

Gender and Ethnicity Pay Gap Report 2024

Period: April 2023 – March 2024

Published: March 2025



We want Northern to be a great place to work for everyone.

At Northern, we are proud to be the UK's largest train operator outside of London and a significant employer in the north of England. With this comes the responsibility to ensure that our workforce truly represents the communities we serve.

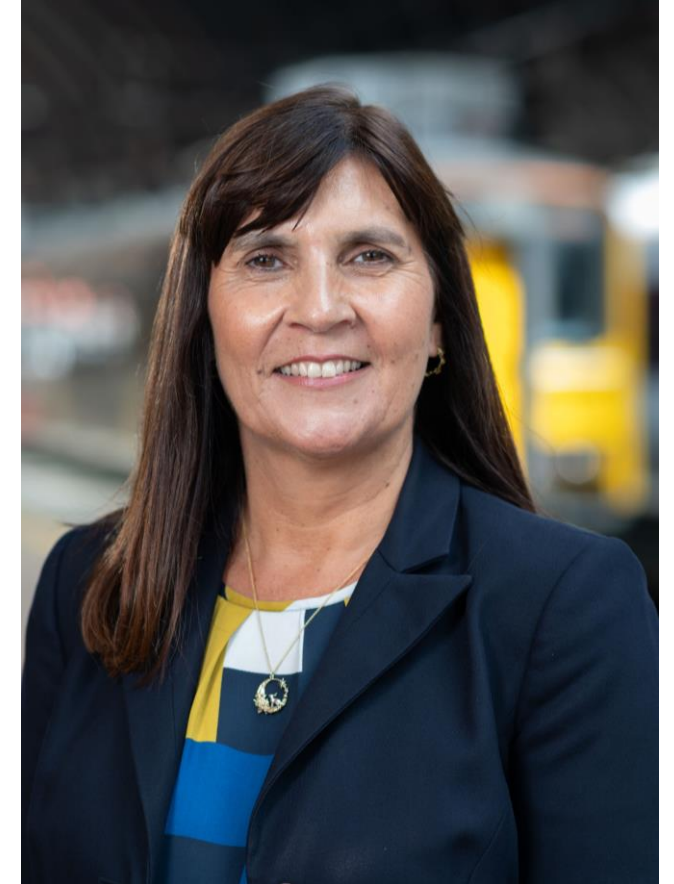
As Managing Director, I am deeply passionate about equality, diversity, and inclusion (EDI). Creating a workplace where everyone feels they belong, are valued, and can thrive is not only the right thing to do but also essential to the success of our business. We are committed to fostering a culture where people from all backgrounds, genders, and ethnicities feel welcome and empowered to build rewarding careers in rail. To support this, we have a dedicated EDI strategy that focuses on making Northern one of the best places in the rail industry for women and those from an ethnic background to grow their careers. Our commitment is reflected in our membership with Inclusive Employers, Investors in Diversity and our signing of both the Women in Rail and the Railway Industry Association's EDI Charters. Diversity is not just a value we hold; it is a strength that drives innovation, enhances service delivery, and deepens our connection with the communities we serve. We remain steadfast in our commitment to building an inclusive future for all at Northern.

This is our annual report for the period April 2023 to April 2024. For the third year running, we're also reporting our ethnicity pay gap which shows the difference in the average pay between our ethnic minority and white colleagues. Going beyond the statistics, this report provides an insight into the work we're doing to close any gaps.



Tricia Williams

Managing Director



What is the 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.

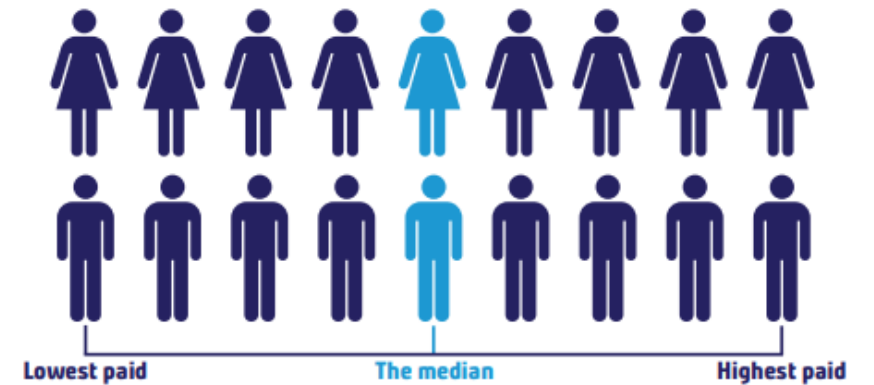
This is irrespective of their role, seniority, and nature of their work. Importantly, this is different to equal pay which is a direct comparison of people who are performing work of equal or similar value.

How is the gender pay gap calculated?

Roles within our business are paid differently depending on a number of factors, and the number of women and men performing these jobs varies, creating a gender pay gap.

This gap is calculated using the mean average, a 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 the constituent parts. For example, if all men and women employed were listed separately, in order of pay from the highest to the lowest, the median gender pay gap compares the pay of the women in the middle of their list and the pay of the men in the middle of their list.



Our Gender Pay Gap Results

The overall difference in pay between men and women

Gender Pay Gap	2024	2023
Mean Gender Pay Gap	12.8%	12.9%
Median Gender Pay Gap	24.3%	26.6%



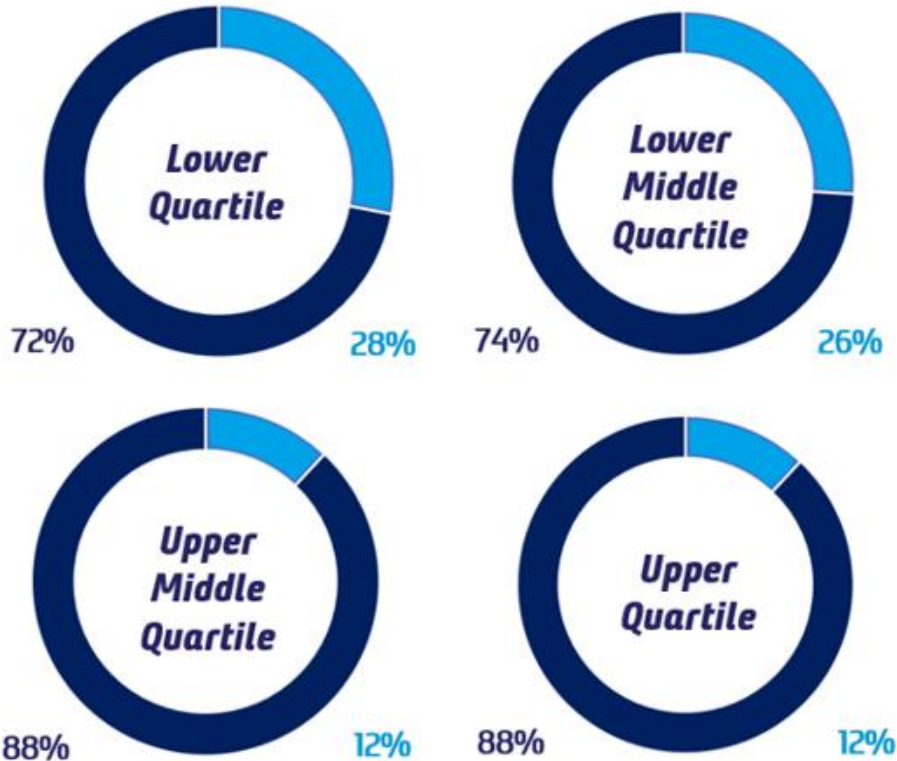
- The mean gender pay gap, which is based on the average hourly rate between women and men in Northern, and our median gender pay gap have both decreased compared to last year.
 - Mean Gender Pay Gap: 12.8% vs 12.9% last year
 - Median Gender Pay Gap: 24.3% vs 26.6% last year
- The upper pay quartile has fallen, while others have increased:
 - Upper Pay Quartile: 11.5% vs 15.6% last year.
 - Upper Middle Pay Quartile: 12.2% vs 8.8% last year.
 - Lower Middle Pay Quartile: 26.1% vs 25.1% last year.
 - Lower Pay Quartile: 27.8% vs 25.8% last year.
- Compared to last year the bonus pay gap has narrowed. The mean bonus pay gap is still in favour of females whilst the median bonus pay gap is now in favour of men:
 - Mean Bonus Pay Gap: -5.5% vs -55.2% last year
 - Median Bonus Pay Gap: 5% vs -0.1% last year
 - Bonus Paid: 19.5% women vs 16.2% men vs 31% women vs 20.4% last year.

It is worth noting that bonus data is predominantly related to payment of commission to our conductor colleagues.

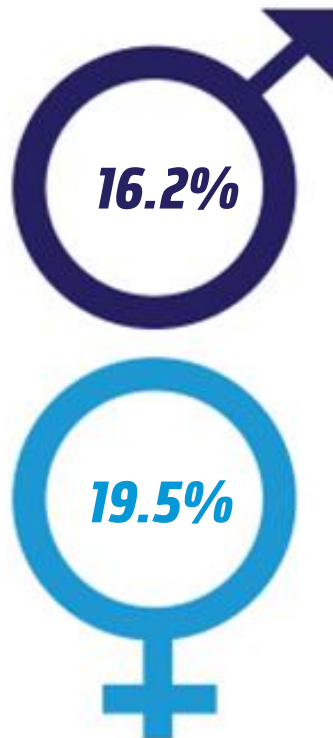
Our Gender Pay Gap Results

Distribution of pay

Pay Quartiles



% of men and women in receipt of 'bonus' payments



 Women  Men



What's driving our 2024 gender pay gap

Positive Drivers:

- Overall, during the 2023 to 2024 period, there has been a 4% increase in women working at Northern, with representation now at 19.8%.
- Representation of females in the Upper Pay Quartile has fallen slightly compared to last year, however, the overall pay gap has reduced suggesting pay progression in other areas.
- Female representation is high within our conductor grade when compared to their overall representation in the business. This is why they are more likely to receive a bonus than men.
- For those that received bonus payments the mean bonus pay gap was -5.48% demonstrating a higher average bonus payout for women.

Negative Drivers:

- Female representation in the Upper Pay Quartile has decreased by 4.05%, influencing overall gender pay gap metrics. This change reflects the composition of the quartile, which includes a significant proportion of drivers—a role where only 10% of employees are female. We also saw a large increase in males within Engineering in this quartile.
- The % of women in receipt of a bonus has decreased compared to last year as a result of there being no Contingency payments or Management bonus. This also negatively affected the % of men in receipt of a bonus.

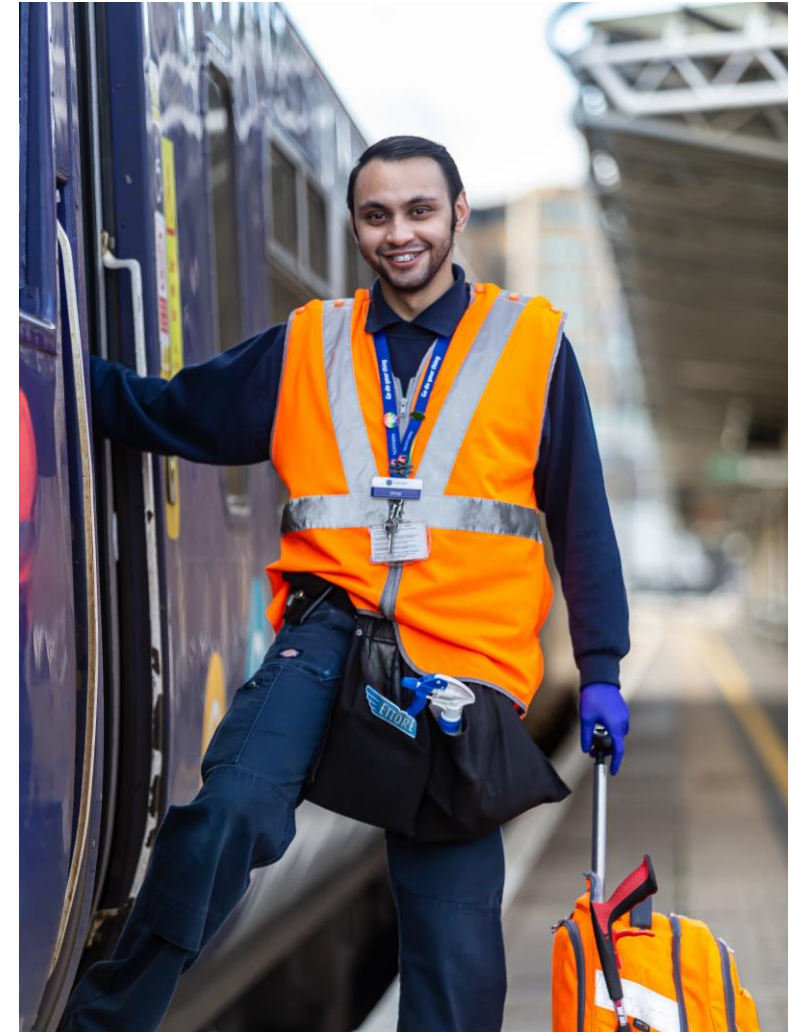


What is the ethnicity pay gap?

The ethnicity pay gap is the difference between the average hourly pay rate received by our ethnic minority colleagues compared to our white colleagues. It is calculated in the same way as the gender pay gap.

The median pay gap is the difference between midpoints in the ranges of hourly earnings of ethnic minority and white colleagues.

The data in this report reflects the position of those colleagues who have chosen to declare their ethnicity, which is 96% of Northern colleagues.



Our Ethnicity Pay Gap Results

The overall difference in pay between white and ethnic minority colleagues

Ethnicity Pay Gap	2024	2023
Mean Ethnicity Pay Gap	17.1%	18.5%
Median Ethnicity Pay Gap	21.9%	26%



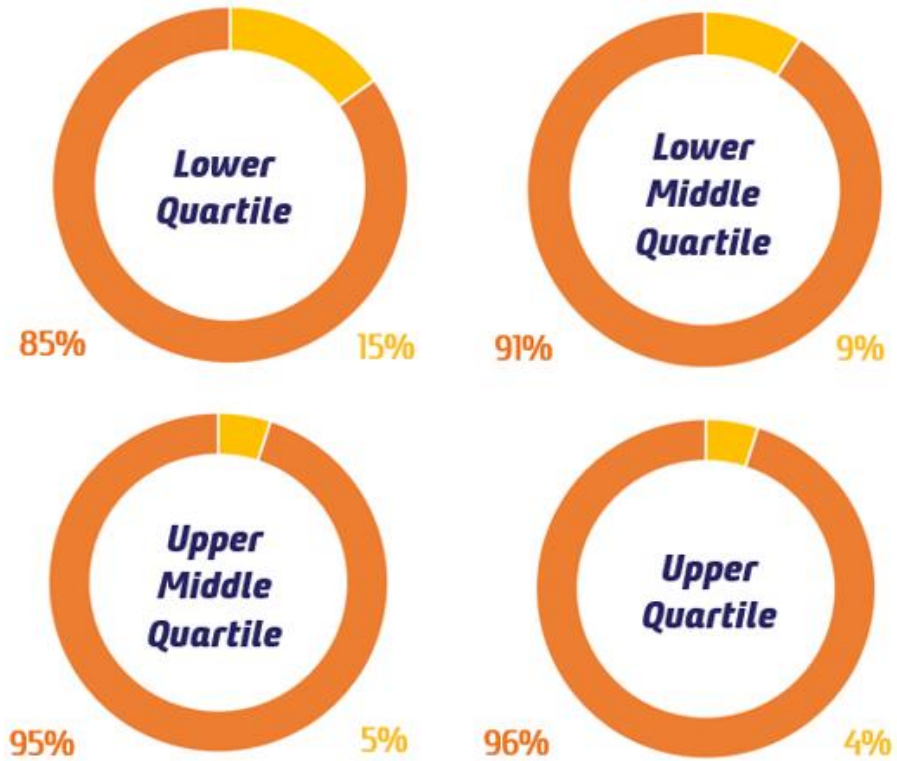
- The mean ethnicity pay gap, which is based on the average hourly rate between white and ethnic minority colleagues in Northern, and our median ethnicity pay gap have both decreased compared to last year.
 - Mean Ethnicity Pay Gap: 17.1% vs 18.5% last year
 - Median Ethnicity Pay Gap: 21.9% vs 26% last year
- The upper pay quartile has fallen, while others have increased:
 - Upper Pay Quartile: 3.9% vs 4.6% last year.
 - Upper Middle Pay Quartile: 4.7% vs 3.5% last year.
 - Lower Middle Pay Quartile: 8.7% vs 7.7% last year.
 - Lower Pay Quartile: 14.5% vs 12.6% last year.
- Compared to last year both the mean and median bonus pay gap has decreased. The mean bonus pay gap is now in favour of Ethnic Minority colleagues:
 - Mean Bonus Pay Gap: -15.1% vs 33.2% last year
 - Median Bonus Pay Gap: -15.8% vs -12.5% last year
 - Bonus Paid: 17% white colleagues vs 17.6% ethnic minority colleagues compared to 27.5% white colleagues vs 29% ethnic minority colleagues last year.

It is worth noting that bonus data is predominantly related to payment of commission to our conductor colleagues.

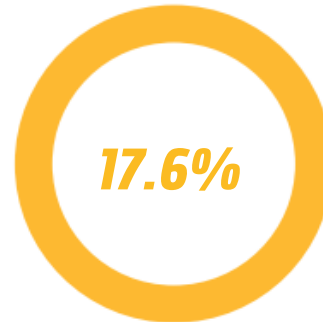
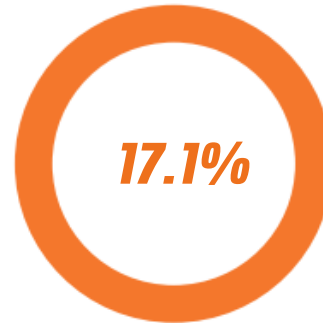
Our Ethnicity Pay Gap Results

Distribution of pay

Pay Quartiles



% in receipt of 'Bonus' payments



 Ethnic minority  White



What's driving our 2024 ethnicity pay gap?

Positive Drivers:

- Overall, during the 2023 to 2024 period, there has been a 17.5% increase in Ethnic Minority colleagues working at Northern, with representation now at 7.6%.
- For those that received bonus payments the Mean Bonus Pay Gap was in favour of this group with a pay gap of -15.09% and a median pay gap of -15.85%.
- Whilst the Mean Bonus Pay Gap has decreased significantly from 33.2% to -15.1% this is largely due to the fact that no Contingency or Management bonus was paid out.

Negative Drivers:

- Ethnicity representation in the Upper Pay Quartile has decreased by 0.65%, influencing overall pay gap metrics. There were fewer managers in the Upper Quartile this year which had a marginal effect on the overall %.
- As a result of there being no Contingency payments or Management bonus this had an adverse effect on the percentage in receipt of bonuses for Ethnic colleagues when compared to last year.



Addressing our Gender and Ethnicity pay gap

- All managers attend our EDI workshop as part of their induction which includes unconscious bias training. This training forms part of our foundational work on equality and inclusion. We remain committed to regularly reviewing and enhancing this training to keep it effective ensuring managers are able to ensure fairness and eliminate bias particularly when involved in pay and promotion decisions.
- We have conducted an internal audit of pay at Northern to ensure that colleagues in the same or similar roles are compensated equitably. This action reflects our strong commitment to fairness and transparency. As part of our ongoing efforts, we will conduct this audit annually to uphold pay equity and ensure consistency across the organisation.
- We are ensuring robust pay frameworks are put in place with set salaries across groups of colleagues and management bands to ensure consistency.
- We are reviewing our performance evaluation processes to identify and eliminate potential biases. By refining these systems, we aim to ensure that assessments are based on clear, objective criteria, creating an inclusive culture where employees are recognised and rewarded equitably.
- We are actively reviewing our recruitment processes to ensure they are free from bias and fully inclusive. This includes evaluating job descriptions, interview practices, and candidate selection methods to promote diversity and attract a wide range of talented individuals.
- We are committed to listening to and involving Northern women in our initiatives, actively incorporating their voices into company programmes and events throughout our EDI calendar.
- Over the past three years, we have successfully run our "Go Do Her Thing Month" campaign every March, celebrating the achievements of women across the business and raising awareness of their contributions.
- We have established employee networks, including a dedicated network for women and an Ethnic Diversity network, which provides a supportive platform for networking, mentorship, and professional development. These networks are led by dedicated chairs and vice-chairs who champion equality and drive impactful initiatives.

Addressing our gender and ethnicity pay gap

- Our White Ribbon accreditation highlights our commitment to ending male violence against women and reflects our dedication to fostering a safe and respectful workplace for all.
- We actively engage with local communities and schools to inspire young women to pursue careers in rail, hosting events at our Traincare Centres to showcase the diverse opportunities available at Northern.
- We collaborate with the Department for Transport, train operating companies, and the wider rail industry to address the gender and ethnicity pay gap. By sharing best practices and promoting systemic change through events and campaigns, we aim to advance equality across the sector.
- As members of Inclusive Employers, and signatories of the Women in Rail and Railway Industry Association EDI Charters, we align ourselves with industry-wide standards and commitments to equality, diversity, and inclusion.
- We have embedded diversity initiatives through policies such as our EDI Policy, Menopause Policy, Gender Transition Policy, Domestic Abuse Support Policy, and Sexual Harassment Policy. Additionally, we have introduced Sexual Harassment at Work (SHAW) Advisors across our network to support colleagues in reporting incidents.
- Equality, Diversity, and Inclusion is a key area of focus within our Leadership Programme.
- We are proud to be a Disability Confident Level 2 employer, ensuring our workplace is accessible, inclusive, and supportive for colleagues with disabilities.



Until
May
2025

