Introduction

Despite some challenges, the Crossrail Project has now commenced dynamic testing with our drivers at the front of these pioneering trains. There is no doubt that we are now on the path to opening an outstanding railway.

Staying on the topic of the railway, it continues to transform at a great pace all across the UK, no more so than here in London as work continues to finish the infrastructure upon which the Elizabeth line will run in the near future, providing a valuable link for our communities and increasing London’s transport capacity by a further 10 percent.

Representing the communities which we serve is one of our company missions and feeds directly into our vision of setting a new standard of transport in the rail industry. Whilst this is an ambitious goal and something that won’t be achieved overnight, we are committed to transforming the railway both for our customers who travel with us every day, and of course, our employees who are carving out successful futures in the railway.

As mentioned above, we know there is still a way to go however we have made strides in cultivating a positive company culture and I’m confident that our initiatives will continue to push us in the right direction with regards to our gender balance, diversity & inclusion.

I confirm that the data included in this report is accurate.

“Despite an increase in our Gender Pay Gap for 2018, we are focussed on continuing our efforts to build a progressive environment for all.”

Steve Murphy
Managing Director
What is Gender Pay Gap Reporting?

In 2017 for the first time, employers with more than 250 employees were required by law to publish their gender pay gap and gender bonus gap figures annually.

The intention behind the legislation is to provide greater transparency in the difference between men and women's pay, so that organisations can review any gender pay gaps that exist, look at the possible causes for any such gaps, and consider whether steps should be taken as a result. MTR Crossrail welcomed this increased transparency, and whilst we recognised the challenges we would face as a company operating in a male dominated industry, saw this as an opportunity to show how our organisation is evolving in order to attract and retain the best talent. Our first gender pay gap report was published in April 2018 reflecting the position of our organisation as of 5 April 2017 (and the 12 months prior). To ensure transparency and accurate reporting, MTR Crossrail enlisted an external organisation, XpertHR, to analyse our data.

The figures below outline the mean gender pay gap and gender bonus gap for Private Sector Services, the category in which MTR Crossrail is included, and therefore is a useful measure for comparison:

### Private Sector Services - Mean Gender Pay & Bonus Gaps

<table>
<thead>
<tr>
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<th>UK Mean gender pay gap</th>
<th>UK Mean gender bonus gap</th>
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<tbody>
<tr>
<td><strong>Men</strong></td>
<td>21.2%</td>
<td>39.2%</td>
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<tr>
<td><strong>Women</strong></td>
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In 2017 for the first time, employers with more than 250 employees were required by law to publish their gender pay gap and gender bonus gap figures annually.
What is the gender pay gap?

The existence of a gender pay gap should not be confused with the concept of Equal Pay.

They are two very different issues:

Equal Pay is the difference between men and women’s earnings for performing the same or similar work.

The gender pay gap is the difference between the average earnings of men and women across an organisation regardless of their role or seniority; this can also be expressed across sectors, or markets.

It is therefore important to understand how an organisation is structured in order to understand the gender pay gap.

Currently in Britain, there is an estimated overall gender pay gap of 17.9%. The reasons for the gender pay gap are varied and complex; a gap for example can occur if men and women are distributed unevenly across the organisation, or can be influenced by one-off projects if more men than women are recruited. If an organisation employs more women than men in lower paid grades, then they are likely to have a larger gender pay gap than organisations where men and women are equally represented throughout the business.

We are confident that our approach to pay is fair and consistent. We operate collective bargaining arrangements, which helps ensure our approach to setting pay arrangements for both men and women is consistent. We strive to be an equal opportunities employer, and are working hard to remove any barriers to recruitment and progression that may exist. However, the causes of the gender pay gap are complex and influenced by a range of socio-economic factors – for example, women predominantly undertaking caring responsibilities; the cost of childcare, and women taking career breaks, and often part time jobs.

The existence of a gender pay gap does not necessarily mean there are unequal pay practices within an organisation.
Our Organisation

Our Vision
Our vision is to set a new transport standard for the UK, moving people and connecting communities better than anyone else. We can only achieve this vision by employing talented and dedicated colleagues who we can empower and develop to become the best they can be. We are committed to being a diverse and inclusive workforce, with equality of opportunity for all, where everyone can achieve their full potential.

Our employees come from all different backgrounds, and we strive to reflect the diverse society and customer base we serve. We’re proud of our vision and values, but equally recognise the challenges we face before our workforce fully represents our diverse society.

To be able to understand our gender pay gap statistics, it’s important to understand some key points about us:

● The rail industry has traditionally been a male dominated one. We are looking to rebalance this inequality through encouraging female applicants to apply for roles they may have previously discounted, and our commitment to fair and equal progression opportunities for everyone. This year, we have seen through our work an increase in female representation throughout our organisation, and an increase in female job applicants.

● We have put in place a series of initiatives to address our gender pay gap, support and encourage our female colleagues to succeed and drive positive change towards a more inclusive industry.

● We have a lower proportion of female employees in senior roles and higher pay quartiles, particularly in senior management positions. This is an area where we need to continue to focus. Whilst we are succeeding with our goal of attracting women into traditionally male-dominated job roles, we recognize that it will take time for them to progress into higher pay bands.

● As a relatively new business we need to utilise consultant specialist skills. The pool of specialist consultants is male dominated given the historical composition of our industry.

● 6.1% of our female workforce work part-time, but only 1.4% of our male workforce. Considering this, we will continue to explore opportunities where flexible working arrangements can help to maintain positive work life balance for our employees.

● Our most senior roles by their very nature generate a larger salary and annual bonus – this in part drives the imbalance in both gender pay and bonus pay gaps, given that these roles are held predominantly by men. Again this is an issue we are aware of and are actively targeting.

MTR Crossrail employees % by gender

- 20% Male
- 80% Female

Gender Pay Gap Report 2018
Our Statistics

The infographic below outlines both the mean and median gender pay gap and the gender bonus gap within MTR Crossrail.

This data was collected on the 5 April 2018 and analysed by an independent external organisation, XpertHR.

The following figures show the percentage of male and female colleagues in each group:

<table>
<thead>
<tr>
<th>Mean gender pay gap</th>
<th>Median gender pay gap</th>
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<tbody>
<tr>
<td>23.4%</td>
<td>28.4%</td>
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</table>

<table>
<thead>
<tr>
<th>Mean gender bonus gap</th>
<th>Median gender bonus gap</th>
</tr>
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<tbody>
<tr>
<td>54.3%</td>
<td>0.0%</td>
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% of male employees receiving a bonus: 8.7%
% of female employees receiving a bonus: 7.9%

Proportion of males/females in each pay band quartile:

This high level data is split into four equally sized groups, known as quartiles. These are based on hourly pay rates, with Band A being the lowest paid group, and Band D the highest.

Band A:
Includes all employees whose standard hourly rate places them at or below the lower quartile
%: 28.4%

Band B:
Includes all employees whose standard hourly rate places them above the lower quartile but at or below the median
%: 30.7%

Proportion of males: 69.3%
Proportion of females: 78.8%

Band C:
Includes all employees whose standard hourly rate places them above the median but at or below the upper quartile
%: 14%

Proportion of males: 86%
Proportion of females: 14%

Band D:
Includes all employees whose standard hourly rate places them above the upper quartile
%: 14%

Proportion of males: 86%
Proportion of females: 14%
What our statistics show

Our statistics show that our pay gaps have increased since those reported last year.

- The Government’s intention in legislating in this area was to review progress after five years, recognising that it will take time for meaningful data to be available in order to review the extent to which the measures are working. Organisations like ours are similarly planning on a longer-term basis.

- Gender pay gaps will by their very nature increase or decrease during the course of any period to reflect the gender make-up of the workforce on the reporting date.

- Despite being a male dominated industry, we have seen an increase in female representation at the majority of levels of our organisation. It is reassuring that our existing initiatives are working. However the positive steps we are taking in this respect will take time to realise in terms of a reduction in the pay gap.

- As a part start-up business, we are currently heavily reliant upon the use of specialist consultant skills. The available pool of specialist consultants with expertise in our sector tends to be predominantly male, in line with the traditionally male dominated rail and transport industries.

- Whilst our mean gender bonus gap is above average, this is due to higher bonus levels being paid to senior staff, who are predominantly male, which in turn influences the figures. The median gender bonus gap (the middle value of all bonuses paid, which is more representative than the mean) is 0 – i.e. no gap exists.

We fully recognise that there is further work to be done, and are in no way complacent about achieving this.
How we are addressing the Gap

We set out in our Report last year the work we have already started to undertake to encourage women into the industry, and specifically our workforce. We have continued to build on this work since last year:

- We undertake diversity monitoring and reporting on a six monthly basis; this includes not only gender (specifically gender pay gap activity) but also our statistics with regard to a number of other protected characteristics, to ensure we reflect wherever possible the make-up of the community we serve. We are fully committed to achieving our vision of being a diverse and inclusive workforce, with equality of opportunity for all.

- We will be launching Our Time – GLA & Mayor’s Initiative – this sponsorship programme launched by the Mayor of London is aimed at driving equality by addressing some of the barriers preventing women from progressing into senior leadership positions. Talented women are paired with champions at executive level, with the latter using their influence and leverage to help women access the networks, contacts and opportunities they need in order to be able to progress to the next stage in their careers. This is a key initiative for us in increasing female representation at senior levels of our organisation.

- We are a founding partner of the Crisis Women Returners programme, launched by Women in Travel & Tourism, in conjunction with Crisis, as a pre-employment programme for women in long-term unemployment.

- We engage in a whole range of positive action initiatives aimed at improving the diverse composition of our workforce as a whole. These activities include Young London Working, and Access Aspiration Business Insight (both sponsored by the Mayors Fund for London), and supporting organisations including Peabody and Clarion Housing Trust (through Love London Working events).

- We are targeting female recruitment through a number of different initiatives – e.g. publishing articles in Women in Rail, using female drivers in recruitment campaigns; and advertising on specialist job boards to attract female talent.

- We are supporters of the Women in Rail Mentoring Programme which was launched in January 2019. This offers mentoring partnerships to women with high potential, and where evidence suggests there is a high risk of these women being denied or not benefiting from the same rate of promotion as similarly qualified men.

- We are undertaking a wholesale review of our Equality & Diversity Training to embed diversity into our everyday working practices, as well as a number of internal steps / initiatives aimed at attraction and retention of key staff including:
  - 35% female representation at our internal management and leadership courses, to ensure balance in our approach which influences our decision making;
  - Reviewing our returner framework to make sure we are supporting and retaining employees who leave the business for an extended period of time;
  - Developing a variety of family-friendly and flexible working policies to help us attract and retain more women.
  - Creating internal campaigns to upskill and train existing employees into under-represented functions of the business;
  - Development of a mandatory best practice recruitment course for all hiring managers;
  - Ensuring that men are more aware of the part they can play in creating an inclusive workplace which values and encourages women to apply for roles at all levels;
  - Reviewing our job advertisements to ensure gender neutral language is used to attract female candidates;
  - Continuing to work with our suppliers to ensure they demonstrate equality and diversity in their organisation.

We are proud of this work, which is recognised externally through being shortlisted for two separate Diversity & Inclusion awards this year alone. We are fully committed to the fair treatment of all staff, irrespective of gender. Whilst we are proud of the steps we are taking, we are committed to improving our practices over the coming years. We recognise that only by doing so will we achieve our vision of setting a new transport standard for the UK.
Summary

Last year I touched on the historical structure of the railway industry and some of the challenges that arise when working to reduce the gender pay gap. Whilst we continue to work on transforming the culture of the railway and providing opportunities which allow us to address the gender pay gap, we are still working with a predominantly male workforce.

When comparing this year to last year’s report, our gender pay gap has increased to 23.4% however I’m pleased to say that based on some of our targeted initiatives, our overall representation of women has increased in 2018 compared with 2017.

Having said this, we cannot sit on our laurels and accept that our industry-leading female driver percentage and increase in females in our workforce is a job done, this is not the case.

We continue to work closely with our union partners and constantly review our policies and practices to ensure we are making progress on all fronts such as gender equality, diversity & inclusion.

We have a number of initiatives we are implementing currently which will not only attract more females to a career in the railway but also help us to continue in our mission to reduce our gender pay gap overall.

Our Diversity & Inclusion team continue to strengthen our programme through assessing previous activities and identifying areas of focus for future initiatives. Their perseverance and commitment has already been recognised with a number of industry awards and I’m excited to see the benefits that these activities will bring to the future of our railway.

I confirm that the data included in this report is accurate.

MTR Crossrail continue to be an important industry partner, working closely with us on a number of initiatives and sharing best practice in various areas. They are making strides to be an industry leader with their recent gender recruitment statistics and diversity figures as well as being at the forefront of providing apprenticeship opportunities across a multitude of roles within the railway. Addressing the gender pay gap is not something which will happen overnight however these positive steps are providing strong foundations for further success. We look forward to many more industry first’s in the coming years.”

Mick Cash
General Secretary – RMT Union

“We are seeing a lot of great work by MTR Crossrail to break down some of the traditional barriers to employment and offer opportunities to a diverse range of people, especially the local communities that the Elizabeth line will serve. Targeted campaigns to attract female drivers and providing avenues for under-represented groups to gain a career in the railway are just a few of the great initiatives that are being carried out and we look forward to seeing the continued positive impacts this will produce.”

Mick Whelan
General Secretary – ASLEF Union