ScottishPower

Gender Pay Narrative

2025

Introduction

At ScottishPower, we are dedicated to achieving a Better Future Quicker by spearheading the transformation of energy systems across the United Kingdom. By investing heavily in renewable power generation capacity, new energy solutions for consumers, and electricity networks fit for the 21st Century, each of us should be proud to know we are working every day to deliver greater levels of energy security, energy price stability, and decarbonisation for the UK.

Our commitment involves unlocking green growth in communities nationwide through a record £24 billion investment in UK energy infrastructure by 2028. This significant investment is set to double our renewable energy generation capacity, meeting the rising demand as more individuals and businesses responsibly shift away from fossil fuels. With £18 million invested every working day, we are securing a truly sustainable energy future for all.

Our ambition extends beyond environmental sustainability and includes building a diverse and inclusive workplace. This past year, we have continued to make strong progress on our largest ever green jobs recruitment campaign, welcoming over 3,000 new hires into ScottishPower since July 2022, enriching our teams with talent and diversity of thought.

Last year saw the implementation of several impactful initiatives aimed at attracting, supporting, and retaining talent while enhancing our inclusive culture, beginning with our improved policy offerings. We introduced an increase of up to eight weeks of paid paternity leave alongside five days of paid caring leave, and up to twelve weeks of paid neonatal care leave, all offered as day one entitlements for our employees.

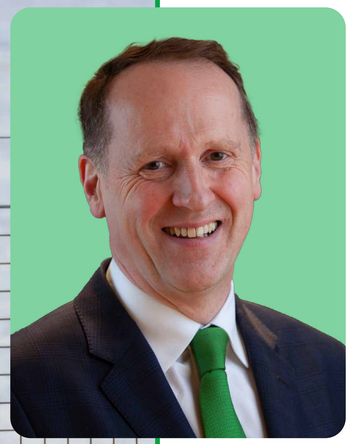
Another key area of focus was fostering Allyship amongst our senior leaders, where a dedicated program resulted in an impressive 117% increase in the Net Promoter Score for confidence in discussing Diversity and Inclusion topics. Furthermore, we continued to back our successful employee led networks. We are delighted that these networks have garnered national recognition, with our In-Fuse Network receiving acclaim at the Pride Metro Awards and the European Diversity Awards, whilst our Connected Women's Network celebrated a win at the Women in Utilities Network Awards. We are also on track to achieve EDGE+ accreditation by 2026, a prestigious global standard for Diversity and Inclusion, emphasising workplace gender and intersectional equity.

Delivering on our commitment to transparency, fairness and equality, we report that our mean gender pay gap has increased slightly to 9.6% in 2025, compared to 7.6% in 2024. Whilst we are always working to bring the gap down, this figure remains below the UK average and represents significant progress since we began comprehensive measurement.

The proportion of females in our middle management population has increased to 34%. Business growth resulted in a 17% increase in the number of women in this population while the number of men increased by 8% over the period, demonstrating our dedication to developing our talent pipeline. The proportion of females in our senior management population has increased to 36% representing a 15% increase in the number of women in this population while the number of men decreased by 1%.

As we forge ahead, ScottishPower remains committed to creating an inclusive environment where everyone feels empowered to achieve their goals, playing our part in building a sustainable and inclusive future. Our dedication to Diversity and Inclusion is fundamental our mission to deliver vital green energy infrastructure projects and ensure a Better Future Quicker for all.

Introduction (cont.)



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Keith Anderson, CEO ScottishPower, shares his perspective:

"As 2026 begins, we can see the pace of the change we are at the forefront of clearly picking up. With our unprecedented investment in networks beginning in April we are leading the way to electrification and in doing so creating new opportunities for both our business and the country. It is our collective responsibility to ensure these opportunities are realised, an outcome that will undoubtedly depend on a diversity of skills and thinking.

"This past year, we've seen the power of combining investment in green energy infrastructure with investment in people. Our improved policies, stronger allyship amongst senior leaders and the growth in diversity across our leadership teams are proof that when we create an environment where everyone can thrive, the results benefit the whole business and the communities we serve.

"I'm particularly encouraged by our leaders' development in talking about diversity and inclusion, shaped by listening, learning, and taking action. We've built momentum, and we're not slowing down.

"Looking ahead, our focus remains on talent, culture and social contribution. That means attracting people from the widest possible range of backgrounds, ensuring they have the tools and opportunities to succeed, and continuing to deliver the green energy projects that are transforming the UK's energy future. The journey is far from over, but our direction is clear and our commitment is stronger than ever."

Delivering a better future quicker through diversity & inclusion

Building Inclusive Leadership Through Reverse Mentoring

The Senior Leader Allyship Programme is designed to strengthen inclusive leadership across ScottishPower by equipping senior managers with the knowledge, skills, and perspectives needed to champion diversity and inclusion. The programme's purpose is to create leaders who not only understand the barriers faced by underrepresented colleagues, but who take deliberate action to remove them.

Over six months, participants engaged in structured learning experiences, including workshops on understanding different perspectives on exclusion, speaking up against inappropriate behaviours, and bridging worlds between separate lived experiences.

Key Impacts from the First Cohort

- Confidence boost – Leaders' confidence to talk and engage on D&I increased significantly, with Net Promoter Scores rising 117% as a result of the course.
- Concrete commitments – Every participant identified and began implementing at least two tangible allyship actions within their teams.

Culture change – Feedback highlighted greater awareness of microaggressions, improved inclusivity in meetings, and more open dialogue across senior leadership.

Reverse Mentoring – Extending the Impact

Following the conclusion of the first cohort in April 2025, ScottishPower is embedding reverse mentoring relationships between trained senior leaders and members of our employee networks. This approach flips the traditional mentoring model. The mentor is often earlier in their career, from an underrepresented community, and shares their lived experience to broaden leaders' perspectives.

Our Mentor–mentee pairs meet monthly for six months, in person or online, creating a safe space for open conversation. Mentors gain access to leadership insights and career guidance, while mentees develop a richer understanding of our organisation through the eyes of those who experience it differently. The results show us that both parties benefit as we shape leaders who are better informed, more empathetic, and who able to drawn on a rich variety of experiences and viewpoints to inform their decision-making.

This is more than a training course; it's about inclusive cultural development.

Russell White, Director of UK Business Planning & Development, Customer Business, summed up the experience as a mentee:

"Diversity and Inclusion impacts everyone uniquely. This course delivers powerful messages that encourage deep self-reflection and a broader understanding of a crucial topic."

"It challenged me to think more about the different perspectives in ScottishPower, to recognise where barriers exist in our organisation, and to take positive steps to remove them. The sessions on spotting and addressing microaggressions, listening without judgement, and creating truly inclusive meetings were particularly helpful in equipping us with practical tools that can immediately be applied within our teams."

Victoria Hobson, Head of Estate Management, ScottishPower Renewables, commented on the value of the programme as a mentor:

"Being a mentor in the reverse mentoring scheme has been a great opportunity to share my lived experiences with a senior leader and given me a real sense of being valued. Our conversations were always honest and open, and the whole process was conducted with a sense of trust and transparency. I can see how our conversations are shaping changes within the business and it's been just as valuable for my own development, giving me insights into leadership processes and the confidence to bring my voice forward."

2024 v 2025 Gender Pay Gap Movement

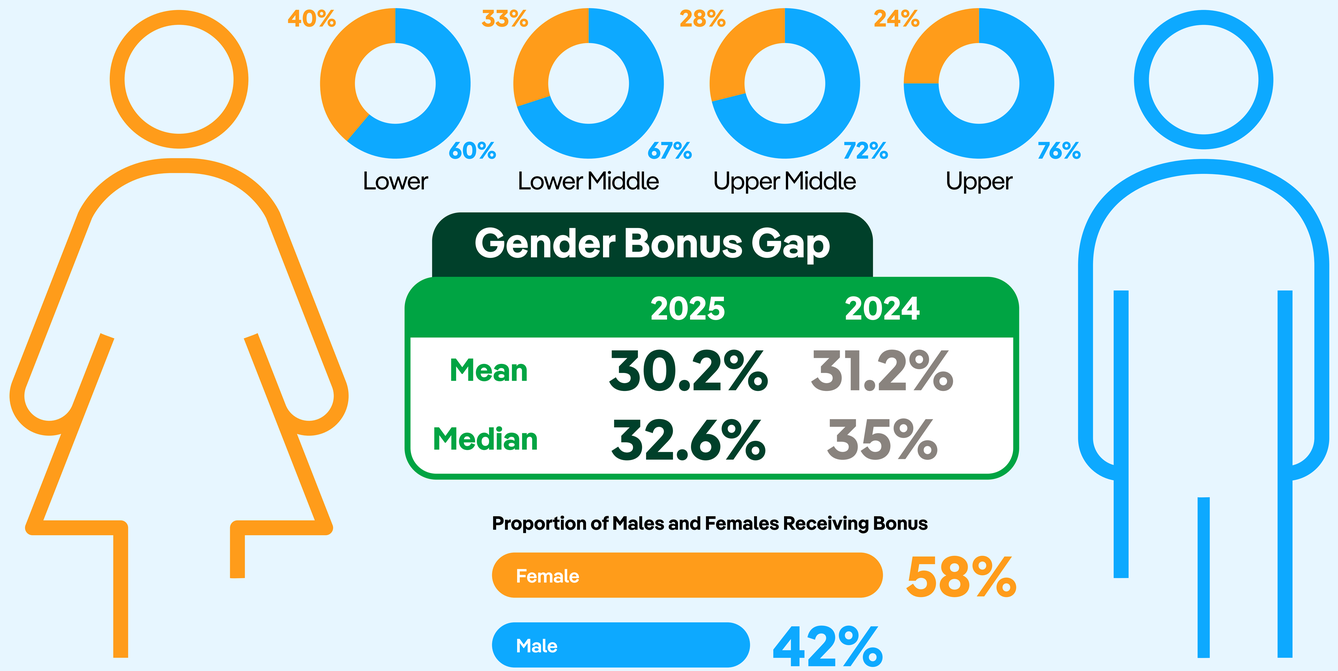
Gender Pay Gap

	2025	2024
Mean	9.6%	7.6%
Median	10.4%	9%

Key

- Male
- Female

Pay Quartiles



Gender Bonus Gap

	2025	2024
Mean	30.2%	31.2%
Median	32.6%	35%

Proportion of Males and Females Receiving Bonus

Note: The consolidated reporting does not include data from SP Electricity North West for this reporting year

Analysis of Our 2025 Pay Gap

Our mean pay gap has increased to 9.6% (2024, 7.6%) while our median pay gap is reported at 10.4% (2024, 9%).

This increase is attributed the impact of the timing of the collective pay awards within our SP Energy Networks Business and the makeup of new starts and leavers during the reporting period.

As a result of these changes the difference in average earnings between women and men has increased.

Analysis of Our 2025 Bonus Gap

Our mean bonus gap has decreased to 30.2% (2024, 31.2%) while our median bonus gap is reported at 32.6% (2024, 35%).

UK Government methodology mandates that we include data from several different performance-related schemes in place across the organisation, which results in fluctuations in the bonus gap year on year.

The year-on-year decrease in the bonus gap can be attributed to a reduction in specific performance related bonus payments during the reporting period.

Equal Pay Versus Gender Pay

It's important to understand the gender pay gap is not the same as equal pay:

- The gender pay gap shows the difference in the average pay between all males and females across the organisation
- Our pay gap relates to the fact there are more men in technical and operational jobs which attract additional payments, such as standby payments or call out payments for 24-hour operational work.
- ScottishPower continues to address this through enhancing our STEM in education programmes; returner programmes; along with targeted attempts to increase diversity in early careers applicants. However, this will take time to see change.
- Equal pay is the right for males and females to be paid equally for doing the same job.

Helen Gaier-Laidlaw, Chair of ScottishPower's Connected Women's network, receives the Women's Network of the Year award from Baroness Tanni Grey-Thompson at the Women in Utilities Network Awards 2025.

Embedding & Inspiring an Inclusive Culture

At ScottishPower we're working hard to create an inclusive culture for all. We believe that an inclusive business provides a productive, supportive, and successful environment.

Here is what we delivered in 2025:

Talent

- Implemented new initiatives to improve diverse candidate attraction and selection. This includes further increasing the use of balanced shortlisting / interview panels and attraction strategies targeting diverse candidates with specific focus on senior leadership talent succession
- Continued focus on female senior and middle management development programmes
- Commenced a review of our selection and onboarding approach for trainees to maximise inclusive experiences for neurodiverse applicants focused initially on improved access and support for inclusive software
- Developed skill frameworks in core capability areas, ensuring learning and career pathways document requirements and options to achieve these, supported by extensive guidance and resource for line managers to hold meaningful career conversations with their teams.

Culture

- Reviewing and improving training and policy awareness on harassment at work engaging our Management Committee and Senior Leadership Teams initially
- Implementing our improved policy offerings for employees including an increase to 8 weeks paid paternity leave, 5 days paid caring leave, and up to 12 weeks paid neonatal care leave. These improvements are implemented as day one entitlements
- Delivered the first cohort of our Senior Leader Allyship Programme with participants now paired in reverse mentoring relationships designed to provide greater variety of experiences and viewpoints to inform decision making.

Social Contribution

- Working towards EDGE+ accreditation by 2026 which values commitment to gender and intersectional equity
- Improving the transparency of D&I metric performance through sustainability reporting with the roll out of updated privacy statements on our data collection platform
- Continuing to focus on our existing employability programmes which include Returners (gender), Breaking Barriers (disability), Barnardo's (social exclusion) and Black Professionals Scotland (ethnicity).

Our 2026 Priority Areas

In 2026, we will continue to inspire an inclusive culture, helping our people to deliver a record number of green energy infrastructure projects in a fulfilling and supportive environment.

The future:

To be truly inclusive, we need to continually evolve and adapt our recruitment practices. Using insight and feedback from our colleagues, we will continue to refine our approach.

Broadening demographic and gender diversity is at the heart of our recruitment strategy. We'll strive to match the progress within our graduate programmes on gender diversity within our apprentice roles; reaching and attracting diverse audiences to apply shall continue be a key focus for us
going forward.

Our vision is to attract talent from the broadest possible range as well as retaining talent by creating opportunities and inspiring people to be the best they can be, supporting a better future, quicker, for everyone.

Talent

- Building on the initiatives implemented to date to improve senior leadership talent succession by continuing to review application and hiring rates to inform targeted action
- Continued focus on female senior and middle management development programmes and career coaching services
- Following implementation of improved inclusive software access and support in 2025, the focus will move to identifying further improvements on selection and onboarding approaches for neurodiverse applicants
- Continued development of skill framework in core capability areas, developing meaningful learning and career pathways at various levels with the organisation.

Culture

- Implementing improved training and policy awareness on harassment at work broadening engagement beyond senior leaders to middle and line managers
- Implementing an improved adjustment process to enhance the experience of our employees with long term health conditions
- Running further cohorts of the Senior Leader Allyship Programme, refining content based on participant feedback and expanding the reverse mentoring network.
- Employee Voice – continuing our listening strategy of listen, act & understand by undertaking pulse surveys, focus groups, & employee forums/ networks.

Social Contribution

- Achieving EDGE+ accreditation by 2026 which values commitment to gender and intersectional equity
- Carrying out an independent review to assess the impact of D&I initiatives delivered to date and inform the focus of future initiatives
- Build on our existing D&I partnerships to further raise the profile of ScottishPower as an inclusive employer.

We support the UK Government's initiative on gender pay reporting. ScottishPower aspires to deliver and maintain performance against the 2030 targets our leadership team have set for gender pay:

- Increase the number of women in top level jobs to exceed 35% by 2030 (currently 36%)
- Increase the number of women in our middle management population to exceed 36% by 2030 (currently 34%)

We confirm that the information and data provided is accurate.

Keith Anderson
CEO ScottishPower

Sarah McNulty
HR Director

Note: The consolidated reporting does not include data from SP Electricity North West for this reporting year

Steph Todd, Chair of ScottishPower's In-Fuse network, receives the LGBTQ+ Network Group of the Year award from Will Best and Rylan Clark at the Metro Pride Awards 2025.