



Introduction

At RWE Generation UK we believe that creating the right culture of inclusion not only ensures a culture of mutual respect, diverse

skills, experience and perspectives but makes sound business sense for our organisation. A business that reflects the demographic profile of its customers and stakeholders will be more successful.

We work in an industry where there are typically more men than women available to recruit, creating challenges when we try to improve our gender diversity. This year we have successfully recruited 14% more women. We have continued to promote emerging female talent and improved our flexible benefits offering to employees. This will help us to reduce the gender pay gap in the long term.

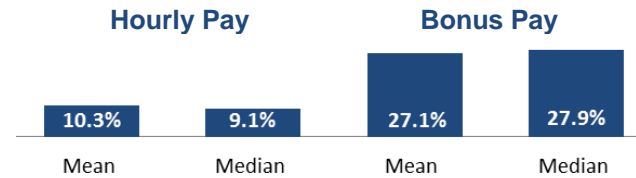
At RWE Generation UK, not only are we proactively addressing any imbalances that make up our gender pay gap, we are also focusing on all other aspects of diversity and inclusion because **everyone** within the business is important.

We are committed to making changes that will help reduce the gender pay gap but know that this will take time to address.

Steve Glover, Director

Key figures

The **gender pay gap** looks at the difference in the pay between men and women. We are pleased to see a slight reduction in mean gender pay gap of 0.7%. However, we have experienced a slight increase in median hourly pay (0.7%) and bonus pay gap (1.3% and 3.74% respectively). This has resulted from recruiting more women on starting salaries within the business; and continuing to have more men than women in higher paid roles and a lower uptake of flexible working and salary sacrifice benefits by men.

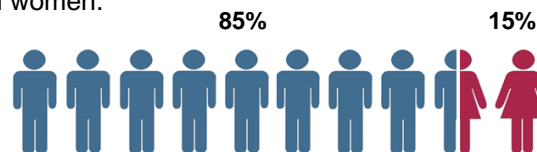


The mean gap is the difference between the average hourly earnings of men and women. The median gap is the difference between the midpoints in the ranges of earnings of men and women. Figures are expressed as a percentage of men's pay.

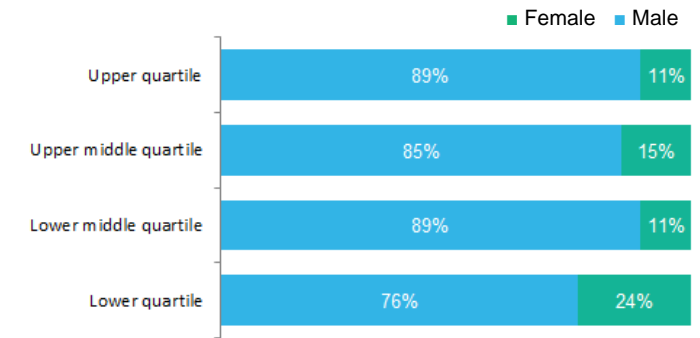
Hourly pay includes all types of pay in the snapshot month (April 2018), as well as any bonus paid in the year up to that point. It excludes salary sacrifice.

Bonus pay looks at the actual amounts of bonus paid and so does not take into account any reduction due to part time hours or maternity leave.

Across the whole company we employ more men than women.

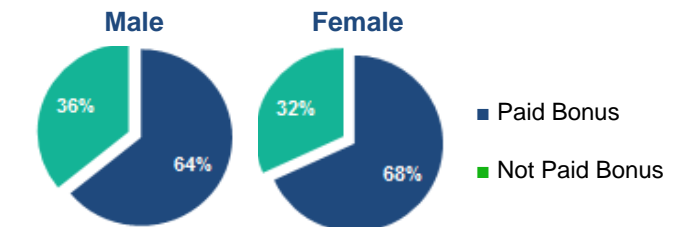


Our quartile analysis shows that fewer women than men are in higher paid roles. More women than men continue to take up lower paid jobs. We have recruited and promoted more female talent leading to a slight reduction in males across all quartiles in 2018 and an increase in the number of women in the lower middle quartile and upper quartile.



The **quartiles** analysis uses the hourly rate figures. The hourly rates are ranked from highest to lowest then split into four groups with the male/female split shown for each.

Employees who joined us from 1 January are included in our gender pay gap report but are not eligible for a bonus because our performance year ends on 31 December. Due to the way our business is set up, some of our employees are not paid a bonus as they have different contractual arrangements.



Understanding our gender pay gap

Our gender pay gap is mainly due to us having a significantly higher proportion of men compared to women in our workforce, something we know is an issue across our industry.

We also continue to have a higher proportion of men than women in senior managerial roles which are more highly paid.

Due to the nature of our more traditional station roles, we have a low representation of women and these roles attract additional remuneration such as shift allowance which is included in our pay gap calculations.

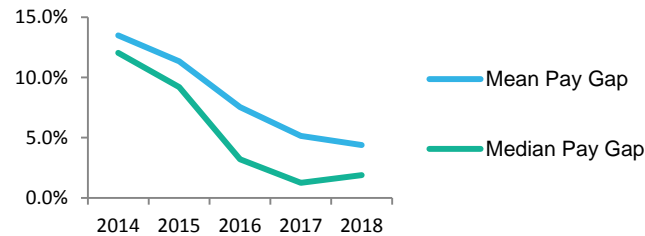
This leads to a gap, as demonstrated in the short animation video here.



Although we continue to take steps to try to improve our female representation year on year, this continues to be a contributing factor in our gender pay gap.

26% of women work on a part time basis compared to only 1% of men. For the bonus pay gap reporting, the legislation requires us to report on actual bonuses paid. No adjustment is therefore made for part time hours or other long term absences in the year that affect bonus.

Gender pay gap based on FTE pay



While we recognise the importance of the reporting requirements, we believe that looking at full time equivalent pay (FTE pay) is important as this reflects pay before any deductions and without the impact of bonus. Using this method, our 2018 mean pay gap is **4.4%** and 2018 median pay gap is **1.89%**.

We're proud that this gap has been reducing year on year and we know that the slight increase of 0.7% median pay gap in 2018 is due to the increase in women taking roles further down our talent pipeline. We will continue to address the imbalance of men and women within the business.

Actions we have taken so far



Health and wellbeing

We promote health and wellbeing at work which covers a wide range of initiatives including “my work, my health”, healthy minds, wellbeing and mental health champions, looking after my team and health and safety training.

Flexible working and family friendly

We recognise and understand that everyone has individual lifestyles and commitments which require different levels of flexibility and work life balance. We offer a generous range of employee benefits, flexible working and enhanced family friendly policies to promote and support inclusion. We continue to explore and introduce benefits which allow everyone to have greater work and life balance.

Following feedback from a parental leave workshop run by our Women's Network, we introduced toolkits for managers and employees to improve their experience when taking leave. We offer coaching to employees returning to work to provide support and help them to take their next steps, retaining their knowledge and experience within the business.

We have also introduced new agile working guidelines to help create more flexibility in the work place for everyone, at all levels including senior managers.

Pay structures and policies

Our pay practices, as well as our supporting policies are designed to promote fairness and operate in a way which does not discriminate between men and women. We offer pay based on a combination of market benchmarking, experience/skills and performance and we continue to review our pay levels to ensure our reward practices remain fair.

Recruitment

We will continue to focus on our internal and external recruitment processes, including implementation of software to remove unconscious bias in the recruitment process thereby improving the attraction of female talent.

Inclusive environment

We celebrate diversity activities throughout the year to raise awareness of how diversity and inclusion initiatives to all employees; sharing successes, best practice and information. Our Diversity Steering Group sponsor and support our diversity initiatives, checking progress against these. A diversity working group made up of volunteer employees, work on these initiatives in addition to their roles.

Employee networks



We have an active Women's Network across the company, voluntarily founded and managed by employees with frequent local and international initiatives. These have included the popular Career Stories events where female role models share their career journey which attracted great feedback.

External networks

Our external partnerships with organisations such as the Employers Network for Equality & Inclusion (ENEI) support our diversity initiatives. We became members of Women in Science and Engineering (WISE) which we hope will help increase our visibility with potential female talents. During 2018, we also participated in an Energy UK roundtable which focussed on increasing diversity in the energy sector.

Final words

Given the nature of our industry, we know that it will take time to improve the balance of males and females and to reduce our gender pay gap.

As we have demonstrated, we continue to address this while ensuring diversity and inclusion is embedded into our culture and processes throughout our employee's journey with our organisation. We operate in a rapidly changing industry and we want to ensure we create a working environment where we are doing the right thing for our people, encouraging a culture of treating everyone equally and valuing difference.

While it is a challenge to make changes in the short term we continue to remain committed to reducing our gender pay gap while ensuring that opportunities for development and progression remain open to all employees, regardless of gender, and will continue to take action to encourage diversity and inclusion.



Becky Wall, Director

We hereby confirm that the data reported is accurate.

Becky Wall, Director

Steve Glover, Director

Mohamed Suleman, Director