



GENDER PAY GAP REPORT 2018

Go Ahead

INCLUSION AND DIVERSITY AT *Go-Ahead* RAIL

WOMEN REPRESENT 17.8% OF OUR UK RAIL WORKFORCE WHICH IS HIGHER THAN THE INDUSTRY-WIDE AVERAGE, WE PLAN TO INCREASE THIS FIGURE TO 21% BY 2021

[2016 Women in Rail Survey]

“Today our median gender pay gap in UK rail is 20.1%, marginally higher than the UK average of 17.9%. [Office of National Statistics, 2018]

Improving our gender balance is key to narrowing our gender pay gap. It is a huge challenge in an industry where our workforce and pipeline of talent is overwhelmingly male. We have introduced sector leading diversity targets to support our goals and are working extensively to attract and develop women in all roles and especially as train drivers.”

Siobhan Morrison, Group People Director

April 2018 workforce data



GO-AHEAD'S COMMITMENT TO DIVERSITY, WHICH STARTS AT THE TOP, MAKES OUR BUSINESS STRONGER, SMARTER AND MORE SUSTAINABLE.

Becoming a truly inclusive and diverse company is not only the right thing to do, it is crucial to improving business performance. We offer an inclusive environment regardless of socio-economic background, ethnicity, religion, gender, sexual orientation, age or disability and seek to have a workforce reflecting the diversity of the communities we serve. A diverse workforce provides a broader variety of viewpoints and range of knowledge which improves decision-making and problem-solving, which are critical to improving our customers' experience.

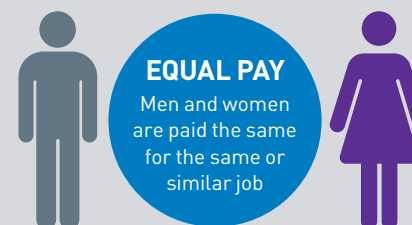


WHAT IS THE GENDER PAY GAP?

The Gender Pay Gap is the difference in pay between men and women explained through various statistics. It is influenced by a range of factors, including the demographics of a company's workforce.

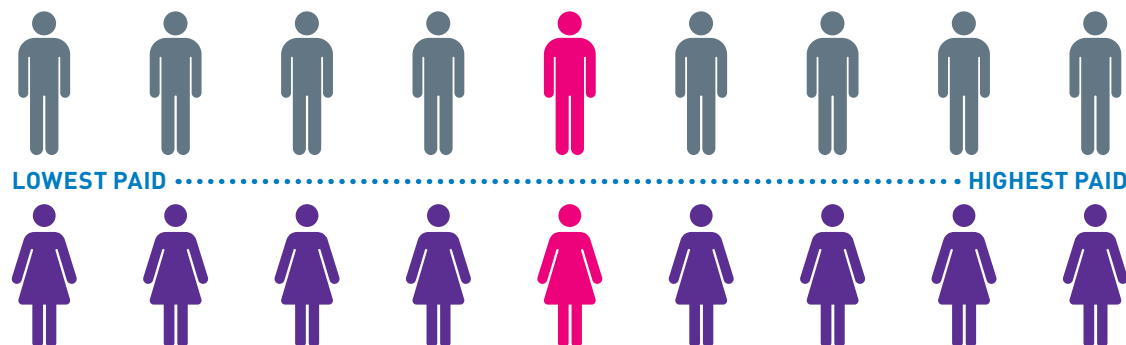
THE GENDER PAY GAP IS DIFFERENT FROM EQUAL PAY

'Equal Pay' is about a man and a woman receiving equal pay for the same or similar job. Along with Equal pay, Go-Ahead is committed to fostering a transparent and fair working environment, rewarding employees based on their performance.



MEAN PAY GAP

The mean gender pay gap is the difference in the average hourly pay for women compared to men, within a company.



MEDIAN PAY GAP

The median represents the middle point of a population. If you lined up all the women in a company and all the men in order of hourly pay rate, the median pay gap is the difference between the hourly pay rate for the middle woman compared to that of the middle man.

NATIONAL AVERAGE

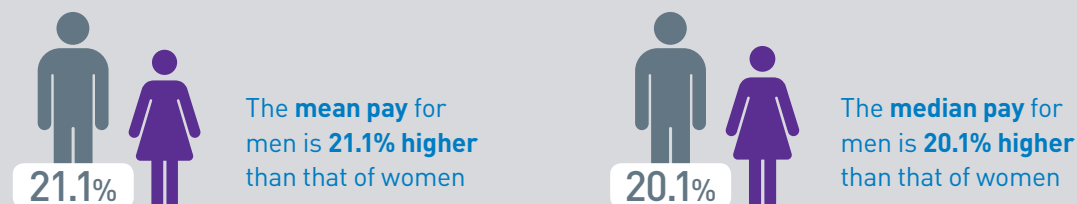
The national median gender pay gap is 17.9%*

*Office of National Statistics 2018

GO-AHEAD UK RAIL RESULTS

Go-Ahead Group is made up of multiple companies, with two employers GTR and Southeastern in the UK rail division. Looking at our total UK rail workforce our gender pay gap analysis shows the following:

GENDER PAY GAP



Our UK rail pay gap is strongly influenced by the salaries and gender make-up of our train driver community, 32.7% of the variance in mean pay which is 21.1% (or £4.81) in favour of men, can largely be explained by the high number of male train drivers in the upper and upper middle pay quartiles. If we were to remove train driver salary data from our results our mean pay gap would reduce from 21.1% to 14.2% (below the national mean gender pay gap of 17.2%^{*}). We are working to improve the number of women train drivers and across the last 3 years the number of female apprentice drivers has increased from 8% to 13.2%.

GENDER BONUS PAY GAP



Across UK rail 7.5% proportionally more women receive a bonus compared to men (see above right). A median bonus gap of 6.6% in favour of men is due to the large number of small commission payments made to employees in customer facing roles, many of whom are women.

^{*}Office for National Statistics 2018
This data represents our April 2018 results

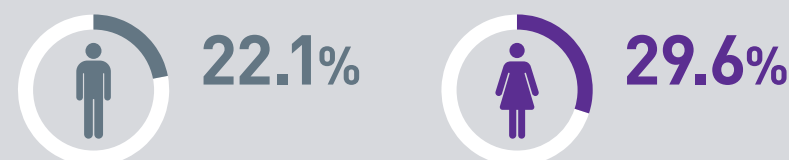
OUR REPORTING

Our bonus figures include both annual cash bonuses and vesting share awards made under our long-term incentive plan.

IN *Go-Ahead* UK RAIL THE MEAN BONUS PAY FOR WOMEN IS **12.6% LESS THAN MEN**

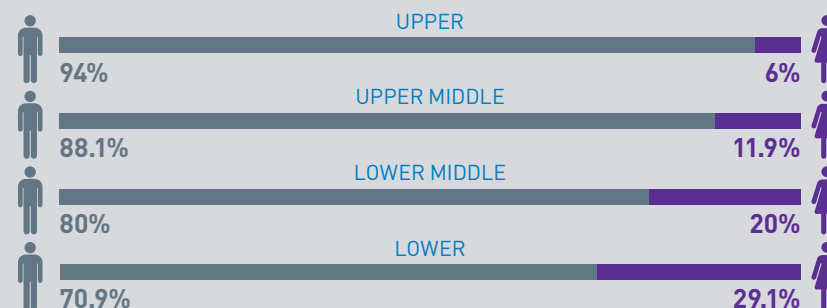
IN COMPARISON, THE NATIONAL MEAN BONUS PAY SHOWS THAT WOMEN EARN **68.8% LESS THAN MEN^{*}**

PROPORTION OF MEN AND WOMEN PAID A BONUS



POPULATION BY PAY QUARTILES

Quartiles represent the pay rates from the lowest to the highest for our UK rail employees split into four equal sized groups, with the percentage of men and women in each quartile.



MOST COMMON ROLES

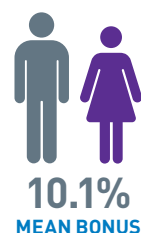
Upper and Upper Middle: **Train Driver**
Lower Middle: **Train On-Board**
Lower: **At Station**

CLOSER LOOK AT OUR UK RAIL RESULTS 1 of 2



In GTR, 11.3% of the 20.5% (or £5) mean pay gap can be attributed to the large number of male train drivers in the upper and upper middle pay quartiles. The median bonus pay shows a variance of 6% in favour of women, the gap has reduced since last year, when it was 42.4% in favour of women. The gap continues to be influenced by a high number of small one-off payments made to employees in train driver roles, the majority of whom are male. The quantum of these payments has had an effect on the median bonus pay for men more generally, in favour of women.

GENDER PAY AND BONUS GAP

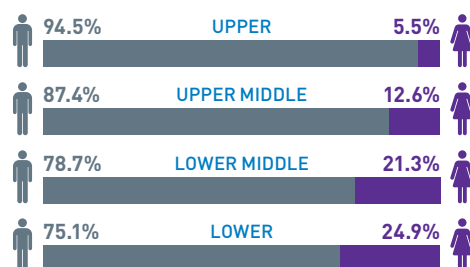


A negative number indicates that women on average earn more than men.

PROPORTION OF MEN AND WOMEN PAID A BONUS



POPULATION BY PAY QUARTILES



This data represents our April 2018 results

Most Common Roles (See page 4)

Career Change:

“It is genuinely the best thing I have ever done I would not consider going back into nursing and feel like I could be in the industry now until I retire.”

Laura McDonald, Train Driver

“Having been in nursing for 12 years, and 6 years fully qualified, it was a chance meeting with GTR train driver Polly McGillivray, that literally changed my life. Polly convinced me that being compassionate, empathetic and hard-working are the ideal characteristics to be a train driver.”

“I enjoy talking to female students about my change of career and why being a train driver is a great role for women. I look forward to the day when there are many more female drivers out there.”



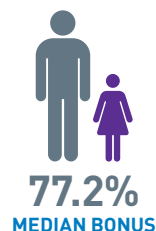
Polly McGillivray (Left), Laura McDonald (Right)

CLOSER LOOK AT OUR UK RAIL RESULTS 2 of 2

southeastern

In Southeastern, 11.5% of the 20.9% (or £4.18) mean pay gap can be attributed to the large number of male train drivers in the upper and upper middle pay quartiles. That is to say, the pay gap at Southeastern would have been 9.4% if the train driver population was excluded from the calculation. Although proportionally more women than men receive a bonus, the mean bonus gap equal to £256.40 in favour of men is linked to the large number of women, in some roles, receiving small commission payments.

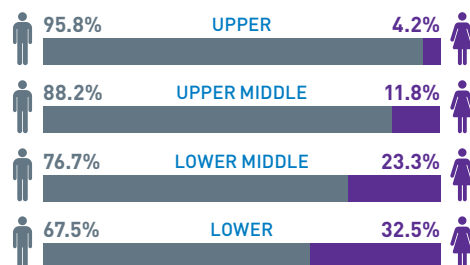
GENDER PAY AND BONUS GAP



PROPORTION OF MEN AND WOMEN PAID A BONUS



POPULATION BY PAY QUANTILES



This data represents our April 2018 results

Most Common Roles (see page 4)
Exception: Upper Middle Pay Quartile is Train Maintenance

Apprentice:

“The railway industry is great for any age or gender and being genuinely accepted as part of the Southeastern family is something I tell everyone I meet.”

Hannah Lawlor, Shunter Driver

“I wanted a career where I could develop in many different ways so it was great when I saw there was a Train Movements Apprenticeship available on the railway. It sounded perfect and suited my practical approach to work so I applied and became Southeastern’s first ever Train Movements Apprentice.”

“I love absolutely everything about the role and the business. This was the best choice I ever made. I have found what I am looking for and know the railway is a career I will stay with for the rest of my working life.”

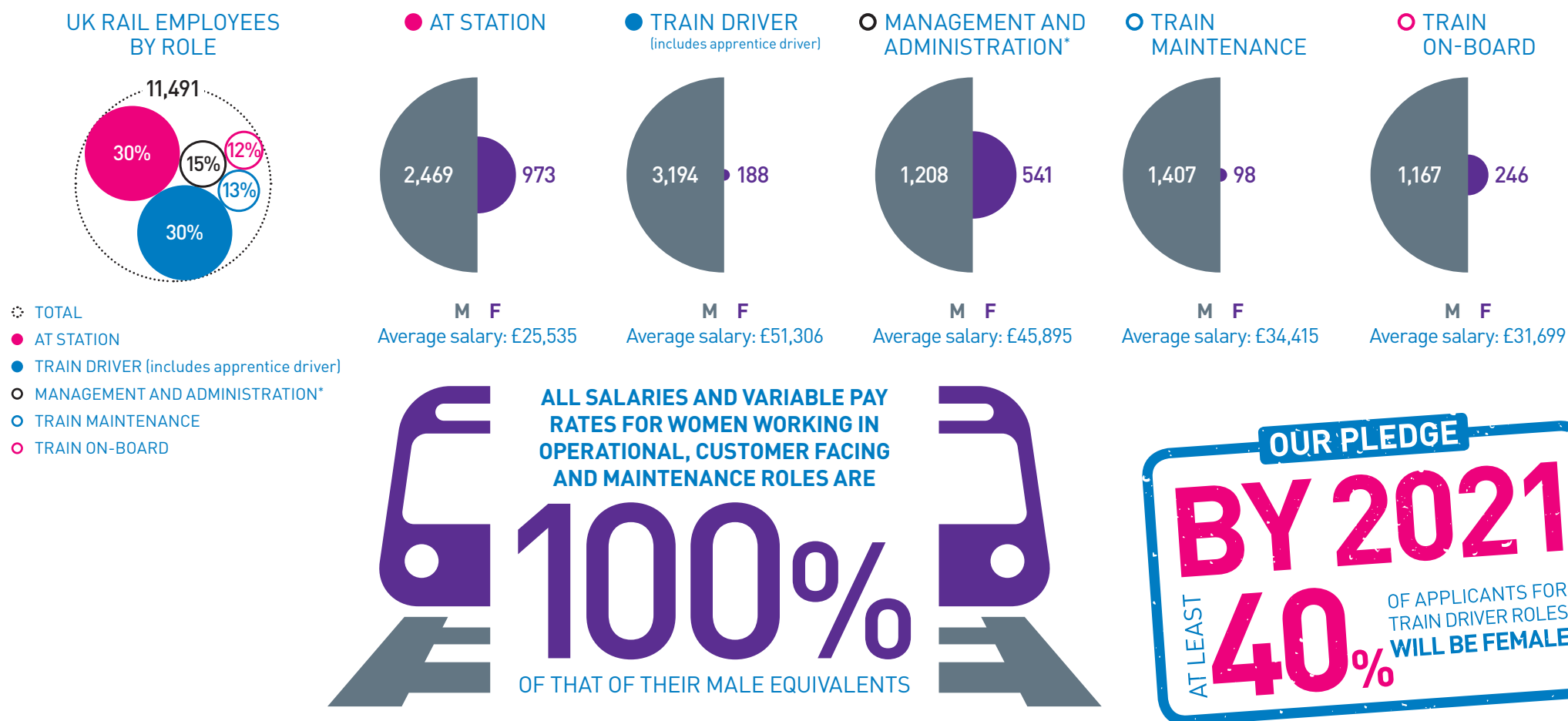


CLOSER LOOK AT OUR UK RAIL EMPLOYEES

Our UK rail gender pay gap is strongly influenced by the salaries and gender make-up of our train drivers, which comprises nearly a third of our UK rail employees. Train drivers are predominantly male and have higher salaries, relative to other employees, which significantly increases the average male pay.

We are seeking to increase the number of women in our UK rail business at all levels

and have set ourselves two challenging targets; by 2021 women will represent 21% of our UK rail workforce and at least 40% of applicants for train driver roles will be female. We will achieve these targets by promoting our early career opportunities to women through our 'Get Into Railways' programme and with our progressive train driver apprenticeship.



*This employee category includes Engineering Manager roles
April 2018 workforce data

OUR PROGRESS AND PLANS

Improving gender balance at all levels in our UK rail business is a key priority for Go-Ahead.

Women now account for **27.2% of executive leadership positions in our UK rail business, up from 20% in 2015**. We recognise there is more work to improve the representation of women throughout our rail business, particularly in train driver roles, engineering and at more senior levels.

Equality is at the heart of our organisational culture; we are committed to bringing about change across the business and have set some challenging diversity targets to achieve our ambition.

27.2% Women represent 27.2% of **executive leadership positions** in our UK rail business, up from 20% in 2015

23.1% Women represent 23.1% of **management positions** in our UK rail business, up from 22% in 2015

SUPPORTED BY OUR PLEDGE, SINCE 2017

WOMEN TRAIN DRIVERS AT
Go-Ahead UK RAIL HAS
INCREASED BY 17.5%

OUR PLEDGE
BY 2021
AT LEAST **40%**
OF APPLICANTS FOR
TRAIN DRIVER ROLES
WILL BE FEMALE

RECRUITMENT

We are recruiting from the diverse communities we serve and aim to have fully inclusive talent pools.

- We have set a target to increase the number of women in our UK rail workforce to reach 21% by 2021.
- In occupations where traditionally there have been more men, we have introduced initiatives to improve balance and changed our recruitment to attract more women, as featured on Woman's Hour.
- As a registered employer provider of train driver apprenticeships, we have introduced a target to increase women entering our train driver academy.
- Through the use of language technology we work to avoid bias when recruiting new talent.



OUR CULTURE

We are building an inclusive culture where employees can be themselves and do their best work.

- Industry-leading diversity targets have been set to support and progress our culture starting from the very top.
- We are reviewing our maternity, paternity and shared parental leave policies and seeking further improvements to support the needs of all our employees and their families.
- We are creating an environment and culture free of bias by training to identify prejudice in the workplace and reducing its impact.
- We have introduced employee-led network groups to create an authentic workplace where women can feel free to bring their true selves to work.



PROGRESSION

We are providing access to learning and development for all employees, ensuring women are given fair and equal opportunities to progress.

- GTR and Southeastern are holding a conference in partnership with Network Rail to promote inclusion and diversity.
- Participating in a cross industry mentoring initiative with Women in Rail to support and encourage the coaching and development of women.
- We are developing accelerator programmes for women, specifically targeting the areas of building confidence and being heard. We are also providing development programmes for women executives and managers.
- Holding networking events to foster and promote a self-supportive environment for women.





At Go-Ahead fairness in our pay practices, including equal pay for equal work, is fundamental to our pay philosophy and we support the fair treatment and reward of all employees irrespective of gender. Our gender pay gap is lower than the national average in a number of areas, however, we still have a gap and we are working hard to narrow it. To achieve this, we are committed to training and promoting women and improving how we recruit from the widest possible talent pool to increase our diversity.

David Brown,
Group Chief Executive

The results of our Gender Pay Gap Report have been independently calculated and we confirm that the information and data reported are accurate and in line with the UK government's Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Elodie Brian,
Interim Group Chief Financial Officer

Go-Ahead