



VITAL ENERGI UTILITIES LIMITED

GENDER PAY REPORT

2025



Foreword

Building a Brighter Future for Our Industry:

This year, our primary focus has been on accelerating our strategic shift towards asset ownership; a transformation that positions us not only as a leader in the UK's energy landscape but also as a champion for workplace equality and diversity. As we expand into asset ownership, we recognise a unique opportunity to actively address the gender pay gap and build a more diverse and inclusive workforce.

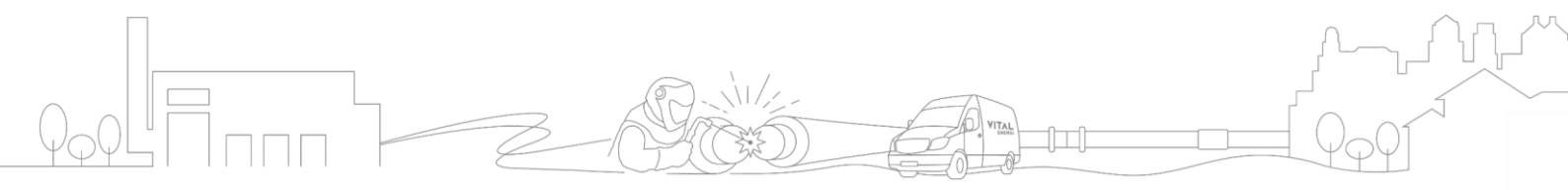


Investing in our Future Generations

Last year, I had the privilege of being introduced to Blackburn Youth Zone who are local to our Head Quarters at Century House. Seeing first hand the support and opportunity they provide to young people has been truly inspiring and as a Gold Patron, we are now working together to add STEM subjects to their offering to the children. Through our Climate Education programme we believe we are inspiring our future generations to join the renewable energy industry through a bespoke programme that isn't offered in mainstream education. Through working with Blackburn Youth Zone and over 200 schools throughout the UK, we are sharing the opportunities available to all and how we can all make change together to create a diverse workforce of the future.

Continuous Improvement for a More Inclusive Future:

As we navigate the evolving energy landscape, we remain dedicated to innovation, collaborative partnerships and delivering long lasting value. Owning assets empowers us to set higher standards for fair employment practices, improving career opportunities and pay equity, particularly for women and under-represented groups. By nurturing diverse talent and equipping individuals with essential skills, we will drive both our business and the industry forward, fulfilling our ambitious social and environmental objectives and creating an inclusive future for everyone.





Taking Action for Sustainable Progress:

This report provides an overview of our current gender pay gap and outlines the proactive measures we are taking to address it. Whilst data serves as a crucial starting point, its true value lies in driving meaningful change. Our commitment goes beyond achieving gender pay parity; we aim to build a culture of inclusion where every individual feels valued and respected, irrespective of their background or identity.

Gary Fielding / Executive Chairman

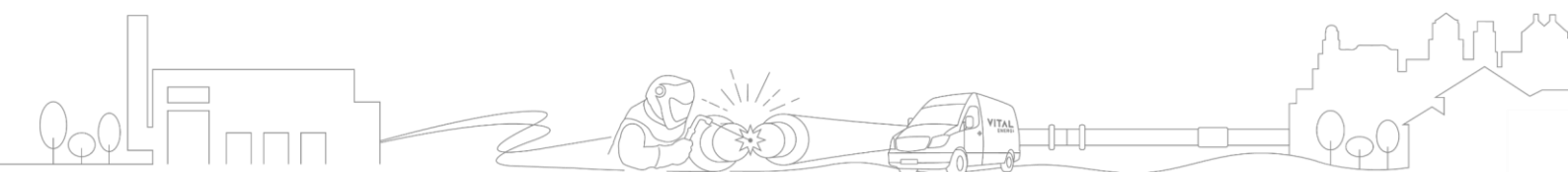
Our People.... Our Passion:



At Vital Energi, we recognise that our people are our greatest asset. This year, we launched initiatives to foster innovation and creativity across all levels of the organisation; with equality, fairness and engagement being our key drivers throughout.

Whilst there is more to do, we are encouraged by the collective commitment across our organisation to drive meaningful change. By holding ourselves accountable, continuing to shape our policies/ working practices and fostering a culture of inclusion, we will continue to make progress towards a more diverse, representative and enhanced workforce.

Ella Stokes / People & HR Director





Defining/understanding the terminology:

The data presented in this report represents the gender pay gap for Vital Energi for the snapshot date of 5th April 2024 using our HR and payroll (Sage) records. The Bonus period for the purposes of the bonus calculations is 6th April 2023 to 5th April 2024.

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 the man in the middle of his line.

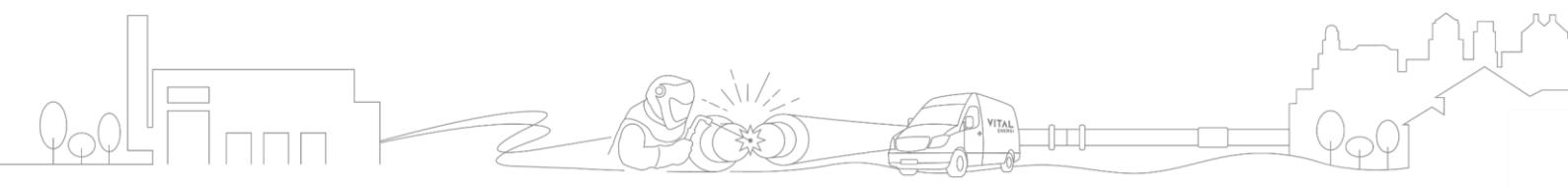
Mean pay gap:

The mean pay gap is the difference between Vital Energi's total salary spend-per-woman versus 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 by 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.

- Mean (average) gross hourly rate of pay
- Median gross hourly rate of pay
- Mean (average) bonus pay
- Median bonus pay
- Proportion of males/females in receipt of bonuses in the last 12 months before the snapshot date of 5th April 2024
- Proportion of males/females in hourly rate of pay quartiles (four bands)





What the stats say:

Vital Energi's figures are reporting on 653 full-pay relevant employees on 5th April 2024. Of this population, 83% were men and 17% were women (111 females in total). These latest figures demonstrate positive progress in increasing female representation within the business; with women now making up 17.0% of the workforce, compared to 15.8% last year.

The increase from 92 to 111 female employees is a step in the right direction, showcasing the effectiveness of efforts to broaden talent pipelines and create a more inclusive workplace. While there is still work to be done, this progress reinforces the company's dedication to driving change and fostering a more diverse workforce. The upward trend highlights the company's commitment to improving gender diversity; a particularly significant achievement in an industry where attracting women to engineering and operational roles remains a known challenge.

Hourly Pay Gap data:

MEAN - APRIL 2024

26.3%

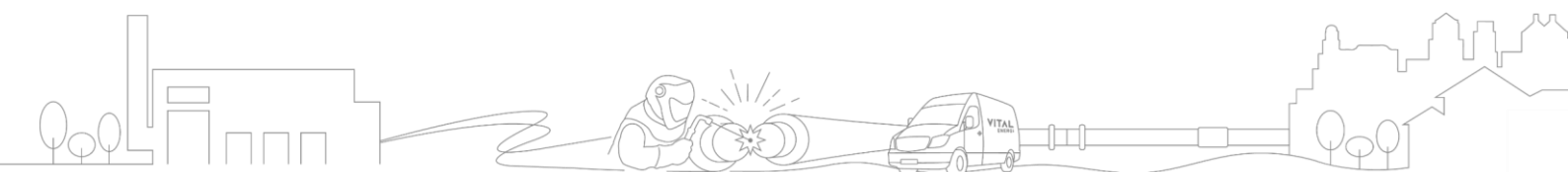
(% lower for women)

MEDIAN - APRIL 2024

37.4%

(% lower for women)

- > Our **mean** gap has **narrowed to 26.3%**, a reduction from 26.8% last year. This suggests further progress in pay equality and is consistent with progress made between 2022 and 2023.
- > The **median** gap has increased from 34.5% (2023) to 37.4% (2024). This suggests that a greater proportion of women remain in lower-paid roles, or that new hires are entering at the lower end of the pay scale. It also highlights the ongoing challenge of improving career progression for women into higher-paying roles.





Bonus Pay Gap data:

- > 2023: Women's mean bonus was 64.9% lower, and median was 67.7% lower
- > 2024: Women's mean bonus was 31.4% lower, and median was 32% lower

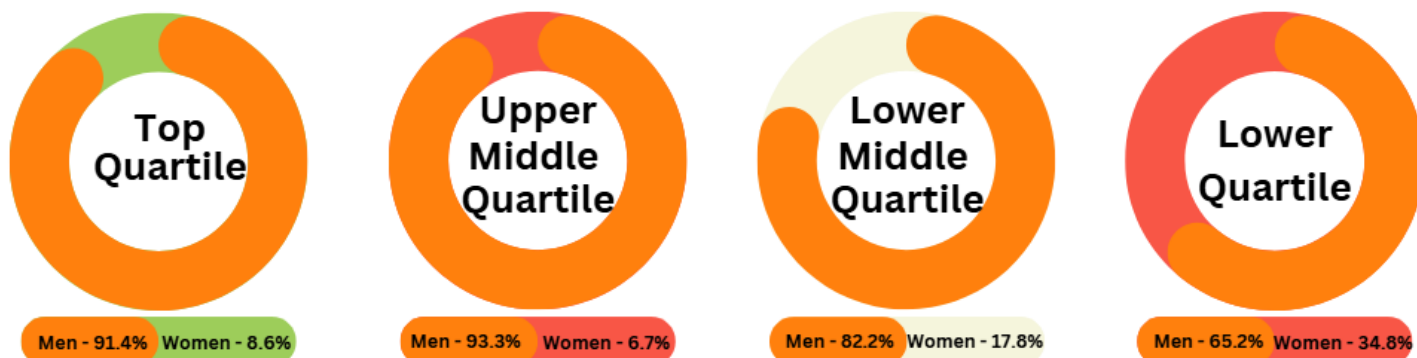
This represents **major improvement** in bonus pay for women—while it is still lower than men's, the gap has **more than halved**.

Bonus Participation Rate:

- > 2023: 6.4% of men and 7.7% of women received bonuses.
- > 2024: 10.5% of men and 20.0% of women received bonuses.

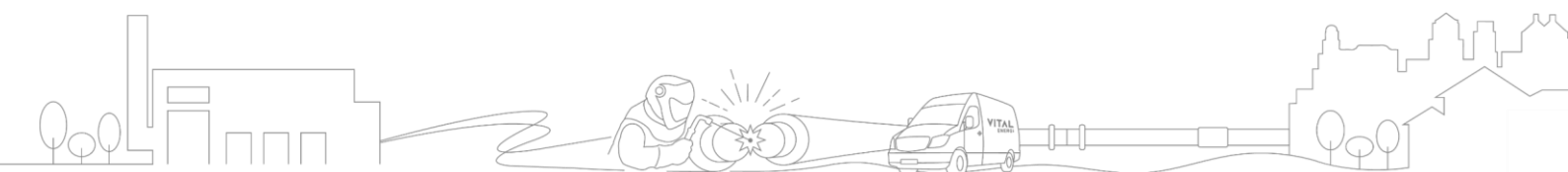
This data represents a **significant increase** in bonus participation for both genders, with **women seeing the largest rise** (from 7.7% to 20.0%). This indicates **efforts to distribute bonuses more equitably** and a **positive shift in financial recognition** for women.

Representation in Pay Quartiles by Gender:



Quartile	2023 (Women)	2024 (Women)	Change
Top Quartile	6.8%	8.6%	+1.8% (More women in top roles)
Upper Middle Quartile	7.5%	6.7%	-0.8% (Slight decline)
Lower Middle Quartile	17.8%	17.8%	No change
Lower Quartile	30.6%	34.8%	+4.2% (More women in lower-paid roles)

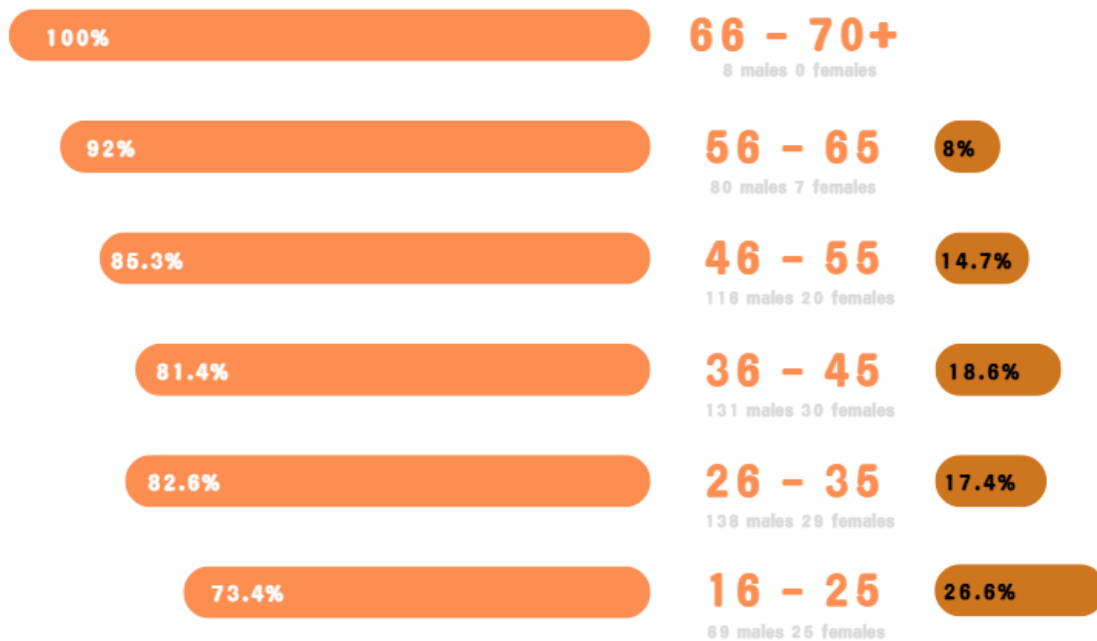
There is **an improvement in female representation in the top quartile** (6.8% → 8.6%). This reflects the company dedication to **promote** and **recruit** women at the top and shows progress in **leadership opportunities**.





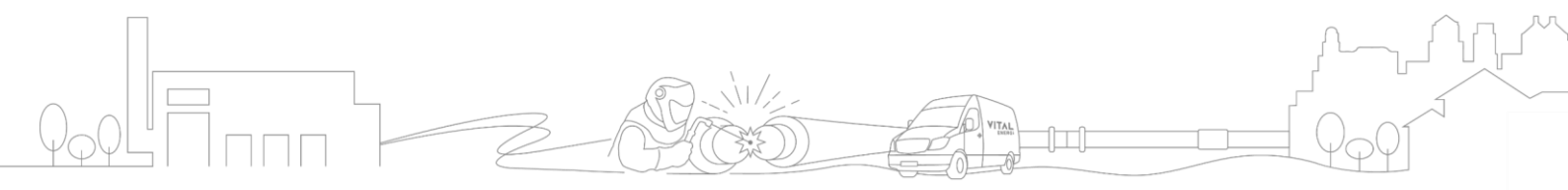
GENDER PAY GAP REPORT

Age profile by age band:



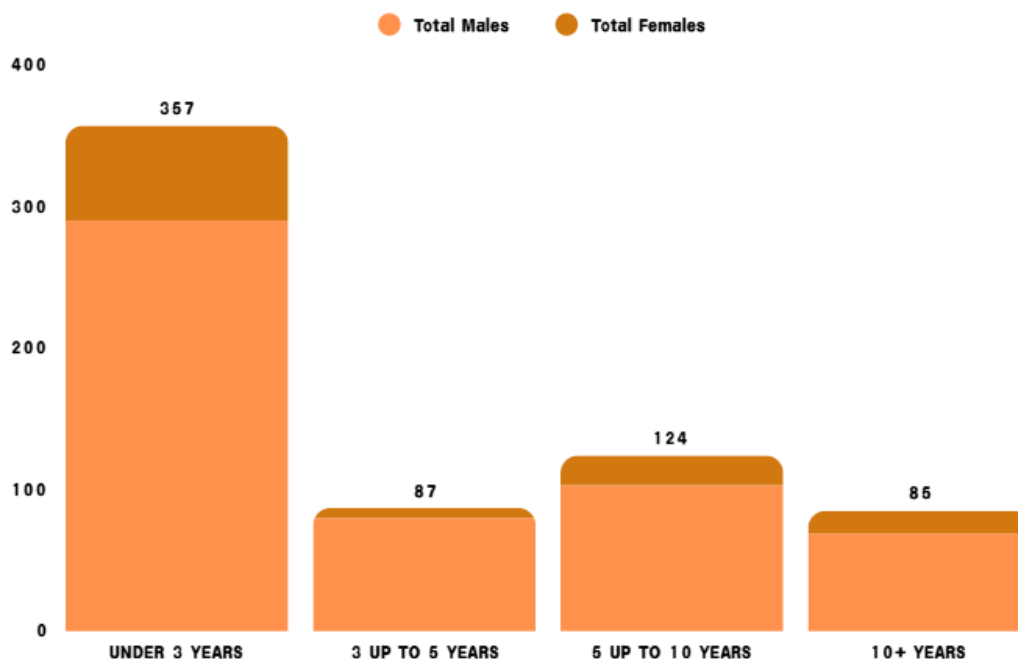
Data provided shows that our **highest percentage of women in our workforce falls within the lower age bracket of 16–25 year olds**, followed closely by the 36–45 year olds. However, the % proportion of women in the 36–45 bracket, compared to men in that bracket, has decreased compared to last year. Encouragingly, we have seen an increase in the actual number of female representations across all age categories except for the 66–70+ bracket. This positive trend aligns with our ongoing initiatives to attract more women into the industry, particularly younger professionals, and to support career progression in all categories within Vital Energi. This is supported within our statistics displayed above.

The average age of our male employees is just under 41, whilst that of our female employees is nearly 37. This represents a decrease from April 2023, reinforcing the trend of bringing both men and women into the industry at a younger age. Our median female age falls between the 26–35 and 36–45 brackets, whereas the median male age is within the 26–35 bracket. This is another positive sign of progress in balancing gender representation across different career stages.





Service profile by years band:



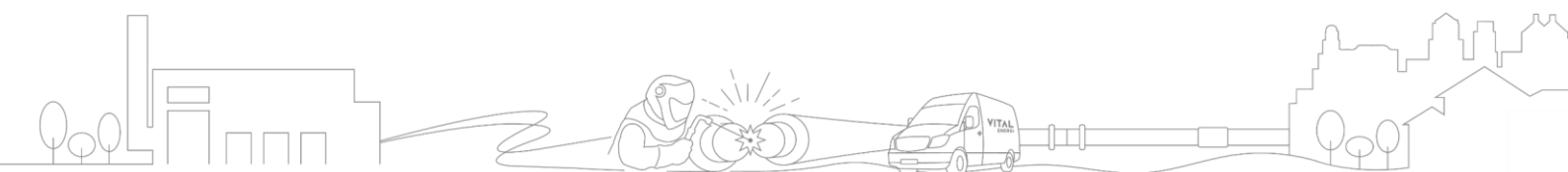
It is encouraging to see that nearly 19% of employees with over 10 years of service are female. Additionally, female representation among employees with 5–10 years of service has increased to almost 17%.

Last year, we reaffirmed our commitment to improving female participation and retention in the sector, aiming for a 75:25 gender split. Comparing this year's data to last year's, we are seeing progress, with the ratio shifting from 84:16 in April 2023 to 83:17 in April 2024. We remain focused on further improving this figure by April 2025.

Our current overall outlook and challenges in the industry:

We are pleased to see continued progress in our commitment to gender equity, particularly in pay and leadership representation. Year on year, we have made significant strides in pay equity, with notable improvements in bonus pay disparities and a growing number of women now receiving bonuses - both key indicators of a more inclusive rewards system.

Our Group Board's transformation in recent years stands as a testament to our dedication to meaningful change. Female representation has risen from zero in 2021 to 33.3% in 2024, aligning with national progress, as seen in the FTSE 100 boardrooms reaching 42.6% female representation. This milestone reflects our broader ambition to foster a diverse and dynamic leadership team that drives sustainable success.





As the first female member of the Group Board, I am particularly proud of the significant progress we have made in fostering gender diversity within our leadership. We have moved from a position of zero female representation in 2021 to achieving 33.3% female representation in the reporting stats for 2024, with further improvements taking place in 2025 creating a balanced 50 / 50 split. This transformation not only aligns with national progress but also underscores our commitment to creating a leadership team that is both diverse and dynamic. At Vital Energi, we believe this balanced perspective is crucial for driving sustainable success and fostering an inclusive environment that benefits all our stakeholders.



Cécile Parker / CFO

Whilst the sector faces challenges, such as an aging workforce and skills shortages, we see an opportunity to lead change by embracing gender diversity, as a strategic advantage. By attracting more women and young professionals into the industry, we can expand the talent pool, boost innovation, and secure the future strength of our sector. Through continued action and commitment, we aim to shape a more inclusive and resilient industry for years to come.

Building a more inclusive Future – our highlights:

This year's report highlights not only our ongoing initiatives but also significant new efforts to advance our Equality, Diversity & Inclusion (ED&I) goals. These include:

Highlights of Our Progress:

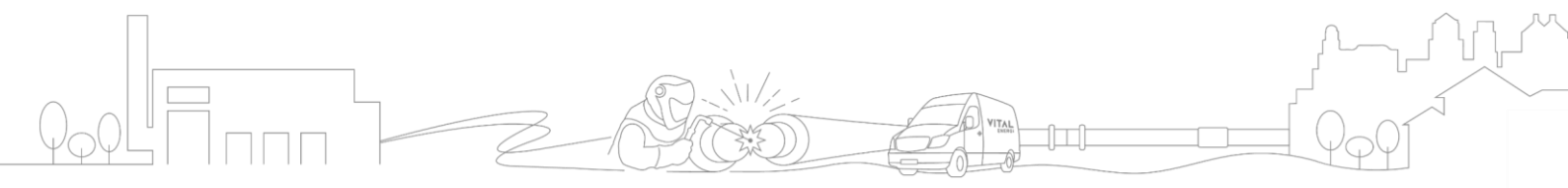
- **Targeted Recruitment:** Consideration was given to refining our recruitment practices by removing gender bias from CVs. However, upon reflection, we decided to focus on ensuring balanced interview panels and actively seeking diverse candidates. We felt that removing the gender bias from the applications would not enable us to actively review





and data capture our candidate pooling; thus, restricting our ability to make improvements and create focus points in the future.

- > **Enhanced Training and Development:** We will continue to expand unconscious bias training not only to managers but to all employees. We will be utilising our new Learning Management System, Kallidus, to promote better working practices across the company in all working areas (not just recruitment), understanding, promoting and enabling positive and fair behaviours by all. We will continue to actively participate in industry organisations like the Diverse Heat Network (with our female Group CFO on the Board of the DHN) and District Heating Divas to stay informed and connected to developments across the industry.
- > **Inclusion & Diversity Network:** We have established various employee-led network groups to encourage open communication, idea sharing, and employee-driven initiatives to promote inclusion. The Future Leaders programme was set up in July 2024 and is actively involved in and promotes various Board/ Company initiatives. Within that group, the current ratio stands at 7:6 female: male, including a female Chair.
- > **Engaging with Schools and Universities:** We have connected with 30 universities and colleges through career events, providing career advice and meaningful work placements for local students. Through our Climate Education program, we have inspired and educated over 10,000 students in schools across the UK.
- > **Community Engagement:** We have become Gold patrons of a community group; local to our headquarters; Blackburn Youth Zone. This partnership will strengthen and increase our employer brand within our community along with providing an opportunity to encourage young women to explore careers in construction, engineering, and renewable energy.
- > **STEM Ambassador Network:** We continue to grow our STEM Ambassador program with 24 active members. Our aim is to attract and inspire youth into the industry and to promote diverse career paths in our sector to young people.





Looking ahead:

We continue to be committed to continuous improvement and will continue to regularly monitor and report on our progress towards achieving our ED&I goals. Here's a glimpse into what's next:

- **Embedding ED&I into Everyday Business practices:** Working with our Commercial team, we would like to create an **inclusive procurement policy**, encouraging supplier diversity and supporting women and minority-owned businesses, along with implementing **real-time feedback mechanisms** (e.g., pulse surveys, focus groups) to continuously measure inclusion and belonging in the workplace.
- **Stronger Employer Brand:** We will continue to promote and strengthen our Employer Brand and inclusive policies, so we stand out in our industry and attract top talent in a competitive job market.
- **Improving our ED&I reporting and working practices:** By actively promoting diversity and inclusion, we create a more vibrant and successful company, ensuring our future workforce reflects and supports the communities we serve. We are confident that our ongoing efforts will build a stronger, more inclusive Vital Energi for everyone
- Evolving on last years' initiatives, we will continue to:
 - **Listening to Our Communities:** We will actively engage with local communities to understand their needs and perspectives on the energy sector
 - **Reviewing Exit Interview Data:** We will analyse data from exit interviews to identify and address any trends related to gender or ethnicity that might be impacting employee retention

Building a More Inclusive Future: our 10-Year Commitment:

At Vital Energi, we are committed to fostering a truly inclusive and diverse workforce. We strongly support the UK Government's initiative on gender pay reporting and recognise the importance of setting ambitious yet achievable goals.



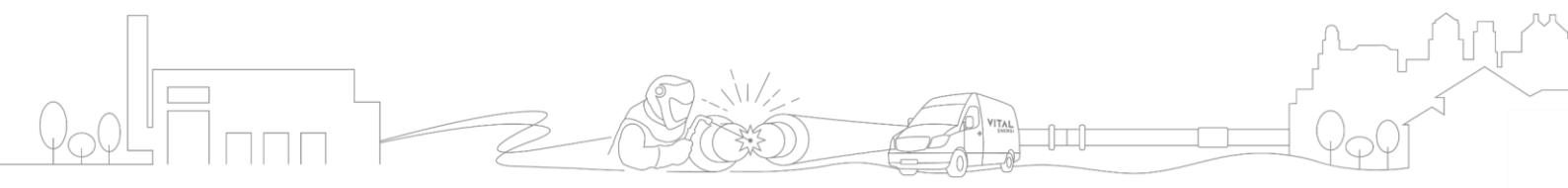


Long-Term Vision:

Here are our revised targets for the next five - ten years:

Women in Vital:

- **Target 1:** Increase the representation of women in our senior leadership roles who fall in our top quartile, to exceed 25% in total.
 - Based on current data our representation of senior female leaders undertaking leadership roles within our Senior Operating Board and the SLT lies at 20% (ratio 8:32 female to male)
- Target 2:** Increase the representation of women in our top quartile and upper middle quartile to exceed 20% in total.
 - Current baseline for both quartiles sits at 15.3% (just over 8.6% and just over 6.7% of the upper middle quartile)
- **Feasibility:** Achievable, but challenging. It requires consistent implementation of all listed strategies
 - **Timeframe:** This is a reasonable timeframe, but progress must be tracked and interventions adjusted regularly.
 - **Critical Factors:**
 - Executive sponsorship and commitment are crucial.
 - Succession planning needs to be actively managed.
 - Bias-free hiring and promotion processes are essential.
 - Retention strategies (flexible work, hybrid working models, pay equity) must be effective.
- **Considerations:**
 - The rate of turnover in leadership roles will impact progress. Lower turnover means less frequent opportunities to appoint female leaders.
 - The talent pipeline must be developed through targeted leadership programs and mentorship
 - Recognise the restrictions the industry faces in terms of female representation



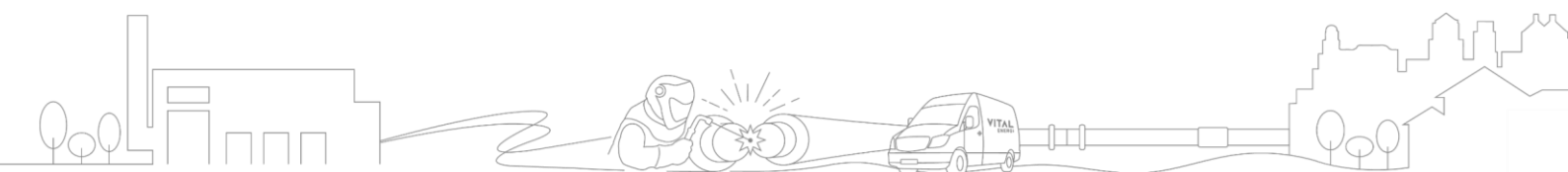


Operational Roles:

- **Target:** Increase the representation of women in lower and middle quartile roles in site based operational roles.
- **Feasibility:** Could be considered more readily achievable than leadership targets, given the industry drivers to attract into the industry using varying platforms; apprenticeships, graduate schemes
 - **Timeframe:** This should be sufficient, especially with targeted recruitment and retention efforts
 - **Critical Factors:**
 - Targeted hiring campaigns and partnerships with training providers are essential to attract female candidates.
 - Upskilling and career pathways must be implemented to ensure retention and progression.
 - Enhanced family and wellbeing policies are critical for retention
 - Fostering an inclusive environment through unconscious bias training, employee resource groups, and policies that support work-life balance
- **Considerations:**
 - Addressing the perception of operational roles as "male-dominated" is crucial.
 - Creating a supportive and inclusive on-site environment is essential.

Industry Expertise:

- **Target:** Substantially increase the number of women in industry-related roles, aiming for a significant and measurable improvement
- **Feasibility:** Achievable, but requires a strategic and sustained approach
 - **Timeframe:** Again, a reasonable timeframe, with continuous monitoring and adjustments.
 - **Critical Factors:**
 - Targeted outreach and industry partnerships are essential to build the talent pipeline.
 - Female-focused apprenticeship programs can provide entry points.
 - Rebranding and storytelling can change perceptions of the industry.





- On-site support and inclusive policies are needed to retain women in these roles

➤ **Considerations:**

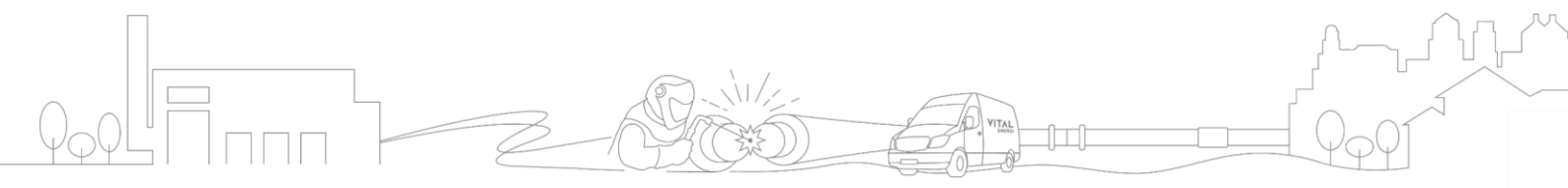
- The industry's current gender imbalance may pose challenges in attracting female candidates.
- Addressing practical issues like PPE and on-site facilities is crucial.
- Returnship programs are an excellent way to bring women back into the work force

General Recommendations:

- **Data-Driven Approach:** Regularly collect and analyse data on gender representation, pay equity, and employee feedback to track progress and identify areas for improvement
- **Accountability:** Hold leaders accountable for achieving gender diversity targets
- **Communications:** Communicate progress and successes transparently to build momentum and engagement
- **Continuous Improvement:** Regularly review and adjust strategies based on data and feedback

Realistic Timeline considerations:

- **Year 1:** Focus on establishing foundational programs
 - Executive sponsorship and mentorship program launch.
 - Review and revise hiring and promotion processes.
 - Conduct pay audits and address any inequities.
 - Begin targeted recruitment campaigns for operational roles.
 - Begin partnerships with training providers.
 - Prior to next year's Gender Report, undertake a benchmarking exercise to create a map of potential promotions of women from the lower and upper middle quartiles to the upper middle and top, along with determining the rate of female recruitment required to determine how we can close the gap
- **Year 2 – 3:** Implement leadership development programs and expand outreach efforts:
 - Launch women's leadership program.
 - Develop female-focused apprenticeship programs.





- Enhance family and wellbeing policies.
 - Establish female employee networks.
 - Begin re-branding and storytelling campaign.
 - Conduct unconscious bias training for managers and site leaders.
- **Year 4 – 5:** Focus on sustaining progress and embedding diversity into the culture:
- Monitor and adjust programs based on data and feedback.
 - Embed gender diversity into succession planning.
 - Focus on Returnship programs.
 - Continue to perform pay audits.

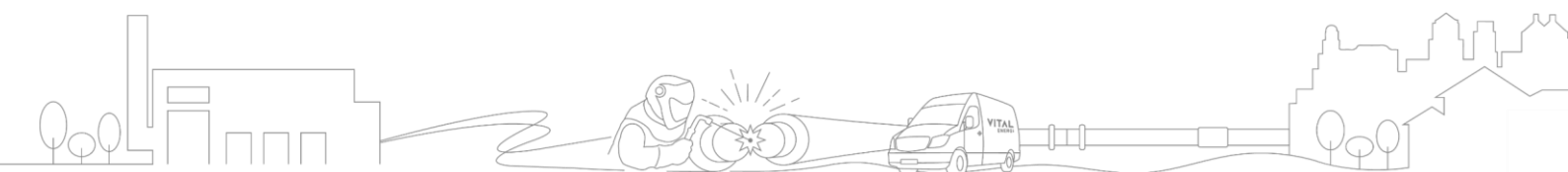
ED&I Reporting:

In our commitment to comprehensive ED&I reporting, we will begin the process of collecting and analysing data on racial and ethnic diversity within our workforce. This data will be used to establish benchmarks, identify areas for improvement, and track our progress in creating a truly inclusive environment. This data will be collected in a way that is sensitive, and ensures employee privacy, and is in accordance to UK law.



Transparent and accurate data is foundational to our commitment to fairness and equality. It provides essential insights into our progress, highlights areas of improvement, and ensures our actions lead to tangible, measurable outcomes. These principles are at the heart of our efforts to close the gender pay gap. Good data empowers us to hold ourselves accountable, fosters trust, and ultimately ensures we deliver meaningful and equitable outcomes for all our people.

Anne Johnstone | Head of ESG





Overall Aim..... Breaking the barriers:

We recognise that we operate in a traditionally male dominated industry, where technical expertise, knowledge, and specific skill sets have historically attracted more men than women. The under-representation of women in STEM subjects has influenced the talent pipeline, making it challenging to achieve gender balance at all levels.

In 2020 – 22, we experienced diversification into new markets, which somewhat supports the shift in our workforce demographics. The specialised skills required in these areas were more prevalent in male dominated fields, contributing to a disparity in the representation of women in our top and middle pay quartiles. However, we are encouraged by the positive upward trend in recent years.

Whilst we acknowledge the realities of our sector, we remain committed to driving fundamental change. We will continue to highlight the diverse career opportunities within STEM and actively work to attract, support, and develop female talent within our business. Change takes time, but as an industry, we must be realistic yet ambitious – pioneering initiatives that create meaningful, long-term progress, one step at a time.

Accountability and Transparency:

We are committed to regularly monitoring and reporting on our progress towards achieving these goals. We will update our targets and strategies as needed based on data and feedback to ensure continuous improvement.

We can confirm that the information and data provided within is accurate 31st March 2025.

