

Gender and ethnicity pay gap report 2022

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.

This diversity amongst our passengers, colleagues and local community makes us stronger and is critical in helping us deliver our vision of providing the best airport service in the world. While we are a wonderfully diverse organisation, we are committed to continuing to drive diversity to all levels of the organisation, making Heathrow an even better place for passengers and colleagues.

The past couple of years have been challenging for our business and while our commitment to equality, diversity, and inclusion remained a critical part of Heathrow's agenda the recent impact has meant we have had to take time to refocus our plans and make sure we are set up for future success. In 2017, we set out clear goals to be delivered by 2025, and while we have made progress, particularly for gender balance, given the challenges of the last two years we have made the decision to extend these goals to 2030.

Equality, diversity, and inclusion (ED&I) is a critical part of our business strategy, so we have committed to stronger, ambitious plans to help us achieve our goals within this timeframe.

It is positive to see an increase in female representation in some of our roles across Heathrow and the last twelve months have seen an overall increase of our Black, Asian, and ethnic minority colleagues at all levels. There is now opportunity to increase this at our most senior level in the business.

As we continue to recover, we have many opportunities to focus on our ED&I agenda and focus on how we support internal mobility, bringing our diverse internal talent into these senior roles.

We will use our next five-year regulatory period, which runs from 2022-2026, to help track progress. We also have our refreshed Heathrow 2.0 strategy with clear diversity goals in which we are already working towards and will help to give us the focus we need to achieve these by 2026.

As we move forward and 'build back better', we will continue to be transparent as we report our progress. I am incredibly proud of our diverse community, and the ongoing focus to further strengthen Heathrow's equality, diversity and inclusion agenda.



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.

John Holland-Kaye
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.

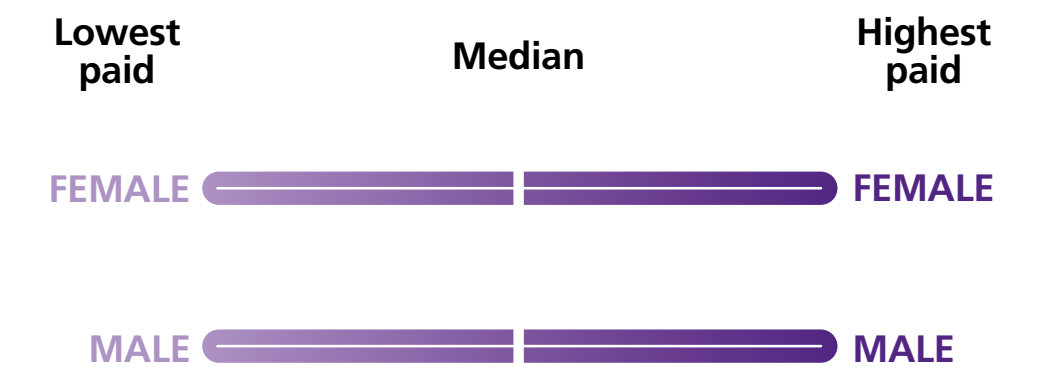
How do we calculate the gap?

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

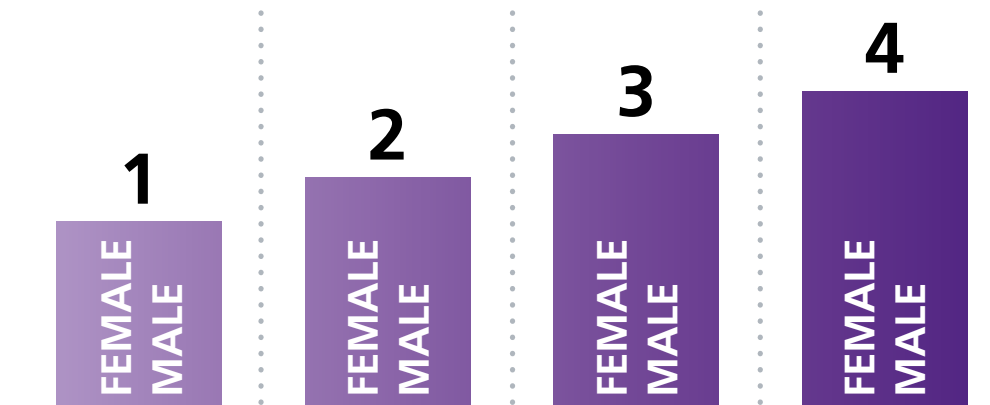
'Mean' is another word for 'average'. The mean hourly pay of a group of colleagues is their average hourly pay. To find it, we add up all their hourly rates and divide the total by the number of colleagues in that group. Once again, if we find a difference between two groups, that's their mean pay gap.



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.



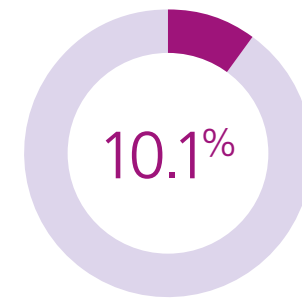
2022 gender pay gap?

Gender pay gap

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

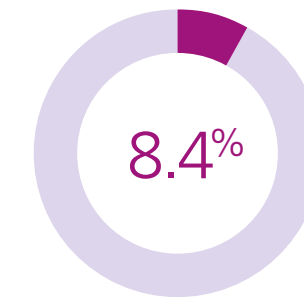
Median 2022

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

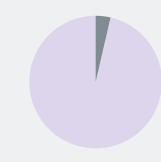


Mean 2022

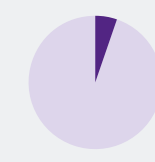
(percentage difference between women's and men's median hourly pay).



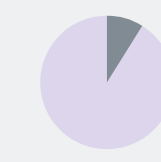
Including Furlough
3.8%



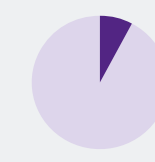
Excluding Furlough
5.3%



Including Furlough
9.1%



Excluding Furlough
7.9%

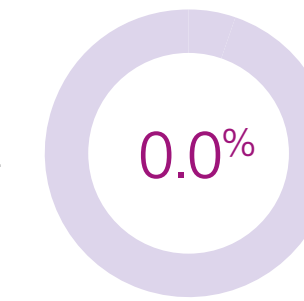


Gender bonus gap

Percentages of women and men who received a bonus.

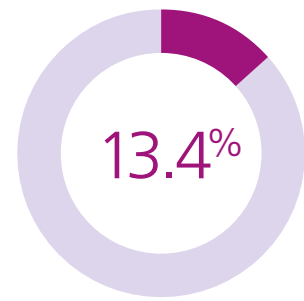
Median 2022

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

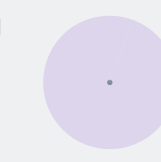


Mean 2022

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



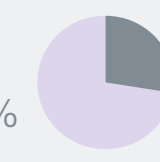
Including Furlough
0.0%



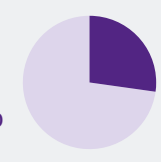
Excluding Furlough
0.0%



Including Furlough
27.5%

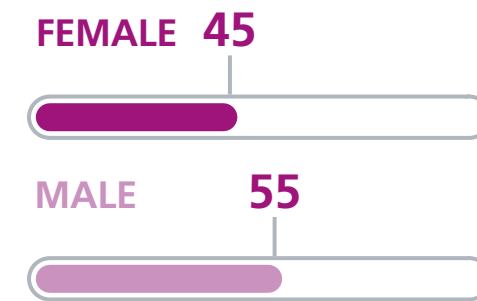


Excluding Furlough
27.3%

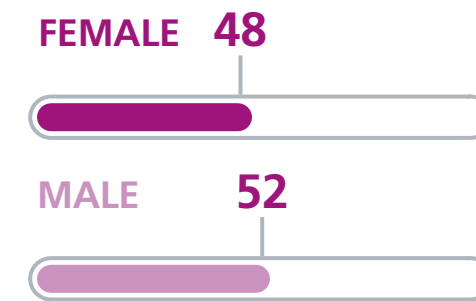


Our pay quartiles

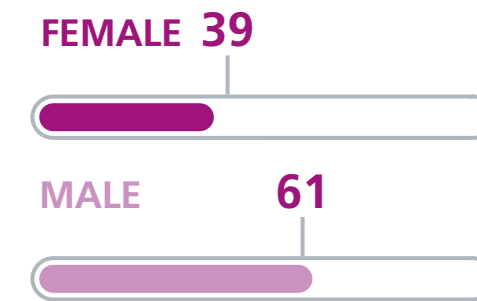
Proportion of women and men in each quartile.



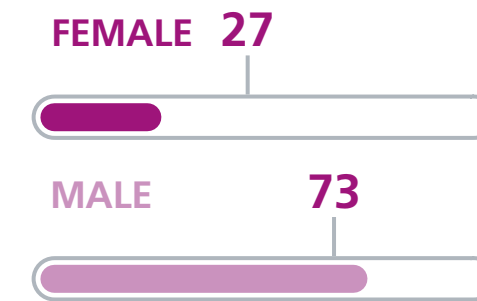
Quartile 1 (lowest pay)



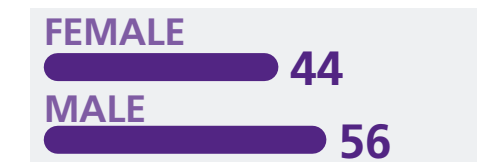
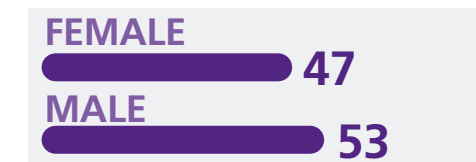
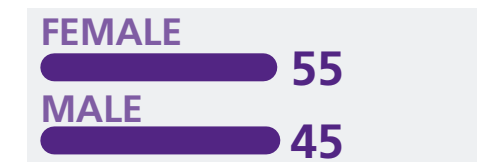
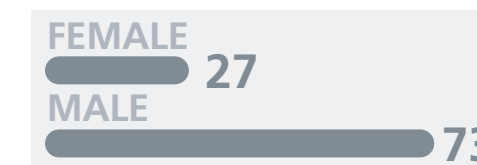
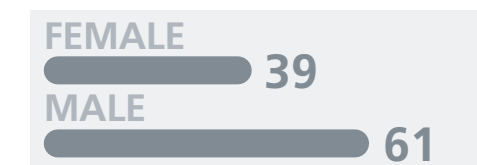
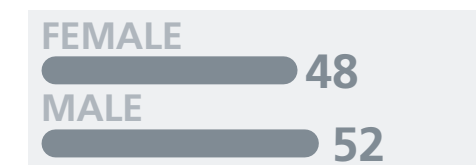
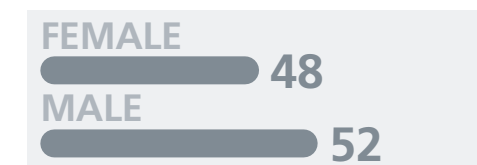
Quartile 2



Quartile 3



Quartile 4 (highest pay)

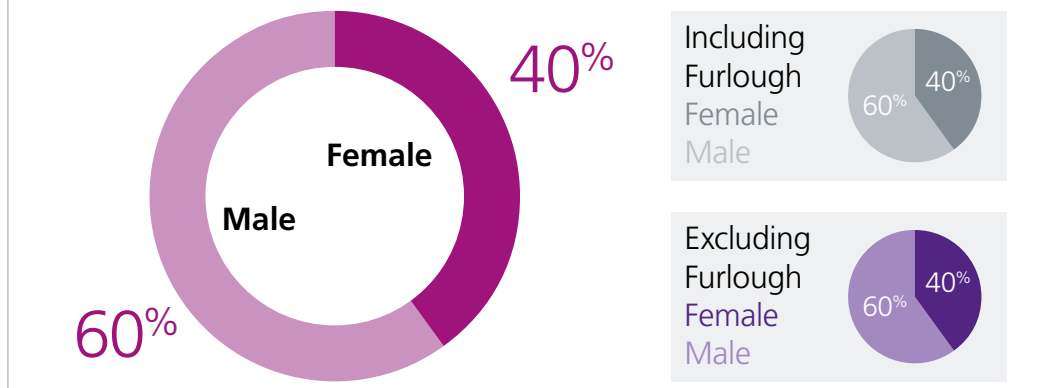


■ 2022 Final

■ 2021 including colleagues on furlough

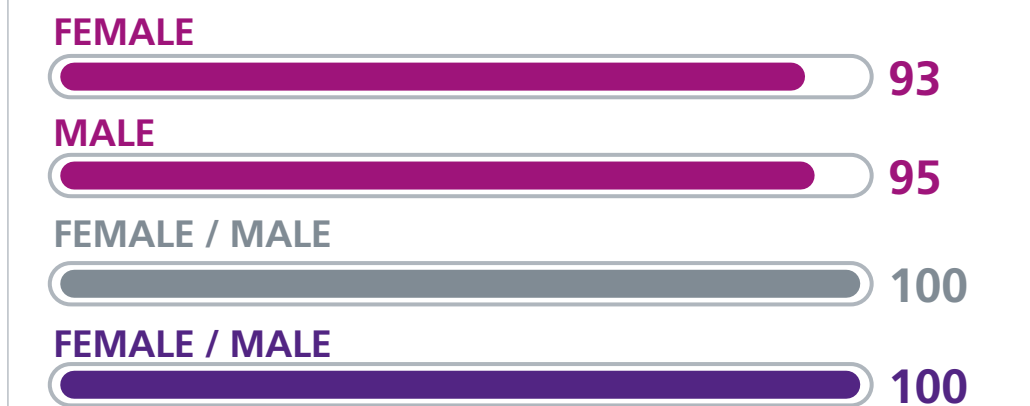
■ 2021 excluding colleagues on furlough

Representation



Bonus payments

Percentages of women and men who received a bonus.



All colleagues are eligible to participate in our bonus plans, however they must have joined the business before 1 October 2021 to be eligible for a payment in March 2022. Those not paid a bonus were new starters.

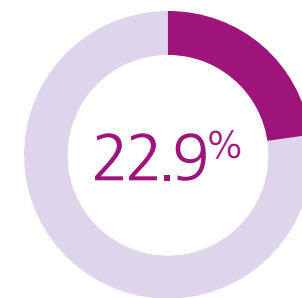
2022 ethnicity pay gap?

Ethnicity pay gap

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

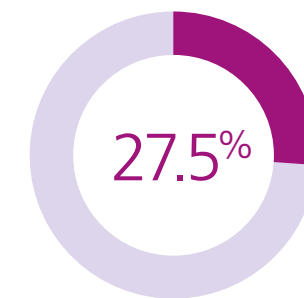
Median 2022

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



Mean 2022

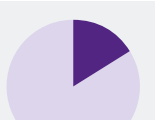
(percentage difference between White and Black, Asian and Minority Ethnic colleagues' mean hourly pay).



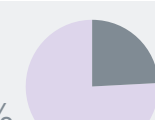
Including Furlough
14.6%



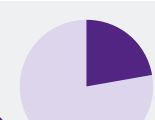
Excluding Furlough
16.3%



Including Furlough
24.2%



Excluding Furlough
24.5%

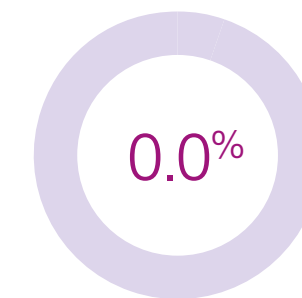


Ethnicity bonus gap

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

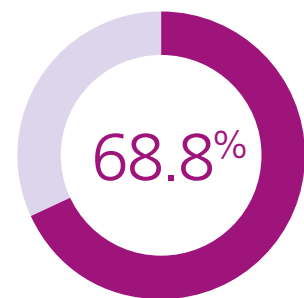
Median 2022

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

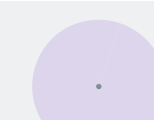


Mean 2022

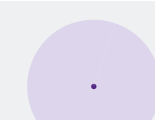
(percentage difference between White and Black, Asian and Minority Ethnic colleagues' mean bonus pay).



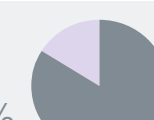
Including Furlough
0.0%



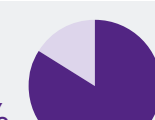
Excluding Furlough
0.0%



Including Furlough
84.1%

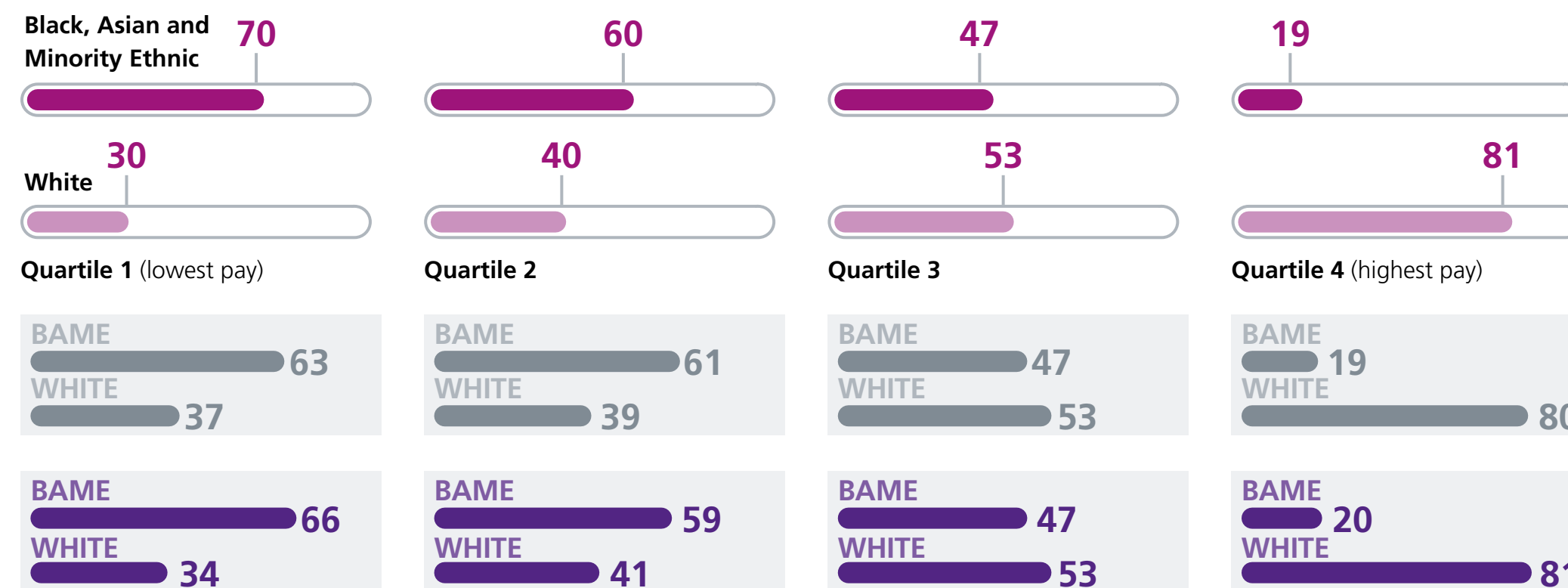


Excluding Furlough
84.1%



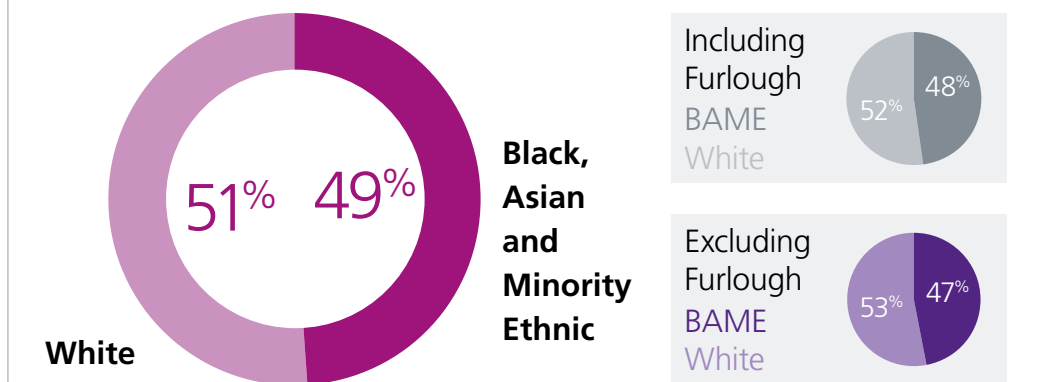
Our pay quartiles

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



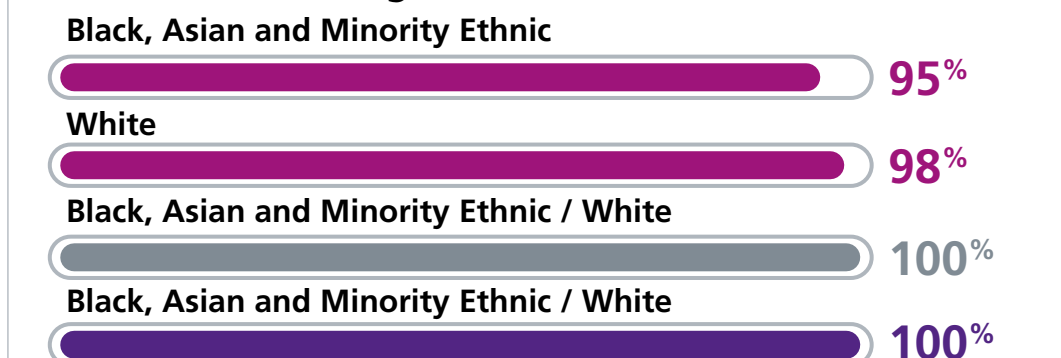
- 2022 Final
- 2021 including colleagues on furlough
- 2021 excluding colleagues on furlough

Representation



Bonus payments

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



All colleagues are eligible to participate in our bonus plans, however they must have joined the business before 1 October 2021 to be eligible for a payment in March 2022. Those not paid a bonus were new starters.

How our Gender and Ethnicity Pay Gaps Changed in 2022

How our Gender & Ethnicity Pay Gaps Changed in 2022

We have spent significant periods of 2021 & early 2022 protecting the business from the impacts of COVID-19 pandemic, meaning there were limited opportunities for progression and promotion internally.

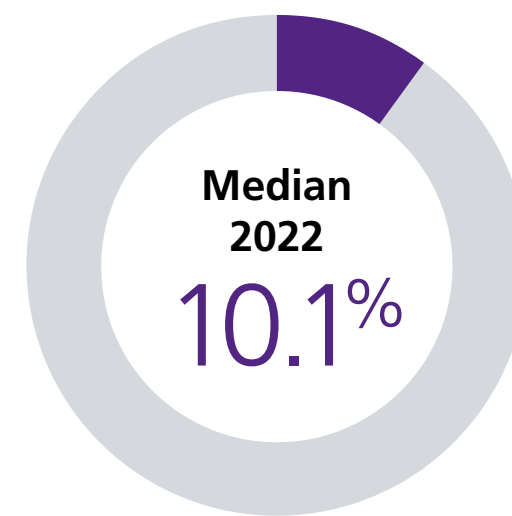
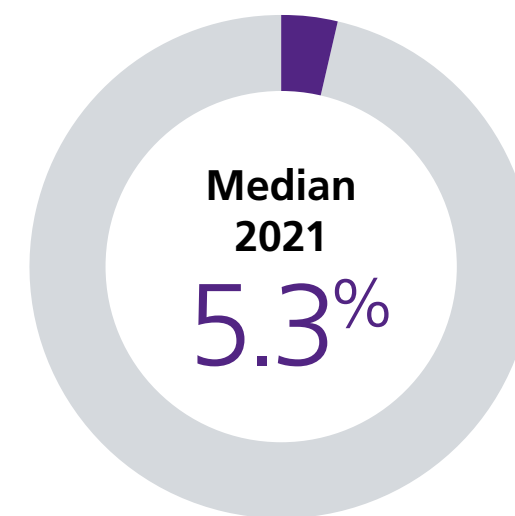
However, we have seen some improvements across our pay gaps.

Gender Pay Gap

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

Our median pay gap has increased to 10.1% due to an increase in male representation in some of our more senior roles across Heathrow.

The mean Gender Pay Gap has slightly increased to 8.4%



2021 excluding colleagues on furlough

Ethnicity Pay Gap

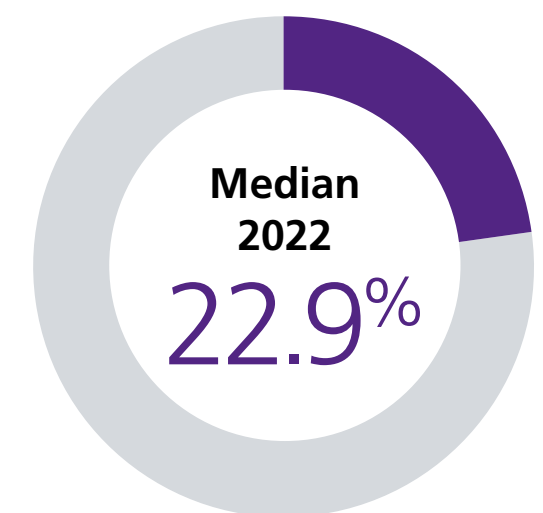
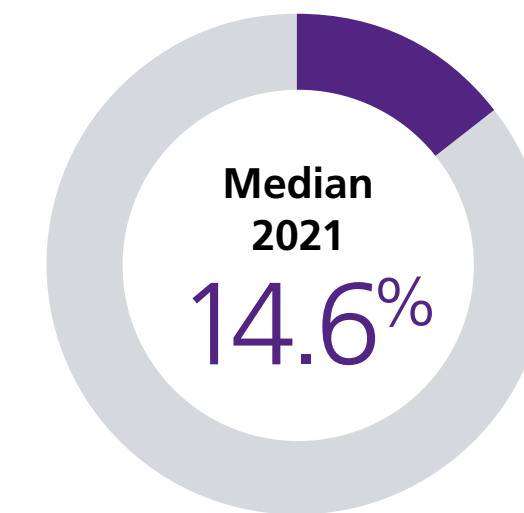
Overall Black, Asian, and Minority Ethnic representation has increased by 2% in 2022 from 47% to 49%.

Heathrow's median Ethnicity Pay Gap has increased by 8.3% to 22.9%

Black, Asian, and Minority Ethnic representation within the management population has increased from 23% in 2021 to 24% in 2022.

Black, Asian, and Minority Ethnic representation within the non-management population has increased from 53% in 2021 to 55% in 2022.

The mean Ethnicity Pay Gap has increased to 27.5%, driven by an increase in Black, Asian and Minority Ethnic colleagues in the lower paid roles.





Our progress

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.

Strategic Focus	2022 Progress Update	Plans for 2023
Driving sustainable growth	We have created a new Inclusion Policy, as well as a range of associated guidance for Menopause and Transition at work.	<p>We are using feedback from colleagues to build a better colleague proposition and improving other policies such as Maternity, Paternity and Adoption policies. 2023 will see the roll out of further development of our proposition around policies and will see us implementing a new Reasonable Adjustment and enhanced family friendly policies.</p> <p>We will also drive improved levels of consistency and clarity, by communicating our equality, diversity and inclusion goals to our leaders, whilst providing all colleagues with an understanding of what we are aiming to achieve, and how we are performing over time.</p> <p>We will implement an ED&I dashboard to help monitor progress against our plans including how engaged colleagues are around ED&I.</p> <p>We will develop and embed improved diverse recruitment practices which will include refreshed interview questions and diverse interview panels.</p>
Creating career fulfilment	<p>We have successfully launched a company-wide mentoring programme, open to all colleagues to support our diverse range of colleagues and ensure they feel supported and succeed in their role.</p> <p>We have implemented an integrated performance and talent approach for our senior manager and manager bands (A-D). Informed the Talent Strategy designed to unlock growth opportunities for our entry level colleagues.</p> <p>In 2022, we launched our Colleague Careers Hub, an intranet based one stop shop to help colleagues access guidance, organisational and career planning information, as well as creating a single point of access to online learning, mentoring and job opportunities. We also saw 17 of our colleagues complete our first internal Colleague Intern Programme. This offered the opportunity to spend 10 months in another function to develop new skills and capabilities. At the end of the programme 94% of the cohort secured a new career opportunity.</p>	<p>We will ensure that there are clear opportunities for anyone working at Heathrow to develop and progress their career. As well as introducing mentoring, we will extend our performance and talent framework to all grades, and support emerging talent through apprenticeships, internships, and graduate schemes.</p> <p>We will further support the career development of entry level colleagues with the introduction of Career Champions and Career Pathways.</p> <p>We will bring online a range of talent development programmes which will support all colleagues to have successful careers.</p>



Our progress

<p>Developing an inclusive organisation</p>	<p>2022 saw the launch of an inclusion allies programme, which has been successfully running over the past year with a group of individuals going through structured multi-day allyship training.</p> <p>Going into 2023 we want to continue to expand the allyship programme across the organisation.</p> <p>We have also developed and upskilled key stakeholders who play a key role in delivering ED&I across Heathrow, including our HRBPs, Recruitment teams, and our ED&I Network leads.</p>	<p>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. To support this, we will deliver conscious inclusion training and develop a suite of ED&I learning which will be delivered in 2023 to over 1500 leaders.</p> <p>ED&I is currently being built into a range of learning propositions ensuring that in 2023 all colleagues will learn about inclusion through structured mandatory learning.</p> <p>In 2023 will be formally launching Heathrow's ED&I campaign across the business, this was delayed in 2022 due to other business priorities. This campaign will give ED&I a core narrative and action plan that will drive tangible change towards a sense of belonging for all our colleagues.</p>
<p>Amplifying our colleague voice</p>	<p>Heathrow introduced dedicated ED&I questions into our colleague engagement survey, with the findings informing key business decisions. Notably in the first quarter of this year the majority of our colleagues believe Heathrow is inclusive to all.</p> <p>We have seen strong engagement and growth of our ED&I Networks in 2022. The ED&I Networks have been critical in pushing the ED&I agenda, improving understanding and driving important conversations on ED&I.</p> <p>We have focussed on areas such as career development, Menopause, Transitioning at work and better understanding the needs of our colleagues with different neurodiversity needs.</p>	<p>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. We will be reviewing our ED&I Network proposition in 2023 to ensure we have the right offering to continue to reflect our colleague voice and organisational needs.</p> <p>In 2023 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.</p> <p>2023 will also see us run an ED&I specific survey to all colleagues. This will allow colleagues from across the whole business to give their feedback on how inclusive it feels to work at Heathrow and help us to validate our plans and ensure our actions are linked to feedback from our colleagues.</p>

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 Heathrow 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

Even though we are seeing growth at Heathrow, and we are emerging from the pandemic, there are still challenges to address, including continuing to grow a more equal, diverse, and inclusive workforce. We went through a period of virtual inactivity for recruitment and promotions due to the pandemic, but that is now behind us, and we are growing quickly.

This comes with challenges, the biggest of which is recruiting in an extremely competitive labour market. In the face of these challenges, we remain committed to delivering our ED&I plans. We have made good progress in some areas, such as recruiting more diverse talent into our non-managerial and operational roles, but there is more we need to do at a senior level.

By continuing to report on our gender and ethnicity, data, seeking the opportunities building back our capacity will bring, and a clear action plan, we will reach our goal of becoming an inclusive organisation at all levels. Further growing a diverse, talented workforce will not only enable us to achieve Heathrow's visions of delivering the best airport service in the world, but Heathrow will also be an organisation that people want to work for, and love to work for.

Paula Stannett,
Chief People Officer

