

RWE Generation UK plc Gender Pay Gap Report

Snapshot dated 5 April 2017

Reported Figures

Pay and Bonus Gap

	Mean	Median
Hourly Pay	11%	8.4%
Bonus	25.8%	24.2%

The above table shows our mean and median hourly gender pay gap and bonus gap as at the snapshot date (i.e. 5 April 2017 (pay) and in the 12 months reference period to 5 April 2017 (bonus)). The pay gap calculation is the difference between male and female pay, expressed as a percentage of male pay.

Proportion of employees receiving a bonus payment

	Male	Female
Receiving a bonus	64.4%	70.4%

This shows the proportions of men and women awarded a bonus in the year to 5 April 2017, i.e. for the performance year 2016.

Proportion of men and women in each pay quartile

	Male	Female
Upper Quartile	90%	10%
Upper Middle Quartile	86%	14%
Lower Middle Quartile	93%	7%
Lower Quartile	76%	24%

The above table shows the gender distribution across four pay quartiles with the same number of staff in each.

Further Analysis

In preparation for the publication of our gender pay gap figures we have undertaken further analysis to understand where and how the gap arises. An important consideration in evaluating the pay gap is the overall gender imbalance present in the company: 86% of employees included in the hourly pay figure are male.

Our mean pay gap is 7% points lower than the national average of 18.4%¹ and median pay gap is 0.7% points lower than the national median pay gap which is 9.1%¹.

¹ Office for National Statistics, 2017



A significantly higher proportion of women opt to undertake part-time hours, 29% compared to 2% of men. Although this does not impact the calculation of women's hourly basic pay, it does impact other elements of their pay package, such as bonus, because the part-time salary is used to determine the figures reported rather than actual full-time equivalent values.

The difference in the number of employees receiving a bonus is as a result of having a higher proportion of males who are not-eligible for bonus either because of their grade (87%) or they were on long-term absence or new joiners (13%).

The pay quartiles are predominantly impacted by the higher proportion of females in lower paid administrative and less technical roles. There is a higher distribution of males in operational, technical and senior roles where there is opportunity to earn higher pay impacting both bonus and gender pay gap results. In addition, the proportion of females within our executive graded roles represents only 10% of the total executive population.

Summary

We believe that our gender pay gap is primarily as a result of the uneven distribution of males and females across our roles.

We recognise that the energy industry is traditionally dominated by males in higher paid technical roles and that there is a shortage of women in science, technology, engineering and maths (STEM) occupations. We have already initiated a number of activities to improve our talent pipeline and support a more diverse balance across the Company which will remain a high priority. These include the establishment of the Diversity Steering Group, continued growth and support of RWE Women's Network and working on key Strategy Priority Workstreams.

We are confident that our pay practices, as well as our supporting policies such as recruitment and selection and flexible working, are designed and operated in a way which does not discriminate between men and women, and we will continue to monitor these and adjust them where required.

We are committed to ensuring that opportunities for progression are open to all, regardless of gender, and will continue to take action to encourage diversity.

We hereby confirm that the data reported is accurate.

Rebecca Wall, Director

Steve Glover, Director

Mohamed Suleman, Director