

Gender and ethnicity pay gap report 2023



Heathrow

Equality, diversity, and inclusion (ED&I) is a critical part of our business strategy

Inclusion is intrinsic to Heathrow. Every single day our airport welcomes people of all identities, characteristics, and backgrounds from across the world.

Diversity and inclusion are central to our values at Heathrow. Not only do we welcome diverse passengers from across the world every day, but our colleagues are also from a variety of cultural backgrounds and come with several identities that make them all wonderfully unique. It is this diversity that is an important part of making Heathrow such a special place to work.

We want all our colleagues to come to work and feel a true sense of belonging and feel able to be their true selves. And so, we have been doing a lot of work over the last eighteen months to improve our inclusive culture. And while we know there is still more work to do, I'm really pleased to see the progress we are making and the real commitment of our colleagues to continue to drive an inclusive culture. I have been impressed since joining Heathrow with the amount of work that is done to create a sense of belonging for our colleagues.

It is great to see the positive progress in the 2023 pay gap report with reductions in both our gender and ethnicity average pay gaps. It is also great to see the increase in females within our senior roles. However, we know there is more work to do especially for colleagues who are from ethnic backgrounds. We have seen a positive reduction in our ethnicity pay gap and it is great to see the increase of colleagues from Black, Asian, and ethnic minorities up by 3%. We have seen an increase in our management populations also, and we need to make sure we continue to push for improvements.

As we see strong growth as a business, we will continue our focus on actions to reduce our pay gaps and I'm committed to supporting the plans set out in this report.

I know that the action led approach and ambitions we have will help to drive positive change and continue to make Heathrow a great place to work.



Declaration: I confirm that the information in this report is accurate and prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

Thomas Woldbye
Chief Executive Officer

What is a pay gap?

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What is a pay gap?

A pay gap is not the same as equal pay where everyone who does a job of equal value must earn the same pay.

Pay gap reporting looks at all jobs and all rates of pay, and makes comparisons between the average pay for different groups of colleagues. It tells you whether some groups of colleagues typically earn more or less than other groups.

A pay gap report makes the differences clear. The pay gap report shows us how much more we need to do in order to create a Heathrow that really does give everyone an equal chance of success.

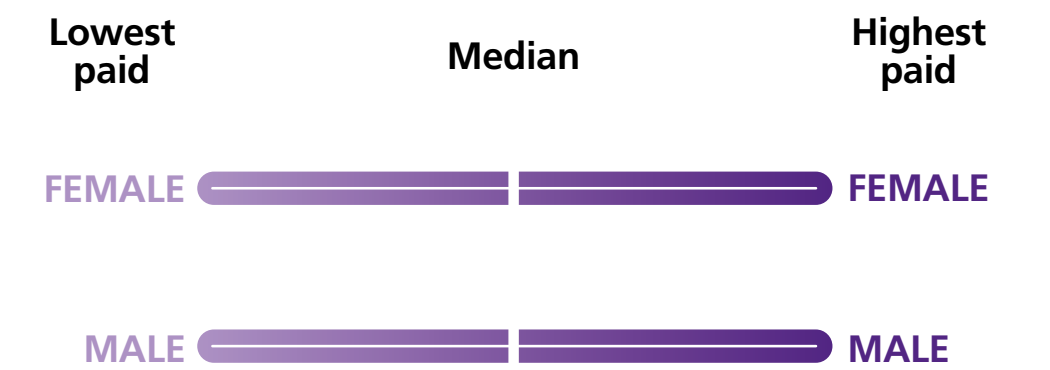
How do we calculate the gap?

We have used the same methodology to calculate our ethnicity pay gap as our gender pay gap reporting.

Median pay gap

Imagine lining up all our colleagues in a row in order of their hourly pay rate – lowest at one end, highest at the other. The median hourly pay is what the colleague in the middle of the row earns.

We can do the same imaginary line-up to give us the median hourly pay for smaller groups of colleagues e.g. Male, Female, White and Black, Asian and Minority Ethnic. If we find a difference between two groups, that's the median pay gap.



Mean pay gap

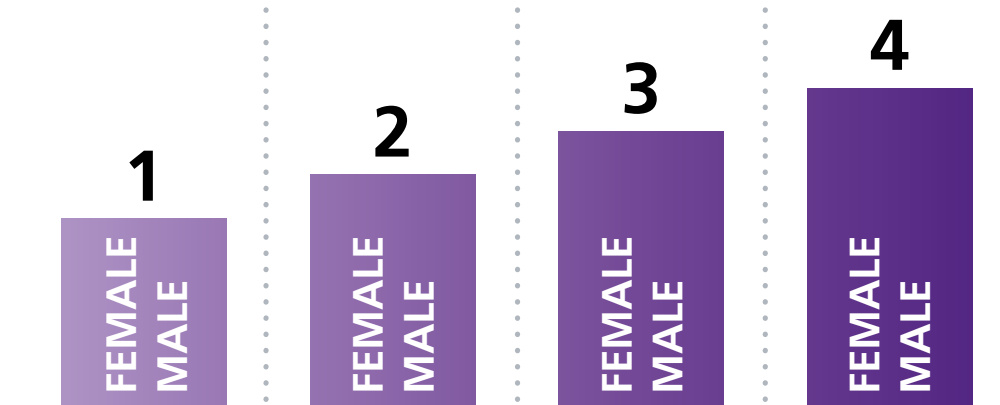
'Mean' is another word for 'average'. The mean hourly pay of a group of colleagues is their average hourly pay. To find it, we add up all their hourly rates and divide the total by the number of colleagues in that group. Once again, if we find a difference between two groups, that's their mean pay gap.



Putting colleagues into quartiles

Let's go back to that long line of Heathrow colleagues arranged in order of their hourly pay rates. If we start counting them from the lowest-paid end and we break the line into four equal-sized groups, we'd get what's known as four pay quartiles – the four equal-sized sections of a line arranged in order of their rates of pay.

We can then look at the make-up of each quartile to tell us whether we have more male, female, White or Black, Asian and Minority Ethnic colleagues in higher or lower-paid quartiles.



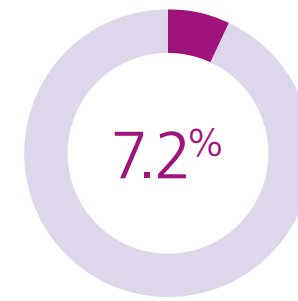
2023 gender pay gap?

Gender pay gap

The percentage by which women's pay varies against men's pay

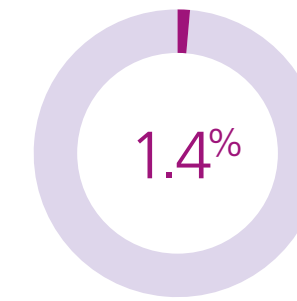
Median 2023

(percentage difference between women's and men's median hourly pay).

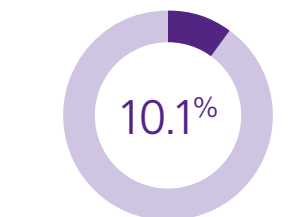


Mean 2023

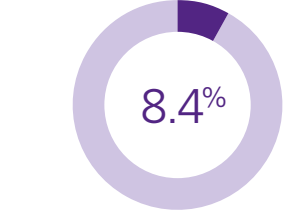
(percentage difference between women's and men's median hourly pay).



Median 2022



Mean 2022

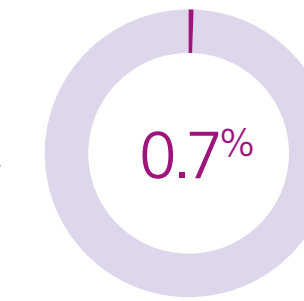


Gender bonus gap

Percentages of women and men who received a bonus.

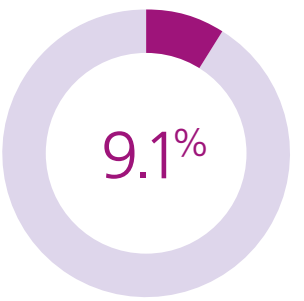
Median 2023

(percentage difference between women's and men's median bonus pay).



Mean 2023

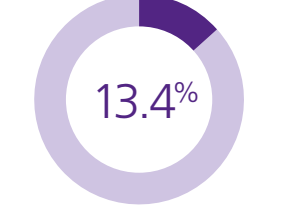
(percentage difference between women's and men's median bonus pay).



Median 2022



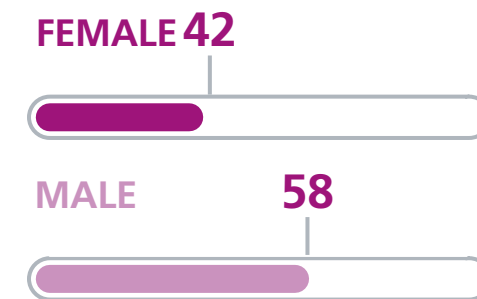
Mean 2022



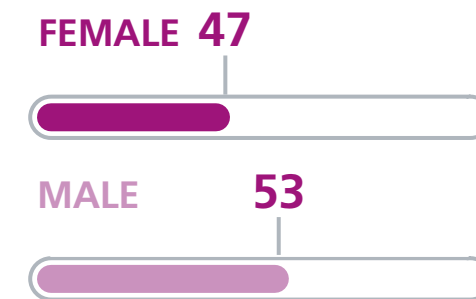
Our pay quartiles

Proportion of women and men in each quartile.

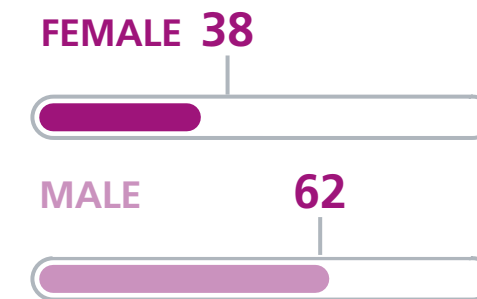
Quartile 1 (lowest pay)



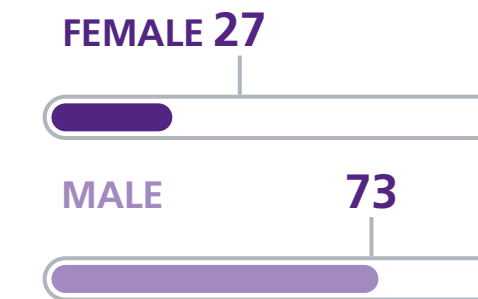
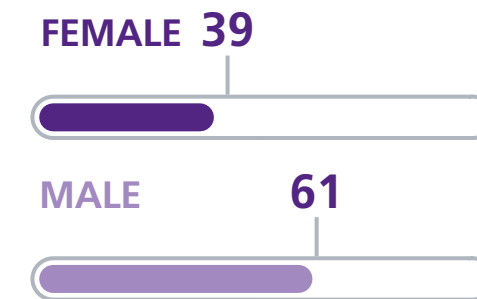
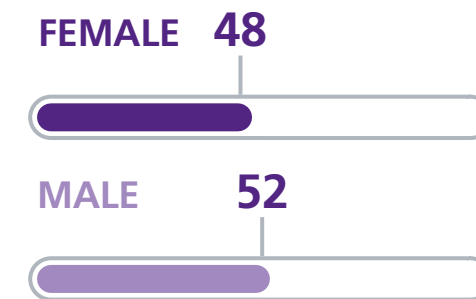
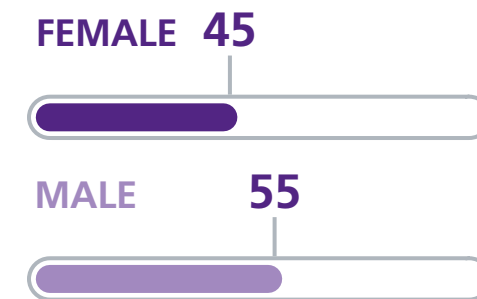
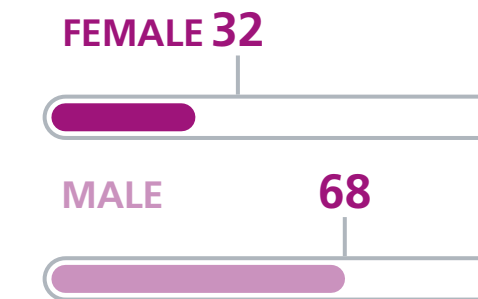
Quartile 2



Quartile 3

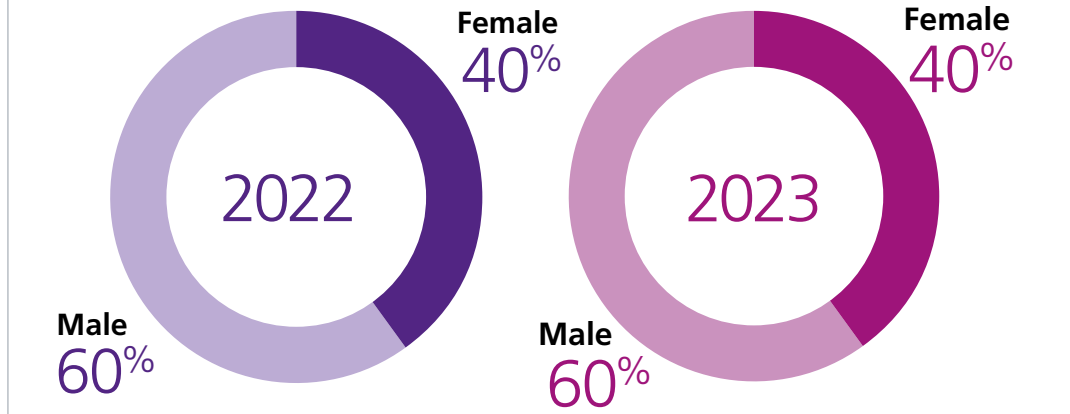


Quartile 4 (highest pay)



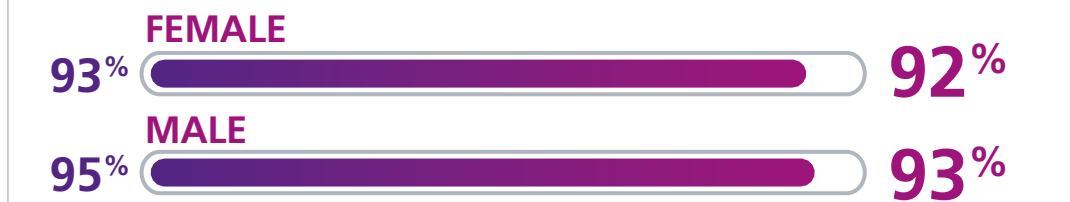
■ 2023
■ 2022

Representation



Bonus payments

Percentages of women and men who received a bonus.



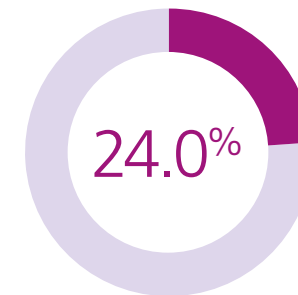
2023 ethnicity pay gap?

Ethnicity pay gap

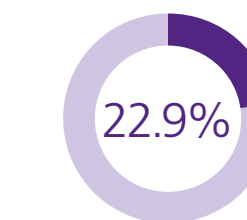
The percentage by which Black, Asian and Minority Ethnic pay varies against White pay.

Median 2023

(percentage difference between White and Black, Asian and Minority Ethnic colleagues' median hourly pay).

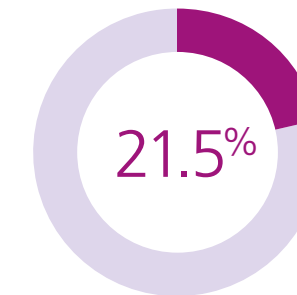


Median 2022

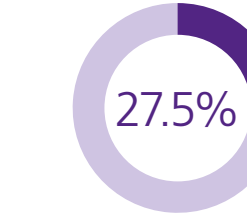


Mean 2023

(percentage difference between White and Black, Asian and Minority Ethnic colleagues' mean hourly pay).



Mean 2022

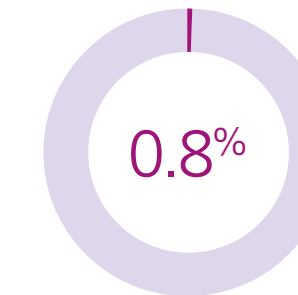


Ethnicity bonus gap

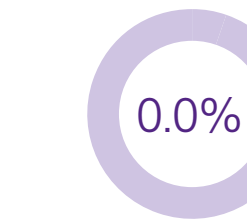
The percentage by which Black, Asian and Minority Ethnic colleagues' bonuses vary compared to White colleagues' bonuses.

Median 2023

(percentage difference between White and Black, Asian and Minority Ethnic colleagues' median bonus pay).

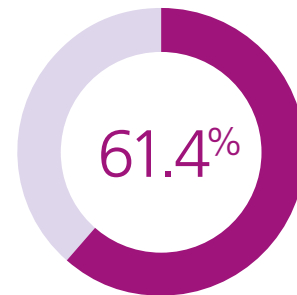


Median 2022

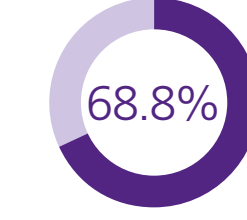


Mean 2023

(percentage difference between White and Black, Asian and Minority Ethnic colleagues' mean bonus pay).



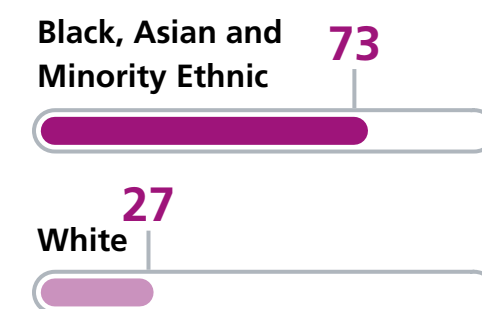
Mean 2022



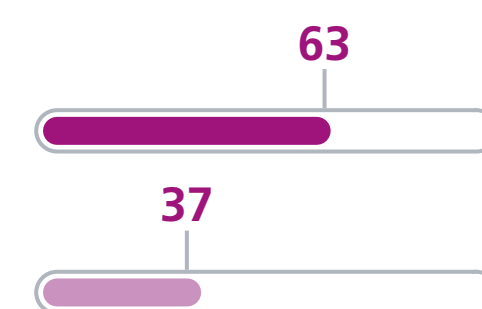
Our pay quartiles

Proportion of Black, Asian and Minority Ethnic, and White colleagues in each quartile.

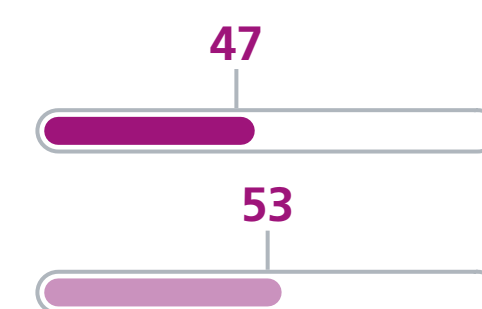
Quartile 1 (lowest pay)



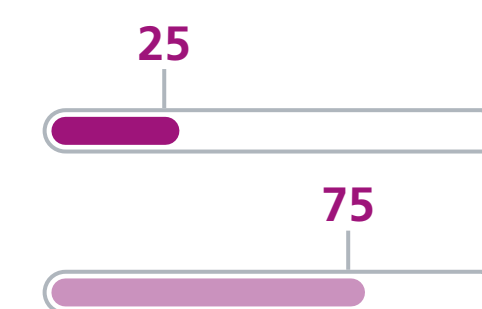
Quartile 2



Quartile 3



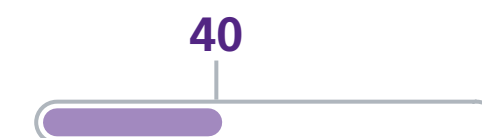
Quartile 4 (highest pay)



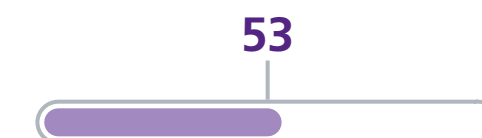
Black, Asian and Minority Ethnic



Black, Asian and Minority Ethnic



Black, Asian and Minority Ethnic



Black, Asian and Minority Ethnic



2023
2022

Representation



Bonus payments

Percentages of Black, Asian and Minority Ethnic, and White colleagues who received a bonus.



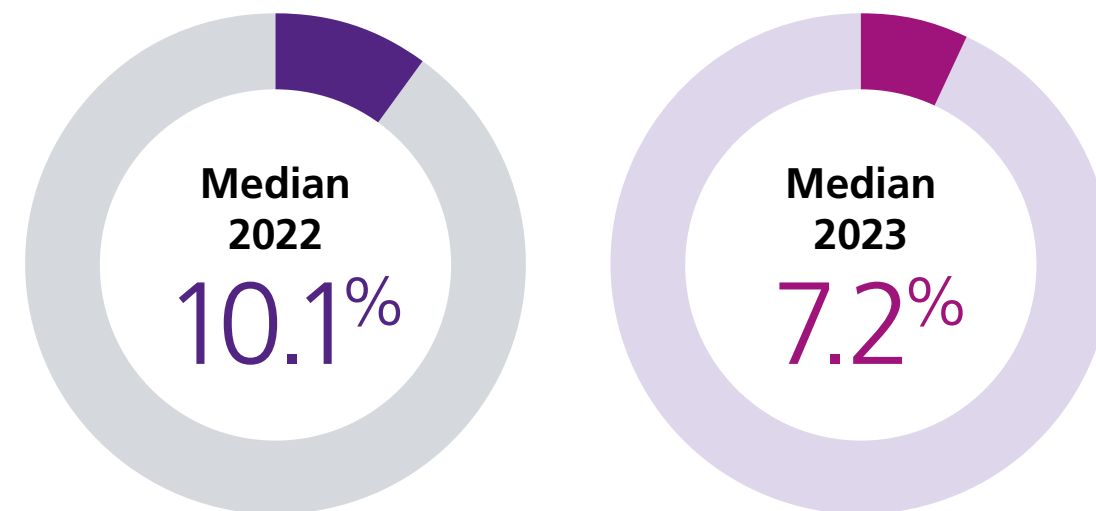
How our gender and ethnicity Pay gaps changed in 2023

Gender Pay Gap

The gender balance across Heathrow remains the same at 60% male and 40% female.

Our median gender pay gap has improved by 2.9% to 7.2% due to an increase in female representation in some of our more senior roles across Heathrow.

The mean Gender Pay Gap has improved by 7% to 1.4%.



Ethnicity Pay Gap

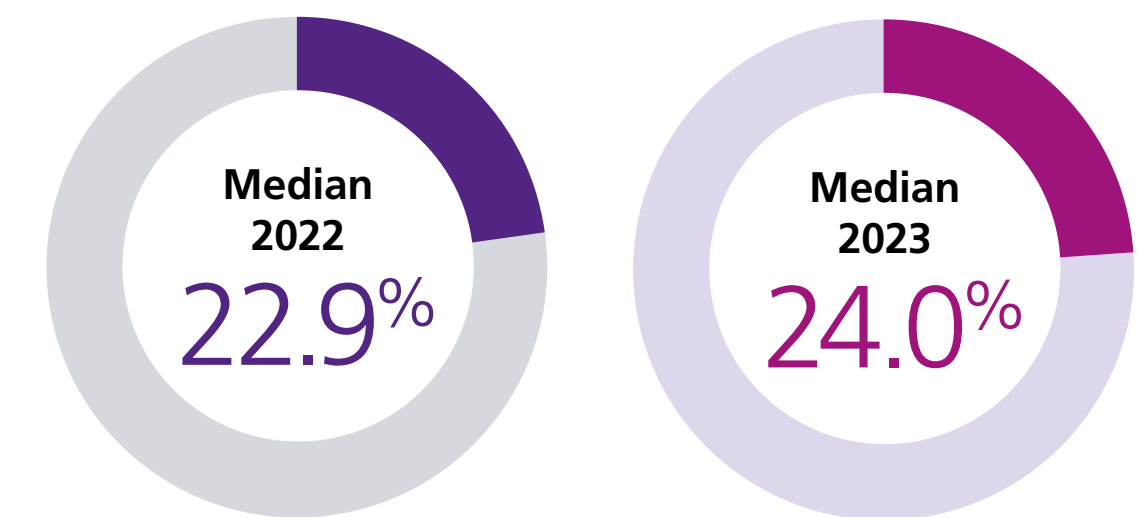
Overall Black, Asian, and Minority Ethnic representation has increased by 3% in 2023 from 46% to 49%.

Heathrow's median Ethnicity Pay Gap has increased by 1.1% to 24.0% due to an increase in more front line, lower paid roles, which are more highly represented by Black, Asian and Minority Ethnic colleagues.

Black, Asian, and Minority Ethnic representation within the management population has increased from 24% in 2022 to 27% in 2023.

Black, Asian, and Minority Ethnic representation within the non-management population has increased from 55% in 2022 to 59% in 2023.

The mean Ethnicity Pay Gap has decreased from 27.5% in 2022 to 21.5% in 2023, driven by the increase in Black, Asian and Minority Ethnic colleagues in the management population, who are paid more.





Our progress Updates

Our long-term data shows a step in the right direction; however, we are not complacent in our actions and are committed to continuing our efforts to further reduce the pay gaps. In 2021 we outlined four key strategic areas we would focus on, which we have provided an update on below.

Building Foundations

We are working to collect wider diversity data and encourage our colleagues to disclose characteristics such as whether they have a disability or their sexual orientation with us. We are making strong progress in increasing the amount of HAL colleagues who feel comfortable to share this data with the past year (June 2021 to July 22) seeing a 7.8% increase in disclosure rates of disability and 13.8% increase in disclosure rates of sexual orientation. In 2023 we also launched our brand new Inclusion Policy, and also our Menopause, Transition at Work and Outing guidance document. All creating tools and support for colleagues to be their true selves.

Creating career fulfilment

Our mentoring programme continued to grow in 2023 with over 500 colleagues now signed up as either mentor or mentee. This enables colleagues from all backgrounds to be supported in their career development and allows for our mentors to share their lived experiences and act as role models.

We have implemented an integrated performance and talent approach for our senior manager and manager bands (A-D).

We developed improved interview questions to better align to our values and to make sure we are measuring candidates commitments to driving an inclusive environment. This is measured through our treating everyone with respect value and asks candidates to demonstrate how they do this.

Developing an inclusive organisation

Launched our ED&I communications campaign, Right Where I Belong which helped to educate colleagues around our ambitions and plans for ED&I but also put our colleagues' stories at the heart of the work we do.

In 2023, we launched our brand-new mandatory ED&I learning. This now requires all colleagues to complete this learning to better understand Heathrow's goals around ED&I and to also help them understand the role they need to play in creating the right inclusive culture.

Amplifying our colleague voice

We have seen a 14% increase in our engagement survey on our inclusion question – do colleagues believe Heathrow is inclusive for all – which now stands at 70%. We also launched our first colleague inclusion and wellbeing survey, focused on ED&I, providing crucial insights to inform specific actions tailored to different groups and demographics. This will allow us to refine our plans and prioritise improvements based on colleague feedback.

In 2023, we launched a fifth ED&I Network based on colleague feedback, the network sPaCe, will focus on supporting parents & carers within the organisation.



Our progress Plans for 2024

Building Foundations

Our focus in 2024 is to continue to update our family friendly offering and provide a wide range of support for colleagues who are planning a family.

We will implement an ED&I dashboard to help monitor progress against our plans including how engaged colleagues are around ED&I.

Creating career fulfilment

We will ensure that there are clear opportunities for anyone working at Heathrow to develop and progress their career. As well as trialling reverse mentoring, we will extend our performance and talent framework to all grades, and support emerging talent through apprenticeships, internships, and graduate schemes.

We will further support the career development of our operational colleagues with the introduction of Career Champions and Career Pathways. Our Champions will be on hand to support our operational colleagues in developing and growing their careers and giving insight into how colleagues can get the best out of their careers and thrive at Heathrow.

We will bring online a range of talent development programmes which will support all colleagues to have successful careers.

We remain focused on delivering the action plan to help drive progress towards the goals set out in our sustainability strategy Heathrow 2.0 and continue to build on the success we have seen to date.

Developing an inclusive organisation

Our leadership capability is a key element of our ED&I plans. We want all our leaders to be able to value and embrace difference and to lead in an inclusive manner.

In 2024, all our senior leaders in the business will be going through an ED&I learning course to help them build their capability to become better inclusive leaders.

We will also launch the second phase of our Allies Programme Phase 2. This will build on the success of the previous programme and allow for more colleagues to step up to be allies and provide the support for those from different backgrounds.

Amplifying our colleague voice

We want our colleagues to feel comfortable to express their views, opinions, concerns, and suggestions to influence organisational decisions and strategies and we encourage open, trusting relationships between colleagues. Our thriving colleague ED&I Networks are an important tool to enable this.

In 2024, we are committed to continuing to monitor communication and engagement around ED&I and ensure we have actions plans to improve the level of engagement and make sure we are using the right communication channels.

Creating an inclusive organisation for all, beyond gender and ethnicity

We are acutely aware that this report predominantly focuses on gender and ethnicity; however, as outlined in Heathrow 2.0 we have clear plans to create an inclusive environment for all.

We are working to collect wider diversity data and encourage our colleagues to disclose characteristics such as whether they have a disability or their sexual orientation with us. We are making strong progress in increasing the amount of HAL colleagues who feel comfortable to share this data with the past year (June 2021 to July 22) seeing a 7.8% increase in disclosure rates of disability and 13.8% increase in disclosure rates of sexual orientation.

We also acknowledge while this report takes a binary approach to gender and uses the term Black, Asian & Minority Ethnic, we know these terms are imperfect and do not represent the full identities of many of our colleagues.



Chief People Officer's statement

This report is an opportunity for us to take a moment to reflect on the progress we have made towards closing both our gender and ethnicity pay gaps, helping us to focus on the impact of our actions and prioritising activities for the future.

It is positive to see that we are making progress, especially as we look at the reduction since we started reporting on our pay gaps. I'm pleased to see that the great work we are doing around creating the right inclusive culture and providing a sense of belonging for all our colleagues is having an impact on our pay gaps.

However, we still have more work to do, especially in driving down our ethnicity pay gap and so I'm fully committed as are my fellow leaders in the business, to driving further progress and taking accountability for this. It is more important than ever that we continue to grow and develop our talent and ensure Heathrow remains a great place to work.

As Chief People Officer, I confirm that the information contained in this report is accurate.

Paula Stannett,
Chief People Officer

