

# Gender pay report 2017

Drax Power Limited



# Introduction



Our gender pay gap figures are not good enough. We need to build a more diverse and inclusive environment across Drax Group where colleagues are able to realise their potential and be supported to be at their best.

A commitment to diversity is fundamental to achieving our strategic goals and delivering our purpose: helping to change the way energy is generated, supplied and used for a better future. Looking at gender pay is an important part of this.

Without doubt, the energy sector as a whole must do more to attract, engage and progress women. I am going to take the lead and change the way we do things at Drax Group

to ensure we are an employer of choice for women, and all people, who see their future in energy. That is why I am making it our aim to have, by the end of 2020, 40% of roles in our senior leadership across Drax Group held by women.

I welcome the UK government's new legislation requiring businesses with more than 250 employees to publish their gender pay gap year on year, supporting our commitment to a Drax Group culture that is transparent and supportive of all.

**Will Gardiner**  
Chief Executive Officer  
Drax Group



This report is for Drax Power, our power generation based business in Yorkshire. The nature of our work here is largely engineering and technical. Like many other engineering based companies, and despite our support of STEM (science, technology, engineering and mathematics) in local schools and universities, attracting women in to our business and industry is challenging. We recognise we have more to do. This, combined with more men in senior and higher paid roles, are the main factors contributing to our gender pay gap at Drax Power.

We know that diverse businesses are more successful, and that it is essential we welcome people from a diverse

range of backgrounds to our business. We will continue to work with industry, companies in our sector, schools and universities and within Drax Power itself, to ensure that we are providing the inspiration, encouragement, training and development, and support to attract, engage and progress women and people from diverse backgrounds throughout all levels of our business.

**Andy Koss**  
Chief Executive  
Drax Power

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



**Will Gardiner**  
Chief Executive Officer  
Drax Group



**Andy Koss**  
Chief Executive  
Drax Power

# The figures at a glance

The figures below show Drax Power's overall median and mean gender pay data based on hourly rates of pay as at the snapshot date of 5 April 2017. On the following pages, we also show median and mean bonus pay data for bonuses paid in the year up to 5 April, plus some additional detail to explain our pay data and how we are addressing it.

## What is the difference in average hourly pay for men versus women at Drax Power?



## How does this compare with the national picture?

The Office for National Statistics\* has calculated an overall UK Gender Pay Gap of



\*ONS Guide to the Annual Survey of Hours and Earnings (ASHE) gender pay gap tables, published October 2017

## What is the gender pay gap?

The gender pay gap is the difference between the average earnings of men and women across an organisation. The gender pay gap is not the same as equal pay. Equal pay relates to men and women being paid equally for equal work.

## What is the difference between mean and median?

The mean and median are two ways of calculating the average hourly pay and average bonus of men and women at Drax Power.

If we created two lines, one with all the women in Drax Power and the other of all the men,

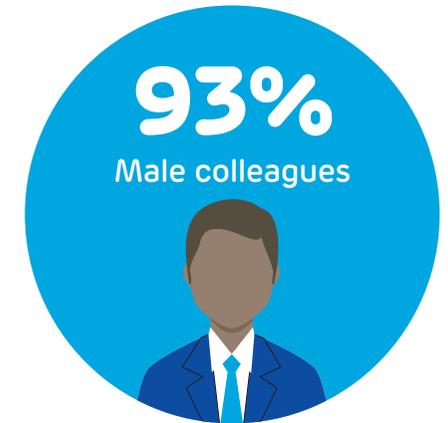
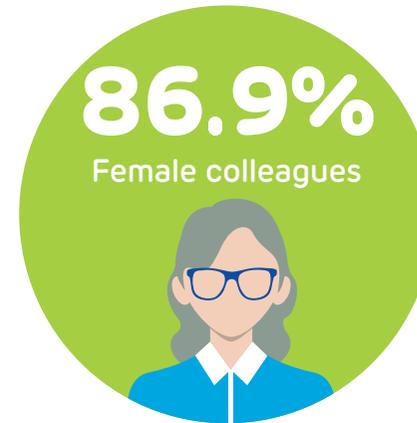
- the median is at exactly the half way point on each of the lines
- the mean is adding up all the data separately for the women and the men and dividing by the number of people in the line.

# The figures at a glance

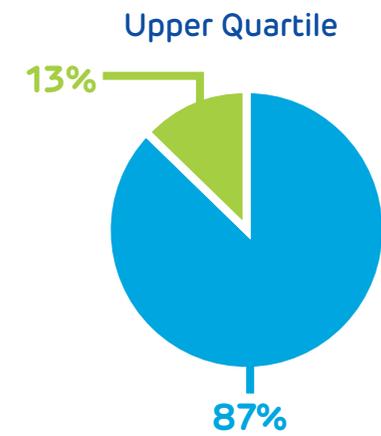
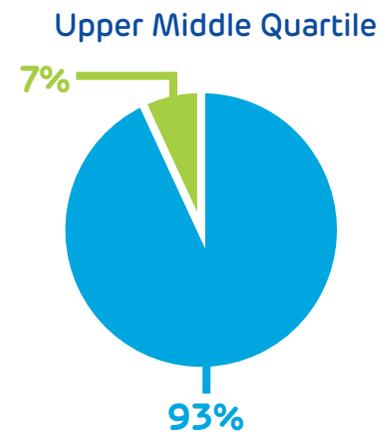
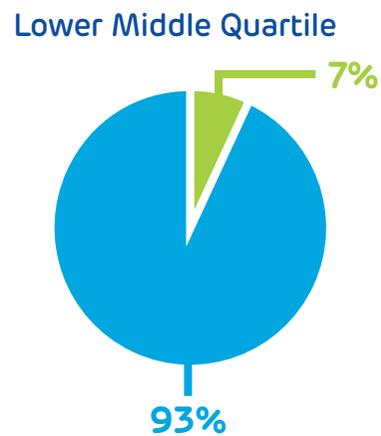
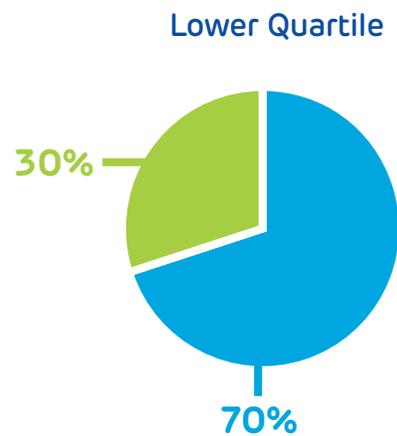
## Gender bonus pay gap at Drax Power



## What proportion of colleagues received bonus pay?



## The proportion of women and men in each pay quartile



● Female ● Male

# Understanding Drax Power's gender pay data

**Our analysis has given us a greater understanding of the factors affecting the gender pay gap at Drax Power. By gaining this understanding we can put in place a plan to address the gap.**

Our data for Drax Power shows that there is a difference of 6.2% in the mean (average) hourly pay of men and women and 18.3% of the median. This is the difference in the average pay of all men and women, regardless of the nature of their work, across all of those employed by Drax Power.

In contrast, the mean and median bonus payments were 34.4% and 21.2% higher for women respectively.

## What are the reasons for this?

### Fewer women in engineering and technology

At Drax Power, like many engineering based organisations, we employ more men than women, as there are fewer women engineers or those studying and pursuing roles requiring science, technology, engineering and mathematics (STEM subjects).

### Why is the bonus gender pay gap different?

The higher bonus pay for women reflects the higher number of women on individual contracts and bonus schemes.

### Women hold fewer senior positions or higher paid roles

This means that women tend to have lower salaries. There are fewer women in engineering and technology roles and among our senior leaders.

# Taking action: steps to improve gender diversity at Drax Power

**We are committed to building a more diverse and inclusive environment.**

We have set ourselves a clear target to increase our female representation in senior leadership across the Drax Group and plan to build a truly diverse and inclusive business both within Drax Power and across the Group.

## **By the end of 2020:**

We aim to have 40% of roles in our senior leadership (Executive Committee and levels 1-3) across the Drax Group held by women.

We will track and monitor progress on a six monthly basis. Currently, 28% of these roles are held by women.

*To achieve this we will focus on the following areas and actions:*

## **Engage**

### **Policies and procedures.**

Continue to ensure that the decision-making processes relating to performance reviews, pay reviews and bonus payments are fair and have no unintended or unconscious bias. We will also review our family policies to ensure they are market competitive.

**Promote a flexible working culture** that encourages diverse participation.

### **Mentoring and coaching.**

Developing more formally our mentoring and coaching, to foster diverse talent, supporting progression and promotion.

**Tackling bias.** We will educate all our managers to recognise and understand unconscious bias.

**Internal networks and forums.** Involve colleagues in developing and implementing our action plans – helping us identify what will work best.

## **Progress**

### **Career development.**

Develop our career pathways and investment in managers' skills, enabling them to have robust, honest and meaningful career conversations focussed on both personal and professional development.

### **Personal development.**

Building on the work we have started, ensuring that all colleagues have access to the relevant skills and personal development to have an equal opportunity to progress.

### **Talent management.**

Producing a pipeline of talent with the diversity of perspectives necessary to deal with the complex challenges our business is facing now and in the future.

# Taking action: steps to improve gender diversity at Drax Power

## Attract

### **Inspiring and supporting diversity in our business and industry**

by encouraging the study of STEM (science, technology, engineering and mathematics) and digital disciplines in under-represented groups at schools and universities, and championing the pursuit of careers in engineering, digital and mathematical subjects that are key to our business.

**Apprentices and graduates.** Promote the recruitment of a diverse intake of apprentices and graduates.

### **External groups, networks and events.**

Be an active member of groups promoting diversity and inclusion, including POWERful Women, and expand our membership of other relevant groups such as Women in Science and Engineering (WISE) and Women in Technology. Actively support events such as International Women's Day and Women in Engineering.

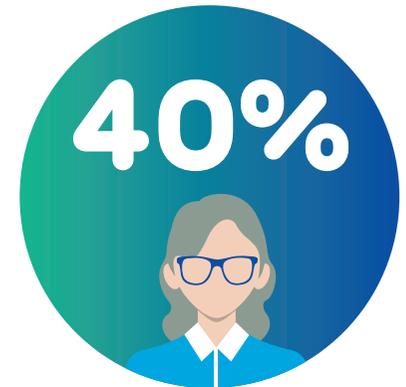
## 2018 Actions

**'Count me in' diversity and inclusion forums** involving colleagues in identifying the best ways to encourage more diversity and greater inclusion.

**Unconscious bias training** for all managers to understand the role unconscious bias has on their own behaviours and the impact it has on our ability to create an open, fair and inclusive workplace culture for all. All colleagues will have access to learning to improve awareness of unconscious bias and its detrimental impact.

**Talent review.** A fair and objective ongoing talent review process ensuring that talented colleagues are fairly identified across the business and continue to build a more diverse talent pipeline.

## Our aim:



**40%**  
**of roles in our senior leadership across Drax Group to be held by women by the end of 2020**