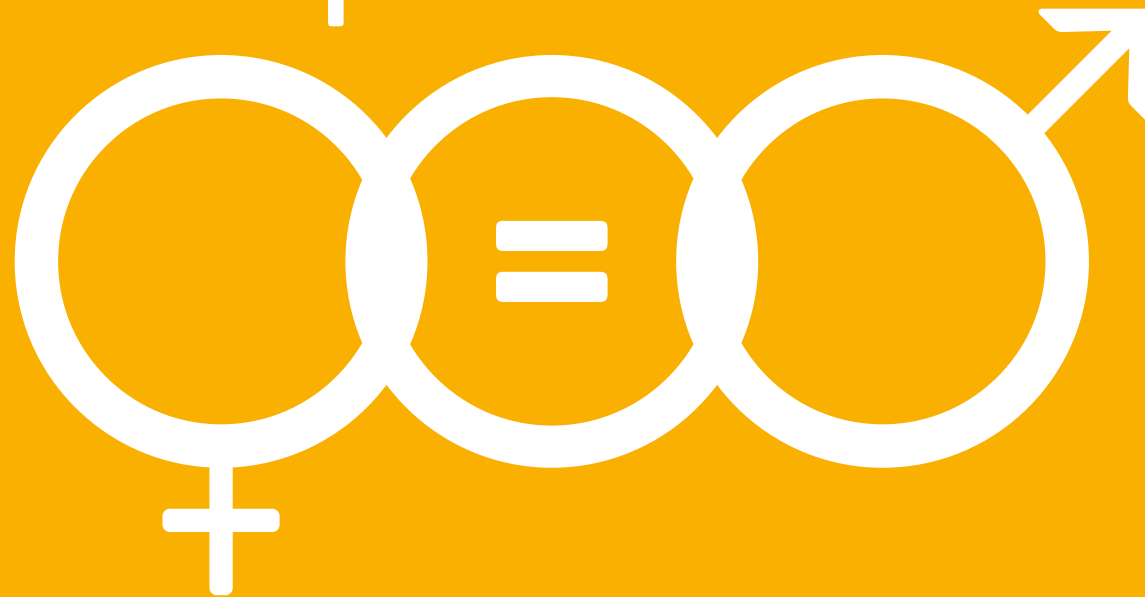


Gender Pay Gap Report 2017



This report is prepared on behalf of
Network Rail Infrastructure Limited,
a member of the Network Rail Group of
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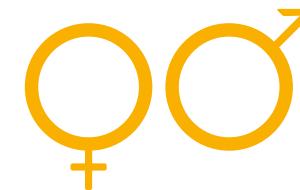
Introduction

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Mark Carne

Chief Executive

Rail is vital to the UK's economic growth; helping businesses flourish, creating jobs, supporting house building and connecting communities. Every year, 1.7 billion journeys are made by rail and 17.6 billion tonnes of freight are carried, including goods to supermarkets and fuel to power stations. We directly employ 38,000 people, and support another 117,000 jobs in our supply chain.

Over the last decade we have proven ourselves to be the fastest growing and the safest railway in Europe. We are responsible for 22 % of all infrastructure spend in the UK and some of the most ambitious engineering projects ever delivered on British soil. We are a fantastic business to work in but too few of our workforce today identify as female.

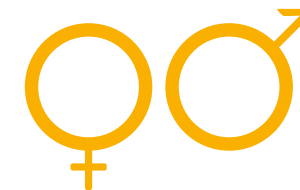
I want Network Rail to reflect the people and communities we serve – not just because it is the right thing to do but because gender balance and diversity generally are critical to us becoming the highest performing organisation we can be. We not only need the best and the brightest people working with us, but teams that bring together a variety of experience and perspective, that challenge the status quo, innovate and push each other to be better every day.

I am proud to publish our first gender pay gap report and I can confirm that the data in this report is accurate in meeting Government regulations. Today our median gender pay gap is 11 %. This is substantially lower than the UK average which is very positive given the historic male dominance in the sector. But I am clear that we are still at the beginning of a long journey to close the pay gap at Network Rail.

I am also clear that what we pay is not influenced by gender. Back in 2015 we introduced a new transparent pay structure for our management grades. This structure is an equal pay safeguard which removes the opportunity for bias. Our pay gap is the result of the fact that a disproportionate number of men work in the rail sector – 84 % of our workforce is male – and too few young women are studying those STEM subjects that lead to careers in construction and engineering disciplines. This means that more men than women are in the higher paid senior roles within the business and this creates the gender pay gap we see today.

I am determined to change this and this report provides an overview of the considerable work that we have already done or have planned in the next year to improve our gender balance: by attracting more young women into STEM careers, by being a better employer to the women already working with us and investing more time and resource to progress the most talented of our female workforce to the top of our business.

I look forward to publishing further updates in due course as we continue on our journey, creating an inclusive and more diverse Network Rail that better serves Britain.



Alison Rumsey

Group HR Director

At Network Rail we continually strive to be more diverse. Not only is it right for us to better reflect the communities we serve but diversity makes us a better organisation.

Improving our gender balance and closing our gender pay gap is an important part of this journey but it is a huge challenge in a historically male-dominated industry where both our current workforce and the pipeline of talent from which we recruit is overwhelmingly male.

Introducing transparent pay was a very significant milestone but this is just the beginning. Meaningful change takes time. To improve our gender balance at all levels of the organisation and close the pay gap we need a sustained focus on four key areas.

We need to attract more women to work in our business, ensure our recruitment process is as gender neutral as possible, improve our retention of female staff and step up the level of support we provide to talented women who work for us.

And it is vital that we work with the different parts of our business in ways that are right for them. What will best support women working on the track may be very different from those working in an office or on a station. So, yes we need ambitious targets but we also need tailored action plans that drive positive culture change and build an inclusive working environment.

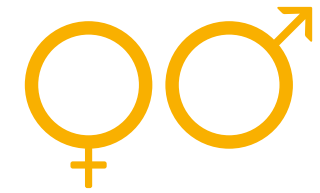
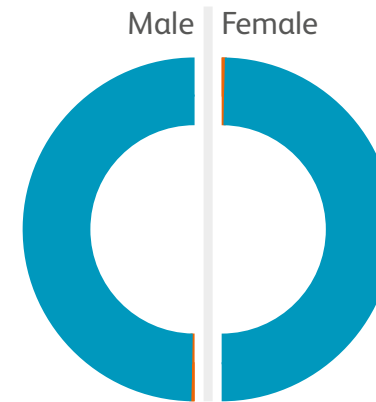
Ultimately, we want everyone to come to work every day able to be themselves and deliver their best work in a way that supports the quality of their personal life.

Our history

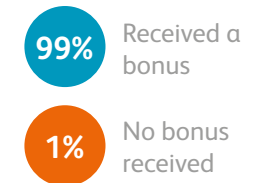
Network Rail represents the 21st century chapter of a 200 year-old history of Britain's railway. We own, operate and develop Britain's railway – that is 20,000 miles of track, 40,000 bridges, tunnels and viaducts and thousands of signals, level crossings and stations. The 18 largest stations are managed directly by us, while the other c.2500 are run by one of the country's train operating companies. Our role is to deliver a safe and reliable railway every day for the four and half million passengers and businesses that rely on it, and to do this we have a dedicated workforce of c. 38,000 employees. We are also transforming and modernising our business to become more efficient and to deliver better value for money for taxpayers and passengers.

At a glance – our gender pay gap

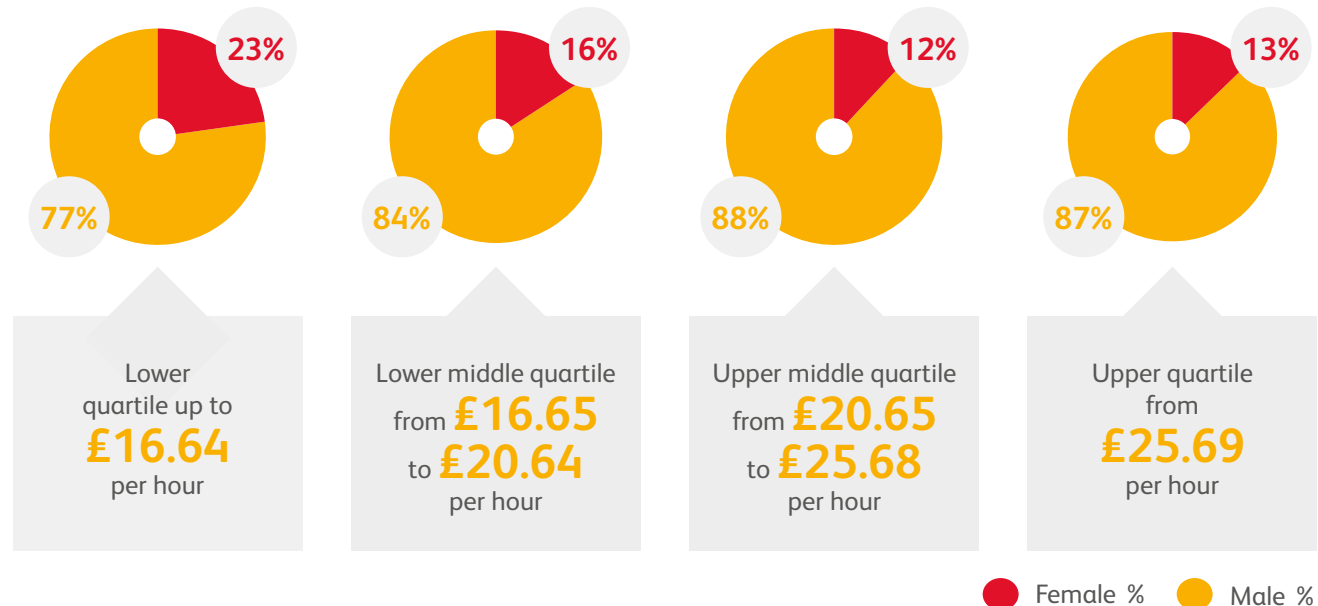
Mean (average)	Median (middle)
Gender pay gap	
7%	11%
Gender bonus gap	
-11%	0%



Proportion of employees who received a bonus:



The proportion of males/females in each quartile pay band is as follows:

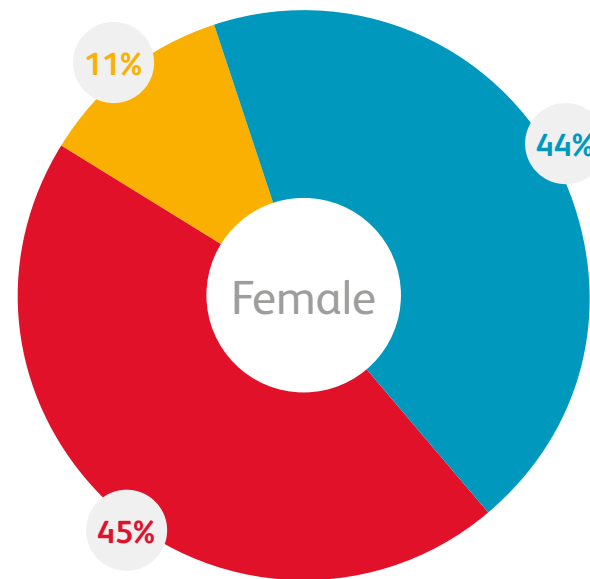
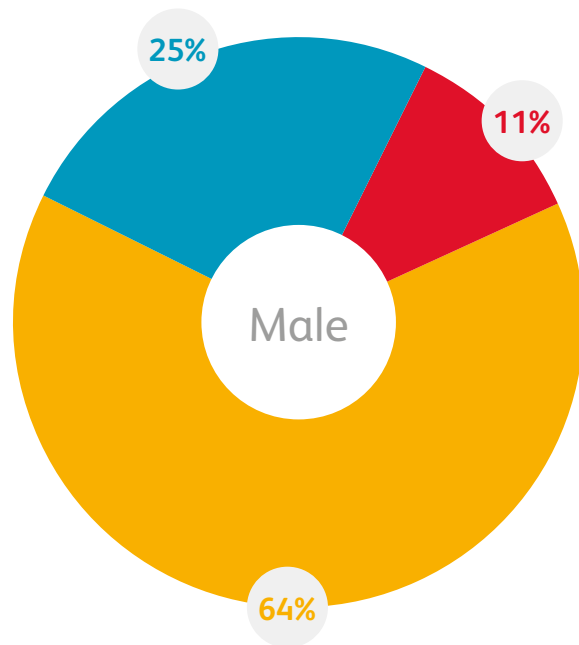
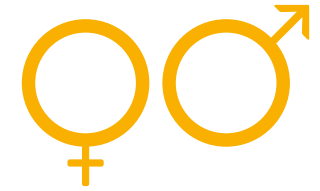


● Female % ● Male %

Understanding the gap

Our 2017 pay gap is 11%. This is substantially lower than the current UK pay gap of 18.1% and we are proud of the progress we have made to date. But we are determined to reduce it further. The rail industry has historically been male-dominated with many roles falling within engineering and construction disciplines. 16% of our workforce is female and our analysis shows that the proportion generally decreases through the higher pay quartiles. Our analysis also tells us that the under-representation of women in higher paid roles is the main driver for our gender pay gap. There are no quick wins to closing the gap. We need sustained focus on increasing the number of women in our workforce, improving our retention rates and investing more in supporting and progressing our most talented women so that they are able to compete successfully for our most senior roles.

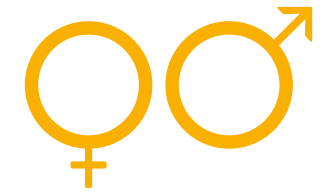
For bonus payments, employees in management positions participate in the annual performance related pay scheme which is a 'percentage of salary' scheme. This has higher pay-outs compared to the general performance related pay scheme which is a 'fixed amount' bonus scheme in which all other employees 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 (75% vs 56% respectively), the average bonus payment for males is lower. However, gender has no impact on median pay-outs.



Gender distribution by role type

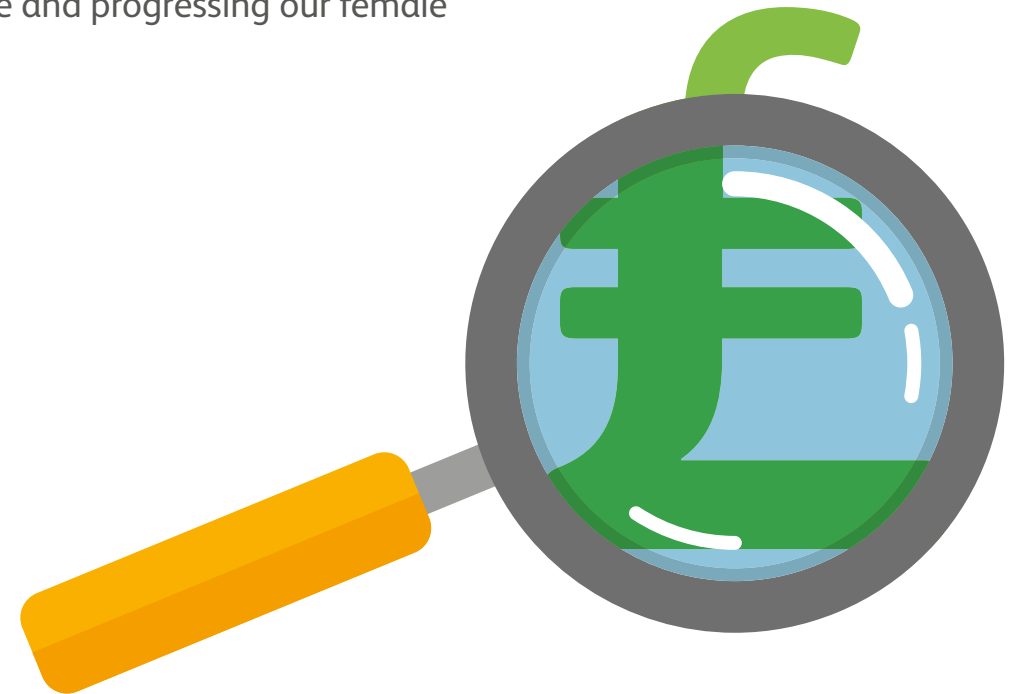


Making a difference



Transparent pay

In 2015 we completely overhauled our management pay structure to ensure 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. It subsequently informed our ongoing work because we now know 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.





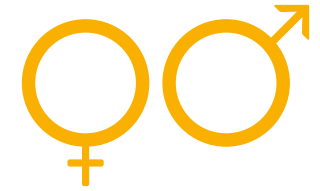
Michelle Lim

Assistant Track Maintenance Engineer

Michelle joined Network Rail as a Graduate Engineer in 2015. In her first two years, Michelle completed rotations around five separate departments across the UK. She found the experience rewarding and benefitted from the insight into the wider business this provided at the outset of her career.

“The flexibility the graduate programme provided was fantastic and provided me with great opportunities to travel, meet new people and tackle a range of challenges.”

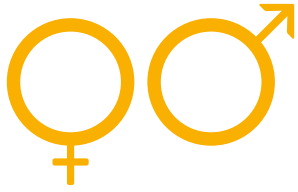
During her time on the Graduate Programme, Michelle volunteered as a Network Rail ambassador, where she engaged with both primary and secondary school students and encouraged them to pursue STEM subjects and careers in engineering. Michelle is also a diversity and inclusion champion, promoting the work Network Rail already does and championing new ideas.



Attracting women to STEM careers

We know that there are not enough young women studying STEM (science, technical, engineering and maths) subjects after the age of 16 and this is a key reason why just 14 % of applicants for graduate roles at Network Rail are female. Some research we commissioned with child psychologists, Innovation Bubble, told us that female role models working in engineering are a critical influence in changing young women’s attitudes about engineering as a profession. As a result we are working with an excellent programme run by Women in Science and Engineering (WISE) called ‘People Like Me’ where our women in technical roles go into schools and talk about their work. Over the coming years we will train an additional 100 people to facilitate the programme, as well as having female graduate ambassadors go out to young women still at university to tell them about the variety of careers that we offer.

Playing an active role in the ‘Big Bang’ initiative, the largest celebration of science, technology, engineering and maths for young people in the UK, has helped us to showcase the wide range of opportunities the rail industry offers to those who are studying STEM subjects. We attend annually and engage with over 80,000 young people over four days by using fun and engaging activities, as well as the opportunity to speak to graduates, apprentices and engineers about career opportunities.



Recruitment

Over the past few years we have made very deliberate changes to the images we use for our recruitment campaigns so that they now reflect the diverse mix of people we have in our business.

We have piloted anonymous shortlisting for our graduate programme and have trialled new technology to ensure we use more gender neutral and inclusive language in our job ads for our graduate programme. As a result we are now developing a gender neutral advertising toolkit for all parts of our business.

In addition, we are reviewing assessment technology which will enable us to measure adverse impact. This will help us to understand where we lose candidates at the various stages in the recruitment process and any relevant candidate demographics.

We will then be able to target those areas that require positive action to improve the diversity of our candidates; for example actively promoting the use of diverse interview panels.

In order to support managers to better understand the positive impact of 'difference' within teams, we have rolled out an 'Inclusive Leadership Programme' with a focus on removing unconscious bias. By April 2018 it will become mandatory for all hiring managers to undertake this training. This will help to remove any bias from our recruitment and selection processes. We are also rolling-out our 'Everyone' eLearning training to all employees which is designed to raise awareness of diversity and inclusion and promote behaviours that encourage a more cohesive, collaborative and welcoming working environment.



Becky Lumlock

Route Managing Director, Wessex Route

“As RMD, I am responsible for the delivery of a safe and efficient railway on my part of the network. This includes the infrastructure for all services to/from London Waterloo. There are 1,900 people working in my team and a key part of my job is to engage and empower them.

In my career, I have sought opportunities and tried to stretch myself out of my comfort zone. I am passionate about women developing their careers and that companies should embrace diversity to give the best business outcomes. Evidence shows that diverse teams drive better safety and performance.

Within Network Rail, we have made progress, but there is more to do. I am committed to supporting women as they grow their careers here and ensuring we develop ways of working that support all our people to balance their work and home lives, to thrive, and to reach their full potential.”

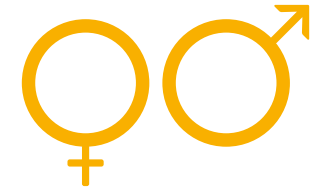


Neil McMahon

Scheme Project Manager

After over 30 years in the Royal Air Force, Neil joined Network Rail as a Scheme Project Manager in 2008. Two years ago he applied for flexible working and currently works a four day, 31 hour week.

Since doing so, Neil has found that he is far more focused and engaged in the workplace: “It’s important that flexible working isn’t seen as something that is just for women. Achieving the right work/life balance is important for everyone and the more people have different working patterns the more normal and accepted it becomes. Setting up flexible working was a really simple application process, and my line manager has been incredibly supportive. I’m really lucky to be doing a job I enjoy and balancing my work and personal life in a positive way.”



Being a better employer

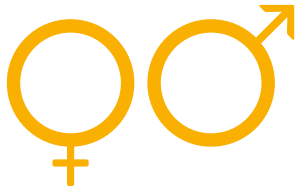
The next step beyond recruitment is to be the best employer we can be for our existing female employees, to make sure they want to stay with us. We know that women are more likely to leave the business than men, particularly after the age of 30 and more needs to be done to improve our ways of working to embed a healthy work-life balance for everyone.

Flexible working

We know that flexible working and shared parental leave policies are critical for improving retention, especially after maternity leave. We already have robust flexible working and shared parental leave policies in place but we’ll be doing more to promote them amongst women and men to improve take-up. We don’t want flexible working to be seen as an exclusively female domain but something that anyone can do to achieve the best work/life balance for them.

Men as Allies

It is still the case that most of our workforce is male which is why it is essential that they actively support our female employees. To help our male workforce be better colleagues and managers we have introduced a ‘Men as Allies’ programme to harness male support for gender equality in the workplace. We are asking our male colleagues to become members by telling us what topic they are interested in and committing to tangible actions; it is a positive way of establishing an environment which is more sensitised to issues which potentially impact women adversely, whilst highlighting how men can contribute.



Return to work scheme

We are currently piloting a scheme within our property function to attract women returning to work and career break professionals who have been out of the industry for two years or more. The scheme provides professional surveyors a 12-week paid placement with flexible working arrangements with the aim of a permanent job afterwards.

Improving facilities

Another important aspect of retention is to ensure employees are happy with their work environment. For Network Rail this is not just for office-based staff but for those working out on the track. We are committed to providing adequate facilities for men and women at, or within reasonable distance of, all worksites by the end of 2019. By doing so, we will create a more inclusive environment.



Phil Hufton

Managing Director, England and Wales

“I am committed to developing diversity at Network Rail. A core part of that is employing more women at all levels and ensuring they can develop their careers to the fullest extent. I am delighted that the two best candidates for route managing director roles over the past twelve months were women; Becky Lumlock in Wessex and Meliha Duymaz in Anglia.

While it is really important to me to have a diverse senior leadership team, I want to drive higher levels of female engagement at all levels - including through our apprenticeship and graduate schemes and across all our frontline workforce. We are determined to develop a diverse workforce and enable all our people to thrive in their careers here.”



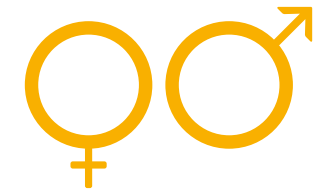
Kamini Edgley

Chief Mechanical and Electrical Engineer

Kamini joined Network Rail in 1997 as a Graduate Engineer. Today she is Chief Mechanical and Electrical Engineer, and leads a team of 80 people.

“Network Rail has always been supportive of me. Whether it was receiving advice from mentors at the early stages of my career, or having business leadership training and taking part in a senior leaders programme later on, the support has allowed me to keep progressing.”

Since starting her career in the rail industry, Kamini has noticed a real change in the working culture through initiatives such as flexible working and STEM student engagement programmes. The structure of Kamini’s work schedule has also changed since becoming a parent: “I share the drop off and pick up of our daughter from school with my husband, and at Network Rail I have the flexibility to do that. I feel empowered, and I know I’m in control of my work.”



Talent management

At Network Rail, as in too many businesses, women are under-represented at the most senior levels. Successful implementation of our plans to attract and recruit more females will increase our talent pool of women ready for progression but we recognise that it is not enough to recruit and retain our female workforce, we need to identify talent and nurture it.

Last year, women made up 30% of those promoted. To increase this proportion, we will establish and embed a robust talent and succession planning strategy to ensure we are focussed on growing our own pipeline of future leaders, which will involve tracking the progression of our employees at critical career points.

We are also supporting our talent management programmes with an employee network called ‘Inspire’ whose focus is on promoting gender equality. Inspire has set up regional groups all around the country, piloted mentoring schemes, and held annual career and personal development days.

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