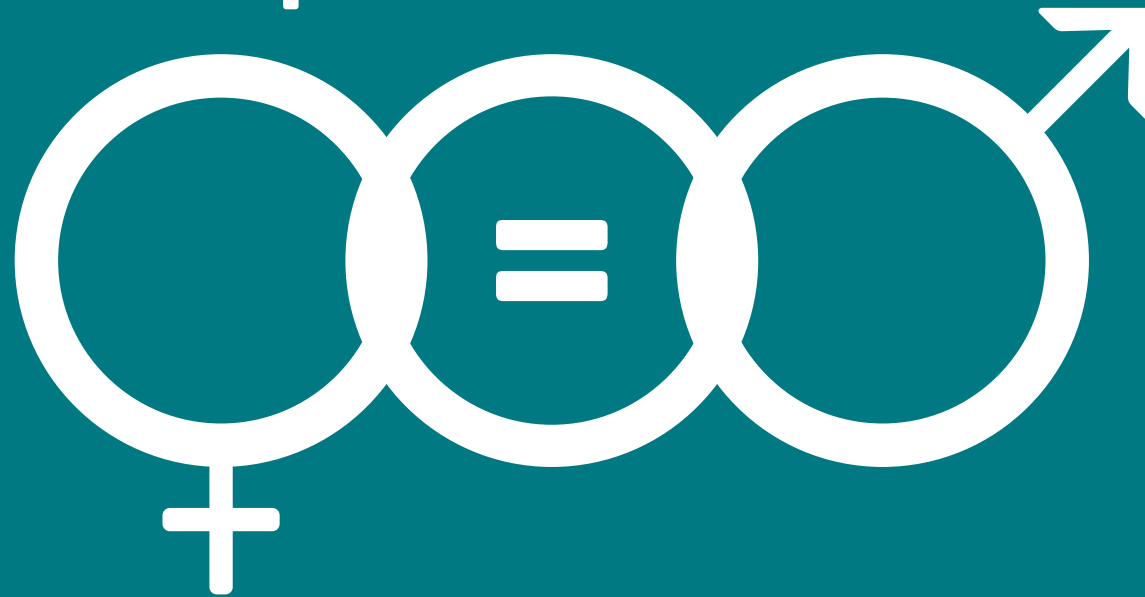


Gender pay gap report 2018



This report is prepared on behalf of Network Rail Infrastructure Limited, a member of the Network Rail Group of companies owned by Network Rail Limited.

Network Rail's gender pay gap has been calculated in accordance with Government regulations. The report is based on snapshot data as of 31 March 2018.



Andrew Haines

Chief executive

Every day more than 4.8 million journeys are made by rail. When you run a public service, as we do, that affects the lives of so many, the calibre, commitment and diversity of the people who work for us is critical.

Returning to the railway after a decade, I have been blown away by the extraordinary talent and dedication of so many of the people working for Network Rail. But I've also been struck by the extent to which the railway is still an overwhelmingly male industry. That can't be right. The people who work for us should reflect the diversity of the people and passengers we serve.

Not just because it's the right thing to do, which it is. A diverse workforce is also a better workforce. When you bring people together with different backgrounds, experience and ideas they introduce each other to new possibilities, they challenge each other more and they drive each other to do better. And we must do better.

Over the next few years the industry must not just cope with the phenomenal growth in passengers but re-focus firmly on the interests of passengers and put the passenger first in everything we do.

Today our median gender pay gap is 11.2 per cent, far lower than the UK average of 18.4 per cent, and we have also seen the percentage of women in the business rise from 16 to 17 per cent, which is significant given the size of our organisation. There is also a lot of progress that isn't yet reflected in the numbers, such as the work that Inspire, our gender equality employee network, do to support and upskill each other, or the Network Rail employees visiting schools across the country to encourage younger women to take up STEM courses.

Despite this progress, we still have a long way to go before we have the gender balance we should. So we are putting clear plans in place to tackle this. Because, without a better gender balance overall, we won't be able to close the gender pay gap.

In any organisation as big and complex as Network Rail, change on this scale will take time. There are no quick fixes. And we accept that progress to tackle the gender pay gap may not always be in one direction. As we attract and recruit more young women into junior track and engineering roles it is possible that, while we improve our gender balance, we temporarily slow progress in reducing the gender pay gap.

This is why we are also focused on doing more to retain and progress the phenomenal female talent that is already within our business. Developing everyone to reach their full potential so that in the years to come we have even more women in our most senior and highest paid roles.

Reducing the gender pay gap at Network Rail is part of the long and important journey towards having the right people in place to deliver the railway passengers and freight users deserve, and I look forward to updating you on our progress in the future.



Alison Rumsey

Group HR director

Increasing gender diversity and closing the gender pay gap isn't just good business sense, it's the right thing to do.

Network Rail has committed to an ambitious strategy to attract, develop and retain the talent and skills we need for the next five years. Improving gender diversity across the business is essential in enabling us to achieve our plans.

We need the skills and talents that female employees can provide to help us adapt and develop to meet the needs of our passengers. We want to support women to get back to work and to remove gender stereotypes surrounding STEM roles.

The rail industry is historically male-dominated and changing that will take time. We are working hard to attract more women into the organisation, in frontline roles right through to our most senior roles. I'm pleased with the improvements we are already implementing and the progress we have made to reduce our gender pay gap this year.

For the first time, Network Rail achieved 17 per cent female representation in 2018. This is a major milestone on our journey to becoming a more gender diverse organisation.

I'm particularly pleased with the increase we've seen in the female intake in our apprenticeship schemes, from eight per cent to 22 per cent in just a year. And our returners programme for surveyor roles which recently won a WISE career award. It's fantastic to see that our hard work is beginning to pay off. But there is still much to do if we are truly to be recognised as a diverse and inclusive employer.

By working together, I am confident that we will continue to see improvements through our long-term strategy and people focus.

Gender pay gap figures 2018



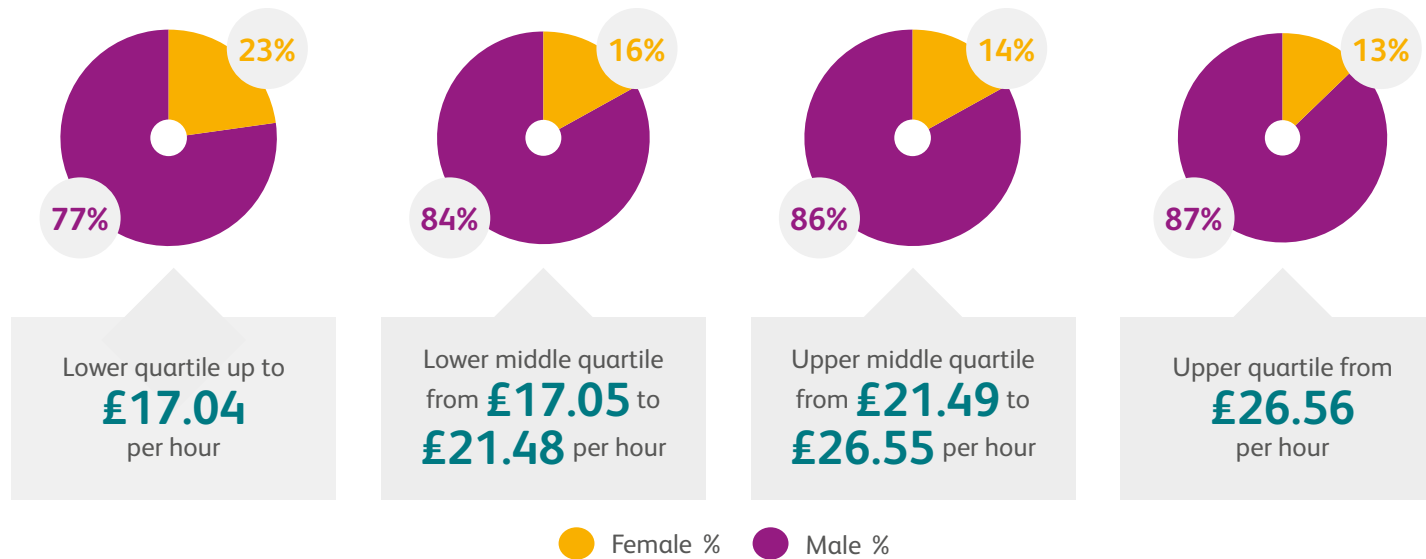
Mean (average)	Median (middle)
Gender pay gap	
7.2%	11.2%

Mean (average)	Median (middle)
Gender bonus gap	
-12.6%	0.0%

Understanding our pay gap

Network Rail's median pay gap has reduced by 0.3 per cent from 11.5 per cent to 11.2 per cent since last year. The mean pay gap also reduced from 7.4 per cent to 7.2 per cent. We are pleased that Network Rail remains lower than the UK national average of 18.4 per cent. However, we recognise that we need to continue our efforts to reduce the gap.

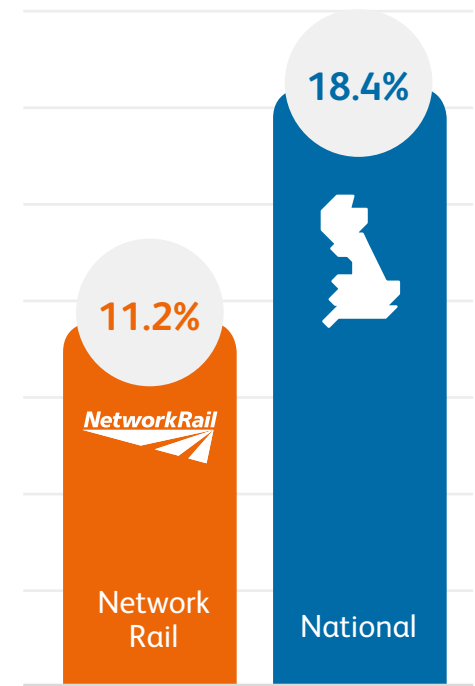
Proportion of males and females in each pay quartile



The proportion of females in the upper middle quartile increased from 12 per cent to 14 per cent, contributing to the reduction in the gender pay gap. The proportion of females remains broadly the same in the other pay quartiles.

However, underrepresentation of females in the upper and upper middle quartiles is still the main reason for the pay gap. Progressing women up through the quartiles is critical in reducing the pay gap.

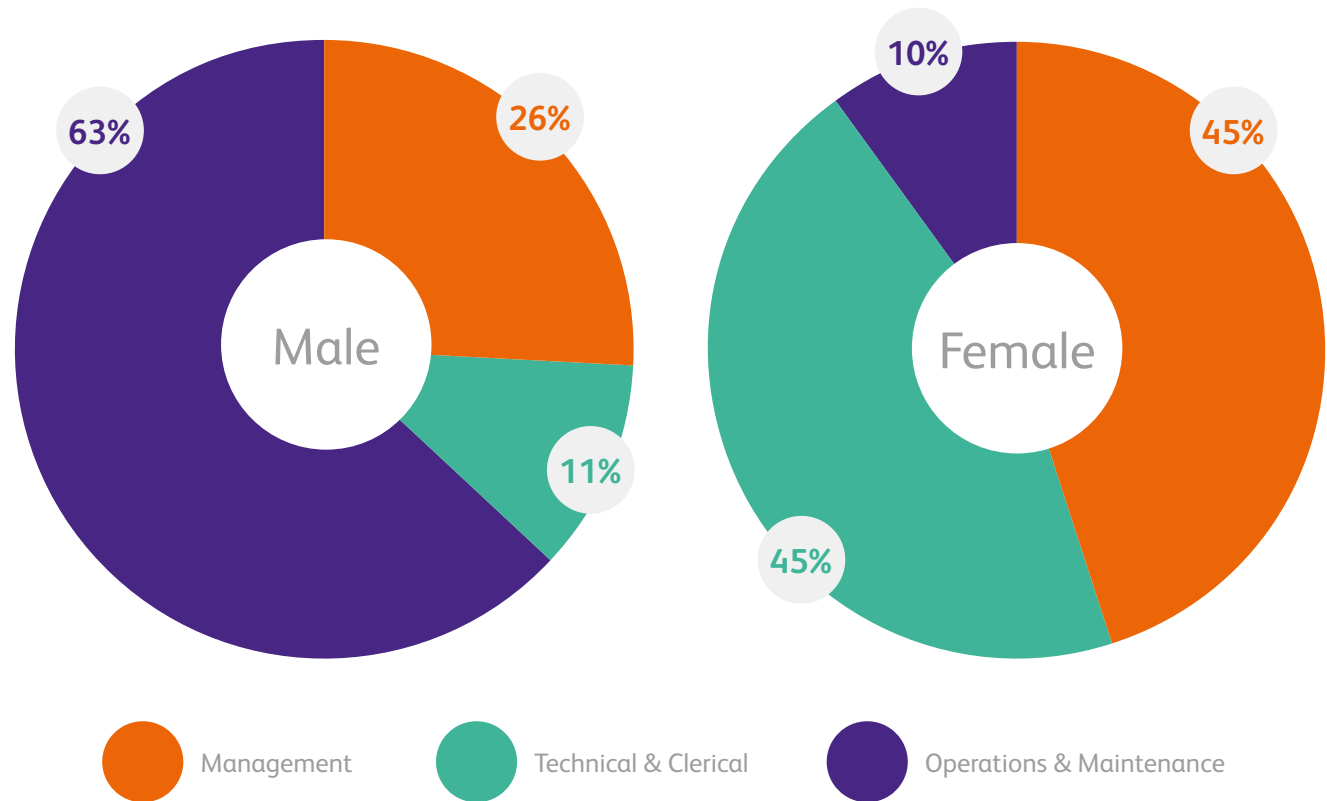
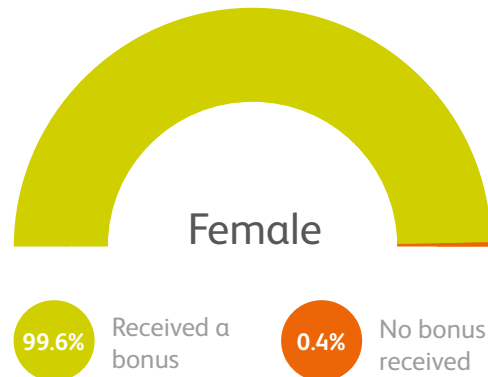
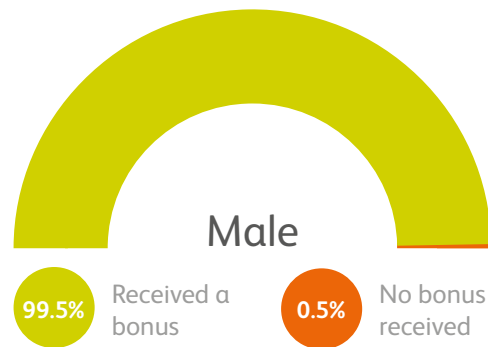
Median Pay Gap



Gender distribution by role type



Proportion of males and females who received a bonus



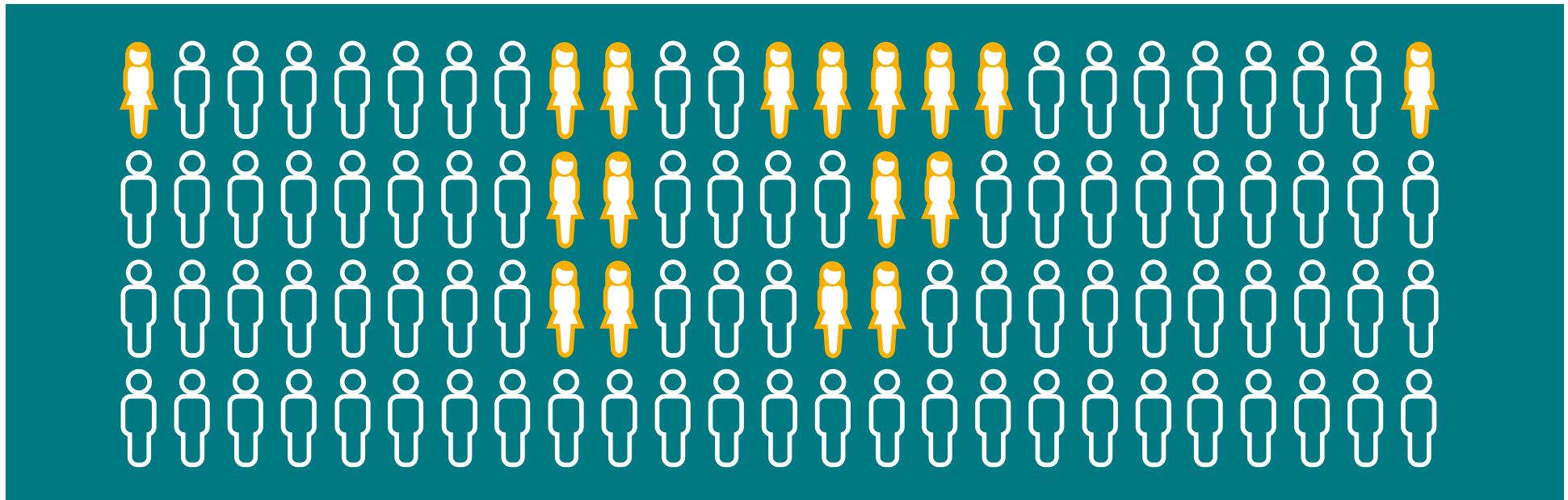
For bonus payments, employees in management positions participate in the annual performance related pay scheme which is a 'percentage of salary' scheme. This has higher pay-outs compared to the general performance related pay scheme which is a 'fixed amount' bonus scheme which all other employees participate in i.e. technical, clerical, operations and maintenance staff. As a higher proportion of males are eligible for the general performance related pay scheme (GPRP) compared to females (74% vs 55% respectively), the average bonus payment for males is lower. However, gender has no impact on median pay-outs.



Areas to celebrate

Network Rail is committed to a long-term plan for improving its gender pay gap. By introducing immediate improvements to our recruitment and selection processes, alongside our family friendly policies and welfare facilities, we will establish a strong foundation for the future; improving our ability to attract and retain a more diverse workforce.

- In 2018, Network Rail achieved 17 per cent female representation in our workforce for the first time, a hugely important milestone on our way to becoming a more gender diverse organisation. This has risen from 16 per cent since the 2017 report, which is an increase of 518 females into the workforce.
- This year, the proportion of internal female promotions from clerical and technical roles to management roles has increased from 40 per cent to 46 per cent, demonstrating that internal recruitment into management roles is moving towards an even 50/50 split. This is a positive sign of change and will have had a positive impact on the gender pay gap.
- There was a 2 per cent increase in the proportion of female employees in the upper middle pay quartile to 14 per cent. This will have contributed to the slight reduction in our gender pay gap.
- Our overall intake of female apprentices also increased from eight per cent to 22 per cent in 2018.





Areas to watch

- The underrepresentation of women in our higher paid roles is still the main reason for the pay gap. While we have seen an increase in the percentage of our workforce that are female, they have not all been recruited into grades above the median pay level. In the medium-long term this will, however, help us create a more gender-balanced workforce, as junior females rise through the ranks into more senior positions at Network Rail.
- External recruitment of females into management roles does not match the same proportions as our internal promotions into the same group. Of all external appointments, 32 per cent are female compared to 46 per cent of internal promotions being female. More closely aligning our external recruitment activities with our internal recruitment and promotion practices, by identifying and sharing areas of best practice, will help increase the number of women in management roles and therefore reduce the gender pay gap over time.
- A core part of our diversity and inclusion strategy is to increase the number of female apprentices at Network Rail. We are aware that this may have a negative impact on the gender pay gap in the short term by increasing the proportion of females in lower paid roles, but we hope it will help to close the gap over time as these apprentices progress upwards through the organisation.

Did you know?

The gender pay gap and equal pay are often confused, but the two are quite different.

The gender pay gap is the difference between the average pay of men compared to the average pay of women within an organisation, across all levels of the business. What this means in practice is that if women do more of the less well-paid jobs, the gender pay gap is usually bigger.

Equal pay, on the other hand, is the legal requirement for men and women to be paid the same for performing the same work or work of equal value. In 2015 Network Rail completely overhauled its management pay structure to deliver equality, fairness and transparency. We introduced narrower pay ranges for management bands which are market aligned, easy for all employees to understand and which helped to remove pay discrepancies.

Transparent pay means that we can be confident that our gender pay gap is driven by the structure of our workforce and the concentration of males in more senior positions, rather than our pay structure, which is gender neutral by design. This has helped us to focus our efforts on attracting and recruiting more women, retaining them within our workforce and progressing our female talent into the most senior roles within the business.



Loraine Martins MBE

Director of diversity and inclusion

“We were well on the way to addressing the barriers to women in our organisation or who wanted to join us before the gender pay gap was introduced. Nevertheless, gender pay gap reporting is a helpful tool. It has enabled businesses to scrutinise areas of pay between women and men, recognise the disparities and have genuine and positive exchanges about how to reduce those gaps and establish greater consistency, and take positive action. Essentially, we know that we need to first increase the number of women, particularly in leadership positions, not only in our business but across our industry. For this aspiration to be sustainable in Network Rail we have set ourselves targets, and we are undertaking a thorough review of our policies, processes and practices to remove bias and discrimination. We have made incremental progress and we are already seeing the focus on gender diversity and the environment for women improving.”

20by20 project

Network Rail is committed to increasing diversity amongst our workforce. Our 20by20 project is a key part of our plan to increase gender diversity at Network Rail by achieving a 20 per cent female workforce by 2020. We are pleased to report that each of our route businesses and functional areas now has a 20by20 lead and an action plan detailing the activities they’re undertaking to achieve this ambition.

The following pages share some of the highlights of these activities, which are helping to attract, recruit, retain and progress women at Network Rail, and that have assisted in our increase from a 16 per cent to a 17 per cent female workforce since our 2017 report.

Attraction



Apprentices



In order to address the gender imbalance in our organisation, we need to attract more female candidates to our business in the first instance. As part of our **strategic business plan** we are aiming to increase the number of female apprentices in our business to 50 per cent by 2024. We also aim to be in the top 25 graduate employers and to have gender-balanced recruiting of apprentices and graduates.

Progress has already been made in this area. In September, the Scotland Route welcomed its first majority female apprentice cohort. Six of the 11 apprentices joining the route were female, which represents an important milestone in Scotland's bid to reach Network Rail's 20by20 target. Having over 50 per cent females join the route as apprentices, as well as increasing our overall intake in one year from eight per cent to 22 per cent demonstrates that we are successfully attracting a more gender diverse workforce by changing our practices.



People like me



Our research shows us that female role models working in engineering are a critical influence in changing young women's attitudes about engineering as a profession. Since 2017, we have increased the number of female Network Rail employees delivering the 'People Like Me' programme, where colleagues in technical roles go into primary and secondary schools to talk about their work.

The programme is now on a digital platform where 160 people have been trained across the business and nationwide, helping us to engage with local schools, and particularly with girls in year eight, as this is a pivotal point in their education for making choices about their future. We also play an active role in the 'Big Bang' initiative, the largest celebration of science, technology, engineering and maths for young people in the UK, helping us to showcase the wide range of opportunities the rail industry offers to those who are studying STEM subjects.



Graduates



To improve our female graduate intake, we have increased the number of female Network Rail ambassadors across several university campuses. We have invested in photography, videos and people profiles to showcase female graduate engineers, as well as anonymising CVs, ensuring there are more women on our interview panels and including unconscious bias awareness in assessor training.



Returners programme

In September 2017 we launched the first **return to work programme** within our Property function. This is a 24-week paid programme that allows employees to relaunch their careers after taking a break from working. The programme starts with a comprehensive induction followed by a period of shadowing. A buddy is also assigned from their immediate team along with a mentor from the wider business to ensure they can settle in and have the support needed to re-enter the workplace. Following its success, the programme continued to run in 2018, and a new toolkit has been created to enable routes and functions to devise their own returners programme; our Safety, Technical and Engineering department are early adopters and will be looking to roll out a scheme next year.



Gender neutral advertising

Achieving our objective of increasing the female workforce relies on having a gender balanced applicant pool for our roles. To avoid the use of biased terminology, we have introduced gender neutral advertising through an augmented writing tool. This helps identify words and phrases that are statistically proven to skew the talent pool against women and provides alternative wording to ensure our job adverts are appealing to a diverse range of candidates.

This tool has now been rolled out to our entire resourcing team and allows us to review job descriptions and make appropriate changes to ensure the advert is gender neutral. It has already proven successful within the Safety, Technical and Engineering department who utilised the tool for a month during which time 32 per cent of applicants were women and 33 per cent of offers were made to women, showing an improvement in both areas.



Representation

Being aware of unconscious bias is important in tackling the cultural causes for the pay gap and having female representation on interview panels and committees can make a significant difference to this. We are leading from the top with 40 per cent of executive committee members being female.

Our Anglia and Scotland routes are training women so that gender balanced interview panels can form part of the recruitment process. We have seen particular success of this in the Wessex route, during a recruitment campaign for customer service roles at Waterloo station. The interviews were spread across a four-day window and we ensured that each interview panel was diverse and had at least one female within it. Upon completion of interviews, there was an even gender split of candidates that had met the offer threshold and 17 offers were made to women.

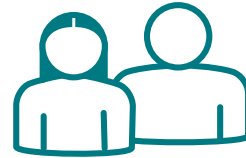


Jo Kaye

Managing director, System Operator

“Network Rail believes that everyone matters – in System Operator, we want everyone to bring their whole selves to work every day and we will support our colleagues to do that. We are the part of Network Rail that plans the railway of the future – we can only truly do that when we represent those communities fully. In terms of gender, 37 per cent of System Operator identify as female – in our view that isn’t enough, so by 2020 we are aiming to reach 50 per cent women, spread across all roles and levels of seniority of our organisation.”

Retention



Inspire allies programme

Network Rail’s gender-equality employee network Inspire, developed an Allies programme which launched in autumn 2017. The programme has more than doubled in size during 2018 and has grown to 182 members across the business with an even split of male and female members. Inspire invites its Allies to commit to taking action to improve gender equality, to share their successes with others and encourages more men to engage in the gender equality conversation. Since our last report, the programme has also gained executive sponsorship from our chair, Sir Peter Hendy, along with five programme advocates from our senior leaders.



Parental buddy scheme

We recently launched a new support network for parents and line managers through a parental buddy scheme. The scheme is made up of a group of colleagues who share their knowledge and experiences in order to support female colleagues in the lead up to, and during maternity leave. They are also on-hand to support mothers returning to work. Although it is in its early stages, we are confident that the scheme will expand across the business.

Working Forward pledge

We have signed up to the ‘Working Forward’ pledge by the Equalities and Human Rights Commission, which is a commitment to making our workplace the best it can be for pregnant women and new parents through four action areas: leadership, employee confidence, supporting line managers and flexible working.

Progression



Talent



Development



Mona Sihota was appointed to Professional Head of Asset Protection, Drainage & Off-Track in March 2018



Development day held in Birmingham by the Inspire network

We know that progressing our female workforce into more senior roles is crucial to reducing the gender pay gap. ‘Talent and potential planning’ training is being rolled out to our HR business partner community to understand and implement the new talent toolkit within their functions, helping to identify gaps and aid succession planning.

Network Rail’s Inspire network are now running annual development days that encourage networking and create the opportunity for women to practise new skills. These include workshops that cover a range of topics, including public speaking, developing a personal development plan that meets their specific needs, mentoring, self-confidence, having difficult conversations, giving and receiving feedback, and understanding different learning styles.



Coming soon

Reducing the gender pay gap is an important, long-term goal for Network Rail. We are proud of our plan to reduce the pay gap and the measures we have already put in place and we recognise that change in an organisation of this size will take time. Our challenge is also compounded by the fact that frontline staff at Network Rail are predominantly male. As this report highlights, this means that as we improve the gender balance of our entry-level roles our gender pay gap may initially increase.

Despite this short-term challenge, we have ambitious plans to attract, recruit, retain and progress females. A key part of our plan to progress females in the business, is to have more women in leadership programmes to aid development, coaching and mentoring of other females. Introducing a talent and succession model across Network Rail is also a core part of our future objectives and work is already underway for our executive leadership and business critical roles. 61 per cent of these roles have a female successor identified; translating this into curated development and, as appropriate, appointing them into these critical roles will be key to reducing our gender pay gap. Simply being able to identify female successors into these senior roles is a step in the right direction and shows the increasing diversity of our talent pool. We also plan to extend our talent processes to all our management grades by 2020.

To retain female talent, we plan to make strides in the way we approach flexible working and will tackle the culture, organisational design, communication, process and policy application to support greater flexible working within our organisation. In addition, we are reviewing our career break policy as a priority.

**Network Rail Limited and
Network Rail Infrastructure Limited**
1 Eversholt Street
London NW1 2DN

Tel **020 7557 8000**

networkrail.co.uk

Company number: 4402220
Registered in England and Wales

Working for you