



Gender Pay Gap Report 2022

mtr Elizabeth line



Introduction



In May 2022, we proudly took the next step in our own journey with the official launch of London's newest railway, the Elizabeth line.

As the concessional operator of the Elizabeth line, last year marked a historic moment for us. We were immensely proud that Her Majesty Queen Elizabeth II was able to officially open the line named in her honour. The Queen's commitment to service and community has long been a shining example to our colleagues and that commitment to service is something that resonates with our people.

Since our inception, we have built enduring relationships with partner organisations and local communities who share the same values as us. We continue to prioritise local recruitment and consistently seek new ways to attract women to rail, from providing innovative technology-led learning to

greater flexible working arrangements. We have made some progress, but it is clear we still have a long way to go.

We are proud that our organisation reflects the diversity and needs of the communities in which we operate and the customers we serve. That commitment extends to improving equality and inclusion across the wider rail industry and, last year, we collaborated with other train and freight companies to produce a new book, 'My Mummy is a Train Driver'. Engaging with children from a young age has enabled us to challenge gender bias and perceptions, raise awareness of the many rewarding careers on offer, and builds on the inspiring work of our Community Ambassadors who work closely with local schools and organisations.

At its heart, the Elizabeth line provides a safe and reliable service, but we have always strived for more. In October, we launched the award-winning Innovation Hub, close to Romford station, which was created in

collaboration with industry and community partners, with the aim of having a positive impact on the local community and includes a focus on women's safety.

Stepping into the role of Managing Director of MTR Elizabeth line in February 2023, I am encouraged by the enthusiasm and drive to take a leading role in championing change across the wider rail industry through a range of initiatives. Personally, I have enjoyed a rewarding career in rail, and it is imperative to me that we continue to create greater opportunities for women to thrive in rail. We will continue to prioritise actions to support greater equality, diversity and inclusion that will create positive change for the long-term.

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

A handwritten signature in black ink that reads "Mike Bagshaw". The signature is written in a cursive, slightly slanted style.

Mike Bagshaw
Managing Director

Understanding the Gender Pay Gap

MTR Elizabeth line is committed to identifying areas where it needs to improve and innovate.



In 2017, the UK government brought in world-leading legislation requiring employers with more than 250 employees to publish their pay and bonus gaps annually. According to the Office for National Statistics (ONS), in 2022 the gender pay gap amongst all employees (full and part-time) decreased to 14.9% from 15.1% in 2021.

According to the ONS, while the gender pay gap in the UK has been declining slowly, it is still higher for all employees because women traditionally take on more part-time roles, which in comparison to full-time roles have a lower hourly median pay. As a result, the gender pay gap among full-time employees only (as of April 2022) was 8.3%, a slight increase on 7.7% in April 2021 and 9.0% in April 2019 (pre-pandemic).

Gender Pay Gap reporting continues to provide us with useful data that helps us to understand the current workforce and identify which areas of the business are most affected, while also helping to identify the underlying causes.

It is useful for us as an organisation to benchmark ourselves against others in the transport industry, as well as across the UK. The rail industry has its own

historical imbalances and focuses on attracting more women into operational, technical and professional roles. The smallest gender pay gap exists between those starting out in their careers and slowly widens as employees age. Like many organisations, there is a greater difference in hourly pay between men and women at the highest earning levels.

It is important to understand why this happens and to use the insights gained from the reporting process to nurture future and existing talent, while also offering the right benefits and working environment to help our workforce thrive.

The Gender Pay Gap and Equal Pay: What's the difference?

It is important to understand the difference between the Gender Pay Gap and Equal Pay.

Gender Pay Gap: 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.

Equal Pay: Equal pay means that men and women with the same or similar jobs, or carrying out work of equal value, must be paid equally, as set out in the Equality Act 2010.

Our organisation – at a glance

As an organisation we are proud of the diversity of our workforce and the work we are doing to attract more women into rail. Although more than 75% of our workforce is recruited from our local communities and 23.5% are women (consistent with the industry average of 22%), there is clearly much more work to be done, and we recognise it will take time to address the historic imbalance within the industry.

The rail industry: A historic perspective

Traditionally, the rail sector has been dominated by men, often due to the technical nature of the work being perceived as a male profession. Often these highly skilled jobs combined with the requirement for industry experience has historically precluded women from progressing into more senior roles. We recognise it will take a number of years to address this disparity, and also to attract more women to the more operational or technical roles that exist in rail.

As of April 2022, MTR Elizabeth line's workforce totalled 1,280 employees made up of full-time and part-time roles. Our 301 female employees deliver a wide range of roles throughout our business, including train driver, of which 67 of our 550 drivers (12.2%) are female, almost double the industry average.

Attracting more women to rail

Our work with several partners has helped to attract more women to the industry. As one of Transport for London's key employers, MTR Elizabeth line was invited to support Women into Transport and Engineering (WiTnE), a four-week pre-employment programme. The scheme is open to women of all ages and supports women into work or returning from a career break.

Following our participation at an information day, five candidates joined MTR Elizabeth line for a two-week work placement where they completed a mix of work experience and training. Candidates were able to undertake two-week pre-employment training with CONEL College and met with Smart Works, a charity that provides clothing and coaching for unemployed women, to help them to feel more confident in applying for and getting a job.

All five candidates applied for a role with MTR Elizabeth line and three were successful. In addition, two further candidates who completed their work experience with another company chose to be interviewed by MTR Elizabeth line resulting in another successful appointment.

"Driver roles are still male dominated, but the difference is MTREL's attitude towards it. It's made clear female drivers are wanted and welcome."

Amanda Atkins, Train Driver

Our 2022 report highlights

- MTR Elizabeth line is committed to reducing the Gender Pay Gap at every level across its business.
- Women remain under-represented in senior roles and in the higher pay quartiles.
- Compared with lower-paid employees, higher earners experience a much larger difference in hourly pay between the sexes.
- A strategic framework has been developed including a mix of initiatives to address equality, diversity and inclusion within our organisation, as well as across the wider rail industry.
- Our long-term goal remains addressing the gender imbalance and working towards a 0% gender pay gap.

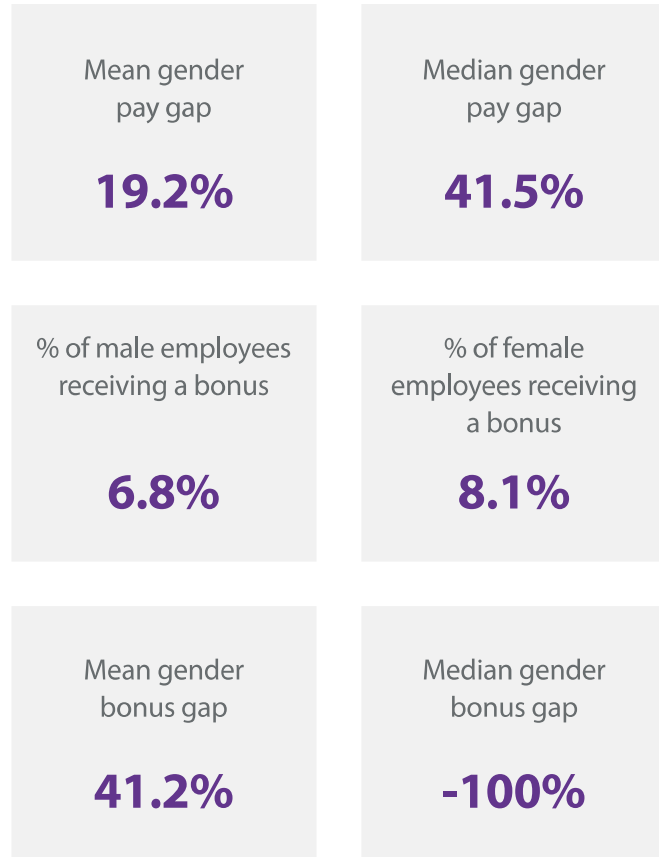
Our Equality, Diversity & Inclusion Vision

MTR Elizabeth line is committed to attracting and retaining a diverse workforce and enabling an inclusive culture where all colleagues can reach their full potential.

We will celebrate the rich background of all who work for MTREL and lead the way in Equality, Diversity & Inclusion for the railway industry.

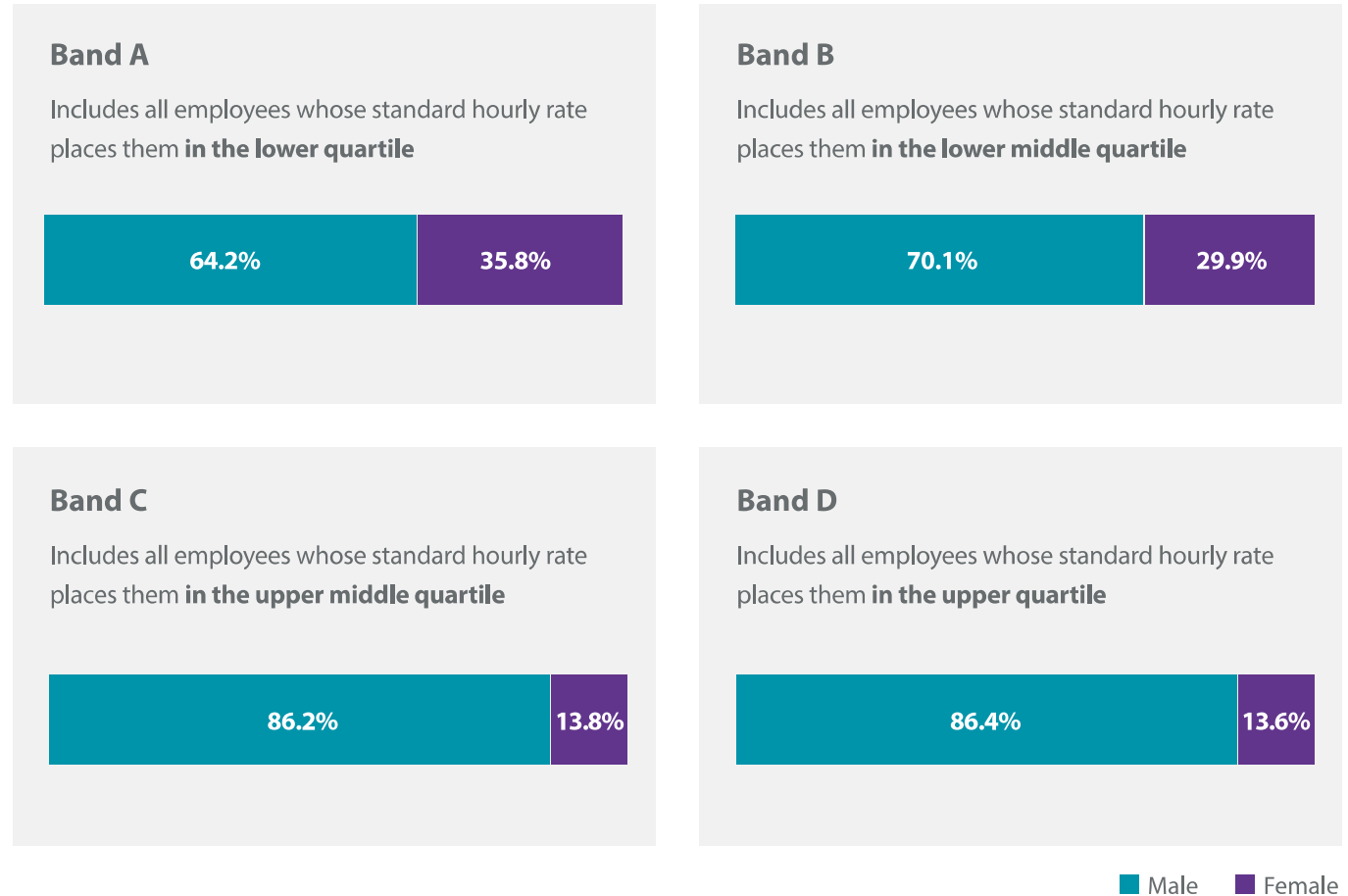
Our statistics

The statistics below represent the mean and median gender pay gap and the gender bonus gap at MTR Elizabeth line.



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.



The data was collected on 5th April 2022 and analysed by XpertHR, an independent external organisation. Mean = average of all figures in data. Median = the middle value of all data.

What our statistics show

The core figure, our mean gender pay gap rate, has seen another small improvement and now stands at 19.2%. The monetary equivalent of this percentage equates to an absolute difference of £5.49 per hour between the genders, with a mean male hourly rate of £28.54, and a mean female hourly rate of £23.05.

There was a significant percentage shift in our gender pay gap median pay rate from 33.6% in 2021 to 41.5% 2022. This equates to a difference in hourly pay of £13.43 in favour of men. We have seen our median figure move due to a number of women in higher paid roles leaving and a greater number in lower paid roles joining.

The Executive team's bonuses are linked to operational milestones, none of which fell within the reference period; however, this means that there will be more than one bonus payment in the 2023 reference period.

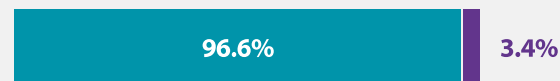
Historically, MTREL's median gender bonus gap has been 0%; however, the absence of Executive bonuses and the greater number of men in the total bonus pool resulted in women's median bonus pay being 100% more.

We did, again, see a greater proportion of female employees receive a bonus (8.1%) compared to male employees (6.8%). There remains a need to address the number of female employees in our senior management roles; however, we are seeing progress and between 2021 and 2022 the number of senior female leaders grew by 42%.

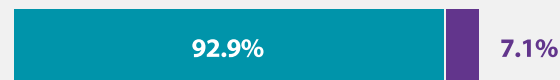
With our focus on delivering the Elizabeth line in 2022, we had more men in our middle quartile with greater industry experience and higher salaries. This includes a far greater number of male train drivers (483) versus female drivers (67), who make up a significant proportion (42.97%) of our overall workforce. Although we have made significant progress in attracting more women to the role of train driver compared to other operators, it is another good example of how the historical imbalance will take time to change.

Gender Profile of MTREL Train Drivers

MTR Train Drivers *31 May 2015*



All UK Train Drivers
20,000 ASLEF members *30 April 2022*



MTR Train Drivers *31 August 2022*



■ Male ■ Female



Over the years, the UK's rail sector has worked hard to improve gender parity via various initiatives. These include establishing employee networks groups, nominating senior champions of inclusion, working with external organisations on, for example, Women in Rail's EDI Charter, Business in the Community's Race at Work Charter and working on attraction, recruitment and retention strategies to better represent the communities we serve. Additionally, all train and freight operating companies have committed to introducing or improving the gathering of diversity data of which the targets are that at least 10% of train driver roles in the industry will be occupied by women by 2025, and at least 20% by 2030.

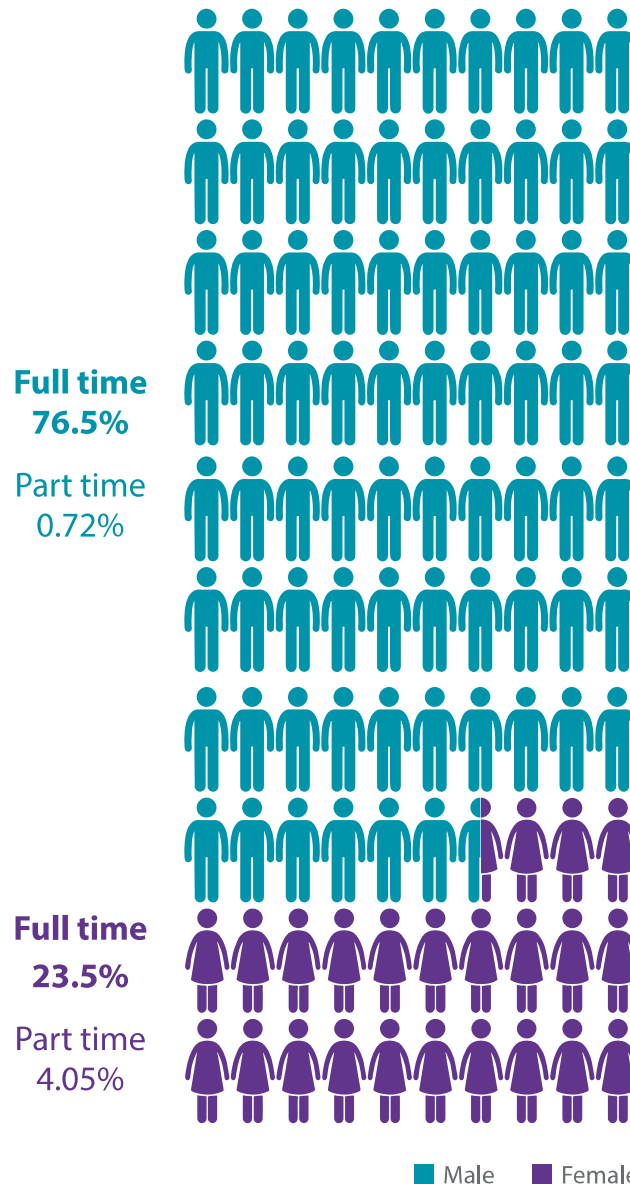
What our statistics show

Our evolving workforce

Since we began reporting on our gender pay gap in 2017, we have seen fluctuating statistics as our organisational profile has adapted in line with the business requirement to open the new Elizabeth line. The changes can be attributed to the employment of roles that have historically attracted a greater number of male candidates. The wider rail industry recognises this historical imbalance and continues to work hard to attract more women, particularly to roles such as train driver, operations and engineering.

The overall make up of our workforce, which remains predominantly male, particularly in senior roles, can mean even small changes can result in significant changes to our gender pay gap statistics.

While there has been no business need to recruit for additional train drivers, the percentage of female drivers at MTR Elizabeth line has remained steady at 12.2%; almost double the industry average. We have also attracted women to roles in other areas of the business and have focused on retaining talent and providing the right working environment and career progression opportunities.



Leadership and Development Programmes

We are currently focused on strengthening our leadership and development programmes. We have made great strides in our talent development and succession planning through the provision of a Management Development Programme, Leadership Development Programme, Talent Management and Succession Planning, and Leadership Coaching. We have also developed an internal coaching programme to embed peer coaching and methodology, and participate in an external industry mentoring programme.

Through careful assessments, self-learning, facilitated workshops and tailored development programmes designed to support both men and women in their personal and professional development, we are able to see more clearly where we are making progress and which areas need greater attention.

We are dedicated to continuing in our mission to reduce the gender pay gap, attracting more women to the rail industry and further building on our existing culture of equality and inclusivity.

“We are passionate about helping women to achieve their potential. Developing internal talent to become our future leaders is essential.”

Carolyn Bisset, Head of Learning and Development

Summary

As the operator of the new Elizabeth line, 2022 marked a very special year as we opened the line and welcomed millions of customers to London's flagship railway. It has been incredible to witness the hard work of our teams brought to life after years of preparations, and to see how our diverse community of colleagues mirrors the diversity of the capital and surrounding areas.

It has always been vital that we accurately represent our communities and create a workforce that is inclusive and offers opportunities for all to grow and develop in their careers. Attracting, retaining and developing our talent is key to our future success.



MTR Elizabeth line has always been committed to providing a safe, inclusive and flexible workplace. As part of a larger global organisation, we can tap into the experiences of our international businesses,

whilst also working with the wider UK rail industry to drive positive change for all. Women remain under-represented in our industry and although we have taken positive steps forward, there remains much more to do.

Attracting more women into rail is a priority. We work with several partners within the industry and externally to attract a more inclusive workforce and to raise awareness of the diverse and rewarding career opportunities available. Most recently, we have supported and successfully recruited from a female-only entry to employment scheme supporting women into transport and engineering and continue to seek new ways to attract women to rail.

Our collaborative partnerships give us an opportunity to work with inspirational people who bring their own expertise, stories, and perspectives. I am incredibly proud of our collaborations which demonstrate the depth of our partnerships and some great innovation. Two further examples include our contribution to the book, 'My Mummy is a Train Driver', which is aimed at young children and

challenges gender bias, and the launch of the award-winning Innovation Hub in Romford, which offers a safe space for people to work together and tackle local issues.

Last year, we took the opportunity to review and refresh our Equality, Diversity and Inclusion Strategy, creating a framework to support future improvements and helping us to identify actions that will deliver the most meaningful change and help reduce the gender pay gap.

We have also taken steps to strengthen our skills training and leadership programmes to support career development. Having spent much of our time in 2022 focused on delivering the key stages of our operational programme to successfully open the Elizabeth line, our attention now turns to talent, development and succession planning.

The role of women at every level of our organisation is fundamental to our success and we continue to identify how we can best support the needs of women, working towards equal pay and recognition which will in turn help them to thrive.

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

A handwritten signature in black ink that reads "Claire Metcalfe". The signature is written in a cursive, flowing style.

Claire Metcalfe
People and Culture Director