000 new jobs between 2023 and 2028, firmly solidifying our position as a key regional employer.

Facilitating decarbonisation is driving a significant increase in our workload and broadening our skills requirements, principally through the upscaling of our network investment programme and building our teams in readiness for a transition to Distribution System Operation functions.

We need to create new job opportunities to meet the needs of our customers and the demands of creating and managing the energy systems of the future.

Through the attraction, recruitment and selection of talented people into these new roles; and a strong focus on workforce resilience, we will welcome new talent to our business as our older and most experienced colleagues prepare to retire.

As a founding member of the Green Jobs Taskforce, we have pledged our commitment to help West Yorkshire's Mayor get the region ready for a low carbon future. As part of the Taskforce, we will work in partnership to create job opportunities that support upskilling, reskilling and multitasking to create a stronger, diverse talent pool that helps the region prosper and local people reach their career potential.

Nationally we have also demonstrated our commitment by becoming a signatory to the national 'Energy Networks Diversity, Equity & Inclusion Charter', and actively play our part in helping attract, retain and support a more diverse and inclusive UK energy sector.



Inspiring future generations and energising new careers

In November 2021, we launched a new apprenticeship recruitment campaign to help showcase craftsperson and power engineer roles to a more diverse range of people, including those in underrepresented gender, ethnic and socially disadvantaged groups.

As part of the campaign, we sought to inspire more people to consider a career with us and used social mapping data to ensure our digital adverts were shared in underrepresented communities across the communities we serve.

To reach different audiences we used Google Ads, Facebook, Twitter, Instagram and Snapchat. We also shared news about our active campaign with 2.6 million of our customers as part of a wider email campaign.

The campaign, and our Workforce Renewal programme, has also been enhanced through improved recruitment and selection processes and interview support. Plus, an ongoing programme of local engagement with schools, colleges and local community groups has started, to engage future generations on career pathways and the opportunity to be part of creating a greener energy system.

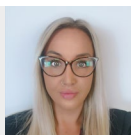


Powering women in engineering

We welcome seeing more women coming into our entry level technical roles – our challenge is to continue to support them, help them to create rewarding careers with us and encourage more to follow suit in the future and consider us as an employer of choice. We know that powering careers has to be a combination of bringing new people into our business and creating opportunities for existing colleagues to develop or explore new opportunities whilst contributing to our business. Our colleagues Rachael Mill and Clare Roberts are positive examples of how we are achieving this.



Rachael Mill
Control Engineer



Rachael joined Northern Powergrid five years ago as a trainee and works as part of our team of engineers who manage our High Voltage and Extra High Voltage electricity network.

As guardians of this vital part of our network, her work entails actively monitoring it to ensure the region's electricity distribution system operates safely.

Rachael switches live electricity through alternative routes on our network so our frontline teams can carry out planned maintenance and investment work safely.

As a qualified Control Engineer, Rachael also has a key role in fault situations, making vital decisions that help get customers back on supply in a power cut as soon as possible.

After working in a number of roles after leaving school and having a family, Rachael decided to return to education. She started out doing a Teaching and Special Needs qualification but soon realised this was not for her so decided to change to Mechanical Engineering and an HNC in Electrical Engineering where she achieved distinctions in every module.

Rachael said: **"Thanks to Northern Powergrid presenting at my college, I got an insight into the opportunities and decided to go for it. I have never looked back."**

"As a Control Engineer, I work shifts which means I can balance being a full-time working mum with school-age children and help power people's everyday lives."



Clare Roberts
Connections Input Services Operations Manager



Clare Roberts joined Northern Powergrid more than 30 years ago as a Clerical Trainee and went on to hold a number of administrative roles before venturing directly into the world of engineering where she has worked for the last 25 years.

With our support, Clare received the training she needed to become a Design Technician then a Design Engineer, which included creating parts of our Extra High Voltage network.

Clare is a former IET Young Woman Engineer of the Year award winner and more recently she was project lead for our award-winning AutoDesign tool which enables customers to get free budget estimates and see the best locations to connect to our network.

This tool is key to supporting customers and local authorities looking to connect EV charging points to our network and supports the region in achieving net zero.

Clare is passionate about encouraging diversity in the energy sector and has dedicated time to volunteer to talk with pupils about engineering.

She knows that helping plant the seeds about future career opportunities is not just personally rewarding – it can help inspire more female students to choose engineering in the years ahead. In her current role, Clare leads a team of technical and non-technical colleagues to ensure effective competition in the market for new electricity connections.

Speaking about her career journey Clare said: **"I have been supported at work to progress my career which has helped me fulfil my potential. In return this investment in me has benefited Northern Powergrid and the services we provide for our customers."**

"Diversity in the workplace is key. It increases employee morale and instils a desire to be more effective and work more efficiently as part of a bigger team. Different people bring different skills to the table which is good for the company and for individual learning. Engineering has helped bring STEM subjects to life and with climate change and major developments in creating a greener energy network, it's a really interesting time to join our sector."

Our gender pay gap

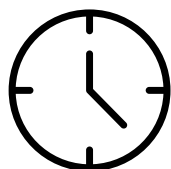
Across the Northern Powergrid group, men get paid on average 24.3% more than women in hourly pay and 39.1% more in bonus. The table below sets out the numbers in more detail.

	Northern Powergrid Group	Northeast	Yorkshire
Mean Pay	24.3%	25%	17.4%
Mean Bonus	39.1%	-34.4%	-38.9%
Median Pay	29.3%	34.6%	16.4%
Median Bonus	0%	-22.1%	0%

In the Northern Powergrid group, **97.6% of men** receive a bonus compared to **98.4% of women**.

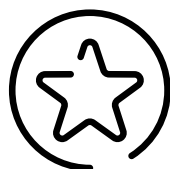
For employees of Northeast, **97.4% of men** receive a bonus compared to **99% of women**.

For employees of Yorkshire, **97.5% of men** receive a bonus compared to **97.8% of women**.



24.3%

of men get paid more than women in hourly pay on average.



39.1%

of men get paid more than women in bonuses on average.

*All quoted statistics are as at the snapshot date of 5 April 2021.

Our thoughts on our results

On examining our group-wide results closely, we note the following:

- A positive opportunity to transfer a number of colleagues from indirect to direct employment within our Professional and Administration group resulted in a high number of women moving into roles that are typically within the lower pay quartile. If the contract conversions had not taken place, the gender pay gap at Northern Powergrid Group Holdings level would have been 18.0% rather than 24.3%;
- Fluctuations in the bonus gap are attributed to the gender balance and levels of seniority over the reporting period; and
- Only a small number of the technical and engineering roles within our workforce that are eligible for shift and standby allowances, and therefore attract higher pay, are filled by women.



Our pay structure

To ensure that our people are paid equally regardless of gender or background, we have robust policies, processes and working practices. If you do the same job, you're paid the same.

Across our businesses we continue to have a large proportion of roles which include shift and standby allowances.

This enables us to deliver high quality services for our customers, meet the needs of a 24/7 business and help colleagues to increase their overall income.

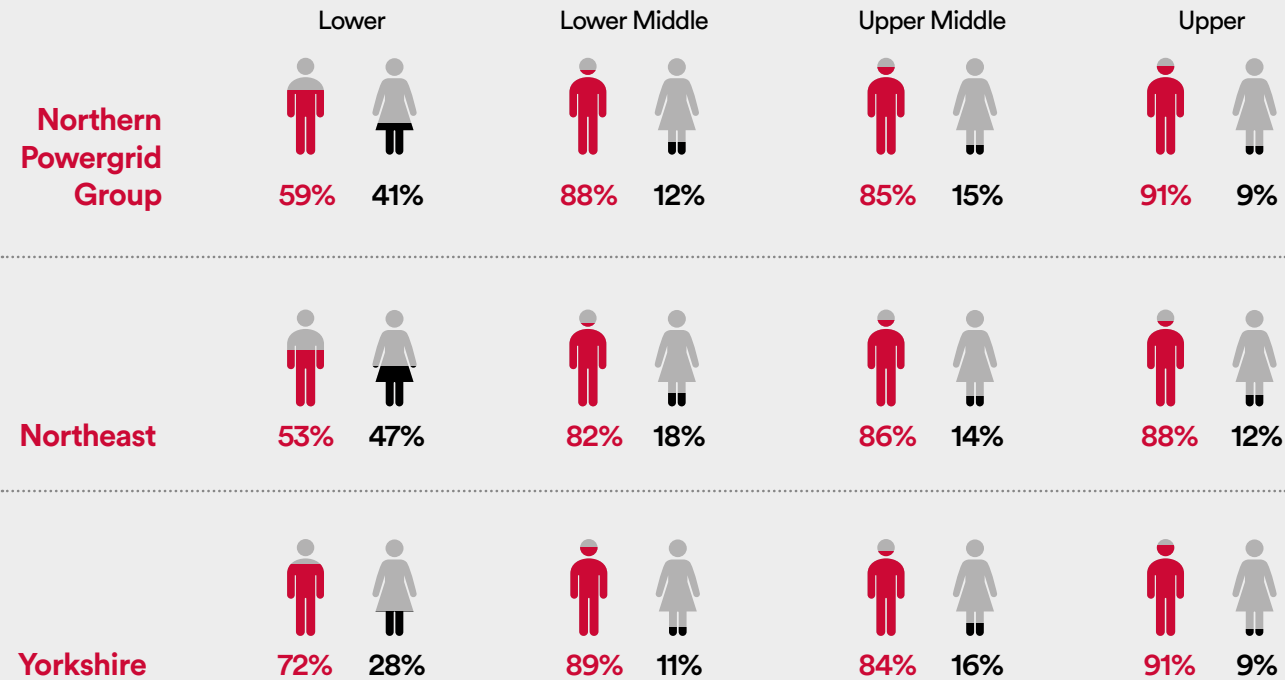
A large proportion of these operational roles are carried out by our technical and engineering colleagues.

Our positive industrial relations have supported us in securing trade union negotiated agreements with published pay scales and competency frameworks for our collective bargained workforce.

This ensures both transparency and equality for our colleagues.

Our quartile pay bands

Based on figures for full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands the proportion for employees within the Northern Powergrid group, Northeast and Yorkshire are as follows:



Conclusion

Our gender pay gap continues to reflect the balance of men and women in our business and the roles they carry out; it's not about pay equality. We ensure that men and women in our business who do the same job are paid equally.

We want to work towards closing our gender pay gap by taking proactive steps to attract women into roles in our business as part of our inclusion, diversity and equity practices and, furthermore, ensure that they have access to career pathways and promotional opportunities that complement their skills and talent.

The energy network sector is going through some of the biggest changes in decades as a result of the growth in low carbon technologies and new smart network innovations.

This is bringing new career opportunities for all in our business as we change to reflect the needs of a rapidly changing technology environment and increasingly digitalised network.

We know that bringing people into our business with diverse skills will be key to enabling us to respond to these changes and challenges ahead and this is recognised in our business plan for 2023 and beyond.

To demonstrate commitment to being part of the solution, we pledged our support to the 2020-2025 Energy & Utilities Skills Partnership 'Workforce Renewal & Skills Strategy' - an industry collaboration aimed at creating work ready apprenticeships that deliver the safe, skilled, diverse and sustainable workforce

needed to deliver essential services to the public and we continue to work actively in this space.

We also remain committed to working with our partners such as Ahead Partnership and WISE to support and promote our business to primary school aged children, ethnic minorities and women and to encourage more of those underrepresented groups to consider a career in engineering and help create a more gender and ethnically diverse group of engineers to choose from in the future.

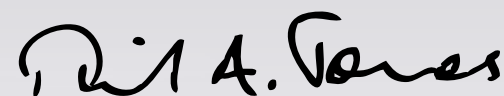
Our enhanced recruitment processes fully support this approach ensuring we focus on the skills and expertise people can bring to our business.

This year's figures reflect what we already know, that it is going to take time to close the gap.

2021 has been a challenging year but by remaining focused on being a progressive employer, actively targeting our recruitment across all of society and continuing to support industry partnership links between education and the business world, we can – and will – continue to play our part in helping the energy industry increase gender diversity.

Statement

I confirm that the information and data provided is accurate and in line with regulatory requirements.



Phil Jones

President and Chief Executive Officer

