

SOO ENERGY

**Gender and
Ethnicity Pay Gap
Report 2023**

Statement from our Chief Executive

It's now been five years since the UK Government legislated to deliver net zero emissions by 2050. The UK, and most other nations, have just over a quarter of a century to deliver one of the biggest economic and societal transformations we have ever experienced and invest in the technologies and systems to get us there. But it's ultimately investment in people that will drive this change.

At So Energy, we know that to do our part and deliver our net zero target by 2040, we need the right people on our journey. That means having as diverse, inclusive, and forward-focused team as possible. This doesn't just mean diversity of thought, but diversity of background too. Our people must reflect the customers and communities we serve. We need a culture of respect and belonging where our Energists (our name for our employees) can bring their true, authentic selves to work. They need the opportunities and support to develop and thrive in order to be empowered to deliver the innovative products and services necessary to take customers on their own net zero journeys.

Our team has grown rapidly since So Energy was founded in 2015 and 2023 was a year of particularly high growth as our team increased by 25% from 360 FTE to 450 FTE. With a growing team comes a growing responsibility to every one of our Energists. With this in mind, our 2024 action plan includes an increased focus on diversity and inclusion, using our enhanced people technology and infrastructure to understand internal progression. We are also fully committed to monitoring and measuring our performance in closing the Gender and Ethnicity Pay Gaps.

Diversity throughout the company is important to us and, as such, we are committed to the inclusion of colleagues from ethnic minorities, highlighted by the inclusion of our Ethnicity Pay Gap data in this year's publication. We champion this diversity and currently have four company-wide affinity groups

in place, including our newest addition, our Ethnic Minority Affinity Group. These groups are networks of Energists that provide a voice, hosting events and pitching ideas for meaningful changes to our ways of working.

We're also proud to be working in partnership with external companies to help create an inclusive environment and culture of belonging for all Energists to develop. As part of our commitment to close the Gender and Ethnicity Pay Gaps, we're investing in dedicated female and ethnic minority-specific leadership programmes designed to support their professional development and fast-track their training for leadership roles. We are delighted to report that five graduates will join our Code First Girls scheme in 2024; and our Circl scheme, which partners So Energy leaders with future leaders from under-represented backgrounds, is also set to welcome a fresh intake in its second year.

We've aligned to the diversity targets set by POWERful Women of 40% female representation across middle management and leadership levels by 2030. We understand that to reach gender parity in the energy sector we need to work with the wider energy community and are proud to be part of the POWERfulWomen Energy Leaders' Coalition. Looking to the year ahead, we will continue our work, driving towards a gender-balanced, diverse, and inclusive energy sector.

We are continuing to create a positive, aspirational place for women, those from ethnic backgrounds, and all those interested in the energy sector. I know that we still have a lot of work to do to achieve the necessary gender and ethnic parity, however, I am personally committed, as is So Energy, to driving this change in the sector.



Simon Oscroft
Interim CEO and Co-Founder

What is the Gender Pay Gap?

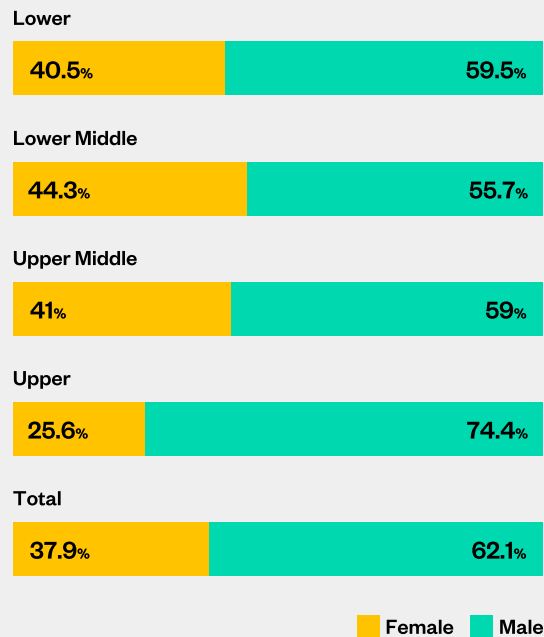
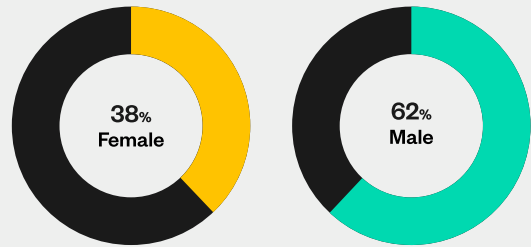
In 2017, the Government introduced new regulations requiring all businesses over 250 people to publish their Gender Pay Gap.

As a company with 250 or more employees, we're required under Section 78 of the Equality Act 2010 to publish the gap in earnings between men and women. We submit our data to the Government and our Gender Pay Gap Report is also available on the So Energy website.

The Gender Pay Gap measures the difference in the average hourly earnings of men and women in So Energy. This is different from equal pay, which is defined as "the right for men and women to be paid the same when doing the same, or equivalent, work" (The Equality Act, 2010). This report has been calculated using the Government guideline calculations, to determine our Gender Pay Gap for 2023 – showing the mean and median values. Our report looks at data, as of the snapshot date of 5 April 2023. At this time, we had 361 Energists of which 37.9% were women and 62.1% were male.

In addition, this year we have chosen to report on our Ethnicity Pay Gap. Highlighting our commitment to developing the talent of today and tomorrow to create a diverse energy sector representative of the customers and communities we serve. Our reporting on this follows the same methodology as our Gender Pay Gap and utilises the census definitions of ethnicity.

Gender breakdown of 361 So Energists in April 2023



Mean Gender Pay Gap	18.8%
Median Gender Pay Gap	0%
Bonus Mean Gender Pay Gap	19.8%
Bonus Median Gender Pay Gap	2.2%

What does our Gender Pay Gap tell us?

Our Gender Pay Report is influenced by the same evidenced challenges our industry continues to face, that being a lower percentage of women holding positions within the upper quartiles, in comparison to the number of men in such positions. As a result, the attraction and retention of women at the senior level has impacted our Gender Pay Gap.

At So Energy, all Energists, regardless of characteristic, are paid equally for the role they carry out, using benchmarking data aligned to the London Living Wage in our entry level roles. This means men and women doing the same job are paid equally. At the time the data was taken, 37.9% of our 361 strong team were female and 62.1% male, in our upper quarter of earners this split drops to 25.6% female and 74.4% male, contributing to our 23.2% Pay Gap which has closed slightly from our gap in 2022 of 25.2%. The mean Pay Gap for bonuses sits at 19.8%. The gap is maintained here as bonuses were directly proportional to base salary.

The gender gap in Science, Technology, Engineering and Mathematics (STEM) disciplines is a well-documented issue within the UK labour market, with women being underrepresented in all these fields. This is also reflected in our Gender Pay Gap results. These types of roles are generally held by men and are seen within the upper and upper middle quartiles, making them higher-paid positions. At So Energy, less than 20% of these roles are currently held by women. In 2023, So Energy partnered with Code First Girls to proactively buck this trend, enabling five female graduates to join our technology team and receive the support needed to develop their skills for a career in STEM.

We also recognise that women are often under-represented in the upper quartiles as a direct consequence of not receiving the appropriate support for a successful work-life balance. Women are more likely to take on caregiving responsibilities and may face barriers to career advancement as a result. This can lead to lower pay and fewer opportunities for career growth.

At So Energy, we have made a concerted effort to increase the representation of women within the upper quartiles by introducing procedures that support work-life balance. These include family-friendly, flexible working options, and specific support for women such as our Menopause policy. These policies will ensure that women receive the necessary support and flexibility they need as they navigate through life events, that can impact their career development and opportunities.

What does our Ethnicity Pay Gap tell us?

This year is the first year we have calculated and published our Ethnicity Pay Gap at So Energy. Our data shows that our team is more ethnically diverse than the 2021 census data for London (our HQ). 53.8% of respondents reported White British or White other as their ethnicity in 2021 vs 45.1% of Energists.

Furthermore, So Energy has a higher than average Black and Minority Ethnic percentage make up of our team versus the UK workforce which is typically closer to 10% according to data from the McGregor-Smith Review 2017². The Parker Review 2024³ indicates that 13% of management positions in the FTSE 100 are held by people from Ethnic Minorities. Our data therefore suggests that we have a higher proportion in the upper quarter than other businesses may,

however, as this data is not mandatory this is harder to gauge as small numbers of businesses choose to report externally.

Our data clearly shows, in line with national trends, that as we go up through the pay quartiles, the higher quartile roles swing towards those reporting a white ethnicity. As things currently stand, we do not collect sufficient information to properly report on the distribution of external applicants and the progression of their applications or internal applications and success rates by ethnicity to understand if there are any barriers to entry or progression. This is an area that needs to be understood and continues to be part of our strategy going forward in conjunction with the work of our Ethnic Minority Affinity Group.

Census Data 2022¹

Location	Asian	Black	Mixed	White	Other
London	20.7%	13.5%	5.7%	53.8%	6.3%

So Energy Ethnicity Pay Gap Data

Quarterlies	Asian/ Asian British	Black / African / Caribbean / Black British	Mixed / Multiple ethnic groups	Other ethnic groups (Arab / Any other ethnic group)	Prefer not to say	White
Lower	14.6%	42.7%	9%	6.7%	4.5%	22.5%
Lower Middle	18%	24.7%	7.9%	5.6%	2.2%	41.6%
Upper Middle	23.6%	9%	7.9%	3.4%	3.3%	52.8%
Upper	17.4%	3.3%	5.4%	6.5%	4.4%	63%
Total	18.4%	19.8%	7.5%	5.6%	3.6%	45.1%

Mean Ethnicity Pay Gap

18.8%

Median Ethnicity Pay Gap

2.2%

¹ <https://www.ethnicity-facts-figures.service.gov.uk/uk-population-by-ethnicity/national-and-regional-populations/regional-ethnic-diversity/latest/>

² <https://assets.publishing.service.gov.uk/media/5a7f81c6ed915d74e33f6dc4/race-in-workplace-mcgregor-smith-review.pdf> page 7

³ <https://parkerreview.co.uk/wp-content/uploads/2024/03/The-Parker-Review-March-2024.pdf> page 12

Our Commitment to Closing the Gap

We believe we have a pivotal role to play within our industry to drive improved gender and ethnic balance and representation, and support closing the gaps, not only at So Energy, but across the sector through diverse thinking, creativity and innovation.

We recognise the power and value of investing in behaviour change interventions to create meaningful, sustainable change. In 2023, we partnered with Circl a coaching development programme, alongside investing in a leadership development programme. We will be extending this commitment in 2024 with a further cohort of Circl. We also launched a partnership with Unmind, providing all our people with access to wellbeing support. We will also provide each of our affinity groups with a dedicated budget and are creating an affinity group toolkit for all our Energists to have the ability to set up their own groups. We encourage our affinity groups to stand alongside us and our aspirations to make So Energy an increasingly inclusive organisation.

Our Pay Gap data shows that we don't see a representative level of females or ethnic minorities across our leadership levels, namely the upper and upper middle quartiles. This is recognised as a trend across the energy sector as well as the wider UK labour market. This is why some of our interventions start in the early years of an Energists' career, and in some cases before, to raise the profile of our business and sector, to shape the future of energy.

In 2023 we introduced pre-assessment tests to assess candidate suitability and commitment to roles before we see a candidate's CV, to remove any potential biases. Using this technology and iterating our processes where we recruit

'pools' of roles, we have, over the course of the year, shifted from 68% of candidates at the final stage being male to 49%. We recognise the power and value of systems and data; therefore, we are investing in our People technology platforms which will enable us to monitor representative internal mobility.

We also partnered with Code First Girls, who have created a bespoke course on our data stack for female STEM graduates to enter our technology department, which is presently male-dominated and represents a significant portion of our upper and upper middle quartile discrepancies, and we are pleased that they will be joining us in 2024.

We will continue working with and supporting our existing partnerships including:

- Tackling Inclusion and Diversity in Energy (TIDE) taskforce, an industry-wide initiative to improve inclusion and diversity across the energy sector. TIDE aims to combine cross-sector EDI insights and evidence to inform robust outcomes, building on experience and expertise to share best practice and support industry-wide changes. So Energy leads the best practice group, actively collating and sharing best practice sector-wide.
- Energy Leaders' Coalition and business leaders, D&I experts, Government, and the regulator, to accelerate change so that we have even more diverse talent for the energy transition.

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