
HEATHROW'S GENDER PAY GAP REPORT

As of 5 April 2018



Heathrow

WHAT WE ARE REPORTING AND WHY IT MATTERS

In 2017, for the first time, UK companies with 250 or more employees published data on the average hourly pay of the women and men who work for them. Heathrow welcomed this increased transparency, and we are pleased to present our 2018 gender pay gap report demonstrating the progress we've made in ensuring Heathrow is a great place to work for all colleagues.

We firmly believe that our people are the reason for our success as one of the world's foremost hub airports. In order to keep our airport safe, our passengers happy and help build a better Britain as we expand, we need talented and dedicated colleagues who believe in our vision for an even more successful future. We see the gender pay reporting requirements as a step in the right direction, helping us to attract and retain the best talent by proving our commitment to a diverse and inclusive workplace where everyone can achieve their potential.

We believe that we are making good progress, and our results for 2018 are evidence that we are indeed removing barriers to success and supporting all of our colleagues to succeed. But we do still have a gender pay gap, driven by the imbalance of men and women in the top quartile of jobs at Heathrow, and this is where we need to continue our focus.

As leaders within the transport and aviation sector, which has been particularly male-dominated in the past, we have a responsibility to set a strong example in helping all of our colleagues thrive. This report outlines where we are today as an organisation and the initiatives we have put in place to address our gender pay gap, support and encourage our female colleagues to succeed and drive positive change towards a more inclusive industry.

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



WHAT IS THE GENDER PAY GAP? | HOW IS IT CALCULATED?



1 The gender pay gap report gives businesses a snapshot of the make-up of their organisation. It helps to identify areas of imbalance, where efforts to improve opportunities should be focused.

2 Because different jobs pay differently and the number of women and men doing each job varies, a gender pay gap may exist.

3 This is distinct from equal pay, which is the difference in pay between women and men doing the same or similar jobs.

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.



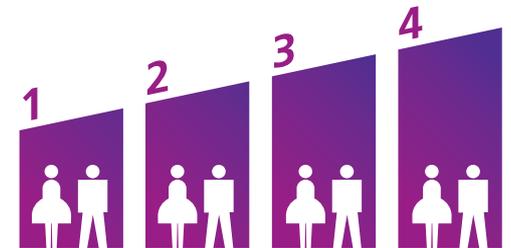
Mean pay gap

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

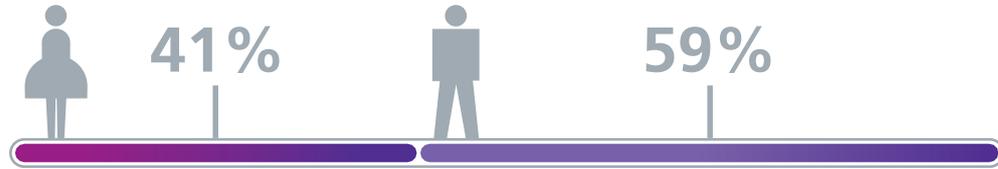
Businesses will divide colleagues into four equal-sized groups from lowest paid to highest paid and publish the proportion of women and men in each group – called a quartile.



OUR 2018 RESULTS

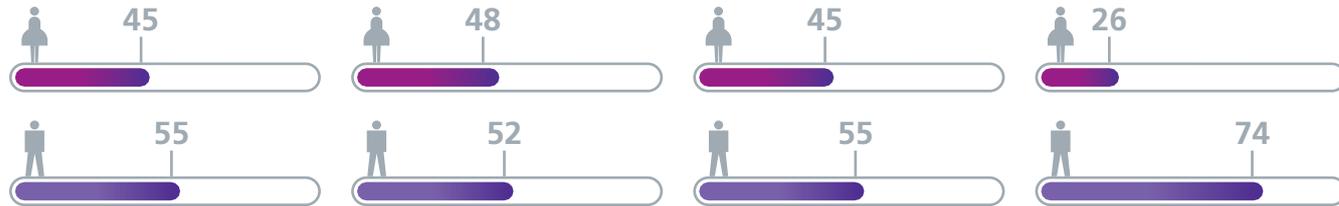
Over the past year, Heathrow has increased the number of women in senior roles, decreasing our gender pay and bonus gaps.

Our gender split across more than 6,000 colleagues working for Heathrow



Gender split in pay quartiles

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



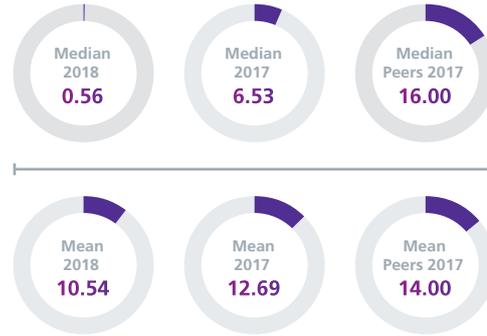
Quartile 1 (lowest pay)

Quartile 2

Quartile 3

Quartile 4 (highest pay)

Gender pay gap



Gender bonus gap



*Peer group composed of over 30 companies in the UK aviation and infrastructure sectors. 2018 comparison figures not yet available

% who received bonus



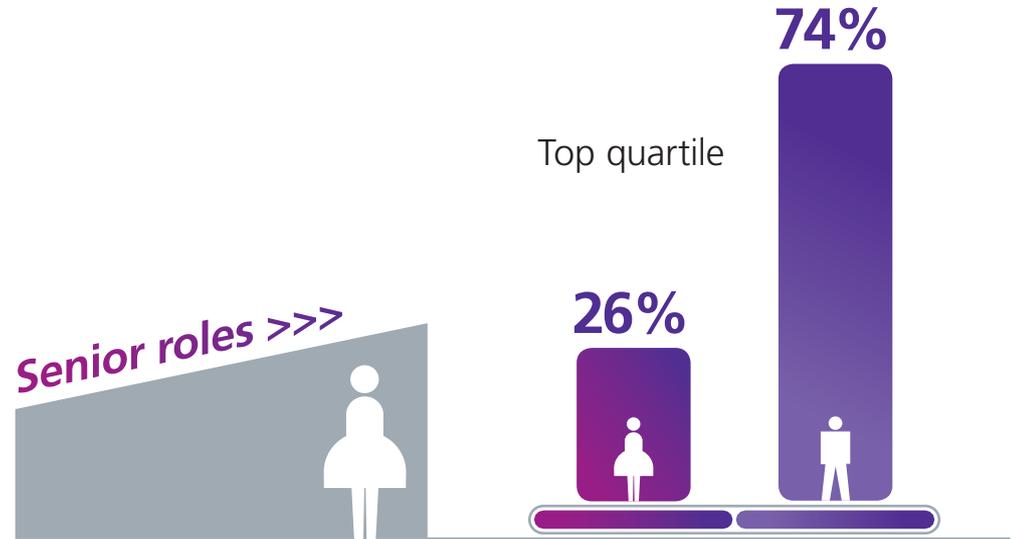
WHAT THE RESULTS MEAN

Heathrow has a proud history 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. Our gender pay gap report is a vital tool that will help us continue to attract the best talent to work at Heathrow – both male and female. We know that our industry has been male dominated in the past, and companies like ours have to make more progress in encouraging women to fulfil their full career potential.

Last year, we were pleased to discover that our gender pay gap was below the national average and that of our peer group. This year, we are delighted to report improvements across all measures. Our mean gender pay gap has decreased by 2.15% and our median gap by 5.97%. In relation to bonuses, our mean gender gap has been lowered by 5.92% while our median has remained at 0.00%.

These are improvements to be proud of, and show that our efforts to make Heathrow a diverse and inclusive place to work are paying off. However, we remain aware that only 26% of the most senior roles in our business are held by women and we will not be complacent. These are the roles that pay the highest salaries and bonuses, and we will continue in our endeavours to encourage more women to move into these roles to make further progress in years to come.

WHERE WE WILL FOCUS



In 2018, Heathrow has a median gender pay gap of 0.56%, an improvement since last year of 5.97%. Our mean gender pay gap has also decreased in comparison with last year by 2.15% to 10.54%.

However, a gap remains, and to close it we need to continue growing the number of women in senior roles at Heathrow.

HOW WE WILL TACKLE IT

For Heathrow to continue to improve its gender pay and bonus gaps we are aiming to increase the number of women in senior roles, by supporting women internally and attracting women externally.

We previously identified five main areas of focus. We have made progress in each of these since we last reported, and will continue to forge ahead with a view to making our results even better next year.

1

GROWING OUR TALENT PIPELINE

The design and development of a leadership programme dedicated to women is well underway. We have spent time with women leaders across the business to gain insights that will ensure the programme is right for our female colleagues at Heathrow. The programme will include a range of development tools and interventions to support our agile working strategy. It will launch early next year, and will complement our existing portfolio which is open to all colleagues.

2

PROMOTING OUR NEW AGILE WORKING GUIDELINES

Heathrow introduced agile working guidelines in 2018 and these are being embedded into the way we work. These ensure that all Heathrow colleagues can achieve a better work-life balance. With a focus on outcomes, we aim to provide flexibility and choice at work. This includes providing our operational colleagues with options for working in a more agile way, such as more job share opportunities and simplified ways to swap shifts. We will continue to improve tools and increase options for agile working.

3

GROWING OUR ALTITUDE WOMEN'S NETWORK

Our Altitude network was re-launched this year to great acclaim, it has grown its membership from 30 to over 250 colleagues and continues to expand. Open to all at Heathrow, it provides an inclusive and supportive network, engaging colleagues whilst also influencing the business to ensure that the right mechanisms are in place to to encourage job enrichment and progression. Altitude has also linked up with the Everywoman group to provide resources and support to women across the company since January 2018.

4

LAUNCHING A RETURNERSHIP PROGRAMME

Heathrow Career Returners programme launched in September 2018. Aimed at both genders, but partnering with Women Returners, we offer a structured fixed-term opportunity for individuals who have had a period of absence from the workplace to step back into professional roles. We know that the vast majority of people who have taken time off work for caring or parental responsibilities are women and this will provide them with extra help to transition back into a career. We will continue to build the programme in 2019.

5

ADVOCATING WITHIN OUR SUPPLY CHAIN

We have implemented a new supply chain solution for permanent hiring, and our recruitment agencies are now being monitored on the gender split of applications and interviews. We have also created a new team of in-house specialist recruiters to own the end to end process. They ensure objective advertising, sifting and shortlisting, alongside a new external careers website which includes information on our diversity networks and agile working.

CHIEF PEOPLE OFFICER'S STATEMENT

We are proud to be at the forefront of corporate Britain in terms of the opportunities we offer to both men and women at all levels of our organisation, and to be able to release this report showing that we are making progress in terms of closing our gender pay gap. Clearly, there is further work to do in order to close the gap even further, and we are determined to continue on this course.

Our Heathrow 2.0 sustainability programme aims to make our company a better place to work, and we consider the gender pay gap reporting requirements to be a vital tool in helping us to deliver our commitments.

Our report covers over 6,000 colleagues who work at all levels directly for Heathrow, including our Executive Committee*. We will continue to work together to further improve our results over the long-term and producing an annual report will ensure that we hold ourselves 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.

