



Shell
ENERGY

Annual gender pay gap report

Version number: 1.0

Date published: 25/03/19

Originally published February 2019

Covering the period 5/4/2017 - 4/4/2018 when we were trading under the First Utility name.

This is our second gender pay report undertaken in accordance with the Government legislation which requires all companies with more than 250 employees to report their gender pay gaps. Shell Energy continues to support this reporting with the belief that more transparency will help to focus companies on steps they can take to improve.

What is the gender pay gap?

Gender pay gap reporting examines the pay and bonus differences between men and women. This is different to equal pay, which is about paying the same pay for equivalent work. We regularly review our pay against market data from leading third party suppliers.

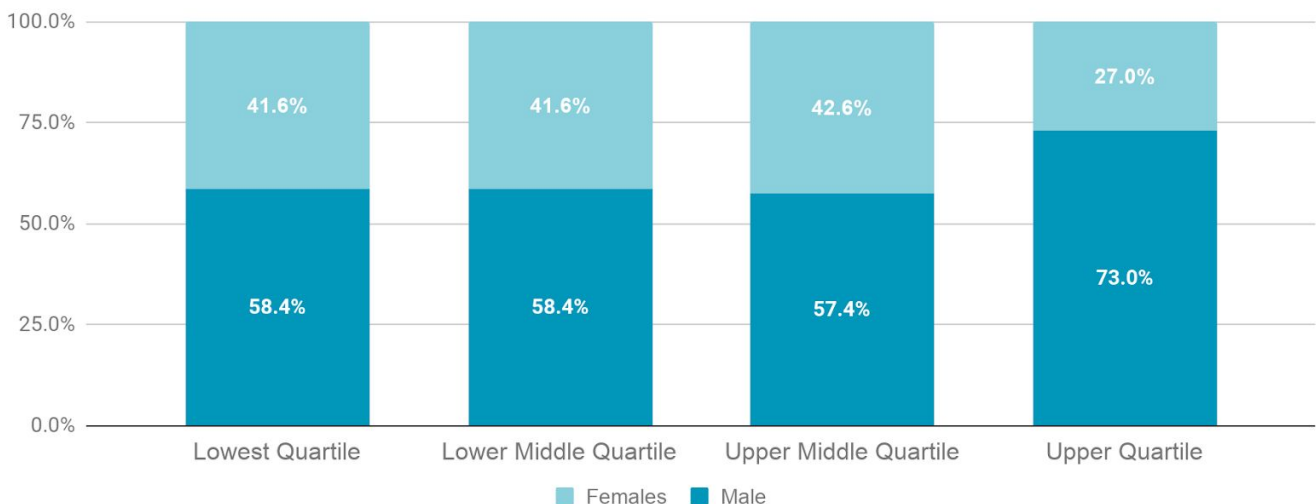
How does Shell Energy perform?

We do have more men than women in senior roles and we also have a large technology team that is predominantly male, in line with the UK as a whole. They are both contributing factors as to why our gender pay and bonus gaps inevitably report a difference between men and women.

Mean pay gap = 21.3%. This means that the average hourly rate of pay for men is 21.3% higher than the average hourly rate of pay for women.

Median pay gap = 10.4%. The median hourly rate of pay compares the pay of the two people who sit exactly in the middle of the range of pay (from the lowest to the highest) for their respective genders. It is where 50% of the population are above that person and 50% below. In our case, the difference between the median value for men is 10.4% higher than that for women. By using the median, the effects of very high and very low salaries, seen in the Mean pay gap, is removed which is why the median gap is lower.

Pay Quartiles



The pay quartiles above closely reflect the gender split in our overall population. With more men than women in our highest paid jobs, this is reflected in the results shown in the analysis above. We are addressing this issue through a range of programmes designed to ensure that we have a better balance between men and women in the highest pay bands. These programmes are discussed later in this report.

Bonus pay

Shell Energy's bonus scheme is driven by overall company performance and the difference in bonus is therefore not a reflection on the relative performance of men and women. The gaps below reflect the fact that more men than women receive a bonus and men hold more of the senior (higher paid) positions within the business. This is largely influenced by the fact that a significant proportion of bonus recipients are within the technology team. This sector is traditionally male dominated, quite highly paid relative to other roles, and suffering from a well documented shortage of female developers. We are working with our parent company Shell on initiatives to encourage more women into STEM (Science, Technology, Engineering and Maths) roles.

Mean gap in bonus pay = 31%. This shows that the average of all bonuses paid to men is 31% higher than the average of all the bonuses paid to women.

Median gap in bonus pay = 37.5%. The median bonus value compares the bonuses of the two people who sit exactly in the middle of the range of bonuses (from the lowest to the highest) for their respective genders; it is where 50% of the population are above that person and 50% below. We continue to have a large proportion of bonus recipients in the Technology team reflecting the competitive nature of the recruitment market for such roles.

In relation to our total employee population, 29.7% of men and 18.4% of women received a bonus in 2018.

Why does Shell Energy have a gender pay gap?

It's important to reiterate that this doesn't mean that men are paid more than women for the same job but it does show that there are more men in higher paid roles than women, something we continue to seek to address. We have programmes in place which we believe will deliver improvements over the long term. There are two main causes for the gender pay gap at Shell Energy:

1. The first is that we have disproportionately more men in senior positions with the highest salaries. This is a legacy issue, but our Chief Operating Officer is a good example of promoting women onto the executive team based on merit.
2. The second is that as a technology company at heart, we employ a large number of developers and technologists. While we have some very talented women in this part of our workforce, the reality of the UK labour market means that there are far fewer women working in these types of roles and the shortage of talent overall means that those working in IT command higher salaries.

What have we been doing about this?

We want to close our gender pay gap and have been actively working on addressing these two main causes.

- **Development.** We've run development programmes in conjunction with the Windsor Leadership trust, which are gender based development programmes aimed at encouraging and preparing women for more senior roles.
- **Encouraging more women into STEM subjects.** Since our acquisition by Shell, we are engaging in its well developed STEM programmes aimed at nurturing the next generation of talent and encouraging women to pursue careers in technology and engineering.
- **Women in IT.** We are active in attempting to inspire women to consider a role in technology in addition to developing our talent. Our female IT leaders have been shortlisted for the Women in IT awards for the last two years and provide mentoring and coaching for other women in the sector.
- **Living Wage.** We are proud to be able to say that we are a Living Wage employer. Nobody in our business is paid less than the Living Wage.
- **Senior Recruitment.** We have made significant changes to the way in which we advertise and recruit senior roles in an effort to ensure that more women are encouraged to apply for these posts. Over time we expect this to have a positive effect on the number of women in senior management positions.