

## Introduction

# This report sets out the information and data of the gender pay gap at JDR Cable Systems Ltd (JDR) at 5th April 2023.

The sector that JDR operates in, a cornerstone of the global energy transition to enable sustainable development, is often hailed for its progressive values and commitment to a greener future.

However, beneath the surface of technological advancements and environmental ambitions lies a critical socio-economic issue: the gender pay gap. Although the gender pay gap is a pervasive issue across many industries, it is particularly significant in the energy sector. This sector encompasses a wide range of jobs, from engineering and technical roles to manufacturing and administrative positions.

Despite the increasing demand for skilled labour in energy and manufacturing, women remain underrepresented, especially in higher-paying technical and leadership roles. This underrepresentation contributes to the gender pay gap. We do not set gender pay gap targets, understanding a gap of zero would be a statistical improbability, however, the insightful information we receive from reviewing our gender pay gap data continues to underpin our 'People' value.

The gender pay gap in the energy sector is a complex issue that mirrors broader societal inequalities. JDR's commitment to addressing this gap is not only a matter of fairness but also essential for the sector's success and sustainability. By fostering a more inclusive and equitable workforce, the energy industry can fully leverage its talent pool, drive innovation, and contribute more effectively to global sustainability goals.

JDR acknowledges it cannot address socio-economic issues in isolation, policy interventions are also essential. Governments and industry bodies can play a critical role by enforcing equal pay legislation, supporting family-friendly workplace policies, and incentivizing companies to adopt best practices in gender equality. International organisations and non-profits can further contribute by conducting research, raising awareness, and providing resources for companies committed to closing the gender pay gap.

The year-on-year improvement is a positive reflection of the efforts made at all levels within our organisation. Our journey will inevitably have bumps in the road, but I am confident we are continuing to move in the right direction to reduce our gender pay gap.

James Young

Chief Strategy and Compliance Officer

### Gender pay gap

Under legislation that came into force in April 2017, UK employers with more than 250 employees are required to annually publish their gender pay gap data by  $4^{\text{th}}$ April each year.

A gender pay gap is a measure of the difference in the average pay of men and women working for an organisation, regardless of the nature of their work.

It is different from an equal pay comparison, which involves a direct comparison of two or more people carrying out the same, similar or equivalent jobs.

## How the results are calculated

Employers are required to publish their gender pay gap using six calculations. Four of those calculations are required to use a 'mean' and 'median' calculation. Reporting both 'mean' and 'median' figures provides a broad view of the gender pay gap.

#### The 'Mean' calculation

The mean is calculated by adding up the total pay of employees and dividing by the number of employees in the list. This calculation is completed separately for men and women and the totals are compared.

While useful, this average may be skewed by a small number of high or low earners.

#### The 'Median' calculation

The median is the number which is in the middle of a ranking of pay from lowest to highest. This calculation is also completed separately for men and women and the middle figure of each group is compared. Statisticians tend to prefer this as a view of 'typical' pay, as extremes of low and high pay do not affect the median.

Unlike the 'mean', the 'median' is not susceptible to positive or negative skewing from small numbers of high or low earners. We believe the 'median' is best used in conjunction with the 'mean' to interpret how JDRs pay is distributed among its employees.



## JDR gender pay gap figures 2023

The information in this section sets out the overall gender pay gap and bonus gap of our UK workforce, as of  $5^{th}$  April 2023.

The data that we have used to provide the JDR gender pay gap figures has been obtained from our existing HR and payroll records. This does not involve publishing individual colleagues' information or data.

#### JDR's statutory GPG figures

Mean gender pay gap: 10.1%

This shows the difference in the average hourly rate of pay between men and women

Median gender pay gap: 10.0%

This shows the difference in the middle ranked pay between men and women

#### **Our bonus statistics**

Mean bonus gender gap: 17.1%

This shows the difference in the average total amount of bonus payments made to men and women in the 12 months to  $5^{\rm th}$ April 2023

Median bonus gender gap: 0%

This shows the difference in the middle ranked bonus payments made to men and women in the 12 months to  $5^{th}$ April 2023

#### In the 12 months to 5th April 2023:



**92.2**%

of women received a bonus

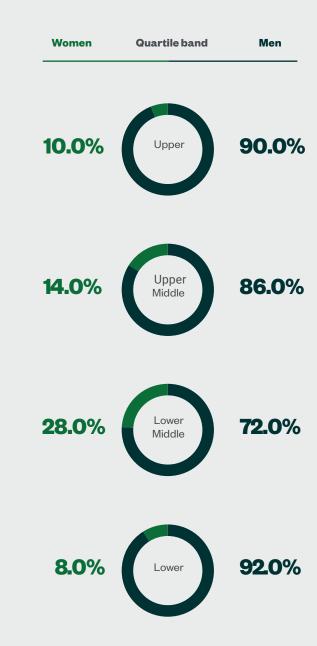


91.9%

of men received a bonus

#### Our quartile ranges

The proportion of men and women in each quartile band:



This shows the percentage of men and women in each pay quartile. Quartiles are calculated by listing the rates of pay for each colleague across JDR from lowest to highest, before splitting that list into four equal-sized groups and calculating the percentage of men and women in each.

## Understanding the JDR gender pay gap

Having analysed the data, we know our gender pay gap is not attributable to gender pay inequality.

Several factors contribute to the gender pay gap in the energy sector which is reflected in JDR's gender pay gap figures. Firstly, there is the issue of occupational segregation. Men and women tend to work in different types of jobs, with men more likely to be found in higher level management and high-paying technical roles such as engineering, whilst women are more often in lower-paying administrative or support roles in the organisation.

When we analyse the roles undertaken by men and women in JDR there are fewer women than men in relatively higher paid positions, such as managerial roles, which may attract higher pay, bonuses and allowances.

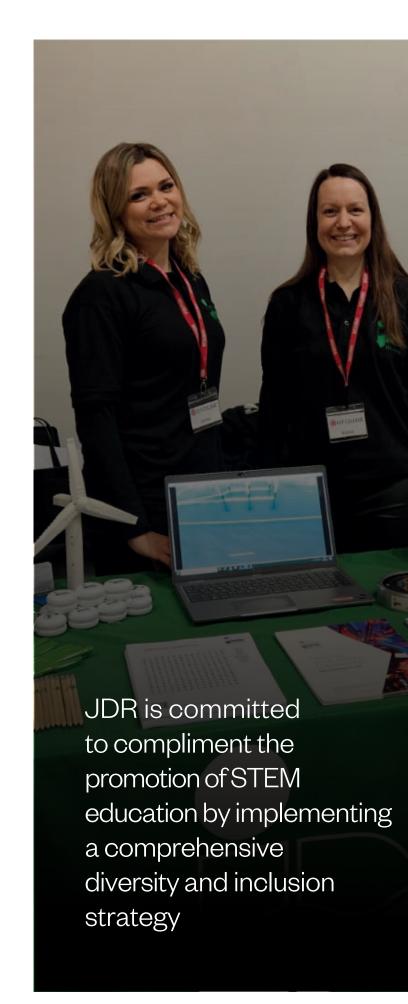
This remains the main reason for our gender pay gap and also explains the notable difference between mean and median with regard to bonus payments. Furthermore, we operate in an industry that relies heavily on roles requiring STEM skills (science, technology, engineering and maths). STEM careers have historically attracted more men than women.

We understand reducing our gender pay gap is a long-term commitment and we are committed to attract, develop and retain female talent to improve diversity, inclusion and reduce our gender pay gap.

JDR's workforce is 85% male and 15% female. A gender demographic where females are underrepresented is not uncommon in the energy and manufacturing sectors. Although we have fewer female employees, many hold roles in professional disciplines specialising in design and engineering, legal, human resources and finance where salaries are equally spaced between each gender. This explains why our median and mean gender pay gap are similar.

Addressing the gender pay gap in the energy sector requires a multifaceted approach. It will involve promoting gender diversity in STEM education to ensure a steady pipeline of qualified female candidates for technical roles in the future.

JDR is committed to compliment the promotion of STEM education by implementing a comprehensive diversity and inclusion strategy. Additionally, JDR also implement regular salary audits to mitigate any salary disparity occurring.



### Reflections on 2023

Our mean gender pay gap has improved on last year's figure, reducing from 13.7% in 2022 to 10.1% in 2023. However, our median gender pay gap has increased from 7.2% in 2022 to 10.0% in 2023. The fluctuation in figures can be expected as JDR's female underrepresentation suggests small variances in the workforce can have a disproportionate effect on our gender pay gap.

Overall, JDR's gender pay gap figures compare favourably to 2023's gender pay gap for median gross hourly earnings, published by the Office for National Statistics (ONS), of 15.9 % for JDR's sector.<sup>1</sup>

It should be noted that although there are occasional fluctuations in figures, both JDR's mean and median annual figures have reduced over the 7 years since our gender pay gap reporting was introduced.

ONS data suggests that sickness absence by reason of mental health is over 50% higher for women than men.<sup>2</sup> Similarly, The Womens Journal suggests stress negatively impacts the mental health of 48% of women, but only 40% of men. The same study found that women are also less likely to discuss their mental health openly with their employers.<sup>3</sup>

Which this in mind, 2023 saw JDR continue its commitment to its 'People' value to improve the wellbeing of staff through our Wellbeing Champions and wellbeing app. Our aim is to improve the wellbeing across all our employees, to raise awareness that it is 'OK not to be OK' and encourage employees to be open and speak to someone about any wellbeing concerns. We believe that by promoting the conversation around mental health that this can help employees to engage with their professional development and career progression.

JDR also recognises the non-work-related factors that negatively impact wellbeing, such as financial wellbeing. To mitigate the negative impact of financial wellbeing JDR supports it staff, through its pension provider, to raise awareness of financial wellbeing and highlight the help available.

2023 saw the appointment of JDR's first female Chief Executive Officer, but there is still more we need to do at JDR to improve our gender pay gap and diversity at senior levels. Nevertheless, some of the highlights of our 2023 year includes the continuation of:

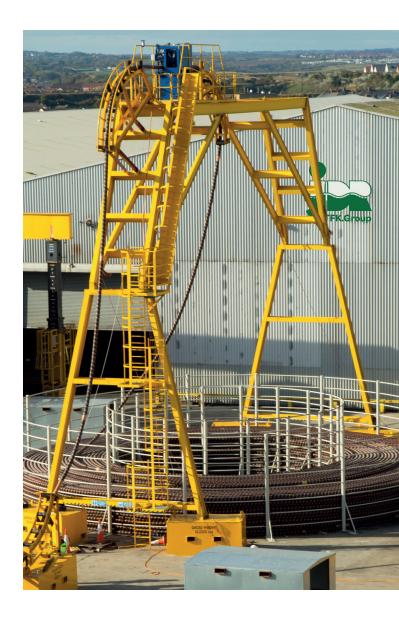
- our commitment to support STEM ambassadors continue promoting STEM activities which included JDR attending industry and careers events
- supporting International Women's Day

- our commitment to graduate and apprentice roles to nurture the talent of the future
- support and promotion of national Mental Health Awareness campaigns
- analysis of exit interview meetings to better identify trends and any concerns that could be detrimental to our aim of reducing the gender pay gap
- periodic Line Manager support meetings to promote family friendly policies and increase awareness of employee rights including dependency leave, parental leave and flexible working
- support for employees to close skills and knowledge gaps through their annual professional development plans and support their professional development and career progression

<sup>1</sup>https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/ earningsandworkinghours/datasets/annualsurveyofhoursandearningsashegenderp aygaptables

 $^2 https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/sicknessabsenceinthelabourmarket$ 

<sup>3</sup>https://www.thewomensjournal.co.uk/womens-issues/news/mental-health-affects-nearly-half-of-women-at-work/#:-:text=The%20stress% 20of%20work%20negatively,health%20openly%20with%20their%20employers



### 2024 Focus

2024 will see JDR continue its commitment to understand what influences the gender pay gap and what positive changes we make to improve our gender pay gap over the long term.

JDR's voluntary employee turnover continues to be favourable, when compared to national averages. However, this desirable job tenure indirectly impacts the gender pay gap as somebody who has more years of service is legitimately likely to be paid more than someone who has just started, on the basis of their objective knowledge and experience in the role.

2024 will see JDR recruit a higher number of apprentices as we plan to grow and expand the business over the longer term, but notably in 2025 with the addition of our new high voltage cable manufacturing facility at Cambois, near Blyth. We also expect to continue to offer exciting career paths throughout our organisation as we grow we will fill roles that become vacant through the natural attrition of longer serving employees who plan to retire in the coming years.

With the support of our Employee Forum, we will continue to look inwards and review, update and raise the profile of our own policies and practices so all employees are aware and receive support available and experience opportunities to progress and maximise their potential. At JDR, we encourage employees to make their voice heard. Through requests from our Employee Representatives we reviewed our employee benefits package.

We know from feedback through our employees that combining home working and caring responsibilities can be difficult. We will continue to work closely with our Line Managers to ensure females are not disproportionally impacted by the effects of home working and all employees receive the support they need to maintain their family and working commitments through JDR's family friendly and hybrid working policies.

2024 will see the introduction of enhanced benefits for maternity and paternity leave as well as increasing the employer contribution to our already above average pension scheme contributions.

We believe these enhancements to JDR's benefits package will help reduce the social-economic barriers to employees realising a long-term career with continued professional development.

We are committed to Improving opportunities for females through our commitment to STEM initiatives which reduces occupational segregation barriers, continually reviewing family friendly policies reduces social-economic barriers and reviewing our recruitment and professional development practices to maintain best practice will support our employees in reaching their potential and contribute to a more diverse and better inclusive environment at all levels of JDR.

We know this is within our power to change and we are committed to continually review the practices noted above and understand positive changes we make now will reduce our gender pay gap in the long term.



### Statutory Disclosures

JDR employs more than 250 employees and we are therefore required to provide statutory figures as follows:

Mean gender pay gap: 10.1% Median gender pay gap: 10.0% Mean bonus gender pay gap: 17.1% Median bonus gender pay gap: 0%

Proportion of male employees who received bonus pay: 91.9%

Proportion of female employees who received bonus pay: 92.2%

#### Proportion of females in each quartile band:

Upper: 10.0%

Upper Middle: 14.0% Lower Middle: 28.0%

Lower: 8.0%

I confirm that the above data is accurate at the snapshot date of  $5^{\text{th}}\text{April}\,2023$ 

James Young

Chief Strategy and Compliance Officer



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