

Vattenfall UK Gender Pay Gap 2020 Report



VATTENFALL

Our business

Fossil free living within one generation

At Vattenfall we exist to help all of our customers power their lives in ever climate smarter ways and free from fossil fuel within one generation. This is our guiding star to unite the business that can drive the organisation forward and which everyone can see their part in delivering. This is Vattenfall's purpose.

To support our vision, we are sharpening our focus. We see it equally important not only to look at what we do, but also at how we will do so – our culture. Find out more about our targets, goals and strategy here: <https://bit.ly/3uyoTxC>.

To make change happen we need to think differently and do things differently. We must understand the value of diversity, the meaning of inclusion and the difference we make.

At Vattenfall, diversity and inclusion must be a natural part of our daily business, in everything we do. We must think broadly and drive all dimensions of diversity – be open to new, to different, to others.



Fossil free living within one generation

Introduction



Anna Borg
President and Chief Executive Officer (CEO)

“The energy sector needs to make great strides in tackling gender equality.

To achieve our goal of fossil free living within a generation we need to challenge ourselves and our way of doing things, and this includes taking every opportunity to ensure diversity and gender equality is at the heart of our company.

In a global comparison, it is good to see that Vattenfall is making progress and is, for instance, one of the companies that has the largest share of women in Executive Group Management.

Vattenfall has been a member of the international Equal by 30 initiative since 2018. Equal by 30 have made a commitment to work towards equal pay,

equal opportunities and equal leadership in the clean energy sector by 2030.

We believe in an open culture, that's why gender equality is part of our diversity and inclusion strategy and our approach is to embed diversity and inclusion in everything we do.

We confirm that the information and data provided is accurate and in line with mandatory requirement. I look forward to progressing our commitment to be Equal by 30 with the support all of our employees.”

A handwritten signature in black ink that reads "Anna Borg". The signature is fluid and cursive.

Equalby30 | PUTTING GENDER EQUALITY
AT THE HEART OF THE
GLOBAL TRANSITION TO
A CLEAN ENERGY FUTURE



Claudette Monaghan
Vice President of HR for
Staff Functions

“We are proud to be part of Equal by 30, which is run by the energy sector’s global equality collaboration C3E (Clean Energy Education and Empowerment – an initiative based on the UN’s global objectives to promote gender equality.

We are proud of the continued commitment by our businesses in the UK to being a diverse and inclusive employer.

Our aim is to promote an environment where all of our employees are paid fairly for their contribution to the success of our business and our mission enable fossil free living within within one generation.

We confirm that the information and data provided is accurate and in line with mandatory requirement.”



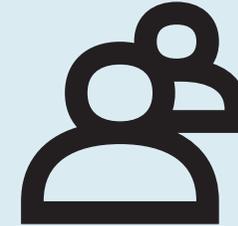
Danielle Lane
UK Country Manager

“At Vattenfall we see the importance attracting women into roles within the energy sector. I am proud of how we are working to achieve gender equality at Vattenfall through our commitment to Equal by 30.

A diverse and skilled workforce can bring new viewpoints and challenge the way things are done.

We are making progress, but to enable us to continue our journey to a fossil free future, we need to build on our diverse and skilled workforce.

We look forward to continuing this important work.”



Vattenfall is an international organisation with approximately 20,000 employees. In the UK, Vattenfall is represented by three business entities: Vattenfall Wind Power Ltd, Vattenfall Heat Ltd and Vattenfall Networks Ltd.

Whilst the obligation falls within Vattenfall Wind Power Ltd to publish an annual gender pay gap report in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017, at Vattenfall we believe in an open culture and therefore this report also includes our obligation to report Vattenfall Wind Power Ltd and a summary of all entities, including Vattenfall Heat Ltd and Vattenfall Networks Ltd which have less than 50 employees in each entity within Vattenfall UK.

In April 2020 Vattenfall UK employed 311 employees, with 279 employees employed within Vattenfall Wind Power Ltd.

- Headcounts (as of 5th April 2020)
- Vattenfall Wind Power Ltd – 279
- Vattenfall Heat Ltd – 27
- Vattenfall Networks Ltd – 5

Gender pay gap calculations are based on Vattenfall payroll data drawn from a

specific date, which is called a “snapshot date”. For Vattenfall, as well as for the purposes of this report, that date is 5th April 2020. The gender pay gap is the percentage difference between average hourly earnings for men and women.

We are committed to equal opportunities and equal treatment for all employees. We have a clear policy of paying employees equally and fairly for the same or equivalent work, regardless of their gender (or anything else). As part of our commitment we carry out regular pay and benefit audits, evaluate job roles and pay grades to ensure fairness across all our businesses within UK.

We are confident that our gender pay gap is not because we pay men and women differently for the same or equivalent work. Instead, our gender pay gap is because men and women work in different roles and those roles have different salaries.

Vattenfall UK (including Wind, Heat & Networks) Gender Pay Gap Results

At Vattenfall we are committed to achieving gender equality. This work includes initiatives to actively recruit and promote women. Vattenfall has been a member of the international Equal by 30 initiative since 2018, which aims to boost gender diversity in the energy sector. The high-level principles are equal pay, equal opportunities and equal leadership by 2030.

57% of senior roles in Vattenfall UK are held by women. There are more men performing technical roles that commands a premium in the market. These roles also receive allowances to compensate for unsociable hours or shift patterns.

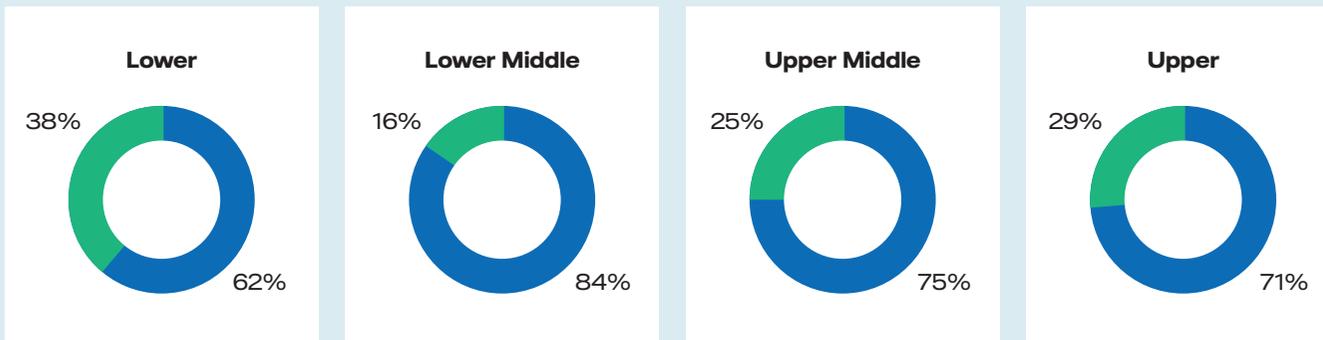
Mean Gender Pay Gap: The Mean = the difference in the average hourly rate of pay between male and female employees

Median Gender Pay Gap: The Median = the difference in mid-point hour rate of pay between male and female employees

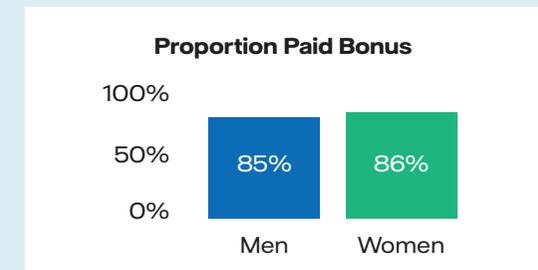
Pay Gap - 2020	
Mean	-3.09%
Median	-4.56%

Pay Quartiles ■ Men ■ Women

There are job-specific factors which are also relevant to the cause of the pay gap, particularly where more men are typically earning additional call out and unsocial hour allowances compared to women.



Proportion of Men and Women receiving Short Term Incentive (Bonus)



Short Term Incentive (Bonus) Gap

Mean	-0.71%
Median	12.13%

Vattenfall Wind Power Ltd Gender Pay Gap Results

These results have been reported to the UK Government

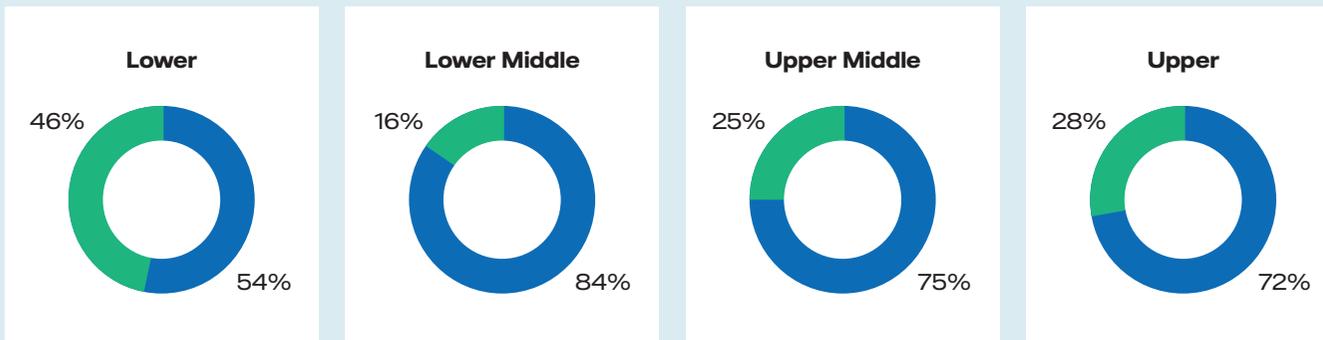
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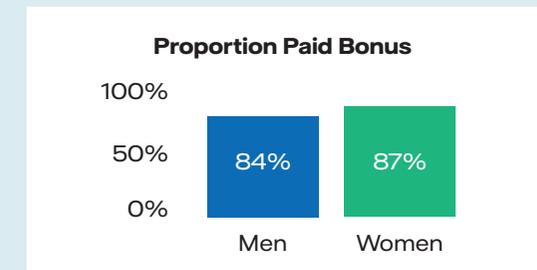
Pay Gap - 2020	
Mean	4.87%
Median	9.11%

Pay Quartiles ■ Men ■ Women

There are job-specific factors which are also relevant to the cause of the pay gap, particularly where more men are typically earning additional call out and unsocial hour allowances compared to women.



Proportion of Men and Women receiving Short Term Incentive (Bonus)



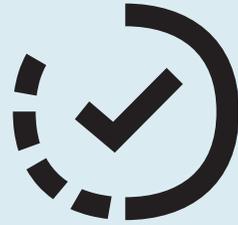
Short Term Incentive (Bonus) Gap

Mean	-2.80%*
Median	12.92%

* Negative value shows that on average, women's pay is higher than those of men.

Bonus payout is more positive towards women than men.

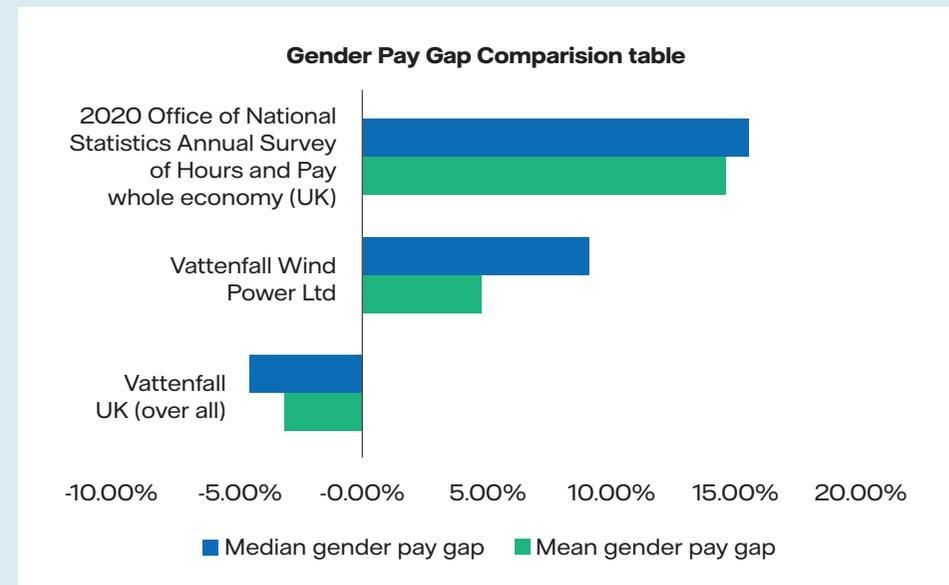




Analysis of our 2020 Pay Gap

Our results show that we are making progress in addressing the gender pay gap, particularly in comparison with the wider energy sector's performance. Figures provided by the Office for National statistics and data submitted by major energy sector companies, show that women working for large energy companies are paid approximately 19% less per hour than men. Our strong performance in promoting women into senior roles makes a positive difference.

However, there is an ongoing shortage of females working in STEM jobs, with role specific factors that impact the sector's work to tackle the pay gap. This is particularly where men are earning additional allowances compared to women with work that includes call out, shift working, and offshore allowances. Only 3% of this part of the workforce are female.



The closer the figure to zero, the fairer the Gender Pay Gap is.

Vattenfall Wind Power Ltd is above zero, however is better than the industry average as demonstrated by the report from the Office of National Statistics Annual Survey of Hours and Earnings.



20,284 employees

One goal: To enable fossil free living within one generation



Whilst we can be pleased with the progress we are making, our work programme is designed to take us further again towards gender pay and equality, focused on:

- Recruitment and career development
- Retention
- Compensation and Benefits practices
- Diversity & Inclusion strategy
- Policies & procedures
- Equal by 30 initiative

Recruitment & career development

Our recruitment strategy is designed to encourage more balanced gender diversity and amongst the shortlisted candidates for a managerial position our approach strives to always have at least two candidates, one of each gender (equally qualified).

Our development programmes help us to define, measure and nurture the culture within Vattenfall. The Vattenfall Management Institute also offers advice, consultation and training programmes to empower leaders to grow and learn.

As part of our global Diversity and Inclusion aspiration, our training and development plans include avoidance of unconscious bias.

Compensation and Benefits practices

We continue to review, harmonise and audit our reward practices and benefit packages to ensure our approach is free from gender bias, non-discriminatory, and fair in all stages of the employee life cycle.

Diversity & Inclusion strategy

At Vattenfall, our ambition is to establish diversity and inclusion as a natural part of our daily business, embedded in everything we do.

Our ambition is to also broaden our thinking, to drive all dimensions of diversity and be inclusive of everyone.

International Equal by 30 initiative

Equal by 30 is an international initiative to work according to the principles of equal pay, equal leadership and equal opportunities for women in the energy sector by 2030. The agreement was signed by Vattenfall in 2018 alongside 13 governments and more than 130 organisations worldwide. The initiative is based on the UN's global objectives to promote gender equality.

Vattenfall will continue with our commitment to endeavour to boost gender diversity in the energy sector. The high-level principles are equal pay, equal opportunities and equal leadership by 2030.

Vattenfall was delighted to receive nationally recognised certification, which acknowledges our commitment to achieving and sustaining diversity in our workplace and everything we do. Vattenfall achieved over 90%, Gold Standard, Committed to Equality certification, which is a National Equality Standard that demonstrates our commitment to Diversity and Inclusion in the UK.

Retention

Vattenfall focuses efforts on the retention, with a focus progression of women. Facilitating internal and external networking for women, engaging and promoting a variety of female role models and mentoring are all positive steps in an attempt to further narrow a Gender Pay Gap.

Policies & Procedures

Continue to develop our policies and procedures to enhance our commitment to Diversity and Inclusion and ways of working.

Vattenfall UK
5th Floor
70 St Mary Axe
London
EC3A 8BE

