

Heathrow's gender pay gap report

What we're reporting and why it matters

For the first time, UK companies with 250 or more employees are publishing data on the average hourly pay of the women and men who work for them, as well as the make-up of opportunities within their organisations. For Heathrow, this level of increased transparency is a welcome step in the right direction.

Our success in becoming one of the world's most important aviation hubs is a direct result of the dedication of our colleagues who keep the airport safe and running smoothly, welcoming our passengers with a smile and planning for our future growth. We firmly believe that the new gender pay reporting regulations will be a catalyst for positive change for everyone who works for Heathrow, ensuring that our business is able to thrive in the future by continuing to attract and retain the best talent.

Over the years, we have made good progress in improving the diversity and inclusiveness of Heathrow. In terms of gender, nearly 75% of the roles within our business are already evenly split between women and men. We're encouraged that this success has resulted in our gender pay gap being significantly below both the national average, as well as that of our peer group. We know we have more work to do in improving the number of women working in the top 25% of roles at Heathrow, which is the underlying factor driving our gender pay gap.

Addressing that imbalance starts with setting a strong example – to challenge the status quo within our business and drive positive change within the historically male-dominated infrastructure and aviation sectors. Our most important project – the expansion of the UK's hub airport – is being delivered with a woman at the helm supported by an equally gender-balanced team of directors. We will continue to use this highly-visible platform and our leadership position within our sector to drive the positive change that will ensure everyone can fulfil their potential.

Emma Gilthorpe, Executive Director Expansion Carol Hui, Chief of Staff and General Counsel Paula Stannett, Chief People Officer









What is the gender pay gap?

- The gender pay gap report gives businesses a snapshot of the make-up of their organisation and helps identify areas to focus efforts to improve opportunities.
- Because different jobs pay differently and the number of women and men doing each job varies, a gender pay gap exists.
- This is distinct from equal pay, which is the difference in pay between women and men doing the same or similar jobs.

How is it calculated?

Median pay gap

The median pay gap is calculated by imagining two queues of all the employees in an organisation divided by gender. The salaries of the exact middle point in each queue are then compared to reveal the pay gap within the organisation at that point.



Mean pay gap

The mean pay gap is calculated by comparing the average hourly pay of all the women in an organisation with the average hourly pay of all men in an organisation. Preferences for part-time working or the proportion of a gender in certain roles within an organisation can influence this figure.



Proportion of women and men in each quartile

Businesses will divide colleagues into four equal-sized groups from lowest paid to highest paid and publish the proportion of women and men in each group – called a quartile.

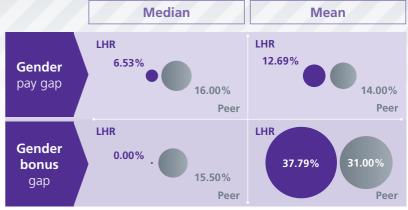




Our results

"Heathrow's gender pay and bonus gaps are driven by a smaller number of women in the most senior roles."





*Peer group composed of over 30 companies in the UK aviation and infrastructure sectors

Gender split in pay quartiles

% of women and men in each part of Heathrow from frontline to senior management roles.

(lowest pay)

Quartile 1



Ouartile 2

Quartile 3



Quartile 4 (highest pay)



% who received bonus



92.70%



97.00%



4 Gender pay gap report

What the results mean

Heathrow has a rich heritage of offering rewarding careers at the forefront of one of the world's most dynamic sectors. For us, our colleagues are the most important part of our business. We want to continue to attract the best talent to work at Heathrow and so we've spent a lot of time understanding our figures and how we can improve in the years to come.

In the past, the infrastructure and aviation sectors have been heavily maledominated. Encouraging and supporting more women to fulfil their potential within the sector will be key to addressing the gap across the board.

We're encouraged that Heathrow's median gender pay gap – at 6.53% – is significantly below the national average and that of our peer group. Already, women and men are equally represented across nearly 75% of our business. Our challenge going forward is to ensure that more women can succeed in the most senior roles within Heathrow. Currently, only 25% of the most senior jobs in the business which have the largest salaries and bonuses are held by women. Improving Heathrow's gender pay and bonus gap will mean encouraging and supporting more women to move into these roles in the years to come.

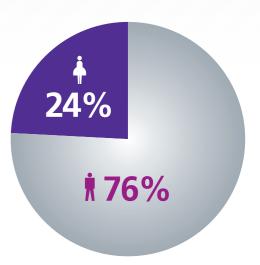
Where we'll focus

Heathrow's median gender pay gap is 6.53%. It is significantly below our peer group average of 16% and the national average of 18.4%.

But it is still a gap and to close it and our bonus gap we need to focus on growing the number of women in senior roles.



Top quartile





How we'll tackle it

For Heathrow to improve its gender pay and bonus gap increasing the number of women in senior roles will be key. Over the next year, we're going to be focussing on the areas below to improve our results in the next report:

1

Growing our talent pipeline

We'll launch a new leadership programme dedicated to women this year. Alongside our existing development programmes open to all colleagues, this programme will look to specifically help develop the talent and confidence of our women colleagues at all levels across Heathrow.

2

Promoting our new agile working guidelines

This year Heathrow introduced our first-ever agile working guidelines. We'll be working to embed agile working throughout the year, ensuring Heathrow colleagues whether they're male or female are better able to balance their working and home lives with more flexible working patterns.

3

Growing our Altitude women's network

We'll grow our Altitude network, bringing colleagues together and providing them with a platform to raise issues and ensure that gender is never a barrier to success at Heathrow. Open to all, the group will renew the energy around supporting women across the airport.

4

Launching a returnship programme

We're launching a returnship programme in the autumn. We know that 89% of people who have taken time off work for caring or parental responsibilities are women - our plan is to provide them with extra help to transition back into a career at Heathrow.

5

Advocating within our supply chain

We'll work with some of our top suppliers to ensure that they are putting forward diverse candidate lists when helping us to fill roles at Heathrow.



Chief People Officer's statement

Whilst we are proud to be at the forefront of corporate Britain in terms of opportunities for women and men at all levels of our organisation, the report published today shows that we have further progress to make.

We have committed to making Heathrow a better place to work in our Heathrow 2.0 sustainability programme and the new gender pay gap reporting requirements are a key tool that will help us to deliver our commitments. Our report covers over 6,000 colleagues who work at all levels directly for Heathrow – including the Executive Committee. "We will continue to work collectively to further improve our results – however, the smaller nature of our gap may mean that our progress is achieved over the longer term. We remain committed to closing our gaps in the longer term and this annual report will help hold us to account.

As Chief People Officer, I, Paula Stannett, can confirm that the information contained herein is accurate.





*Companies are required to publish on the basis of the employees in each individual corporate entity. This report covers all employees of LHR Airports Limited. Heathrow Express Operating Company Limited has published a separate report. The LHR Business Support Centre Limited employees are also not covered in the report above — it has not published a separate report as it does not fit the criteria for gender pay gap reporting in that it has less than 250 employees.

