

# Gender pay gap in 2021



*e.on*

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As we drive towards creating a zero carbon future, a world of clean, green energy needs a diverse and inclusive workforce, reflecting the diversity of our customers and our communities, so we can understand and deliver their energy needs. At E.ON, we believe in creating a culture where everyone feels respected, valued and a sense of belonging. Through our inclusive culture, we want our people to feel empowered to grow, thrive and be the best they can. Our diversity of backgrounds and experiences help us to connect and understand the diverse customers and communities we serve.

We're disappointed to see an increase in our gender pay gap for 2021. Gender pay gap is an important measure as it provides transparency of the opportunities for women to develop and progress their careers. It's one of several measures we use to monitor and track our performance to improve gender balance along with measuring promotion rates and gender representation through our management grades.

Through a deeper understanding of our data we know why the gap increased between April 2020 and April 2021. To reduce this gap we've put plans in place to address these issues. This also helps us to reflect on the challenges we still face and need to address.

I certify that the information and data included within this report is accurate and in line with mandatory requirements.



**Chris Norbury**  
Chief People Officer, E.ON UK



## Mean hourly gender pay gap

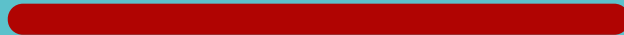
# 13.5%

↑ up 2.6% from 2020

Women



Men



## Median hourly gender pay gap

# 22.9%

↑ up 4.1% from 2020

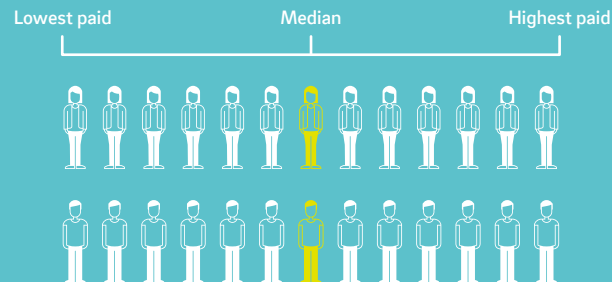
Women



Men



## How do we work out the gender pay gap?



If we lined up male employees in one line from highest to lowest paid, and did the same for all the women employees; the median gender pay gap is the difference between the pay of the man in the middle and the pay of the woman in the middle. The mean gender pay gap is the difference between the average pay across each line.

# Our gender pay gap explained

The gender pay gap is a measure of the difference in average pay of men and women across E.ON. It's predominantly a figure which reflects the number of women and men in roles across our different pay grades. The reporting is not focused on equal pay, as this is required by law and is set out in the 'equality of terms' provision of the Equality Act 2010.

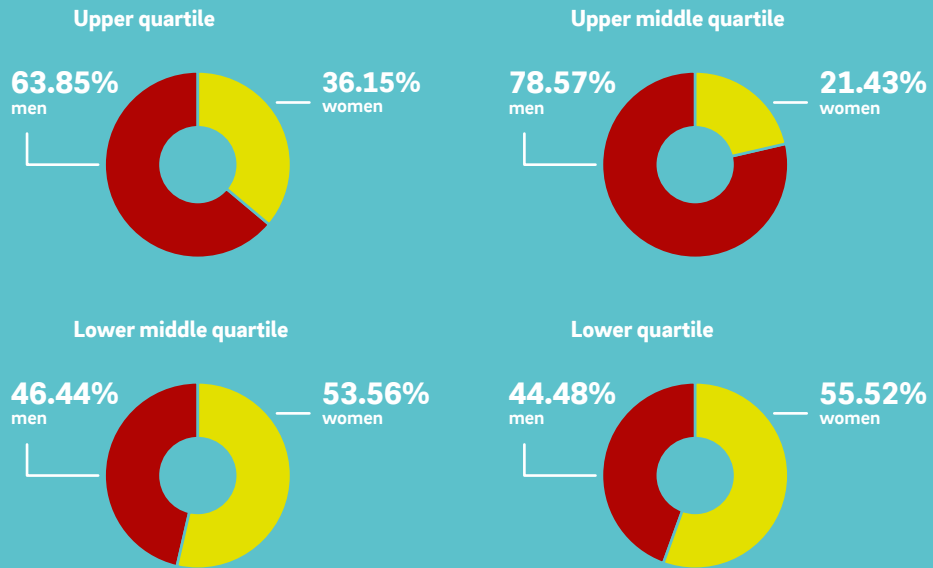
Our figures show an increased mean pay gap of 13.5%, up from 10.9% in 2020. Our median pay gap follows a similar trend which has increased to 22.9%, up from 18.8% in 2020. Despite this increase, we remain committed to reducing this gap so that we reach our target of becoming an employer with no meaningful gender pay gap by 2025, along with improving our other key measures including promotion rates and gender balance in senior roles.

## Why do we have a gender pay gap?

The drivers of our April 2021 gender pay gap are:

- 1. Greater representation of women in customer facing roles.** We have better gender balance within our customer facing roles and have recruited more women into these roles from April 2020 onwards, which are entry level positions and in the lower and lower middle quartiles.
- 2. Differences in representation in technical and specialist roles.** Across the UK, women are less likely to work in technical and engineering roles. Technical roles form a large percentage of our roles, and due to their specialist nature attract higher pay. We have significantly more men within engineering and technical roles which are shown within our upper middle quartile.
- 3. Leadership roles.** Although we're increasing our representation within management roles, there continues to be more men than women across management grades.

## Pay quartiles



- Upper quartile is largely management and leadership roles, the percentages here are unchanged from 2020.
- Upper middle quartile is mostly made up from specialist technical roles, which are mostly held by men, and attract higher pay.
- The lower quartiles are apprentices and our customer facing roles, where we have better gender balance.

## Bonus pay gap

Mean average bonus pay gap

**21.9%**  
In favour of men

Median average bonus pay gap

**-100%**  
In favour of women

Proportion of people receiving a bonus



Our main bonus scheme didn't make a payment in 2021, thereby reducing the number of people who received a bonus.



## Closing the gender pay gap

This report outlines our gender pay gap data from April 2020 to April 2021. We remain committed to reducing this gap and to improving the diversity of our organisation, particularly within our senior roles.

2020 and early 2021 was another period of significant challenge for the energy industry. COVID-19 and the challenging energy market saw us make changes to our operating model to make sure we helped protect our customers, colleagues and business and to make sure we are able to sustainably compete in the energy market.

In October 2020 we moved to a new operating model, established E.ON Next as a new business with new ways of working, along with recruitment into new energy specialist roles and the introduction of cutting edge technical platforms, and began bringing together the previous npower Business Solutions business with E.ON's I&C business. Through building the new E.ON Next business, our recruitment activity has increased the number of women and those from ethnic minority backgrounds who work for E.ON.

The impact of these changes, with the increase of women working in E.ON Next, and the attrition of some women from senior roles within this reporting period, led to an increase in our gender pay gap in April 2021.

We want to create a place to work where everyone feels respected, valued and a sense of belonging. Through our inclusive culture, we want our people to feel empowered to grow, thrive and be the best they can. Our approach to improving our gender pay gap and accelerating gender equality has the following priority areas.

## Flexible working

During the pandemic we supported our people to work flexibly, whether that was equipping people to work from home or adapting shift patterns to care for children or relatives. Colleagues can request flexible working from day one of employment with us, instead of waiting the legal minimum of six months of employment.

Around 20% of women at E.ON work part-time, and most of our part-time workers are women. Through listening to the experiences of these women and reviewing our promotion data, an opportunity was identified, with part-time workers moving roles at a slower rate than others.

To help remove this barrier, and to attract more external candidates, from October 2021 we began to advertise all roles as flexible, including the option to work part-time, in a job-share or full time. Over the past year, we've seen promotion rates for part-time workers double, and we hope to continue to improve this trend through additional support guides and challenging stereotypes around flexible working.

With the government removing the legal restrictions around COVID-19 from 1 April 2022 we've recently shared with colleagues our principle based approach to an enduring hybrid way of working, recognising that one size doesn't fit all and helping us to better embed flexibility into our ways of working and achieving the best outcome for customers, colleagues and the business.

## Development and career progression

Launching on International Women's Day 2021, Fast Forward was the first of our new inclusive talent networks. Moving away from selective talent pools, our talent networks provide opportunities and development for all. With over 400 members, Fast Forward provides tailored development opportunities to address the barriers women face, shared

experiences from inspiring role models of their career histories through our unique Fast Forward podcasts, and opportunities to learn from peers and leaders through our listening circles. Fast Forward welcomes all genders and allies. Since launching, promotion rates for women have increased and now match those of men.

All colleagues are able to grow their technical and professional qualifications, alongside their role, through our apprenticeship schemes. We currently have over 250 colleagues on a scheme and overall our apprentice group is gender balanced.

For women in senior roles we provide access to a tailored development programme with an external provider, to help them advance their careers.



## Creating a place where everyone feels a sense of belonging

Colleagues can find support, advice and have a voice through our diverse range of inclusion networks, including Parent Network, LGBT+ and Friends, Women@E.ON, adaptABILITY (for disability and carers), embRace (racial inclusion) and our belief based networks.

With an estimated 1 million women in the UK considering leaving their jobs due to the impact of menopause symptoms, we fully recognise the impact that the menopause can have on women, often at a critical point in their careers. We're proud to have been the first menopause-friendly energy company, and four years on we're encouraging conversations, educating and empowering colleagues through monthly Menopause Cafés, providing a place for all genders to share their experiences. Our leaders are hosting Time to Talk sessions, we've created an online community, Menopause Matters, and we've updated our colleague guides and created learning packages.

We're proud to have been placed in the Top UK Inclusive Employers within the UK for the past five years, improving our ranking each time and currently placed at 14<sup>th</sup>.

## Reward and salary

We match the living wage, meaning those at risk of low pay, particularly women who are at higher risk, are protected from poor pay. For entry level roles we offer flat rate of pay, regardless of gender and previous salary history. Our pay awards are negotiated with our recognised trade unions, and we fully consult with them throughout.



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