

INTRODUCTION



Welcome to the commentary for the 2023 RWE Generation UK pay gap reporting.

In RWE Generation UK, we continue to see a gender pay gap, which we appreciate is mostly due to us still having a lower representation of females in higher paid roles, particularly within our engineering sector.

The success of our business depends on the ability, commitment and dedication of our people. For our talent to thrive, we persevere in promoting a culture where individuals can develop and realise their full potential unhindered.

Our continued actions set out in this statement for 2023, and beyond, demonstrate our ongoing commitment to reduce the gender pay gap and reinforce our ambition to achieve greater gender balance in the future.

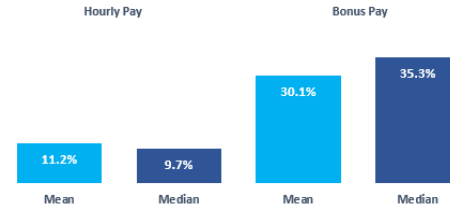
I hereby confirm the data reported is accurate.

Will Jeffery,

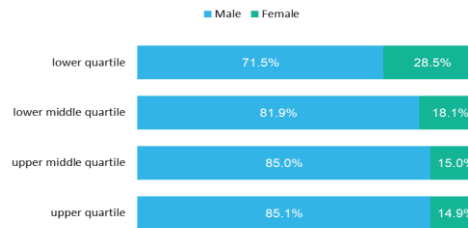
RWE Generation UK Board Director

GENDER PAY GAP FIGURES - APRIL 2023

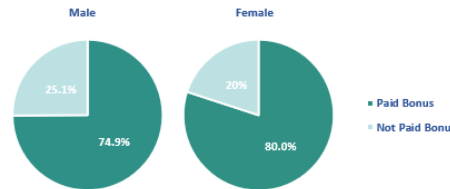
The difference between the average hourly and bonus pay of males and females expressed as a percentage of men's pay



The hourly rates ranked from highest to lowest then split into four groups with the male/female split for each group



The proportion of males/females who were paid a bonus



The ratio of male/female employees in our whole population – 80.4% Male / 19.6% Female



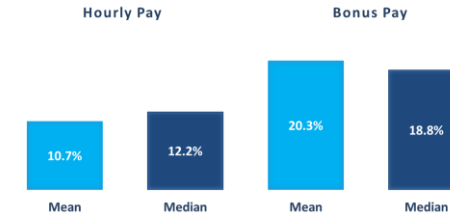
GENDER PAY GAP FINDINGS

In April 2023, we have seen a very slight increase of 0.5% in our mean hourly gender pay gap to 11.2% (from 10.2% in 2022).

2022 saw incredible progress with a 3.5% decrease in the mean hourly pay gap to 10.7% from 14.2% in 2021.

We have seen a positive reduction of 2.5% in the median hourly pay gap from 12.2% in 2022 to 9.7% in 2023.

2022 Figures for reference – The difference between the average hourly and bonus pay of males and females expressed as a percentage of men's pay

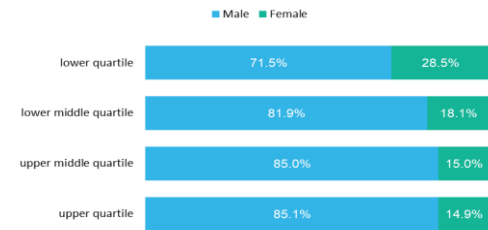


Due to a majority of females still sitting at the lower quartiles and the ratio of females working part time in April 2023, our bonus pay gap has been impacted resulting in a 9.8% increase in the mean bonus gap from 20.3% to 30.1%.

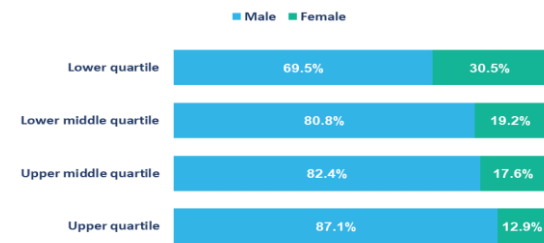
The distribution of our whole population of employees, as at April 2023, sits at 19.6% female and 80.4% male employees. Pay Gap relevant female employees decreased by 3% and relevant males increased by 3%.

The positive impact of our ongoing strategies resulted in a 15% increase in female talent being recruited and promoted within the upper quartiles in the whole of 2023 compared to 2022. However, the large female population at lower and lower middle quartiles and females part time working equalises that increase.

2023 figures - The hourly rates ranked from highest to lowest then split into four groups with the male/female split for each group



2022 figures for reference - The hourly rates ranked from highest to lowest then split into four groups with the male/female split for each group

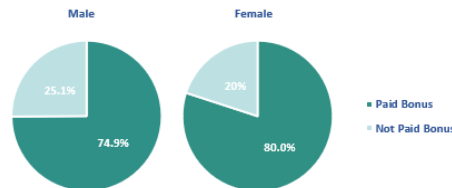


Although more males continue to receive allowances, we have seen a 13.6% increase of females receiving allowances, such as a car allowance, in 2023. This is

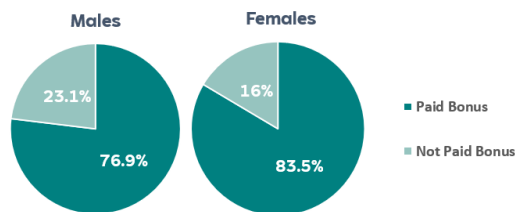
linked to the increase of females in the upper quartiles who are entitled to a car allowance as part of their contractual benefits.

We find 61% of our female population continue to work in roles in the lower and lower middle quartiles (62% in 2022 and 64% in 2021). These are typically business support and administrative, intake and entry level roles that do not attract additional remuneration such as shift allowances.

2023 Figures - The proportion of males/females who were paid a bonus



2022 Figures for reference - The proportion of males/females who were paid a bonus



In 2023, we have seen a reduction of 2% in male employees being paid a bonus from 76.9% in 2022 to 74.9% in 2023. The same trend is apparent with a reduction of 3.5% in female employees being paid a bonus - from 83.5% in 2022 to 80.0% in 2023.

A contributing factor to the high bonus pay mean is a result of the Long Term Incentive Plan pay out and Long Service Awards which due to the business demographic at the time of allocation/start of service with us were predominantly paid to males.

Mean Bonus pay gap 2021 26.8%

Mean Bonus pay gap 2022 20.3%


Mean Bonus pay gap 2023 30.1%

We will continue to monitor the mean bonus pay gap as it is fluctuating greatly year on year to understand further what is creating that trend.


We have a higher ratio of females employees who work part time in the company - whereas the majority of the male employee population are full time workers. This could be major contributory factor in the bonus pay gap and gender pay gap.


As we promote part-time working, flexible working hours and family friendly policies this may contribute to the increase in gap we are seeing.


CONTINUOUS IMPROVEMENT


 During 2023 we have remained dedicated to continuing to make improvements to address our Gender Pay Gap.

WHAT ACTION HAVE WE TAKEN?

 Our **competency-based pay model** continues to ensure employees who have the same competency within the same grade and job family are paid the same. The model has proven to help employees achieve faster pay progression than our previous pay model whereby employees now attain defined competencies and skills set by the business.

 We have continued to make our **pay ranges** more transparent by sharing individual pay ranges with employees and giving access to pay ranges for managers to use when recruiting new roles.

 We continue to promote **agile and homeworking** to our employees to allow employees to work flexibly where possible within the workplace.

 The **RWE Women's Network UK** continues to strongly support females by offering networking opportunities, inspiring events, sharing career stories and supporting through workshops on several development topics. A particular focus in 2023 was education and training around Menopause.



RWE Generation and RWE AG launched its **Parental Leave Coaching** programme to assist employees in the transitional phase of becoming parents. The programme helps new parents, following birth, adoption, or foster care placement of their child, through individual 1:1 coaching. It aims to facilitate their return to work, after or during parental leave, and help them set a sustainable foundation that supports both their work and newly formed family responsibilities.



RWE in the UK has recently enhanced the **family leave policy** that is available to employees who are on the journey of starting a family. We now offer 29 weeks of full pay to employees taking maternity, adoption, or shared parental leave, and 12 weeks full pay to employees taking paternity leave. Additional benefits include neonatal care leave up to 12 weeks if your newborn needs to stay in hospital; two weeks of leave per year for employees undergoing fertility treatment; and two weeks of leave for employees who suffer the loss of their baby early in pregnancy. All these family leave benefits are paid at full pay to ensure that employees can fully use the time off available to them, without worrying about money.

WHAT ACTION WILL WE BE TAKING IN THE FUTURE?



We will continue to conduct equal **pay audits** and monitor the results to help us review our reward policies.



We will be holding sessions to help our managers understanding of the **competency-based pay model**. Helping them to support employees to progress through the development stages and pay model.



We will continue to look at ways to provide **transparency** around pay and reward processes.



As part of our Private Medical Insurance (PMI) cover, we are including **Neurodiversity support** in 2024. This increased offering will heavily support our diversity and inclusion / wellbeing aims in RWE for both current and future employees (and their family members).



A project is currently underway to analyse and map **career paths**, which will bring greater clarity to support employees in progressing their career with RWE.