



# SCOTTISHPOWER GENDER PAY REPORT 2019





**KEITH ANDERSON**  
Chief Executive ScottishPower

“It’s really important to me that our people know that at ScottishPower you can make a real difference. This is a business that drives innovation within the industry, that champions the environment by tackling climate change head on, and inspires everybody to create sustainable value in their work.

“We’re proud to provide a supportive and inclusive environment that empowers everyone.”

## INTRODUCTION

At ScottishPower, we’re working every day to achieve a better future, quicker, for all of us.

As the first integrated energy company in the UK to generate 100% green energy, ScottishPower is leading the UK’s energy transition and supporting the country’s fight against climate change. Our talented team of diverse and creative people are our biggest assets when it comes to innovation and delivering a more sustainable business.

A climate emergency has been declared and the UK and its devolved governments have set out ambitious ‘net zero emissions’ targets. ScottishPower is committed to helping achieve them by championing wind energy, smart grids and driving the change required for a cleaner, electric future.

Everyone at ScottishPower has a part to play in delivering our green ambitions. By valuing talented people from diverse backgrounds and inspiring them to perform their best, we are building ScottishPower’s future capacity to lead the competitive utilities market and empower every member of our team to achieve aspirations that are challenging and rewarding.

ScottishPower is committed to driving diversity in the energy industry through our multicultural and inclusive workforce. Our ambition is to create a working environment that fosters a sense of belonging and acceptance for everyone through new ways of behaving and working.





# DELIVERING A BETTER FUTURE, QUICKER

At ScottishPower we want to attract and inspire the best talent regardless of gender, age, sexual orientation, disability, ethnicity or any other factor. We value every individual's differences and the insights they bring to how we think, what we believe and who we are.

Here are some of the amazing individuals who reflect the ambition and drive of our people.



**SARAH** | CRAFT APPRENTICE

"I think it's important to celebrate women in engineering and to acknowledge their hard work within the sector. It's so inspiring to see someone who started out as a ScottishPower apprentice recognised in the Telegraph's Top 50 Women in Engineering list. It really shows what we can achieve."



**CRYSTAL** | SENIOR DATA SCIENTIST

"I've taken a winding road to get here - from my first job in Beijing to a master's degree in Glasgow followed by investment banking and an MBA. Not every route into the industry is straightforward. I joined ScottishPower while working on a project for one of our energy regulators. The senior leadership team recognised the value of our work and asked us to set up a specialist data science team. ScottishPower does things different - this isn't your average utilities company. We have extremely clever people with all sorts of backgrounds - from experimental physicists to former NASA rocket scientists. It's fast-paced but everyone supports each other."



**ELENI** | INTEGRATED MANAGEMENT SYSTEMS MANAGER

"When I was a little girl in Greece, I loved nature. My friends would be swimming and I would be picking up litter on the beach. Then when I was a teenager, engineering offered me a way to do something that would provide real solution for the environment. I was determined to study it at university and to pursue it as a career. Now, I work for ScottishPower and we generate 100% of our energy from renewable sources - powering homes, hospitals and schools. We're not just heading towards 100% green generation; we're actually already there. It's amazing!"



# GENDER PAY GAP RESULTS

We are working hard to achieve gender equality but our gender pay gap underlines that the average total hourly earnings for all men is greater than average total hourly earnings for all women. This is driven by two key factors:

- We still have more men than women in senior roles with 76% of our senior management roles held by men.
- We have more men performing technical roles that command a premium in the market. These roles also receive allowances to compensate for unsociable work patterns.

We can, however report an increase in the proportion of women in both our senior and middle management populations. Females now make up 24% of our senior management population (2018 21%) and 33% of our middle management population (2018 30%).

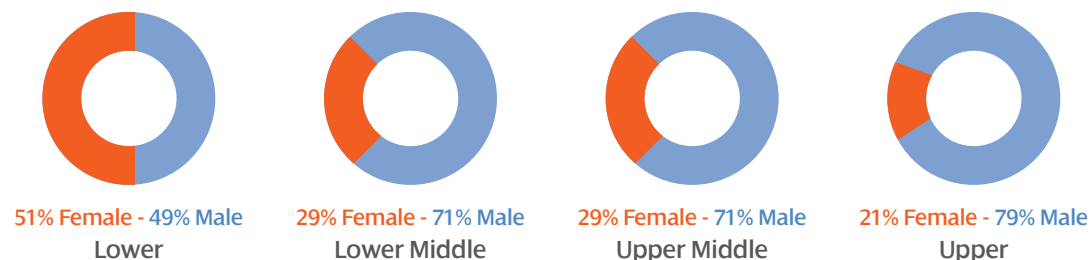
At ScottishPower, we always ensure men and women are paid equally for doing the same job. Our gender pay gap is not because of unequal pay.

## PAY GAP

	2018	2019
Mean	20.4%	16.8%
Median	20.5%	15.5%

Male Female

### Pay Quartiles



## BONUS GAP

	2018	2019
Mean	36.9%	26.1%
Median*	-42.0%	-400.0%

\*(Median bonus gap is in favour of women)

### Proportion of Men and Woman Receiving Bonus



# ANALYSIS OF OUR 2019 PAY GAP

Our mean gender pay gap has decreased to 16.8% (2018 20.4%) and our median pay gap has decreased to 15.5% (2018 20.5%).

The decrease in our pay gap has been influenced by changes to the structure of our business, which saw the sale of parts of our Generation business and a restructure within our Retail business that included voluntary redundancies.

This has reduced the proportion of men in higher paid positions and women in lower paid roles.

## PAY GAP

	2018	2019
Mean	20.4%	<b>16.8%</b>
Median	20.5%	<b>15.5%</b>



## 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 hourly earnings between all men and women across the organisation. Equal pay is the right for men and women to be paid equally for doing the same job.



# ANALYSIS OF OUR 2019 BONUS GAP

Our mean bonus gap has decreased to 26.1% (2018 36.9%). Our median bonus gap is in favour of females and has increased to 400% (2018 42.0%). The decrease in the mean bonus gap can be attributed to a number of factors including, for example, attrition and changes to the timing of payments.

The difference between the mean and median bonus gap appears significant. This can largely be attributed to differences in the nature of payments that are required to be included within the calculation. Within our collectively bargained populations single lump sums, linked to the achievement of specific business results, were paid to employees. Due to the high number of employees in receipt of these payments, these lump sums have a significant impact on the median bonus metric.

## BONUS GAP

	2018	2019
Mean	36.9%	26.1%
Median*	-42.0%	-400.0%

\*(Median bonus gap is in favour of women)



2019 increase of proportion of women in senior and middle management roles

SENIOR  
MANAGEMENT  
 **UP 3%**

MIDDLE  
MANAGEMENT  
 **UP 3%**





# EMBEDDING AN INCLUSIVE CULTURE

We believe that an inclusive business provides a more productive environment and supports sustainable reduction of our gender pay gap. Closing the gender pay gap will take time but it is a priority as part of our ongoing strategy to create a truly inclusive culture for all.

Our holistic approach delivers a range of inclusive initiatives across three priority areas; engagement & education, inclusive leadership, and policies & approaches. Here is what we delivered in 2019:



## ENGAGEMENT & EDUCATION

- Launched our first multi-ethnic network, VIBE, within our growing family of employee-led networks while partnering with external networks including POWERful Women, Equate, Stonewall, Energy & Utility Skills Partnership, Enable Scotland, Employers Network for Equality & Inclusion (ENEI) and the Disability Business Forum
- Increased our accreditation with Carer Positive from “engaged” to “established” and maintained our Disability Confident accreditation
- Engaged with the next generation of talent by running STEM initiatives that reached almost 30,000 children - a year on year increase of 9,000



## INCLUSIVE LEADERSHIP

- Incorporated inclusive leadership principles into training for more than 100 managers and trained over 500 recruiting managers on unconscious bias
- Developed a new online mentoring platform to help employees connect more easily with mentors from across the organisation - officially launching in 2020



## POLICIES & APPROACHES

- Shared diverse stories through our recruitment adverts and careers site, emphasising the roles our people play in creating a better future for our customers
- Relunched our STEM Returners programme with record numbers of participants - welcoming both women and men returning from a career break
- Rolled out Better Balance agile working across Tudor Street (London) and Headquarters (Glasgow) offices to create flexible and collaborative working environments



# OUR 2020 PRIORITY AREAS

We have made progress, but we recognise the scale of the challenge ahead. We continue to strive to make our business a more diverse and inclusive environment.

This year we plan to sustain focus on the same priority areas by pursuing measurable change in the following areas:



## ENGAGEMENT & EDUCATION

- ✓ Continue to develop our employee led networks and work with them to develop sustainable improvements for the whole business
- ✓ Inspire our people to share their stories and insights, including the benefits of an inclusive workplace



## INCLUSIVE LEADERSHIP

- ✓ Sustain our focus on inclusive recruitment reducing the potential for bias to undermine our selection performance
- ✓ Continue to develop our senior and middle managers with the skills and knowledge to deliver an inclusive employee experience



## POLICIES & APPROACHES

- ✓ Expand the roll-out of our agile work programme, Better Balance, across our Headquarters in Glasgow while embedding the principles in our other locations across the UK
- ✓ Implement a set of policy initiatives that further enhance our commitment to work life balance across our UK workforce





We support the UK Government's initiative on gender pay reporting.

ScottishPower is committed to the 2022 targets our leadership team have set for gender pay:

- Increase the proportion of women in our senior management population to exceed 30% by 2022 (currently 24%)
- Increase the proportion of women in our middle management population to exceed 40% by 2022 (currently 33%)

We confirm that the information and data provided is accurate.

**KEITH ANDERSON**  
Chief Executive ScottishPower



**SHEILA DUNCAN**  
HR Director

