

EDF Gender Pay Gap Report

2019



EDF Gender Pay Gap Report 2019

At EDF we are committed to being a diverse and inclusive employer. We work very hard to foster a work environment where everybody is paid fairly for the work they do and the contributions they make to our success.

Scope of the report

This report represents a snapshot of the company as it was in April 2019, which covers the business that was EDF Energy and its four distinct business areas in the UK. Where we mention EDF throughout this report, it is this organisation that we are referring to.

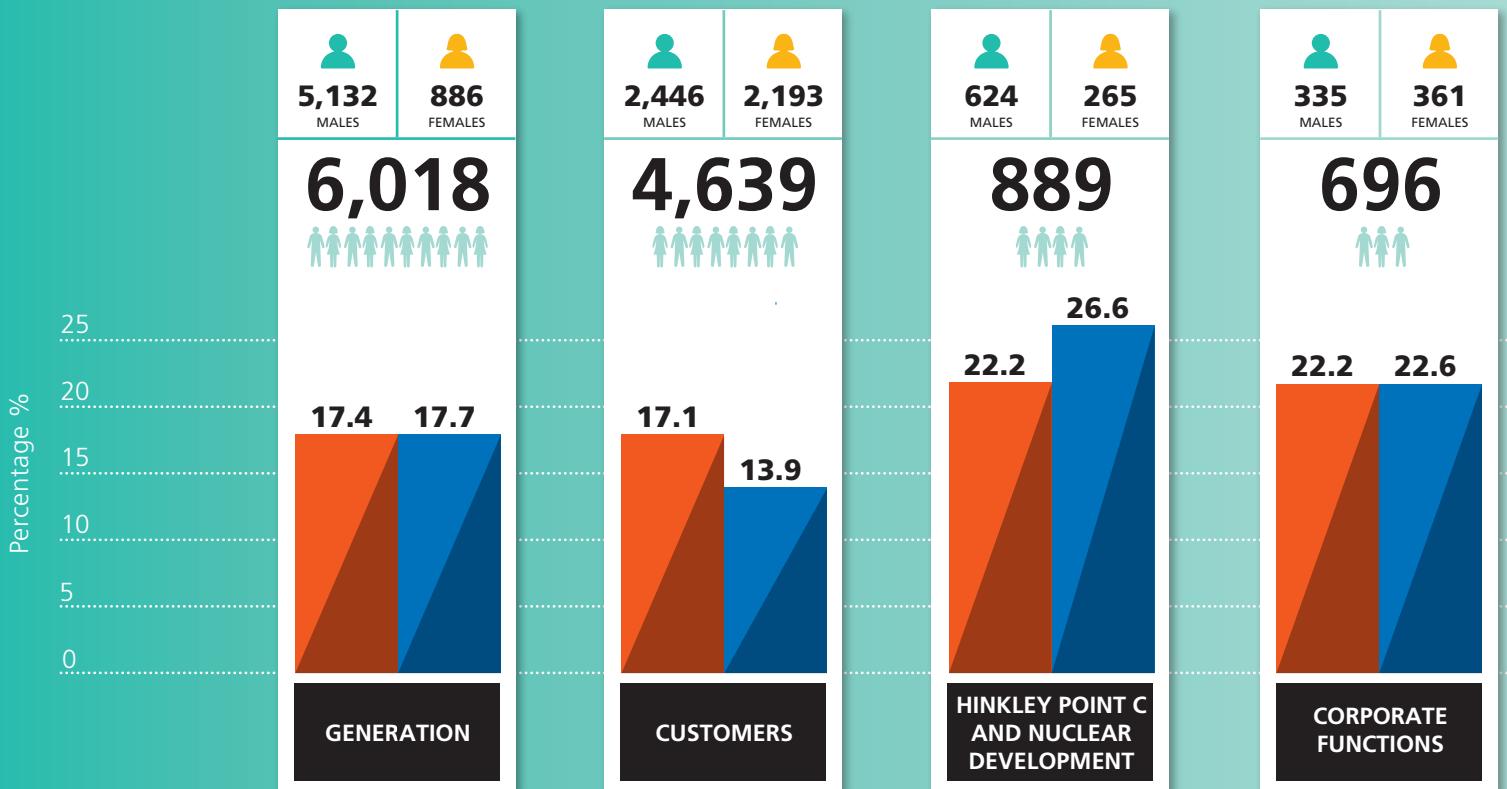
So, how are we doing?

EDF's overall mean gender pay gap increased slightly (by 0.9%) based on a snapshot date of 5 April 2019 in comparison to 2018. The reasons for this change are outlined later in this report, but we are determined to redouble our efforts to deliver the action plans we already have in place, which we believe focus on the right things to underpin change. Our results highlight the importance of our ongoing work in this area to further improve the diversity of our organisation.

Our action plans to reduce our gender pay gap focus on:

- Recruitment and promotion
- Career progression
- Reward practices
- Flexible working
- Meeting our diversity and inclusion ambitions
- Education and training for managers
- Playing a role in our industry.

In 2019, the mean gender pay gap in each of our business areas ranged between 17-22%



Number of relevant employees

Mean %
gender pay gap
Median %
gender pay gap



Mean and Median

The gender pay gap shows the difference between the mean (*average*) and median (*mid-point*) pay and bonus earnings of male and female employees, expressed as a percentage of male employees' earnings.

What we mean by gender pay gap

The gender pay gap is defined as the difference between the gross hourly earnings of all male and female employees – part-time, full-time and all levels. This is different from equal pay, which looks at the earnings of men and women performing the same (or similar) work within an organisation.

Any differences between individuals' pay should not be based on gender or any other personal characteristic, and is something we take very seriously. We are confident that our pay strategy and collective agreements support equal pay for equal work. For all employees undertaking similar roles (regardless of gender) our approach to pay is to ensure there is fairness; we take into account factors such as market reference points, experience/skills, location and performance in setting individual pay. We regularly review our pay levels and practices as part of an annual pay review and benchmarking exercise.

Internally, in April 2019 EDF employed **12,466** relevant employees and was set up in four distinct business areas: **Generation, Customers, Hinkley Point C and Nuclear Development, and Corporate Functions**. When carrying out our analysis, the starting point has been to analyse our gender pay gap by business area and then look at our aggregate results in order to identify the key factors and trends contributing to our gender pay gap.



EDF gender pay gap

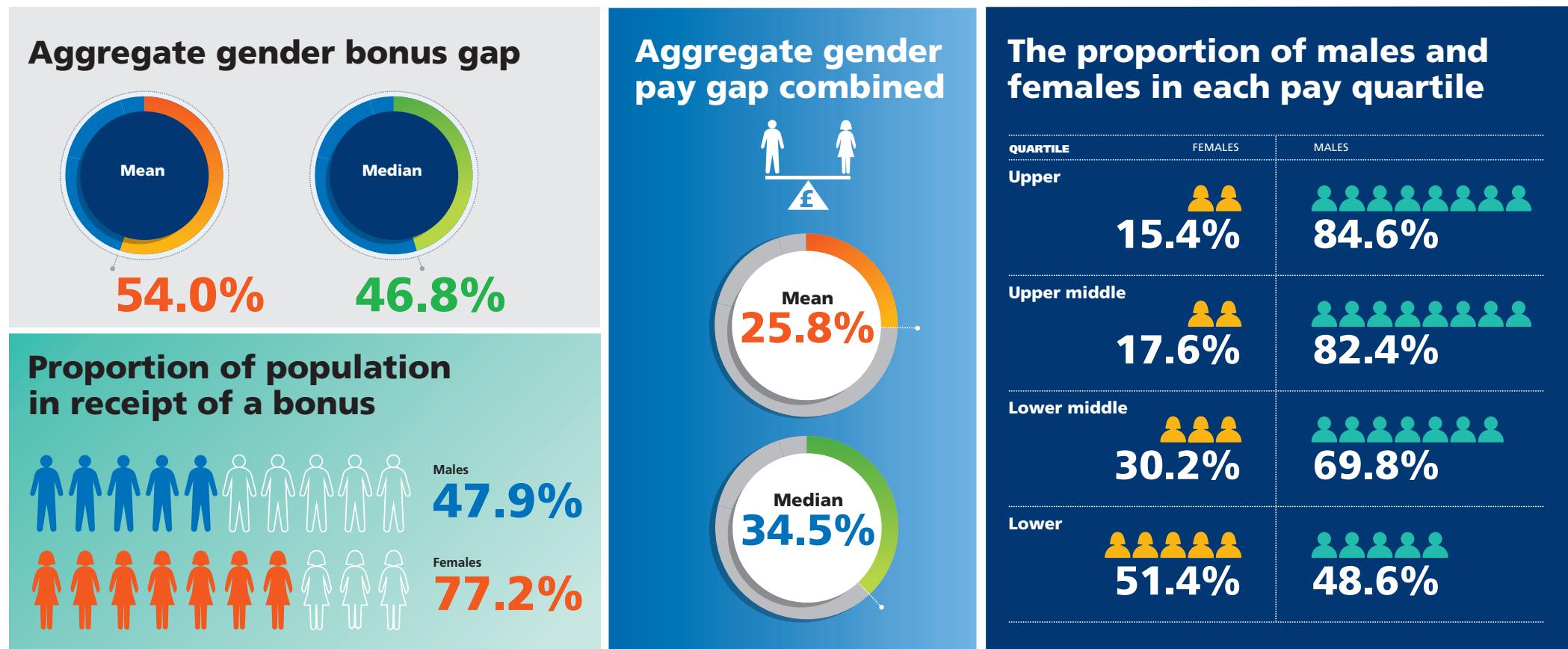
When we aggregate the figures and consider the wide range of roles that exist – from technical and highly specialised to service based and support, our mean gender pay gap combines to 25.8% (a 0.9% increase compared to 2018 results).

This figure is a reflection of the different roles performed across our business areas, market pay variations, as well as the gender and demographic mix. For example, average pay for specialist engineering roles is typically higher than for customer

service roles. We employ proportionately more men than women in our Generation business (85%/15%), which employs the greatest number people in engineering roles in the company, whereas the gender mix in our Customers business area is more even, where the majority of employees work in customer service roles. Approximately 85% of our employees work in either our Generation or Customers business areas and it is the differences between them that is a major contributory factor for EDF's overall mean and median gender pay gaps.

At a company-wide level we remain committed to implementing actions towards improving gender diversity at all levels and with that, reducing our gender pay gap. We have made progress since 2017 and we will see the benefit from the measures we have implemented in future years as our talent pipeline increases, but there is clearly more we need to do.

The results below show the aggregate figures for EDF – the full details of our results by employing entity can be found at the end of this document.



Understanding our gender pay gap

We know that our gender pay gap is largely due to the gender and demographic mix of our workforce, the shape of our business and to a large extent, is a legacy of the way the electricity sector and EDF have evolved over many years.

As seen across the UK, too few women work in the fields of science, technology, engineering and mathematics (STEM) and this is reflected in our organisation. **30%** of our employees are women and although we continue to actively attract, retain and develop women particularly through our apprenticeship and graduate training schemes, in the short term this continues to be a significant contributing factor to our gender pay gap.

The number of women in management positions has remained stable at **26%**, and **16%** of our senior leaders are women. Through our action plans we will continue to drive progress in this area.

EDF operates in a rapidly changing environment and we underwent significant internal changes as a result during the period April 2018 to April 2019. These changes resulted in a reduction in the numbers employed in our corporate functions and our Customers business, but at the same time we increased the number of employees working on the construction of the new Hinkley Point C nuclear power station. These changes have had an impact on our gender mix and on our gender pay gap, but we have plans in place to minimise the impact the constantly changing external context has on the diversity of our organisation. Our recruitment policies and succession planning activity will contribute to reducing the gender pay gap in the years to come as the populations of our business areas change.



Other contributing factors in our gender pay gap for 2019:

- During the year we recruited a large number of customer service advisors (typically lower paid positions compared to more technical roles) to our Customers business. This increased the number of women in the lower salary quartile. In 2018 our Customers' gender pay gap reduced partly as a consequence of the recruitment of a large number of trainee smart metering operatives (mainly men). These operatives are now fully operational having completed their comprehensive training programme and this moved a significant number of males out of the lower pay quartile.
- The results for our Generation business area have broadly remained static for the past three years, driven in part by a low labour turnover, the high male to female ratio and the length of time it takes for individuals to develop the knowledge and experience to progress to more senior positions.
- Work on the construction of the new nuclear power station Hinkley Point C continued at pace resulting in a net increase of 20% in the number of directly employed personnel. Many of these new recruits were graduate trainees, apprentices and interns of which 30% were female. At the same time we recruited a significant number of technical engineering, construction and programme management specialists into senior roles.
- A programme to reshape our corporate functions has led to a reduction in the overall number of employees, including a number of women from the upper pay quartiles.
- The demographic differences between those leaving and joining the company during the year, i.e. the balance between the number of higher paid employees leaving the company vs recruiting new employees into lower paid positions (such as apprentices, interns and graduate trainees) has also had an impact.
- We have seen in our smaller functional areas (i.e. where we employ fewer than 250 people), the gender pay gap can be significantly impacted by a small increase or decrease in the number of women in senior/management roles.

A photograph showing a man and a woman in industrial work attire. The man, seen from behind, wears a white hard hat and a blue high-visibility jacket. The woman, facing the camera, wears a white hard hat with the EDF Energy logo, safety glasses, and a blue high-visibility vest over a striped shirt. They are standing in what appears to be a construction or industrial site with large yellow structures in the background.

Our commitment to reducing the gap

Strengthening our gender diversity and broader diversity and inclusion efforts remain a key component of our business strategy. We are working with a wide range of organisations such as Women in Science and Engineering (WISE), Women in Nuclear (WIN), POWERful Women (PfW) and the Women's Utilities Network (WUN) to raise awareness of the variety of career opportunities available within the energy sector to encourage much greater diversity within the industry.

Our action plans

We've made progress in recent years in all areas although the re-shaping of our business since 2017, which will continue over the next few years, means that much of this progress is not reflected in our 2019 gender pay gap. We have a clear set of actions to help us focus on reducing our gender pay gap across each of our main business areas.



Recruitment and promotion



Flexible working



Career progression



Reward practices



Meeting our targets



Education and training



Playing a role in our industry

Recruitment and promotion



Fair and inclusive processes – the focus of our actions is to encourage more balanced gender diversity in recruitment.

We will continue to ensure that our recruitment methods focus on the attraction and encouragement of gender diversity at all levels and all roles.

We regularly review all of our recruitment channels to ensure they are inclusive and the language we use in our job descriptions is gender neutral to encourage applications from everyone. We have implemented training for recruiting managers which focuses on diversity and the steps they can take to ensure a gender balance of applicants/progression within the organisation (including flexible working arrangements). We have taken steps to implement gender balanced shortlists and when interviewing candidates, we make every effort to ensure that our selection panels are diverse and include whenever possible, female representation.

Flexible working



Our action plans include measures that encourage the introduction of more flexible working patterns that will support female progression to senior roles.

The work being undertaken by our Employee Relations and Diversity & Inclusion (D&I) teams includes a comprehensive review of the uptake of flexible working across our business. This will help us to identify and address any barriers and working practices that exist which prohibit the application and uptake of flexible working. We are working with our leaders to educate and promote an attitudinal shift around flexible working, with the development of guidance and the application of flexible working particularly amongst professional, managerial and

senior roles. Our Women's Network and Working Parents' Network are looking at how we role-model flexible working at both senior and more junior levels to help encourage flexible working opportunities and ways in which we can increase the take up of shared parental and paternity leave.

Career progression



We continue to measure the progression of female employees in our talent assessment and succession plans so that we can closely track appointments and career moves helping to ensure that our talent and development programmes are gender neutral, free from bias, and encourage females to progress into senior roles.

These plans are supported by a range of D&I measures designed to achieve our 2030 ambitions over the coming years. As part of the Nuclear Sector Deal, we have confirmed our commitment to achieve 40% women in our nuclear businesses by 2030. We also remain committed to achieve a 50% female intake onto our nuclear apprentice training schemes by 2021.

Reward practices



Our reward team is designing and implementing a new approach to job family architecture that will help individuals to identify career paths and the options open to them, as well as understand the skills, knowledge and experience required in order to achieve their career aspirations. This work continues to be supported by robust external and internal salary benchmarking to ensure that our systems and approaches to pay reviews are free from gender bias, non-discriminatory and are fair in their application at all stages (start, progression, promotion).

Meeting our targets



In 2016 we introduced a series of gender diversity targets at senior manager, manager and employee levels. Between April 2018 and April 2019 the proportion of women in our Senior Leadership Team was 16% and our managerial female population remained at 26%. As outlined above, we are working hard to increase the diversity of our senior leadership and managerial populations.

Education and training



We continue to provide training for our managers as part of our wider D&I aspirations, with particular emphasis over the last year on the avoidance of unconscious bias.

Playing a role in our industry



Through our continued partnership with gender campaign groups, including WUN (Women's Utilities Network), WISE (Women in Science and Engineering), WIN (Women in Nuclear) and POWERful Women we are determined to raise awareness and encourage more females to enter our industry as well as developing our own people through individual development plans and our talent and succession plan activities.

We have been accredited with the National Equality Standards since 2015 and have achieved level 3 of the Gender Equality European and International Standard (the highest level in the scheme). These achievements are in recognition of the action we have taken and the plans we have in place to improve our gender diversity, but we will not stop here.

Internally our business is organised as four business areas, however we are required to report by employing entity as set out below.

Results by employing entity

Employing legal entity	Relevant employees	Gender pay gap		PROPORTION IN EACH PAY QUARTILE								Difference in bonus payment between Male & Female employees		Difference in bonus payment between Male & Female employees		Proportion receiving bonus pay
		MEAN	MEDIAN	Lower quartile pay band		Lower middle quartile pay band		Upper middle quartile pay band		Upper quartile pay band		MEAN	MEDIAN	M	F	
EDF *	12,466	25.8%	34.5%	48.6%	51.4%	69.8%	30.2%	82.4%	17.6%	84.6%	15.4%	54.0%	46.8%	47.9%	77.2%	
EDF Energy Nuclear Generation Limited	5,643	17.7%	17.4%	75.1%	24.9%	86.4%	13.6%	88.5%	11.5%	90.5%	9.5%	68.3%	61.1%	9.7%	18.7%	
EDF Energy Customers Limited	740	-2.4%	-0.1%	92.8%	7.2%	89.5%	10.5%	89.0%	11.0%	88.5%	11.5%	32.6%	47.4%	98.9%	97.4%	
EDF Energy Limited (Corp)	5,898	27.8%	33.7%	37.5%	62.5%	41.5%	58.5%	66.9%	33.1%	72.8%	27.2%	49.2%	42.9%	93.7%	94.6%	

*This includes a small number of employees working in joint venture companies (EDF Energy Renewables Ltd and EDF Energy Services Ltd) who are not contracted to one of the three employing entities listed above.

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



Simone Rossi
Chief Executive Officer



Carol McArthur
Chief People Officer

