

# Our people

## Employee engagement

SMS's people strategy is "to enable a high performance, reward and engagement culture" with a core focus on employee wellbeing. We look at our business not purely in terms of financial success but for the benefit of all our stakeholders, including employees, the community and shareholders. In this way we can more effectively deliver our long-term objectives.

A designated Non-executive Director has ultimate responsibility for engaging with the workforce in a more structured way, supported by the Group HR Director, to ensure that the importance of and plans for culture, reward and the employee voice are highlighted. We have undertaken various projects throughout 2019 which have helped to support and embed this.

## Values and behaviours

As SMS continues to evolve, we felt 2019 was the right time to redefine our values, build on our culture and reinforce behaviours to ensure they reflect the strategic positioning of the business and our future focus. Our people are passionate about our values and behaviours and we wanted to involve them on our journey and provide them with something they could embrace wholeheartedly. We have held over 30 one-hour workshops across all our sites to capture our people's thoughts as to what they felt our values and behaviours should be. Feedback was collated and reviewed,

and, in June 2019, we successfully launched our five new core values: Safety, Innovation, Customer Excellence, Sustainability and Pride. These were subsequently embedded into our employee journey including recruitment, policies, procedures and performance management.

Our five core values capture who we are, what we believe in and what we stand for. These are applicable to all employees and through the involvement of our employees we have also developed behaviours directly linked to our five core values and our commitment to "Putting Our People First".

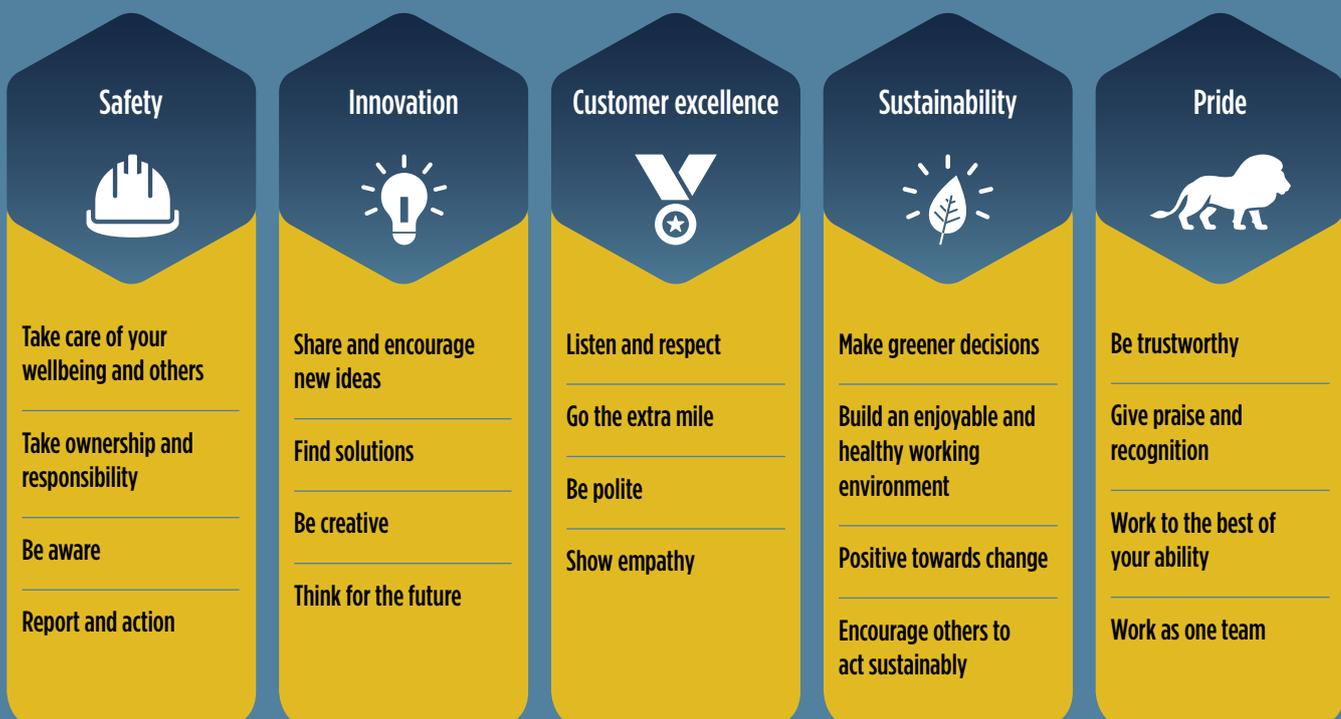
A shared understanding of what is expected and what is acceptable to others, and consistency of approach from all employees, is essential. The behaviours of all our employees support the delivery of our mission, vision, values and culture.

To live our values, SMS is committed to providing an environment and experience which reflects them. All employees are responsible for their own behaviour and are expected to display SMS's values and behaviours throughout the working day and when representing the Company. They are embedded into daily working lives, to ensure that SMS is a great and safe place to work, where people are kind to each other and both internal and external customers are treated with equal importance. Refer to pages 42 to 43 for further details on our commitment to health and safety.

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Our culture is assessed through compliance reviews, internal audit and formal and informal employee channels and is measured by engagement, health and wellbeing and diversity indicators.

## What are SMS plc's values and behaviours?



## Temperature check sessions

To sustain our high level of staff engagement culture, we introduced regular temperature check sessions and engineer stand-down days to encourage the involvement of our people to share best practice, ideas or concerns, and have these answered, whilst ensuring open communication. Checking how our people are feeling and gathering suggestions for improvements is crucial.

In addition, we also use our intranet as a source of news and information, employee newsletters, briefings by the Executive team and face-to-face meetings, to keep our employees informed of matters affecting them and the performance of the business. A new benefit following employee feedback was the introduction of 25 days' holiday plus eight bank holidays for all our full-time employees (pro rata for part time) and an additional five days of annual leave once five years' service has been achieved.

## Talent management and development

We recognise our people play a crucial role in delivering business success and to facilitate this, we support and encourage continuous professional development.



### What our employees have said about us

**“I get good support from the senior leadership team here and we are working together towards the end goal of achieving a diploma in advanced warehousing and storage. I am really grateful that the Company has backed me and my development.”**

**RYAN BRUCE**  
Transport Team Leader

In 2019, we continued our focus on providing our people with further opportunities to develop and utilise their skills more fully to better achieve their potential and increase business performance. This included additional eLearning modules, personal development reviews and learning plans, 14 new training courses, and the introduction of a broader array of apprenticeship qualifications such as Chartered Management Institute programmes, warehousing and storage, and project management. By investing in our people, we are demonstrating our commitment to “Putting Our People First”, achieving long-term sustainable growth, and increasing organisational effectiveness.

We volunteered to participate in a mentoring programme with “Career Ready” which offers mentees advice and support during the academic school year, and a four-week paid internship during the summer break. This provides a further pipeline for talent, together with supporting our corporate social responsibility ethos.

The SMS training academy is a centre of excellence and is fully accredited under the Accredited Certification Scheme (ACS); the industry recognised and accepted route for new and experienced gas operatives to gain the training and certificate of competence needed to become a member of the Gas Safe Register. We are a National Skills Academy for Power; are certificated and accredited for all domestic metering and gas appliance installation, servicing and maintenance functions; and are certified for I&C gas metering installations, testing and maintenance. The academy delivers technical gas and electricity training and induction programmes, traineeships and apprenticeships, including appliance testing and certification for engineers and electrical metering and appliance testing and certification. Currently under development are EV charging installation courses and GIRS design and utilities training packages for connections – solar, battery storage and PV.

October saw the launch of our new interactive corporate induction programme, which involves participation in videos from current employees, and has been delivered to 85 employees to date. The induction places a strong emphasis on our culture, new values and behaviours, provides consistency of approach and includes helpful mandatory training elements to set our people on the path to success.

## Health and wellbeing

Recently, we have focused on raising awareness of mental health issues which was supported by the delivery of mental health awareness training via Mind to 96 members of our management team. In 2020 we will look to expand this further, by delivering training to successfully introduce Psychological First Aiders at each of our sites to assist our people with their health and wellbeing.

Other initiatives to encourage wellbeing and support inclusiveness include dedicated occupational health support and an Employee Assistance Programme that offers confidential and free counselling. We are also delighted to be part of the Tommy's Pregnancy at Work Accredited Scheme which provides our employees access to a free pregnancy advice line operated by midwives, helpful digital pregnancy advice guides and access to an online members' community featuring the latest legal information and further support for managers and employees.

## What our employees have said about us

“I was employed by SMS in June 2010 as an I&C Electric Field Engineer. After three years I was asked to assist with the audit programme of a service provider and, from this role, a position became available for a Field Metering Manager. During my time within this role I have attended several courses to help further my career with SMS; some of these courses included IOSH accreditation, mental awareness and financial principles, etc. Recently I have been appointed to Head of Engineering Delivery for SMS and I have been selected to complete a level 4 ILM leadership and management apprenticeship to assist with my development for this new challenge.

SMS continues to support my development requirements which enables me to progress with my career whilst learning at the same time.”

**CHRIS PITT**  
Head of Engineering Delivery



## Our people continued

### Diversity and human rights

We aim to create a positive, diverse and inclusive working environment that attracts, develops and retains our people. The Group operates an equal opportunities, diversity and inclusion policy, which is documented in its employee handbook and made available to employees through the intranet. This aims to ensure that all employees, potential employees and other individuals are treated fairly and equally regardless of their age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage or civil partnership and pregnancy or maternity.

We became members of the Employers Network for Equality & Inclusion, and we will continue to drive continuous improvement with regard to equality, diversity and inclusion in our culture. We are building the foundations to support business growth and sustainability and we reinforce our values and associated behaviours with every interaction we make. Our people understand what our brand stands for because it is an integral part of our employee journey.

Our new eLearning course, “Equality, Diversity and Inclusion”, was rolled out to all of our employees to increase understanding and awareness of other cultures, and support learning of appropriate action and behaviours.

We expect our people to live our values and treat each other with kindness and respect. All employees are responsible for their own behaviour and are expected to display our values. Our key policies which recognise, support and protect our employees’ human rights include:

- ▶ modern slavery and human trafficking;
- ▶ anti-bribery and corruption;
- ▶ whistleblowing, which includes the provision of a confidential telephone service operated by an external provider to ensure there is no bias;
- ▶ equal opportunities, diversity and inclusion;
- ▶ discipline;
- ▶ grievance; and
- ▶ dignity at work.

Our anti-bribery and corruption policy includes guidance to employees on the giving, receiving and recording of business gifts and hospitality, together with other areas of specific risk, and is reviewed annually to ensure it remains fit for purpose. Any breaches of policy are investigated and reported to the Audit Committee. During the year, there were no cases of reported bribery or corruption.

## Gender pay gap reporting

SMS supports and encourages a culture of gender diversity amongst its workforce. It is the contributions of our people from all backgrounds that ensure we are successful, as only innovative thinking will produce the solutions we need to tackle the varying challenges faced by our business. Industry-leading thinking will diversify and transition the energy market and therefore SMS welcomes and supports gender pay gap reporting (introduced to increase pay transparency) and is committed to equal opportunities, diversity and inclusion throughout the business.

Being part of the historically male-dominated engineering industry, it is no surprise that SMS has such a wide gender split between men and women, and that a gender pay gap exists. Overall, SMS has a 31% female and 69% male workforce.

The mean gender pay gap for the consolidated Group is 28.8% and the median gender pay gap is 33.4%. The rationale specifically within SMS includes:

- ▶ there are more men than women within the engineering industry, from which we source most of our employees;
- ▶ there are more men than women in senior roles;
- ▶ there are more women in part-time roles; and
- ▶ there are more women in lower paying roles.

These issues are, however, prevalent throughout the UK and on a wider global level. They are therefore not limited to SMS, as can be seen via EngineeringUK, which provides workforce statistics. It is clear that: "There is continued gender disparity

in engineering: while women comprised 47.1% of the overall UK workforce in 2018, only 12.0% of workers in engineering occupations were female."

In addition, with regard to the percentage of female Fellows at the Royal Academy of Engineering, women only make up 7.7% of its active Fellowship, which excludes Emeritus, Honorary and International Fellows.

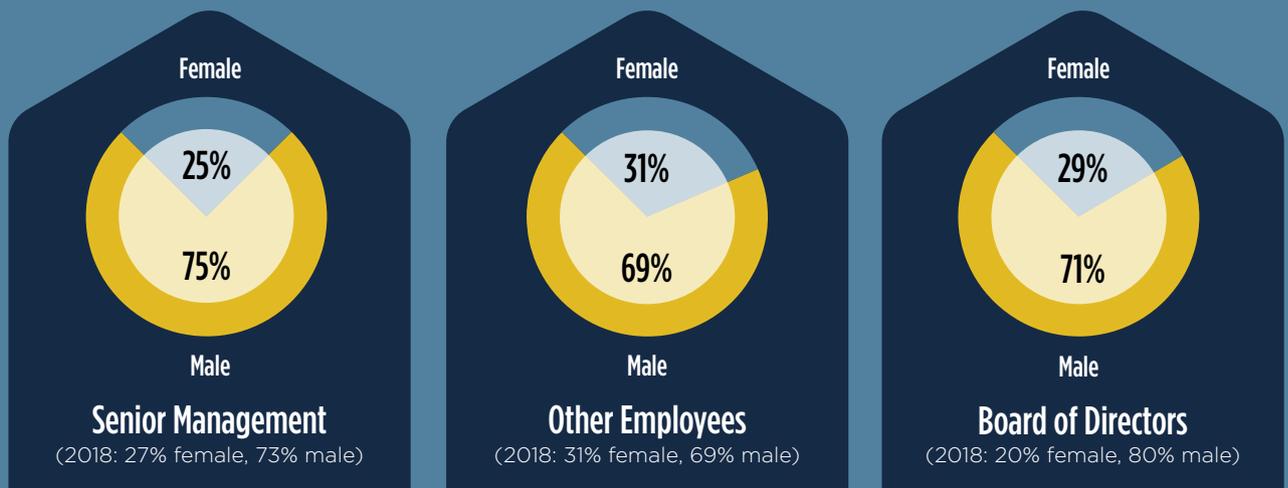
Importantly, SMS has taken positive action in 2019 which includes:

- ▶ the appointment of women to two senior roles including Divisional Finance Director and Group HR Director;
- ▶ the appointment of women to two upper middle management roles of Regional Operations Manager and Business Development Manager; and
- ▶ the internal promotion of three women to middle roles including: Internal Audit Manager, Group Financial Analyst and Senior Financial Accountant.

In addition:

- ▶ we became an "Accredited Living Wage" employer and therefore the salary for our entry level roles has increased;
- ▶ we are also in the process of reviewing our career levels and creating one SMS pay and reward scheme across the business; and
- ▶ we are actively involved in the "Career Ready" mentoring programme, working with young high school students to provide mentoring in their future career and study choices.

## Gender breakdown



## Accreditations obtained in 2019

