

Drax Power Limited

Gender Pay Gap report

5 April 2019





Introduction

At Drax, we're proud of the role we play in supporting the UK government's aim to tackle climate change and achieve a net zero economy by 2050. Last year, we announced our ambition to be the world's first carbon negative company by 2030.

To achieve that bold ambition, we need people from diverse backgrounds working in a supportive and inclusive environment. As an industry, and as a Company, we have a long way to go towards greater diversity.

Due to the predominance, historically, of males working for our *Drax Power Limited business, our progress is slow and mixed. However, I'm heartened that colleagues from across Drax are recognising the steps we're taking as 'heading in the right direction.'¹

Will Gardiner
Chief Executive Officer
Drax Group

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

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

This report looks at our gender pay gap figures for 5 April 2019. It shows the progress we've continued to make since then to improve diversity and inclusion and to close the gender pay gap.

¹Reference the 2019 My Voice colleague survey where inclusion has increased by 2 percentage points year on year and up 7 percentage points against the Transitional Norm.



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

During 2019, we focussed on increasing the ambition of young people to join our company. We also encouraged a greater diversity of students to pursue STEM (science, technology, engineering and mathematics) subjects.

We invested in, and supported, schools from the Selby area that wanted to take part in the GreenPower project. This involved building and then racing electric-powered kit cars in Hull. Our professional women also hosted an all-female event to promote the different roles in our company and industry that are available to, and currently filled by, women. It's been a rewarding experience for many colleagues to take part in these events, which we're planning to repeat in 2020.

Andy Koss
Chief Executive
Drax Power

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



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 2019. We also have a comparison to our 2018 data.

In addition, we show the median and mean bonus pay data for bonuses paid up to 5 April. We also present additional information to explain our pay data and how we're addressing the gender pay gap.

Drax Power Limited is a power generation business based in Yorkshire and London, with a predominantly male and long-serving engineering and technical workforce. The company also incorporates our Corporate functions, including our Group Executive Committee. 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 men and dividing the total by the number of people in the respective lines.

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

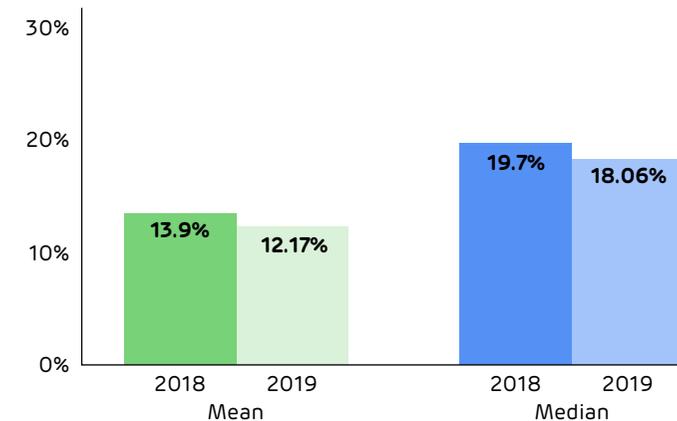


Pay Gap

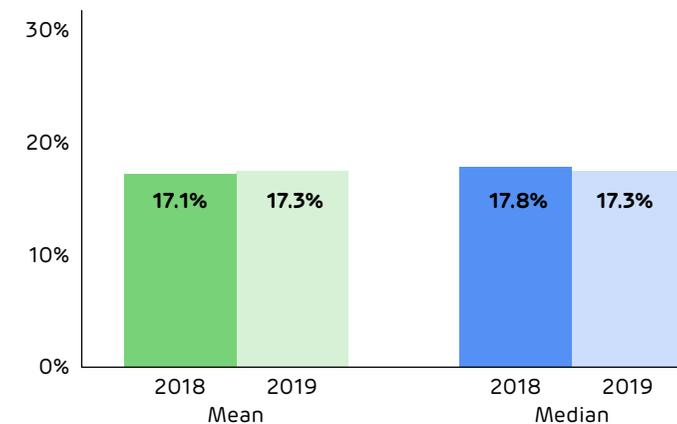
The mean and median pay gap has decreased versus 2018. What our pay data shows is the variability in the pay gap data year-on-year. Personnel changes, especially at the senior levels, have had a significant influence on the pay data as reported last year. It will take time for our action plans to have an impact on reducing the gender pay gap.

While the reduction in mean and median average hourly pay compared to 2019 is a move in the right direction, we have a long way to go. We'll maintain our focus on the actions that provide the pipeline of diverse talent we need at Drax Power Limited to deliver our ambitions and purpose – to enable a zero carbon, lower cost energy future.

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



How does this compare with the national picture?





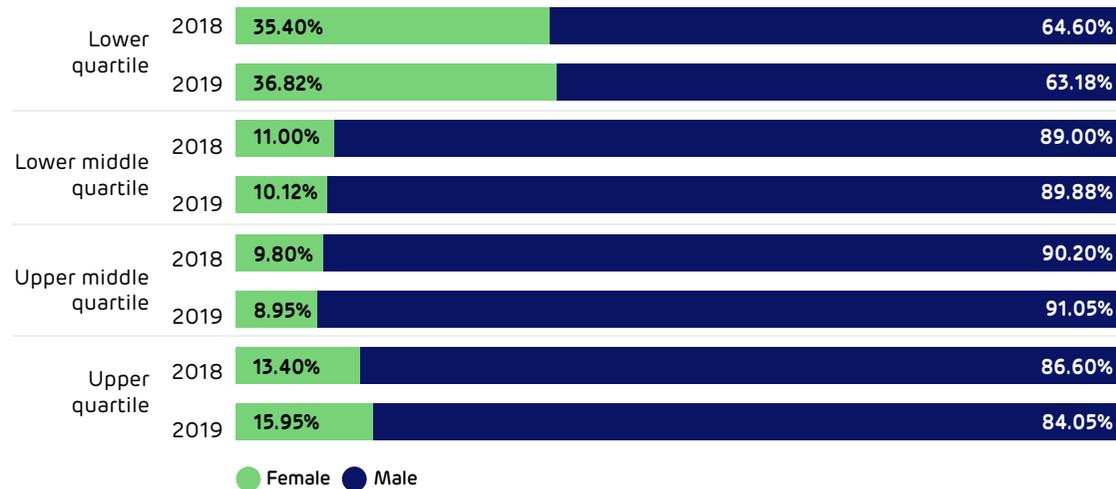
Bonus Gap

The bonus pay gap variability is affected by the fact we have many more men than women in senior positions and on higher pay. This is the fundamental reason for our gender pay gap.

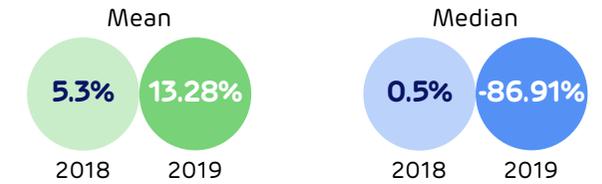
Colleagues at all levels in the company participate in a bonus scheme sharing the same 'scorecard' of measures and targets. This ensures that, no matter where we work at Drax Power, we're all striving to deliver the same priorities – and that there's a fair and transparent approach to rewarding success.

More women received a bonus this year. However, due to a greater proportion of women in our lower pay grades, the 2019 bonus pay gap is larger than in the previous year. The median point for bonus was at a higher pay level for women than in the previous year, giving an unusual outlier result.

The proportion of women and men in each pay quartile



Gender bonus pay gap at Drax Power



What proportion of colleagues received bonus pay?





Our progress towards a more diverse future

STEM (science, technology, engineering, mathematics)

As part of our Drax Group education outreach, we are partnered with WISE (women in science and engineering), Engineering UK, Teach First and the British Science Association. Our partnership with Teach First enabled the recruitment, placement and training of eight STEM teachers in 2019, improving the STEM education of 1,000 students.

In 2019, 3,801 visitors from schools and academic institutions came to our Drax Power Station Visitor Centre, where tours are focused on learning outcomes. Tours of Cruachan Power Station have been made free for schools and academic institutions during term time, following the acquisition by Drax. 499 students took a free guided tour of Cruachan in 2019.

We invested £35,000 in electric vehicles for our seven partner schools in the Selby area and Drax sponsored the UK's first ever street

race in Hull. Drax colleagues volunteered over 160 hours to help students design, build and race electric cars.

In November 2019, female colleagues hosted our first Women of the Future event at Drax Power Station. Around 100 girls from local schools and colleges, aged between 14 and 18, attended the event as part of our ongoing efforts to encourage young women to study STEM subjects and increase diversity in our workforce.

Profiling women at Drax

We have women at all levels and in a wide variety of roles at Drax Power, including in our operations, innovation, engineering and apprentice teams. Women also work within our core services, such as finance and accounting, regulation and compliance, and strategy and mergers and acquisitions (M&A).



Our progress towards a more diverse future

In 2019, our professional women co-hosted an all-female event at Drax Power Station, called 'Women of the Future'. The event promoted the different roles in our company and industry that are available to, and currently filled by, women.

Promoting diversity internally and externally

We've introduced gender neutral language to our external and internal recruitment processes and are profiling diverse role models through our internal channels.

During 2020, we'll be providing gender ratio guidance for interview lists as we seek to improve the gender and diversity balance for all recruitment.

We'll also set diversity objectives for all managers and include diversity training in our leadership and management development programmes.

Potential and talent pipeline

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