



Gender Pay Gap Report 2021

mtr Elizabeth line





During another year of global uncertainty we have continued to manage the significant challenges resulting from the COVID-19 pandemic, all whilst delivering a safe and outstanding

service. Throughout this unprecedented time, our MTR Elizabeth line (MTREL) colleagues have gone above and beyond and illustrated their absolute dedication and commitment to supporting their colleagues and delivering a superior service to our customers.

As a subsidiary of a global company incorporating numerous cultures, a diverse workforce has been part of our corporate ethos from the beginning. Therefore, ensuring a supportive, balanced and equal environment for women in our workplace is an essential element of our ongoing equality, diversity and inclusion (ED&I) strategy, as is providing a supportive culture that women will want to be included in to build long-term, productive and rewarding careers.

Our industry-leading, award-winning ED&I strategy offers us an excellent structure within which to improve. Through industry partnerships and initiatives, we continue to both encourage and deliver change.

MTR Elizabeth line is proudly committed to championing ED&I across the wider rail industry. Alison Bell, our People & Culture Director, leads an initiative for the Rail Delivery Group to deliver the first industry-wide Diversity & Inclusion strategy. To ensure our sector makes the necessary shifts however, we must act collectively. Our leaders, in particular, must continue to prioritise making a real difference to the sector's equality, diversity and inclusion, year-on-year, to effect positive, lasting change.

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

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Nigel Holness
Managing Director

Understanding the Gender Pay Gap

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



Since 2017, UK employers with more than 250 employees have been required to publish their pay and bonus gaps annually. In 2020, the UK's Gender Pay Gap decreased from 17.3% to 15.5%, the lowest figure to date. According to the Office for National Statistics, 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.

Undertaken effectively, Gender Pay Gap reporting provides us with useful and detailed data to comprehensively understand the current workforce. By understanding the data, it is possible to identify exactly which areas of the business are most affected and points to the underlying causes. This ensures that as an organisation we can not only benchmark ourselves against others in the transport sector, or the UK, but also offers the ability to identify and nurture the right talent in our workforce.

Since its inception, MTR Elizabeth line has been committed to identifying areas where it needs to improve and innovate so that we can develop and deliver the right range of initiatives required to close our gender pay gap and create an equal, diverse and inclusive environment for all. Our transparent approach to continuous improvement is supported through an internal platform, specifically designed to enable all colleagues to contribute and participate in driving measurable change.

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

We pride ourselves in our work to increase the diversity of our workforce, addressing the historic imbalance within the industry, with the goal to more fully represent all the communities in which we work.

Although we have more than 75% of our workforce recruited from our local communities and 22.2% of our workforce are women (consistent with the industry average of 22%), there is still room for improvement. We continue to be committed to enabling women to have a more significant and fairer presence in our workforce.



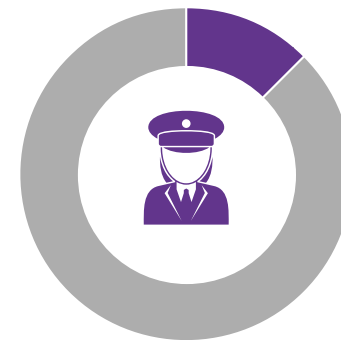
As of April 2021, MTR Elizabeth line's workforce totalled 1,174 employees made up of full-time and part-time roles. Our 261 female employees deliver a wide range of roles throughout our business, including train drivers, of which 68 of our 546 (12.5%) are female, almost double the industry average.

MTR Elizabeth line is committed to ensuring that women, alongside many other diverse communities, have the same opportunities and rewards as their male counterparts. In fact, MTREL is an industry-leader, and champion, for many of its colleagues. We have an abundance of good diversity news, however, we still have work to do to close the gender pay gap, and are working hard on our improvements, year on year.

Our initial strides towards an optimum employee environment have seen MTREL become a multi award-winning diversity, inclusion and equality employer, with accolades spanning several years from both the rail sector and the HR industry. Our aim now is to continue to improve our diversity profile, and work hard towards our ongoing integral contribution to the strategic direction of diversity, equality and inclusion within the rail sector.

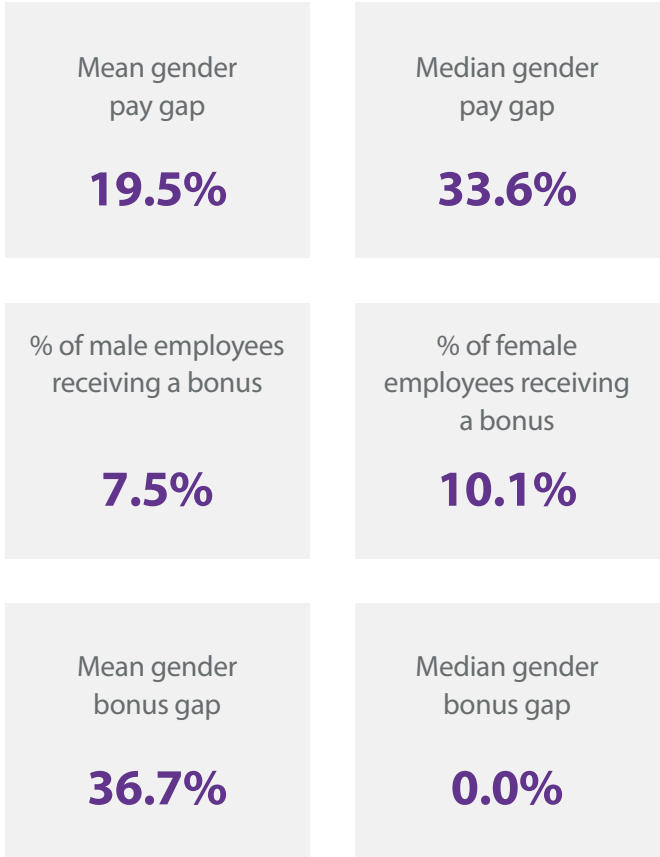
Our 2021 report's highlights

- MTR Elizabeth line is committed to narrowing, then dissolving, the Gender Pay Gap, throughout our business.
- More women than men have received bonuses this year, and the financial sum of their bonuses increased considerably.
- Women are under-represented in senior roles and in the higher pay quartiles.
- We have an industry-leading strategic approach to equality, diversity and inclusion with a planned programme of initiatives to address these issues. These programmes have the long-term goal of addressing the gender imbalance and working towards a 0% gender pay gap.



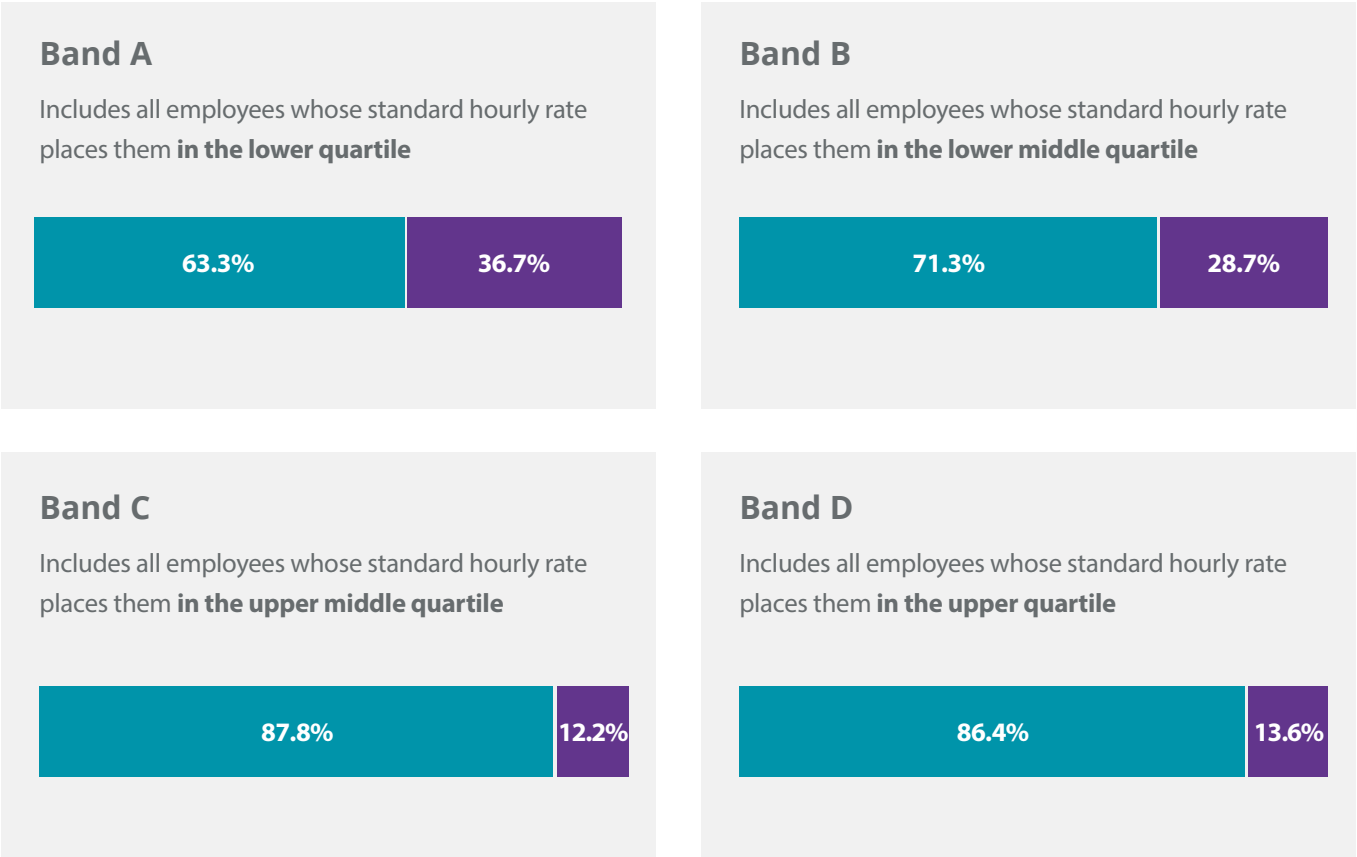
12.5% of our drivers are female, **more than double the industry average**

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.



■ Male ■ Female

The data was collected on 5th April 2021 and analysed by XperthHR, an independent external organisation. Mean = average of all figures in data. Median = the middle value of all data.

What our statistics show

Headline results

As in 2020, our gender pay gap statistics illustrate a varied organisational profile. However, despite another difficult year with the challenges of the pandemic, the resulting slowdown in recruitment, and a necessary focus on delivering safe and reliable services across our routes, our gender pay gap figures have seen some improvements. In April 2021 we had 261 female employees, however, by the year end, we were pleased to have a 300-strong female workforce.

The core figure, our mean gender pay gap rate, has seen a slight improvement of 1.3% since last year and now stands at 19.5%. The monetary equivalent of this percentage equates to an absolute difference of £5.48 per hour between the genders, with a mean male hourly rate of £28.01, and a mean female hourly rate of £22.53.

In April 2021, of our 261 female employees, 10.1% received a bonus, compared to 7.5% of male employees. There was also a 2.2 percentage point change in our gender pay gap median pay rate, from 35.8% in 2020, to 33.6% in 2021.

The profile of our female employees in the four quartile pay band structure, in our Bands C & D, is fairly consistent with other organisations in our industry, according to Government figures. Our

Band D (employees in the upper quartile) percentage of employees exactly matches the industry average of 13.6%, and our Band C (upper middle quartile employees) stands at only 0.7 percentage points lower. Our Bands A & B are significantly different to the industry average, in favour of women. Our female employee numbers in Band A (lower quartile employees) are almost 10 percentage points higher than the industry average, and our Band B, (lower middle quartile employees), is nearly 12 percentage points higher than our sector counterparts, according to Government data.

Based on the same Government industry figures, our female employees benefit from a significant positive difference when comparing the gender pay gap mean bonus figures (a difference in our favour of 15.2 percentage points).

There is a need to address the proportion of female employees in our senior management roles. Although between 2020 and 2021 there was a 3.7 percentage point increase in women holding posts in our lower middle quartile, as well as an increase of 1.4 percentage points for women employed in the upper quartile, Band D (which includes our most senior management roles), this does not equate

to a significant step. It is important we remain committed to ensuring the profile of our senior leadership changes to reflect our wider organisation. This includes supporting the ongoing development of high-performing female colleagues, currently in Managerial positions.

Overall our data shows that we are climbing steadily towards narrowing the gender pay gap. At MTREL we are dedicated to ensuring our workforce reflects the diverse communities we serve and that our culture is one that supports equality and inclusivity.



MTR Elizabeth line has always been committed to providing a safe, inclusive and flexible workplace. As the operator of the future Elizabeth line, it is vital that we accurately represent our communities and welcome a diverse workforce in which everyone is supported and able to thrive in their chosen career.

As a London-based train operator, and part of a global organisation, we are well-placed to build on our equality, diversity and inclusion strategy. However, we also recognise that we have a responsibility to drive progress across the wider rail industry so that we can all benefit from positive change.



In 2021, I took up the role of Diversity and Inclusion Steering Group Chair to lead an initiative for Rail Delivery Group to deliver the first industry-wide Diversity and Inclusion strategy, and to design and implement

a cohesive set of messages that could drive greater consistency and support faster progress.

I am humbled to be in a position where I can enact positive change, opening the door to richer and more varied talent that will drive the success and future growth of the rail industry. While it is something I'm very passionate about, I am not alone. Working together with an inspirational mix of people, all of whom bring their own expertise, stories and ideas, we are progressively developing a clear, ambitious and unified strategy to improve equality, diversity and inclusion to benefit our colleagues, customers and the wider industry.

Meaningful change is essential to our progress and the announcement of the creation of Great British Railways (GBR), a planned state-owned public body that will oversee rail transport in Great Britain from 2023, is a major development in the industry. With the arrival of GBR, the rail industry has an exciting opportunity to not only do things differently, but also to reinforce and develop the good practice that it has steadily built over the years.

Underpinning this, will be the need for an all-encompassing Diversity and Inclusion strategy that drives change within rail. As always, to ensure meaningful, long-term, impactful change is realised – our industry's leaders must be at the forefront. The strategy must also support a culture where employees and stakeholders across the industry have the vision, imagination and ability to not only bring their authentic self to the workplace but to facilitate the space for these identities to flourish safely. MTR Elizabeth line will make a significant contribution to this strategy.

Despite another challenging year, we continue to attract more women to rail who offer different skillsets and can draw on their unique experiences and bring a fresh perspective. Innovation and continuous improvement are embedded in our culture, and we have already set out a plan for supporting more women through coaching, alongside a refreshed development programme for leaders and high performers.

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

A handwritten signature in black ink, appearing to read 'Alison Bell'.

Alison Bell

People & Culture Director