

GENDER PAY GAP REPORT 2021

MARCH 2022



BEING YOU AT LNER



LNER
LONDON NORTH EASTERN RAILWAY

INTRODUCTION



David Horne
Managing Director

At LNER, we are committed to having an inclusive culture which represents the communities we serve, ensuring our colleagues are able to bring their true selves to work and reach their full potential.

Whilst our 2021 results positively reflect a reduction in our mean and median gender pay gaps, we acknowledge that more work is required to ensure representative gender diversity across our business. This includes higher paid roles, such as train drivers, which will have the greatest positive impact on our current gender pay gap. We recognise that there is no quick fix, and it will take years to see any significant changes to this demographic, however we are committed to the challenge with a target of **15%** female drivers by 2025.

We continue to use data to better understand barriers across our employee lifecycle, for instance; recruitment, performance, grade distribution and engagement index data. This insight informs our inclusion strategy and enables us to better engage with our key

stakeholders throughout our EDI journey.

Our People Team continue to drive forward our Equality, Diversity, and Inclusion agenda, working closely with business leaders to create targeted attraction and development initiatives that improve representation and foster a caring and supportive culture.

We continue to develop and inspire our leaders to 'own' our journey as part of our values, in which all leaders are expected to nurture a culture of inclusion. We will achieve this through raising awareness and educating our teams in relation to the impact of diversity of thought, bias and privilege.

We have celebrated some key successes over the past 12 months, including participation in the Women in Rail cross-industry mentoring programme, reciprocal mentoring, a new Menopause policy and a key EDI moment calendar. You can find out more about our activity further on in this report.

We are committed to creating a truly diverse workforce culture that is both inclusive and safe, and we are empowering everyone within LNER to take collective ownership to achieve this.



Warrick Dent, Safety and Operations Director and John Doughty, Engineering Director - sponsors of gender diversity.

We are proud to sponsor the gender strategy here at LNER and are passionate about driving forward positive change that enables all our colleagues to be themselves at work, whilst also supporting true gender diversity across all roles in our business. We know that our colleagues are more innovative, engaged and productive when part of diverse teams. Across the past year we have taken part in reciprocal mentoring which has enabled us to explore further the potential barriers for females across our operational roles and how we can dispel some of the myths associated with pursuing a career in the rail industry. We continue to work closely alongside stakeholders in the business to drive positive change for our colleagues and achieve our gender diversity goals.



FAST FACTS

3,155 colleagues

42% female colleagues

25% of our senior leadership women

10% drivers female

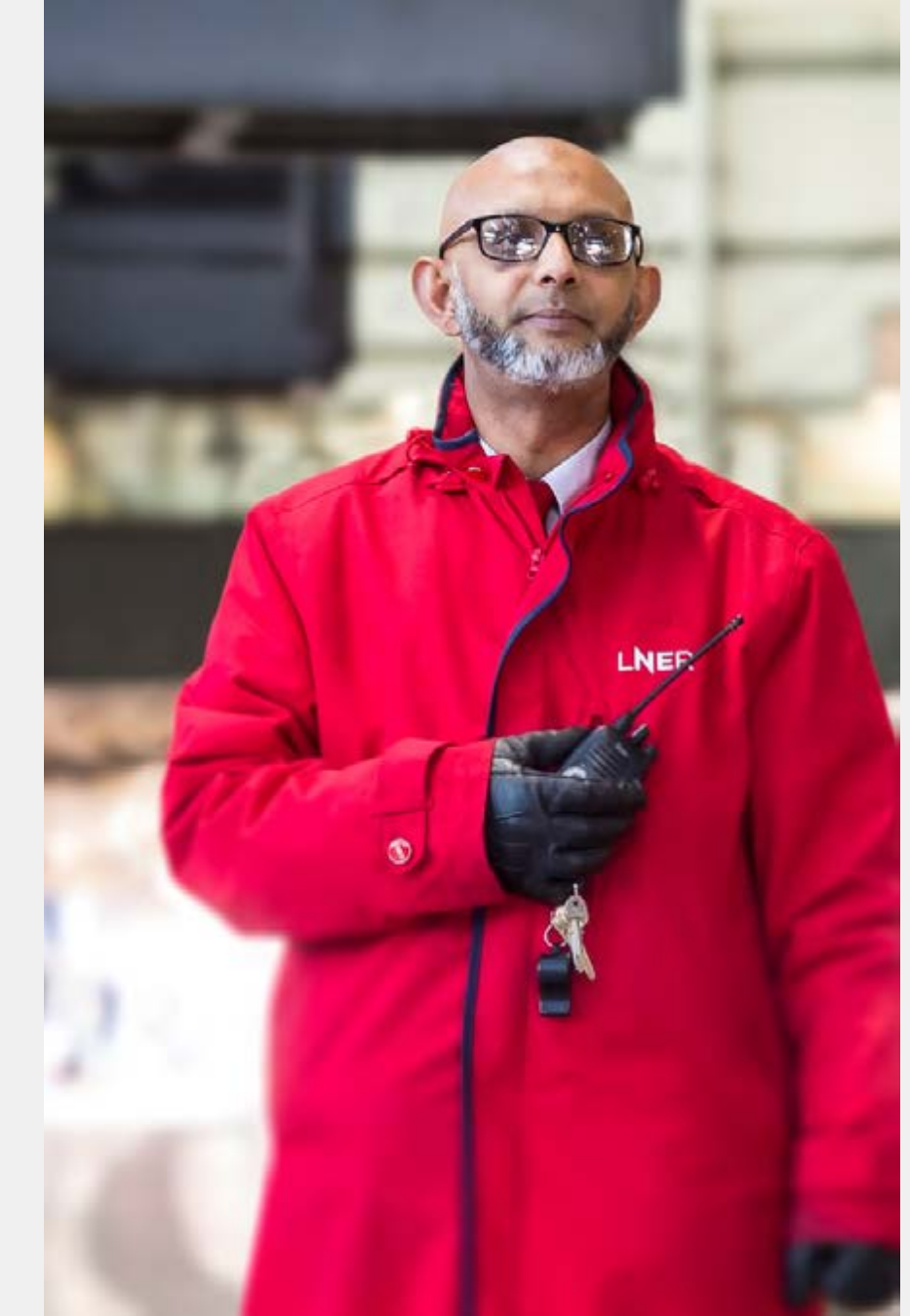
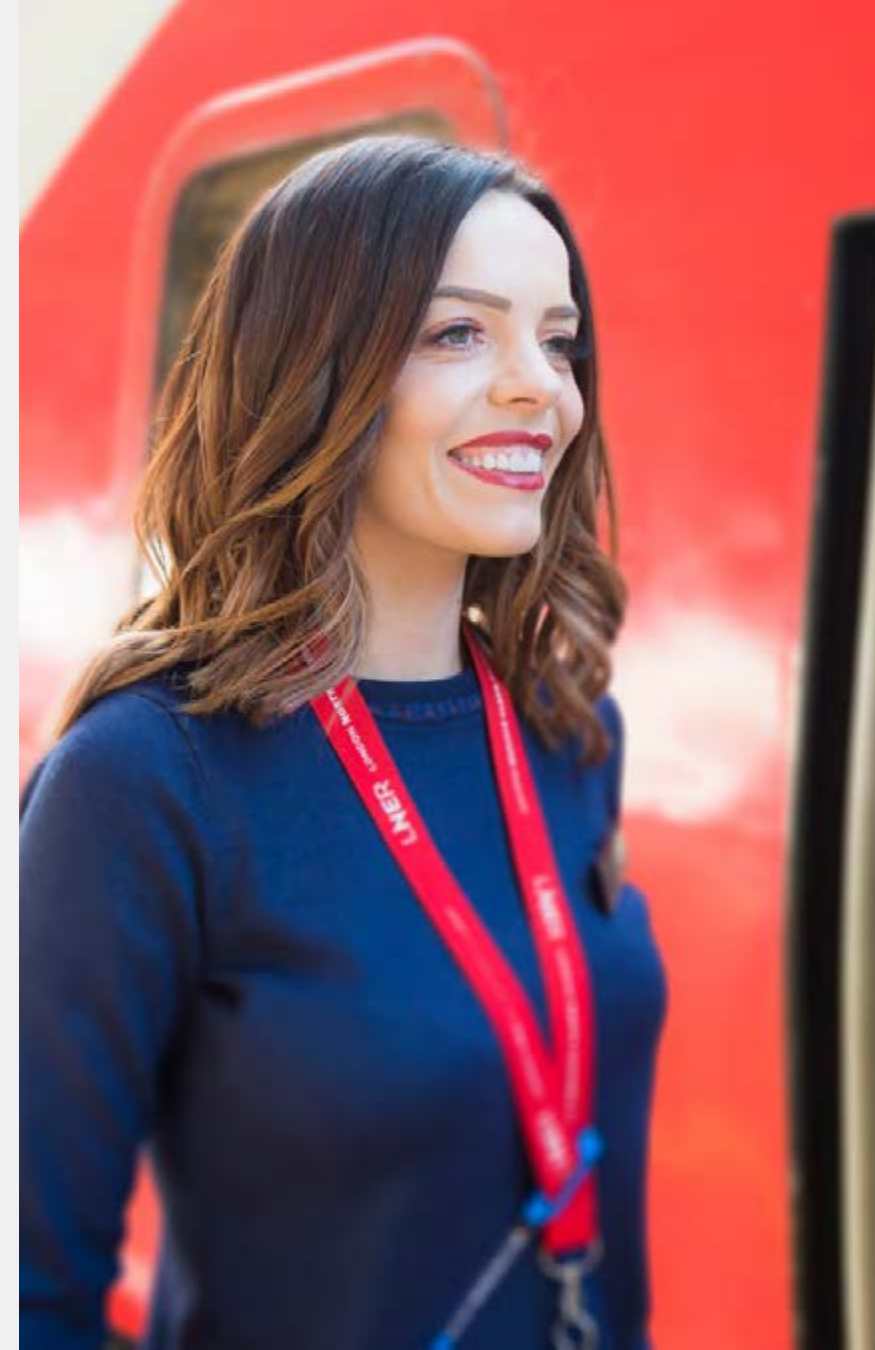
29% of colleagues on apprenticeships female



DEFINITION

What is the gender pay gap?

The gender pay gap shows the difference in the average hourly earnings of men and women across an organisation, regardless of their roles. The statistics can be affected by a range of factors, including the different number of men and women across all roles right across the workforce. The gender pay gap is different from equal pay. 'Equal pay' is about men and women receiving equal pay for the same jobs, similar jobs or work of equal value. The statistics in this report are a snapshot of our organisation at the end of March 2021.



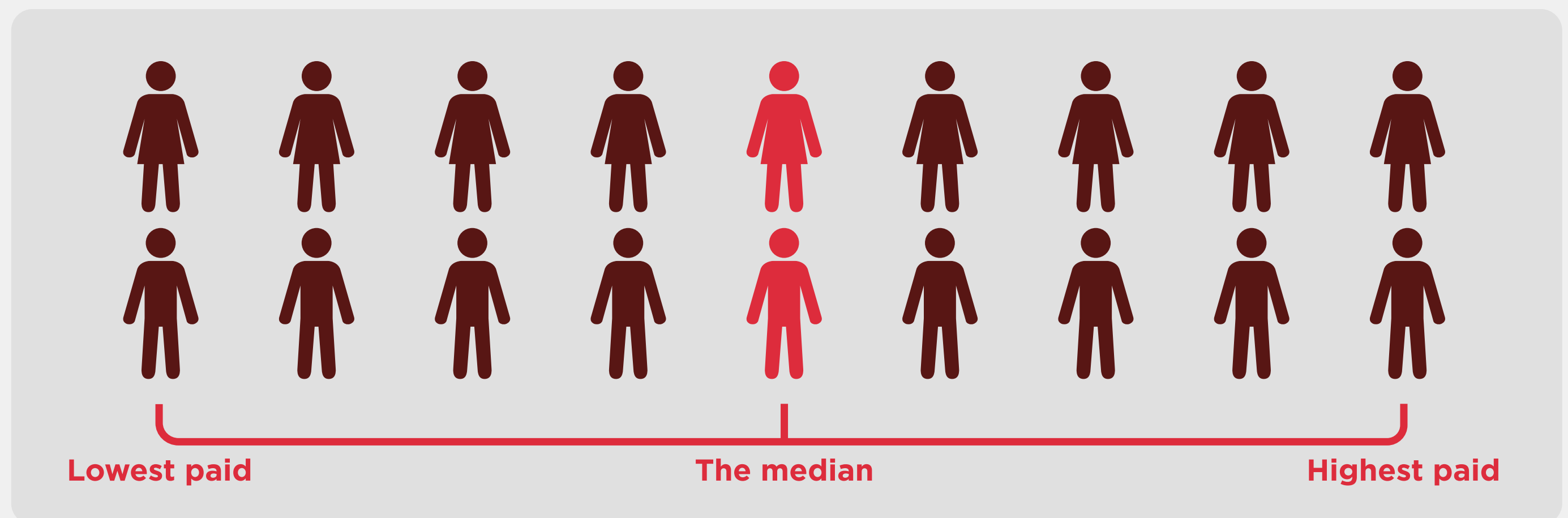
Under the regulations there are two ways to measure the pay gap.

Median Pay Gap:

If all colleagues in a company were lined up in a female line and a male line, in order of pay from highest to lowest, the median gender pay gap compares the pay of the female in the middle of their line with the pay of the male in the middle of their line.

Mean Pay Gap:

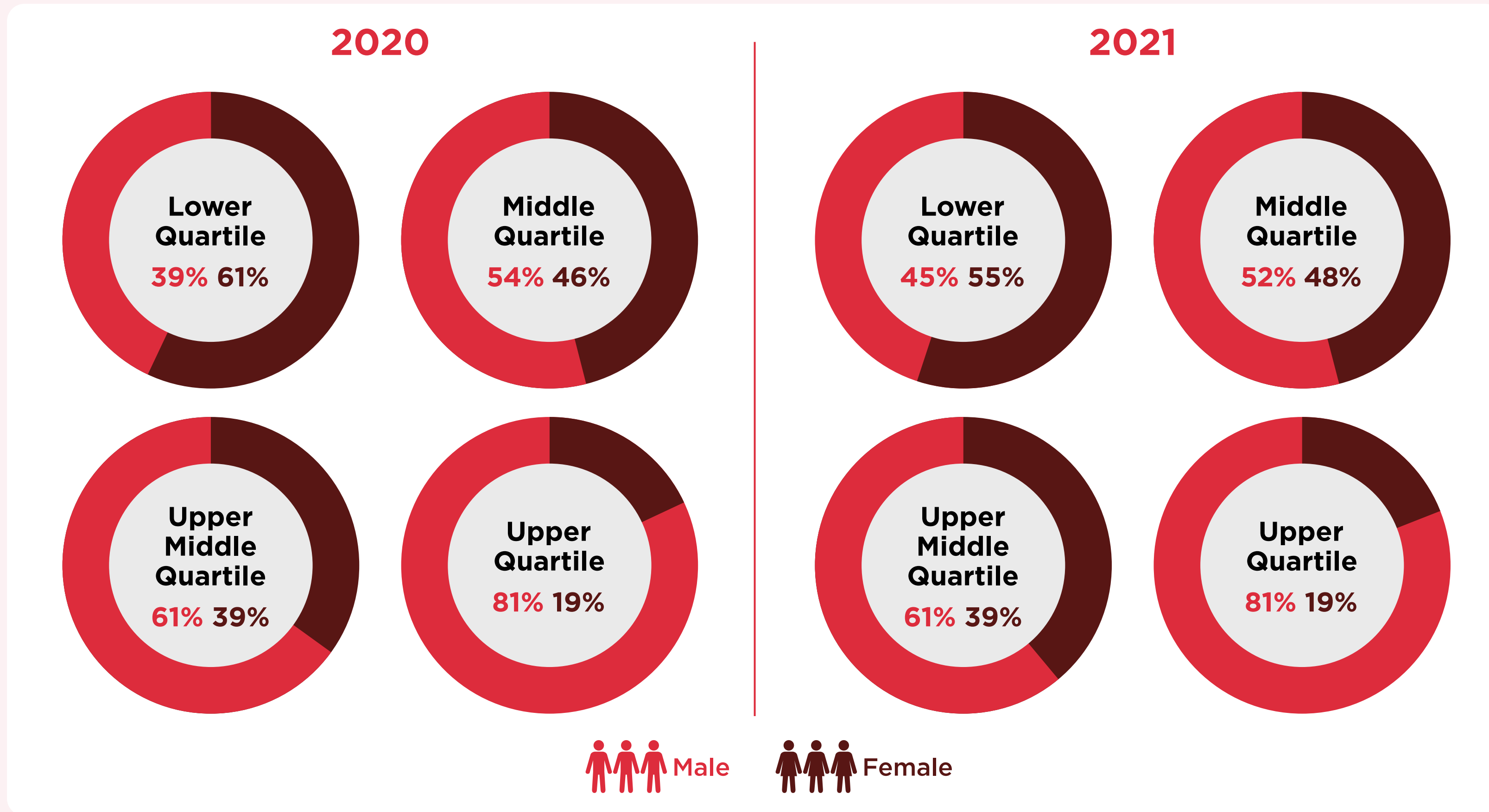
The mean gender pay gap is the difference between the average hourly rate of pay for female colleagues, compared to the average hourly rate of pay for male colleagues, within a company.



OUR RESULTS

Gender population by pay quartile

If we split our relevant paid colleagues into four equal quartiles, this is our gender distribution for each quartile.



The proportion of female representation across our colleague base is lower than anticipated, particularly amongst middle and upper quartile data. Specifically, upper quartile roles, such as Train Drivers have only **10%** female representation, impacting our upper quartile gender pay gap figures. We are currently working to increase female driver representation to **15%** by 2025 and across our Organisation, achieve female representation of **45%**, from the current **42%**.



OUR RESULTS cont

Gender pay gap

This year, our median pay gap **reduced by 4.29%**, to **11.25%**.

The mean pay gap has also **reduced by 1.85%**, to **22.03%**.

The overall % difference between men and women 2020	Mean (Average)	Median (Middle)
Gender Pay Gap	23.88	15.54
Gender Pay Bonus	29.17	28.56

The overall % difference between men and women 2021	Mean (Average)	Median (Middle)
Gender Pay Gap	22.03	11.25
Gender Pay Bonus	32.91	19.37

Proportion of female and male employees receiving a bonus

Some of the non-management roles within our Customer Experience directorate earn commission based on food and ticket sales. Under Gender Pay Gap Reporting regulations, these commission payments are classified as a bonus and are reflected in our Gender Pay Bonus Gap results.

Covid-19 has significantly impacted our business during this reporting period, leading to no bonus payments and considerably reduced food and ticket sales commission as a result of a reduction in customer demand and utilisation of train travel.



OUR JOURNEY



Inspiring the next generation

To achieve our ambition in best reflecting the communities we serve, LNER is committed to engaging with our local community and stakeholder groups, in addition to the next generation, to encourage a wider range of people to pursue roles in rail. That's why we have supported various career moments and job fairs across the year.

We acknowledge that our ability to engage with local schools has been impacted heavily by the pandemic, however we are proud to have launched our first digital work experience and inspiration programme, '[Tomorrow's Talent](#)' within the past year. Following a targeted recruitment campaign, we attracted over 200 applicants with **28%** female representation. The work experience opportunity enabled students to explore a variety of key skills; supporting wider work opportunities and inspiring a new generation to consider a role in the Rail Industry, with support, insight and top tips from LNER colleagues.

Alongside our 'Tomorrow's Talent' programme, we participated in the Government's kick-starter scheme, offering a 6 month work

placement for those aged 16-25 who are currently unemployed. With **42%** female representation across our two cohorts, the placement provided opportunities to promote careers to those who may previously have not considered a career in the rail industry.

As part of our 'Key EDI Moments' calendar initiative, we encouraged role model stories across the business, in particular, marking [International Women's day](#) by speaking to some of our female drivers and celebrating [Women in Engineering](#). Using a range of platforms, we engaged with a broad community across LNER.



Attracting Talent

Our recruitment processes are objective, consistent and transparent, regardless of role or level. Interventions such as name blind screening and use of inclusive language support the removal of unconscious bias from our recruitment activity.

We've committed to increase our overall gender representation to **45%** by 2025, from **42%** and our driver representation from **10%**, to **15%**. To support this commitment, we've established a range of forecasting indicators and measures, based on anticipated vacancy rates, data from our applicant tracking system (ATS) and applicant diversity tracking. Our performance against these measures is regularly reviewed and support of our director sponsors ensures our efforts remain focused and effective.

Key to our success is cross-industry collaboration and we are proud to work with members of the Rail Delivery Group to review practices across talent, attraction and recruitment to enable a diverse, talented candidate pool.





OUR JOURNEY cont



Our ambition is to be a truly gender diverse organisation, regardless of role or level. To achieve this, robust development pipelines are required alongside leading talent management practices.

Our Apprenticeship programmes create opportunities for new roles, whilst upskilling our existing workforce through a variety of learning methods and digital resources. Currently, **29%** of our Apprentices are female.

We continue to regularly map our gender representation at all levels and functions across our business. Using succession planning data to understand the diversity of our talent pipelines and with workforce planning insight consider where we may have any opportunities in representation. This allows us to plan for focused talent attraction initiatives as well and supporting investment in training for a diverse colleague base who are ready to develop their careers at LNER.

This past year we launched a reciprocal mentoring programme with our directors, where our senior

leadership team were mentored by colleagues from different backgrounds to help deepen their understanding of diversity and inclusion and the experiences of colleagues. **56%** of colleagues taking part in this programme were female. Colleagues participating in the programme also received focused development time with their respective director on a topic of their choosing. Some direct outputs of this programme have been the creation of a domestic abuse toolkit, to raise awareness and support colleagues experiencing domestic abuse, the creation of a gender identity resource to further support colleagues transitioning and the creation of a carers support page on our internal colleague site to support those balancing work and caring responsibility. We will be looking to extend this scheme to our broader senior leadership team in 2022.

We also took part in Women in Rail's cross industry mentoring scheme, funding 6 places for our top female talent to take part in a 12 month mentoring programme, enabling colleagues to broaden their networks and giving them access to resources to further their development.



OUR JOURNEY cont

Creating a great place to work

Our dedication to creating an inclusive culture is critical to ensure colleagues are supported in bringing their true selves to work, enabling them to reach their full potential.

After listening to our colleagues, we realised there was some further support required for those going through menopause. A study from CIPD found that 6 in 10 women experiencing menopause reported their symptoms negatively impacting them at work. We are proud to have launched a menopause policy to help guide our line managers and provide reassurance to our colleagues that there is support available. This year we also launched Package for a Friend, led by one of our colleagues, which raised awareness of period poverty across our route, providing customers and colleagues with easy access to period products. This initiative helped raised broader business awareness on this important topic and led to the colleague being recognised at our annual Legends awards. Initiatives like these are critical in creating the right environment for colleagues to speak up about experiences, which were previously taboo, that may be impacting them at work, enabling us to ensure we are supporting them appropriately.

Over the past year we have implemented Equality Impact Assessments across both customer and colleague facing activity to ensure that we are applying an inclusive lens to projects that may impact these populations. Training on how to complete these assessments has been delivered to over 100 colleagues, with a steering group set up to review and provide feedback on all assessment on a bi-weekly basis. This process supports us in making sure any future work at LNER has considered equality, diversity and inclusion in the planning stage, which also helps upskill our colleagues on this very important topic.

We recognise that some of our colleagues do not identify with the binary view of gender (male/female) and so in the last year we have promoted the use of gender inclusive pronouns, including the ability for colleagues to share their pronouns as part of their email signatures. This supports us in creating a culture where we respect and support our colleagues' individual identities.

We also launched our 'Being You' icon this year, which is all about supporting and celebrating our colleagues to be their authentic selves at work. The icon underpins



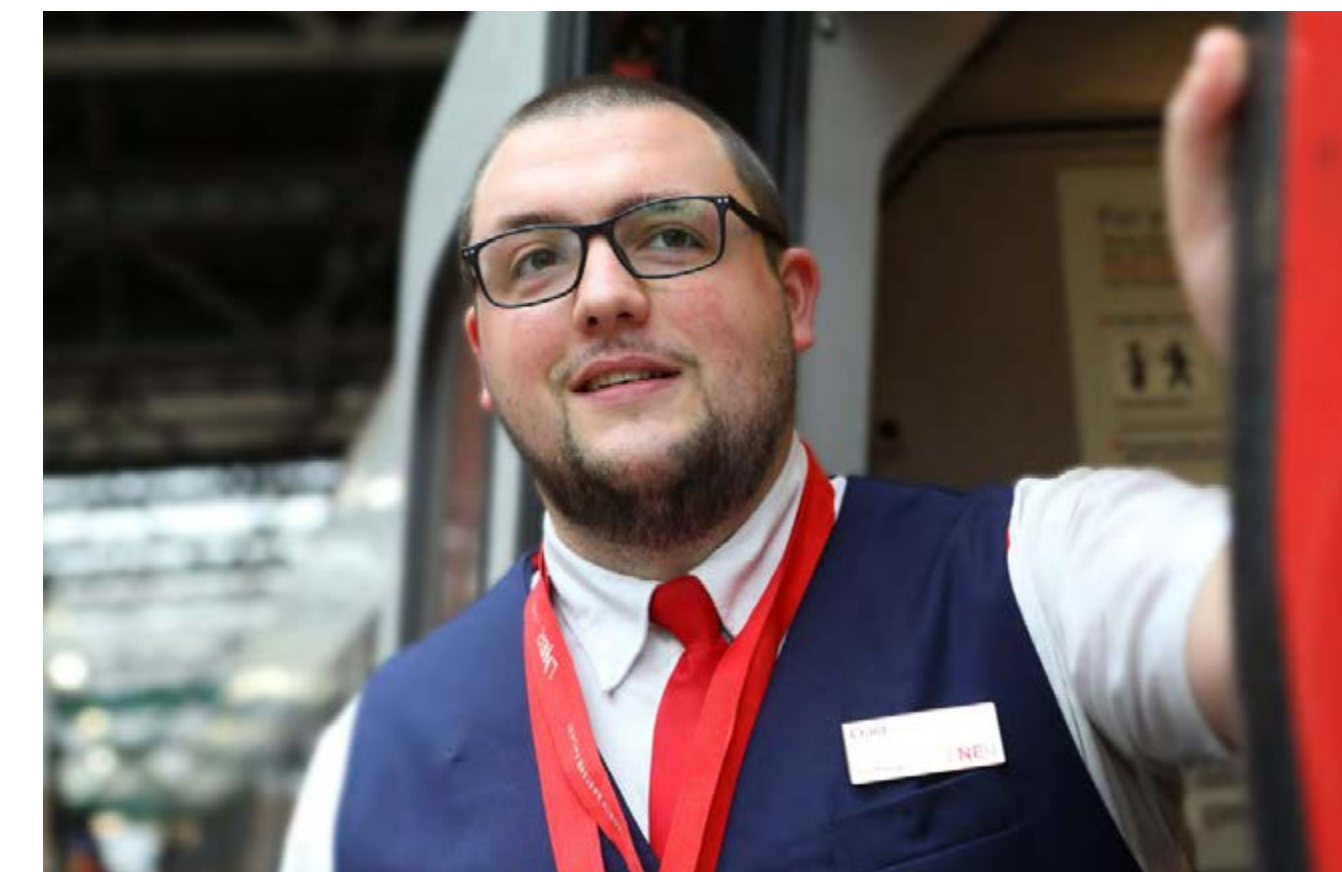
all our Equality, Diversity and Inclusion activity, with the aim of ensuring everyone has access to the right resources and opportunities to enable them to thrive.

We continue to mark key dates in relation to gender, such as International Women's Day in March, International Non-Binary Day in July and International Men's Day in November. These events provide a great opportunity to celebrate our success, highlight our areas of focus and raise awareness of the different barriers and challenges that individuals may face when it comes to gender and opportunities for career progression.



Beyond Gender

We are committed to ensuring we are a diverse and inclusive employer, and that our colleague population reflects the diversity of the communities across our route. We use various events and learning opportunities throughout the year to engage with our colleagues on all of our inclusion activity, celebrating and championing the diversity of thought across our business. It is all about making sure everyone feels supported and comfortable [Being You](#).



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If you have anything to share, we'd genuinely love to hear from you.

Email us: customers@LNER.co.uk

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