

# 2020 Gender Pay Gap

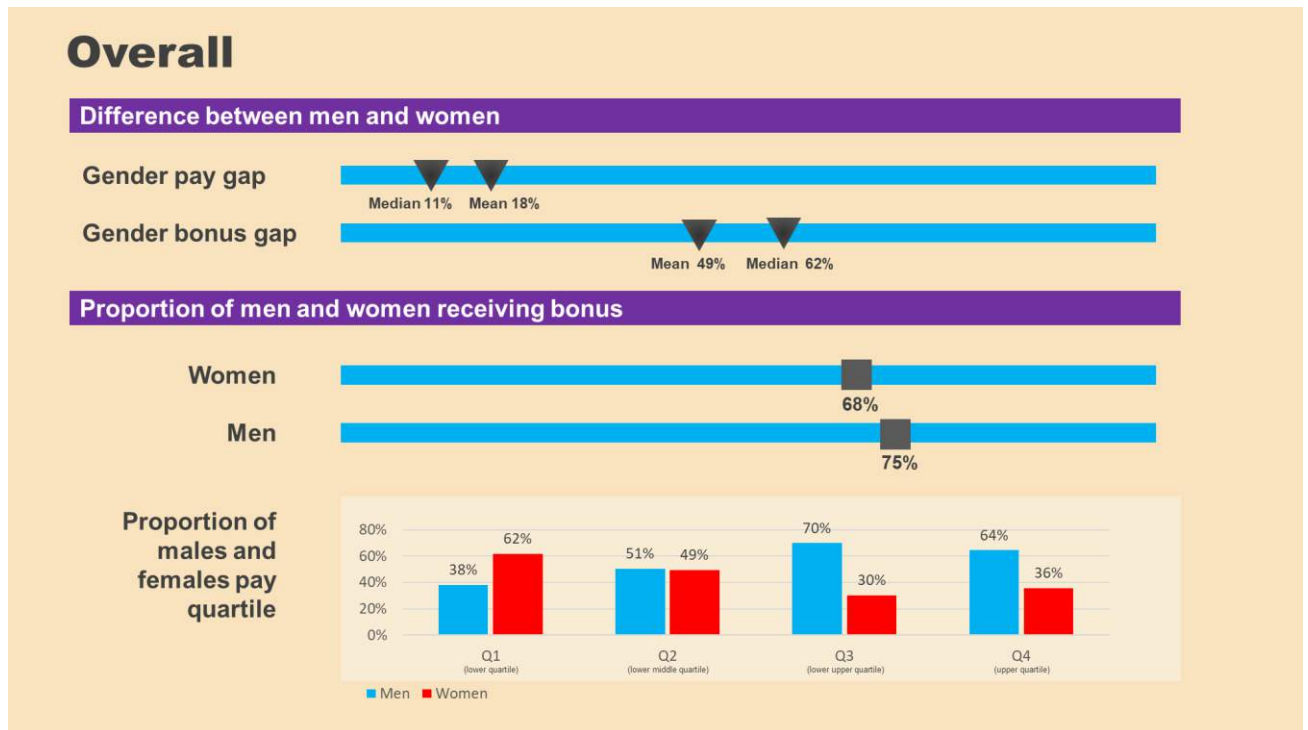


This report presents the combined 2020 gender pay gap for our legal entities Npower Limited, Npower Yorkshire Limited and Innogy Business Services Limited. Our gender split as of 5th April 2020 was 2277 Females and 2868 Males, totaling 5145 employees

## What is the gender pay gap?

The gender pay gap measures the difference between the average hourly earnings of men and women in a company. Often, the gender pay gap is confused with unequal pay, though this is a different measurement. Unequal pay is when one gender is paid less than the other for the same work. Unlike the gender pay gap, which measures the difference in earnings at the company level, unequal pay is calculated by comparing the pay of employees on a case by case basis. In our fourth gender pay gap report, we look at the figures for our UK wide business and discuss any significant changes.

## What is our gender pay gap?



## What causes our gender pay gap?

The main cause of the difference in the average earnings of our men and women is the composition of our work force. We have a higher proportion of women in our graded roles, which make up our lower quartiles of pay. Men are more likely to work in the senior or leadership positions, that make up our upper quartiles of pay.

This is further affected by:

- More men earning additional call out and unsocial hours allowances compared to women.
- A continued, higher proportion of women taking salary sacrifice benefits such as Childcare Vouchers.
- More women working part time - which doesn't affect the hourly pay but impacts elements in the pay package.
- Bonuses paid in April added to the hourly rate, which increases the rates for Personal Contact employees who are more likely to be male.

### A reduction in our Median Pay Gap

Compared to April 2019, we have seen a reduction in 'callout' and 'standby' allowances being paid out. This is due to a reduction in activity due to COVID-19 as well as other operational changes in npower Yorkshire Limited. These are more commonly earned by male employees and are one of the factors causing our pay gap. In the 12 months to April 2020, we also reduced our workforce by 1200. Of these leavers, a slightly higher percentage from the lowest quartile were female. The effect of both these changes has meant we had 4% more males in our lower quartile and 5% more females working in our upper lower quartile than we had previously. This redistribution in the lower quartiles has brought the median pay rates closer together and lowered our gap.

### Our Mean Pay Gap has increased very slightly

In 2020, the mean pay rate for males and females remained very similar as pay rates have not increased. We still have a higher proportion of men in senior roles, and in the upper quartiles, which leads to our overall pay gap.

### An increase in our Median Bonus Gap

In 2019, we introduced a new incentive scheme for our customer contact teams to promote Smart meter appointment bookings. Though a good thing for our people, these new incentive payments now formed part of the Bonus Gap calculation. By their nature, these incentive payments were quite a bit smaller than a typical PC level performance bonus. As more of the people receiving the incentive bonus were female (due to the lower quartile teams having higher proportions of women), it led to a big increase in the Median Bonus Gap this year.

### An increase in our Mean Bonus Gap

This is due to the combination of the Smart incentive scheme in our customer contact teams, as well as additional executive incentives being paid. Eligible executives received three years' worth of Long-Term Incentive Payments in October 2019; the sale of innogy to E.ON triggered "change of control" within the plan rules, which resulted in early pay out of the 2016, 2017 and 2018 grants. As more of our executives are male, this increased the mean bonus amount for males more than it did for females, resulting in an increased bonus gap. However, this situation was a one-off and out of the ordinary, so we expect the mean bonus gap to reduce again next year.

## Statement

We continue to value our people and strive to create a supportive environment where all employees have access to the same opportunities. This has been evident throughout the pandemic, where we have provided support for flexible and home-working where needed. As our business continues through a transition period, we remain committed to ensuring fair practice is factored into all decisions that are made regarding our workforce, as well as continuing to follow unbiased processes and promoting family friendly policies.

We confirm that the information and data provided is accurate and in line with mandatory requirements.



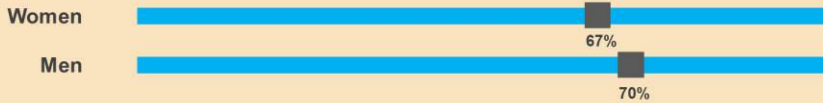
Chris Pilgrim  
HR Director

## Npower Limited

### Difference between men and women



### Proportion of men and women receiving bonus



### Proportion of males and females pay quartile



## Npower Yorkshire

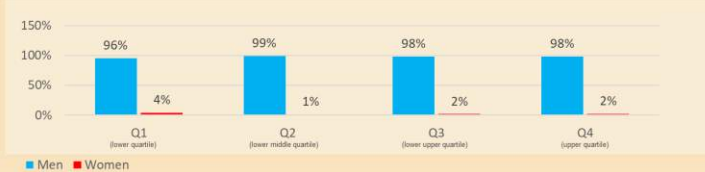
### Difference between men and women



### Proportion of men and women receiving bonus



### Proportion of males and females pay quartile



## innogy Business Services

### Difference between men and women



### Proportion of men and women receiving bonus



### Proportion of males and females pay quartile

