

Gender Pay Report

5 April 2018



Introduction



Drax Power Ltd is a power generation business based in Yorkshire and London with a predominantly engineering and technical workforce. It also incorporates our Corporate functions including our Group Executive Committee.

This report looks at our gender pay gap figures for 5 April 2018 and the progress since then that we are making to improve diversity and close the gender pay gap.

Like many companies in the energy generation sector, historically we have had a predominantly male workforce and consequently have more men than women in senior positions. My appointment to CEO in 2018, taking over from Dorothy Thompson, has also been a factor affecting our gender pay compared to 2017.

There is no quick fix and it will take time for us to move the dial. This does not change my commitment to reducing the gap. We are taking a targeted approach that will see policies and plans delivering results over the next five years. Progress will not be linear and, as with the data for 5 April 2018, we will see some years where our gap increases, before it gets better.

We are making progress on our actions with 93%* of Drax Power managers taking the unconscious bias training we introduced in 2018. We also have a talent pipeline in place, with the process including a critical review to eliminate gender bias and promote diversity.

I am determined to keep up the momentum. I want Drax Power Ltd to reflect the diversity of the customers and communities we serve and to be an employer of choice for women.

*as at 1 October 2018

Will Gardiner

Chief Executive Officer
Drax Group

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



Will Gardiner
Chief Executive Officer
Drax Group



The nature of our work is largely engineering and technical and like many other companies in our sector, our main challenge is to attract women into our business and industry and then support them to progress through the organisation.

To address these challenges, we continue our work with schools, colleges and universities to support and encourage a greater diversity of students pursuing STEM (science, technology, engineering and mathematics) subjects.

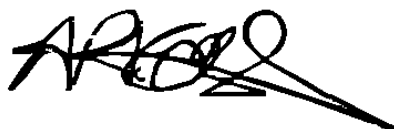
We have formed partnerships with the National STEM Learning Centre in York, The British Science Association, Selby College, Engineering UK and Business in the Community as part of our outreach, as well as being active members of POWERful Women, WISE (Women in Science and Engineering) and Women in Technology. Our women leaders promote Drax Power as a leading employer at events and with visiting schools.

We are using our revised potential and talent management processes to identify and support the progression of women to more senior roles. In 2019, we are increasing the number of apprenticeships to 12, up from nine, with a determination to increase the diversity of applicants and appointees, reflecting not only our commitment to diversity but also to encourage the study of STEM across a wider range of young people.

We know that diverse businesses are more successful, and we are determined to become an employer of choice for women and all people who see their future in energy.

Andy Koss
Chief Executive
Drax Power

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



Andy Koss
Chief Executive
Drax Power

Our figures at a glance

On the following pages we 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 2018 with a comparison to 2017, our first year of reporting.

We also show median and mean bonus pay data for bonuses paid up to 5 April, plus some additional information to explain our pay data and how we are addressing the gender pay gap.

Drax Power Ltd is a power generation business based in Yorkshire and London with a predominantly male and long-serving engineering and technical workforce. This historic workforce balance towards men will take a sustained effort, over many years, to change.



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 women and men at Drax Power.

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

The **mean** is adding up all the data separately for the women and the men and dividing by the number of people in the respective line.

The **median** is at exactly the half way point on each of the lines.

Pay gap

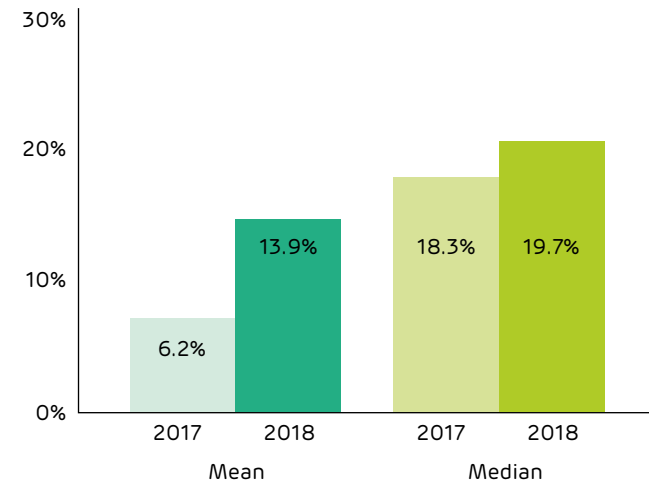
As was the case in 2017, our pay gap is due to the higher proportion of men throughout our business, including in more senior and higher paid positions.

We have seen a negative shift in the pay gap due to personnel changes at our Executive Level, although the proportion of women in our most senior roles (upper quartile) remains unchanged.

This makes a comparison between years difficult, and the effect will extend to our 2019 data. This does not change our commitment to reducing the gap and continuing our targeted policies and plans.

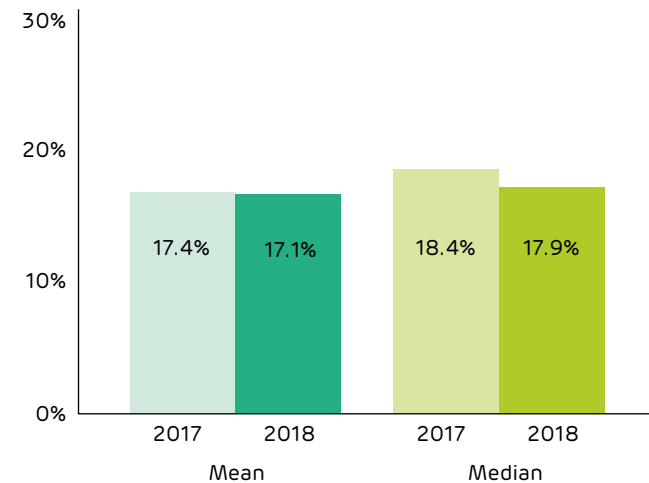


What is the difference in average hourly pay for men versus women at Drax Power?



How does this compare with the national picture?

The Office for National Statistics* has calculated a national average published October 2018.



*ONS Guide to the Annual Survey of Hours and Earnings (ASHE), gender pay gap tables, published October 2018

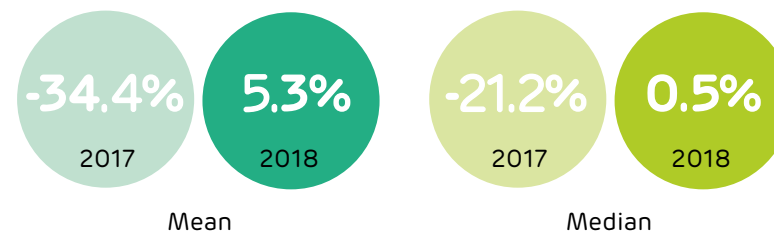
Bonus gap

We have seen a negative shift in the bonus gap due to personnel changes at our most senior, Executive level, although the proportion of women in our most senior leadership and Executive Committee levels (upper quartile) remains unchanged.

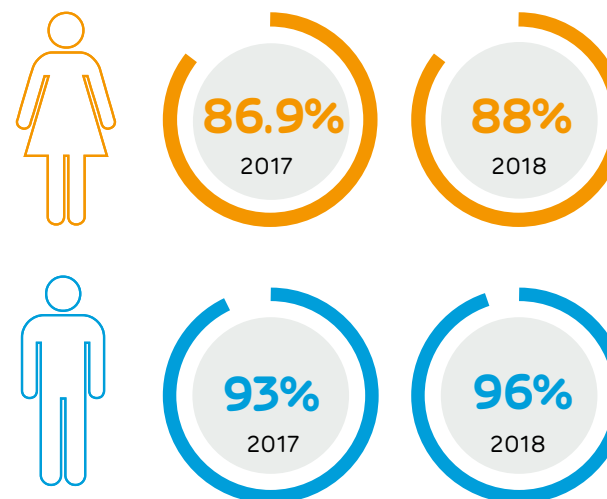
Colleagues at all levels in the company participate in a bonus scheme sharing the same 'scorecard' of measures and targets. This ensures that, no matter where we work at Drax Power, we are all working towards delivering the same priorities and that there is a fair and transparent approach to rewarding success.

It is only by increasing the proportion of women employed by Drax Power, and the proportion of those in our more senior and higher paid positions, that we will reduce the gap. We will do this through our attraction, retention and progression policies.

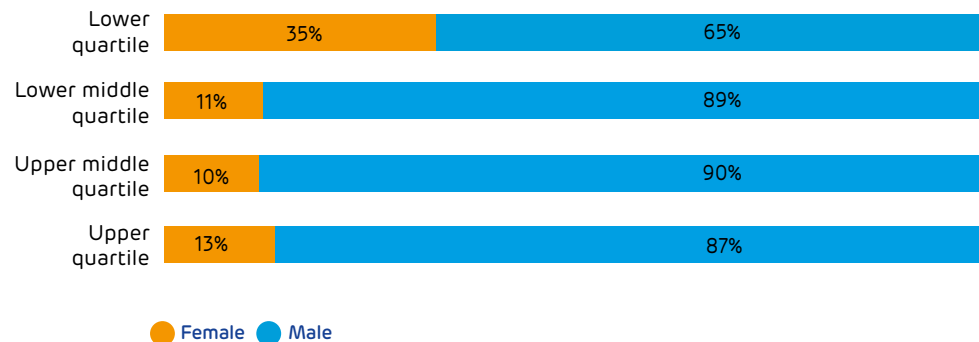
Gender bonus pay gap at Drax Power



What proportion of colleagues received bonus pay?



The proportion of women and men in each pay quartile



Since 2017, there has been a small increase in the proportion of women in the lower (5 percentage points), lower middle (4 percentage points), and upper middle quartiles (4 percentage points), and no change in the proportion in the upper quartile.

As well as targeting an increase in the number of women in senior positions we are increasing diversity at all levels of the organisation to develop a more diverse talent pipeline.

Our progress towards a more diverse future

Unconscious bias training

At Drax Power we want everyone to have the opportunity to fulfil their potential. As at October 2018, 93% of Drax Power managers have completed unconscious bias training as part of our performance management training for all line managers.



We include a critical review of our promotion, recruitment and talent pipeline decisions to eliminate gender bias and promote diversity.

Potential and talent pipeline



Profiling women at Drax Power

We have women at all levels and in a wide variety of roles at Drax Power, including in our operations, research and innovation, engineering and apprentice teams. We encourage them to get involved in our internal and external communications to act as role models to other women and young people.



Family policies

We have revised and improved our maternity and paternity policies to encourage more women to return to their career after childbirth or adoption.

STEM (science, technology, engineering, mathematics)

We have formed partnerships with the National STEM Learning Centre, The British Science Association, Teach First, Engineering UK, Business in the Community, Selby College and created a Drax cluster of six schools (primary and secondary), as part of our education outreach programme. We are also sponsoring the All-Party Parliamentary Group on Diversity & Inclusion in STEM.

In 2017 and 2018, 205 schools (17,110 students) took a tour of Drax Power Station with curriculum-relevant learning packs supplied to teachers.

