

Gender Pay Gap Report April 2020 – March 2021



NORTHERN





Northern is committed to providing a great place to work, for everyone.

We employ over 7,000 colleagues and we understand how important it is to have a diverse and gender-balanced workforce which represents the customers and communities that we serve with career opportunities for everyone.

As part of our Equality, Diversity and Inclusion strategy we are taking practical and proactive steps towards attracting, recruiting, promoting and supporting women in the workplace.

In line with government legislation this is our annual report on our gender pay gap for the period April 2021 to March 2022 which includes:

- Distribution of male and female employees over pay ranges (in quartiles)
- Mean and median gender pay
- Proportion of men and women receiving bonus pay.

Many people confuse gender pay gap with equal pay. The gender pay gap is the difference between what men typically earn compared to women, irrespective of their role and is a reflection of workforce profile. It is not the difference in pay between men and women for doing the same job which is known as equal pay.

During the year we have worked hard to drive forward our commitment to gender equality and the highlights include:

- We have introduced new policies – equality, diversity and inclusion, menopause, gender transition and domestic abuse support.
- We took the lead on the industry wide unwanted sexual behaviour campaign both on our trains and stations as well as internally, and
- We have introduced ways to eradicate any unconscious bias from our recruitment processes.





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We have actively increased the number of women working for us over the last year with 29% of our new starters being female. This has increased the number of women overall working at Northern to just under 19%. However, our pay gap has increased very slightly from our previous year's report due to more males recruited into senior roles. We are continuing to monitor diversity within management and executive appointments as well as within talent development and succession planning. We recognise that there is still more to be done to address the gender pay gap at Northern.

You will find information on how the gender pay gap is calculated, what our results are and what we are doing to address it in this report.

Nick Donovan
Managing Director



Addressing the Gender Pay Gap

What we are doing at Northern to promote gender equality

At Northern, we understand how important it is to have a diverse and gender-balanced workforce which represents the customers and communities that we serve.

Part of our Equality, Diversity and Inclusion (EDI) strategy is focussed on our commitment to having a fair gender balance in our workforce and we are taking practical and proactive steps towards attracting, recruiting, promoting and supporting women in the workplace.

We have a long-standing partnership with Women in Rail, participating annually in their mentoring programme and last year we were shortlisted for their Top Employer award.

Our overall EDI strategy and activities have resulted in NTL being shortlisted for a number of other awards in 2021-2022:

Rail Business Awards 2022 – Diversity in Rail

National Centre for Diversity – Most Inspiring EDI Person of the Year

Engagement Excellence Awards – Best EDI Strategy

Northern Power Women Awards – Large organisation

In the last year we have introduced blind sifting and CV parsing technologies to minimise risks of any indirect or unconscious bias in our recruitment processes. We have also commenced the fuller centralisation of recruitment activity and role testing which will further support robust and consistent process management and decision making.

These initiatives have contributed to the higher proportion of underrepresented groups selected for interview and offered roles alongside proactive support for interview panels.



"We've made huge progress in ensuring equality, diversity and inclusion runs through everything we do. We recognise that there is still more to be done to ensure that Northern is a great place to work, for everyone."

Brian Currie
People Director



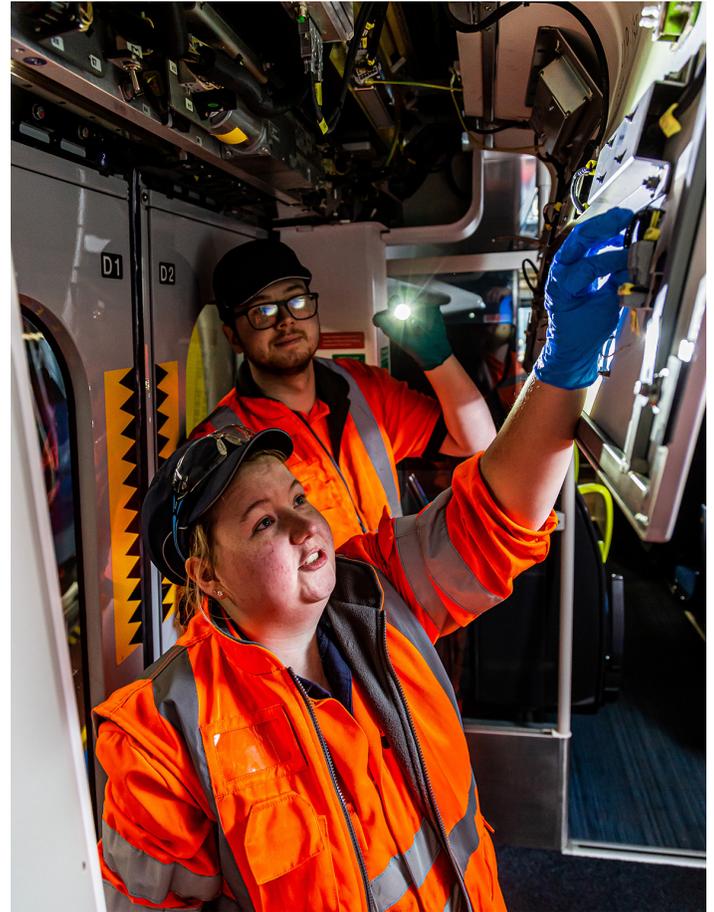
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Our internal process improvements are supported by bespoke and dedicated attraction campaigns to drive up attraction from women and wider under-represented groups.

We have celebrated our women at Northern for International Women's Day building upon our campaign in 2021 where our NTL Directors made publicised pledges to supporting gender equality in the workplace.

New policies have been introduced to support under-represented groups including an EDI policy, Menopause policy, Gender Transition policy and Domestic Abuse Support policy. We were proud to lead an industry campaign to tackle unwanted sexual behaviour.

This year, we're applying for Investors in Diversity accreditation from the National Centre for Diversity in 2022 to benchmark the work we are doing against other organisations.



Our commitment to Equality, Diversity and Inclusion

What we are doing to make Northern a great place to work, for everyone.

- We celebrate Black History Month, International Day of Disabled Persons, World AIDS Day and LGBTQ+ History Month.
- We are a Disability Confident employer and this year have gained a higher level of accreditation.
- We have launched a recruitment campaign, 'Be Northern, Be You' to attract talent from diverse groups.
- We have support networks for specific under-represented groups (e.g. Menopause support).
- We have an Equality, Diversity and Inclusion (EDI) sponsor from the Director team and hold steering group meetings on a quarterly basis to monitor our progress and introduce new EDI initiatives.
- We have a colleague led inclusion network to share ideas, best practice and represent Northern at EDI events (e.g. recruitment stands at Pride and other events that aim to attract candidates from under-represented groups).
- We are represented at the Rail Delivery Group's EDI Forum.
- We are corporate members of Inclusive Employers and participate annually in their National Inclusion Week.
- We have introduced guidance on gender pronouns and can choose to use our preferred pronouns on our emails and name badges.
- We have an EDI book club/reading group.
- We have designed our own EDI business logo.
- All of our managers have completed ethnic minority inclusivity training.
- We have published our own anti-racism pledge.
- We continue to explore opportunities for flexible working arrangements to support and underpin our EDI aspirations

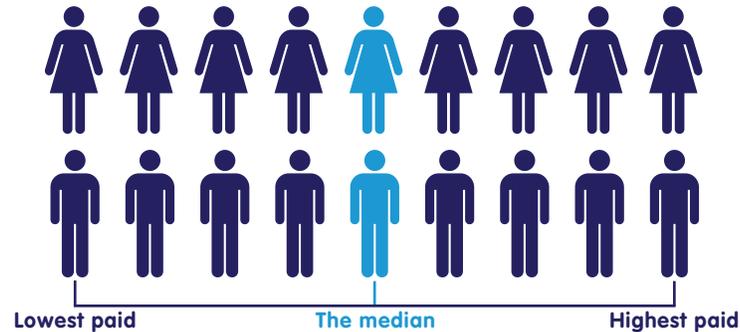
How the gender pay gap is calculated

Different jobs within our business pay differently and the number of women and men performing these jobs varies, therefore creating a gender pay gap.

The gender pay gap represents the difference between the average hourly pay and bonuses men and women receive across the business within or at a particular point of time.

The mean (average) is the calculation most people will be familiar with when calculating the average of something – essentially this adds the total of the constituent parts and then divides by the number of the constituent parts to calculate the average for each.

The median is different and is simply the middle figure of all of the constituent parts lined up. For example, if all employees were lined up in a separate female and male line, in order of pay from the highest to the lowest, the median gender pay gap compares the pay of the female in the middle of their line and the pay of the male in the middle of their line, as outlined in the graphic below.



Our Results

The overall difference between men and women

2021

	Mean	Median
Gender pay gap	17.6%	27.3%
Gender bonus pay gap	19.6%	12.7%

2020

	Mean	Median
Gender pay gap	16.7%	26.7%
Gender bonus pay gap	6.2%	10.8%

- Mean and Median Gender Pay Gap has slightly increased
 - Mean Gender Pay Gap is 17.6% - compared with 16.7% last year (up by +0.9%).
 - Median Gender Pay Gap is 27.3% - compared with 26.7% last year (up by +0.6%).
- Upper quartile pay distribution has improved
 - Q3 (upper middle quartile) is now 12.1% female vs 11.5% last year (+0.6%).
 - Q4 (upper quartile) is now 7.7% female vs 7.1% last year (+0.6%).
- Bonus/ancillary payments show that more females than males are in receipt
 - 27.8% females vs 20.6% males – compared with 32.2% women vs 23.9% men last year.



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Our Results

Proportion receiving bonus (ancillary) pay*

2021



2020



● Men
● Women

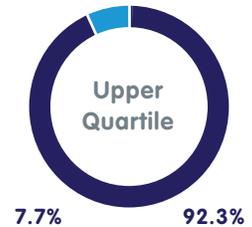
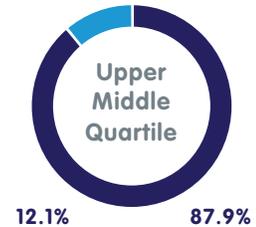
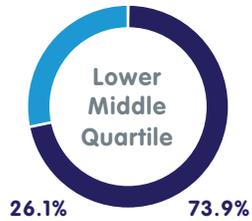
*commission/ticket validation payments



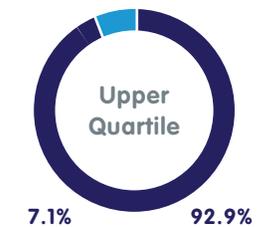
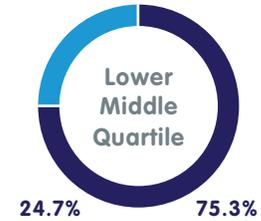
Our Results

Pay distribution

2021



2020



● Women
● Men