



ScottishPower Gender Pay Report 2020



Introduction

ScottishPower is working every day to achieve a better future, quicker, for all of us.

At ScottishPower, we're passionate about sharing ideas and inspiring action. As the first integrated energy company to generate 100% green energy and a leader in decarbonisation innovation, we lead the UK's energy transition and support a green recovery from the economic impact of COVID-19.

By empowering every member of our team to achieve aspirations that are challenging and rewarding, we're able to innovate and lead the competitive utilities market. We support talented people from diverse backgrounds and inspire them to perform at their best,

which helps build ScottishPower's future capacity and delivers a more sustainable business.

Throughout the last year, we've continued to recruit as part of our response to the UK's climate emergency and led the way in championing wind energy, smart grids and clean hydrogen to help the UK and its devolved governments achieve their ambitious Net Zero emissions targets. That's why we're one of principal partners of the COP26 international climate change summit in Glasgow – home of the company's HQ.

With COVID-19 impacting the way we live and work, we found new ways to connect, inspire and support our people. Our commitment to developing a working environment that fosters a sense of belonging and acceptance for everyone is more important than ever before.

Everyone at ScottishPower has a part to play in delivering our ambitions and we're proud that throughout 2020 we helped supercharge the change required for a cleaner and greener future.



Keith Anderson
CEO ScottishPower

“As a business that drives innovation within the industry, champions the environment and inspires everybody to create sustainable value in their work, we're passionate about providing a supportive and inclusive environment. Over the last year COVID-19 has changed the way we work. We have big plans for 2021 and our long-term commitment will be to adopt flexible and agile working arrangements for our people.”

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.



Laura | Senior Business Analyst

"Progression is a big thing for me - I don't like to sit still. I joined ScottishPower 13 years ago, working in a call centre in East Kilbride. I went from answering the phones, to managing back-office admin, to handling the more challenging calls. Then I moved into another team, dealing with larger business contracts. From there I went to Operational Development, then Business Analysis, and for the past three years I've been in the Digital Team and in that time it's doubled in size. It's very innovative and I love where I work – there are so many opportunities for progression."



Pooja | Commercial Services Manager

"My role with VIBE, ScottishPower's Multi Ethnic employee network, has been to shape its vision and provide leadership on what our objectives should be. The question we must always ask ourselves when we talk about diversity and inclusion is: Do we really feel it? Do we really feel that diversity is live in our everyday experience at work?"



Robin, Planning & Environmental Analyst
(Recruited via ScottishPower's Returner Programme)

"After taking a six-year career break, the thought of going back to work was really daunting. Straight away, I was welcomed into the team and encouraged to get involved. Throughout my 8-month Returner placement, I worked with many dedicated ScottishPower people to calculate our corporate carbon footprint. Starting a new position during the lockdown was quite worrying, but once again I've got a fantastic ScottishPower team that's really supportive."



Gender Pay Gap Results

We're working hard to improve gender representation, but the gender pay gap underlines that the average total earnings of all males is greater than all females. This is driven by two key factors:

- We still have more males than females in senior roles with 74% of our Senior Leader Roles held by males.
- We have more males 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 a sustained year on year increase in the proportion of females in our senior management population to 26% from 2019 (24%) while the proportion of females in our middle management population remains at 33%.

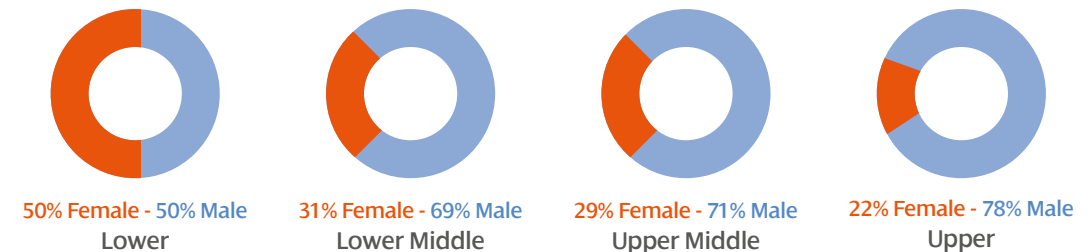
At ScottishPower, we always make sure males and females are paid equally for doing the same job. Our gender pay gap is not because of unequal pay.

PAY GAP

	2020	2019
Mean	16.7%	16.8%
Median	15.8%	15.5%

Male Female

Pay Quartiles



BONUS GAP

	2020	2019
Mean	19.2%	26.1%
Median*	0%	-400.0%

Proportion of Males and Females Receiving Bonus





Analysis of Our 2020 Pay Gap

Following a reduction to our pay gap in 2019, our pay gap has remained static in 2020. However, we're pleased to report positive year on year movement in our pay quartile distribution with 31% female representation in the lower middle quartile from 2019 (29%) and 22% female representation in the upper quartile from 2019 (21%) together with a reduction in female representation in the lower quartile at 50% from 2019 (51%).

PAY GAP

	2020	2019
Mean	16.7%	16.8%
Median	15.8%	15.5%



Analysis of Our 2020 Bonus Gap

Our mean bonus gap has reduced to 19.2% from 2019 (26.1%). Our median bonus gap is reported at 0%, 2019 (-400%). The reduction in the mean bonus gap can be attributed to a number of factors including the positive movement on female progression together with upper quartile male leavers and retirees.

There's a significant difference between the median bonus gap figure reported this year and 2019. This can largely be attributed to the nature of the payments. UK Government methodology mandates that we include data from a number of different performance-related schemes in place across the organisation. Within our collectively bargained populations, fixed amounts that were paid to all employees linked to the achievement of business results varied between the 2020 and 2019 reporting periods. The nature and timing of these fixed payments have a significant impact on the median bonus metric due to the high number of employees who receive them.

BONUS GAP

	2020	2019
Mean	19.2%	26.1%
Median*	0%	-400.0%

*(Median bonus gap is in favour of women)

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.
- Equal pay is the right for males and females to be paid equally for doing the same job.



Embedding an Inclusive Culture

We're making progress in our work to create a truly inclusive culture for all. We believe that an inclusive business provides a more productive, supportive and successful environment – that's why closing the gender pay gap is a priority.

Our holistic approach delivers a range of inclusive initiatives across three priority areas; engagement & education, inclusive leadership, and policies & approach. Here is what we delivered in 2020:



Engagement & Education

- Launched 'Inclusion at ScottishPower', a dedicated space on our website to share updates on important D&I initiatives such as our employee networks, community programmes and our transition to inclusive ways of working.
- Developed our new parent and carers network, SPACE, within our growing family of employee-led networks.
- Continued to inspire school-age children of all genders and from diverse backgrounds to learn through new virtual STEM education programmes; working with a range of partners and online events to deliver our early careers programmes to school children and their families.



Inclusive Leadership

- Delivered an industry-leading Inclusive Leadership interactive workshop programme for all our senior leaders – helping to build awareness on inclusive behaviours that make a difference.
- Rolled out tailored Inclusive Recruitment workshops for our top 50 hiring managers and trained a further 300 recruiting managers on unconscious bias.
- Incorporated Inclusive Leadership into our Behavioural Assessment Framework, which applies to all ScottishPower employees. This clarifies inclusive development actions leaders can take.



Policies & Approaches

- Launched a new initiative to provide maternity coaching to females within our talent population who are on the maternity journey. The initiative supports participants and their line managers through a blend of practical support and advice alongside career coaching to maximise their potential for future progression.
- Rolled our first Trans Inclusion & Transitioning Guidelines with the support of Stonewall and our LGBT+ employee-led network, In-Fuse.
- Grown our STEM Returners programme to help people returning to work after a lengthy career break to develop their career.
- Supported over 50% of our employees to work from home by provided the tools, technology and system access to allow them to maintain their high-levels of productivity



Our 2021 Priority Areas

Last year, we made big strides in making our business a more inclusive environment and embedded flexible working to support our people and families during the pandemic. This year we're building on our inclusivity work and continuing to make our business more diverse.

We'll sustain focus on the same priority areas through measurable change in the following areas:



Engagement & Education

- ✓ Continuing to develop our employee-led networks - using their insights to develop sustainable improvements and enhancing 'Inclusion at ScottishPower' with employee stories and updated diversity and inclusion initiatives.
- ✓ Continuing to celebrate notable days on the inclusion calendar to inform and inspire an inclusive mind-set.
- ✓ Encouraging our employees to apply to be among the 1,000 volunteers needed to help the COP26 United Nations climate change conference in Glasgow in November by increasing the number of paid days off to do charity work.



Inclusive Leadership

- ✓ Launching our new D&I online training platform to provide practical inclusive leadership training together with targeted awareness on the benefits of diversity. This will include new D&I legal training for all our people leaders to protect everyone's rights.
- ✓ Continuing to roll out our hugely successful Inclusive Recruitment Training workshops to top volume recruiters and ensuring all our hiring managers complete unconscious bias training.



Policies & Approaches

- ✓ Reviewing our existing policies and introducing new approaches to further enhance our commitment to work life balance and agile working environments across our UK workforce.
- ✓ Developing our approach to pay gap reporting with an additional focus on ethnicity and establishing a new D&I measurement dashboard to inform current performance and future focus of D&I initiatives.





We support the UK Government's initiative on gender pay reporting. ScottishPower aspires to deliver the 2022 stretch targets our leadership team have set for gender pay:

- Increase the number of women in our senior leadership population to exceed 30% by 2022 (currently 26%)
- Increase the number 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
CEO ScottishPower

Sheila Duncan
HR Director

