

GENDER PAY GAP REPORT 2017

Go Ahead



INCLUSION AND DIVERSITY AT *Go-Ahead*

THE NUMBER OF WOMEN IN OUR UK RAIL WORKFORCE HAS INCREASED TO 17.3%, HIGHER THAN THE INDUSTRY-WIDE AVERAGE

[2016 Women in Rail Survey]

“Today our median gender pay gap in UK rail is 18.5%, similar to the UK average of 18.4%. [Office of National Statistics, 2017]

We are on a journey to improve our gender balance. Narrowing our gender pay gap is an important part of this journey but it is a huge challenge in a historically male-dominated industry where both our current workforce and the pipeline of talent from which we recruit is overwhelmingly male. We are working extensively to attract and develop women in all roles and especially as train drivers.”

Siobhan Morrison, Group People Director

April 2017 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 ethnicity, religion, gender, sexual orientation, age or disability and seek to have a workforce reflecting the diversity of the communities in which we operate. A diverse workforce offers a variety of viewpoints and a broader range of knowledge, which improves decision-making and problem-solving, all are critical to improving our customers' experience.

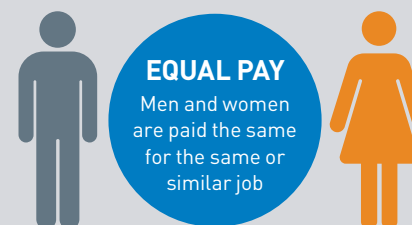


WHAT IS THE GENDER PAY GAP?

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.

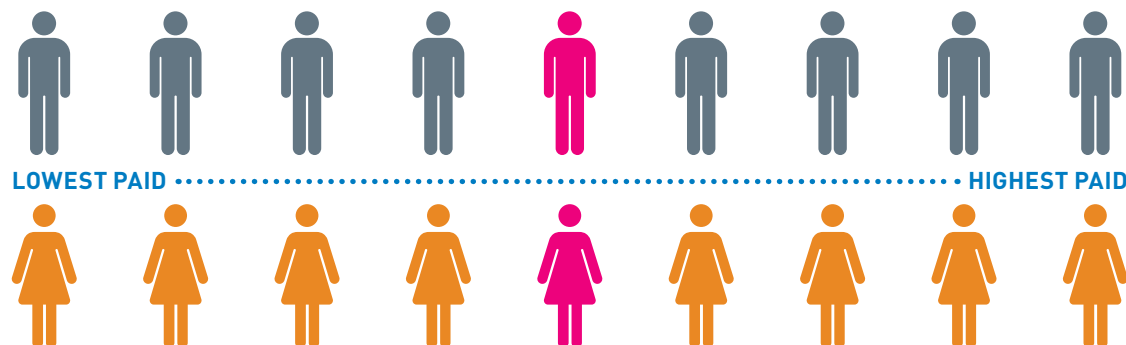
THE GENDER PAY GAP IS DIFFERENT FROM EQUAL PAY

'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

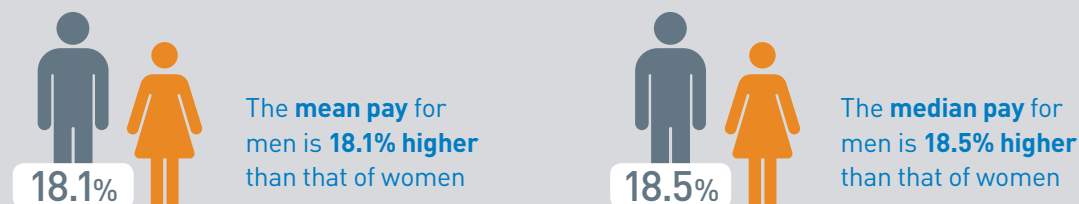
The national median pay gap is 18.4%*

*Office of National Statistics 2017

GO-AHEAD UK RAIL RESULTS

Go-Ahead Group is made up of various companies, with two employers 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, 53% of the variance in mean pay which is 18.1% (or £3.55) 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 18.1% to 8.5%. We are working to increase the number of women train drivers and across the last 3 years the number of female trainee drivers has improved from 7% to 10.6%.

GENDER BONUS PAY GAP



Across UK rail 7.4% proportionally more women receive a bonus compared to men (see above right). A bonus gap of 4.4% in favour of women is due to a large number of small one-off payments made to employees in train driver roles (explained further in the GTR section).

IN *Go-Ahead* UK RAIL POPULATION
THE MEAN BONUS PAY FOR WOMEN IS
4.4% MORE THAN MEN

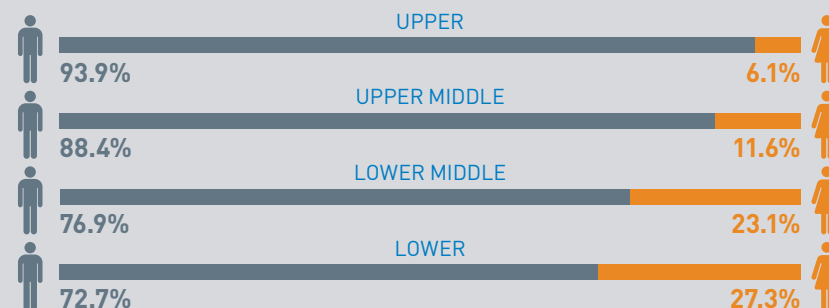
IN COMPARISON, THE NATIONAL MEAN
BONUS PAY SHOWS THAT WOMEN EARN
71% LESS THAN MEN**

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**

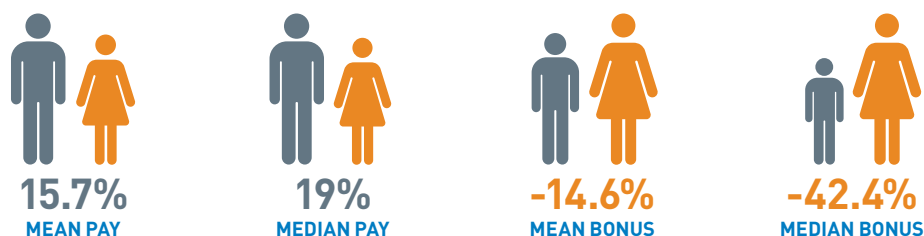
CLOSER LOOK AT OUR UK RAIL RESULTS

In our rail division we have two employers in the UK, which we are required to report separately on the government website. Their individual results are set out below.

GTR

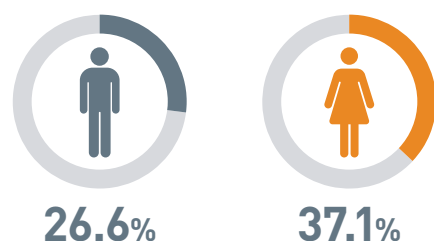
In GTR, 8.6% of the 15.7% (or £3.06) mean pay gap can be attributed to the large number of male train drivers in the upper and upper middle pay quartiles. However, 15.7% is lower than the 17.4% national average. The median bonus pay shows a variance of 42.4% in favour of women, this is influenced by the 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 influenced the mean and median bonus pay for men more generally, in favour of women.

GENDER PAY AND BONUS GAP



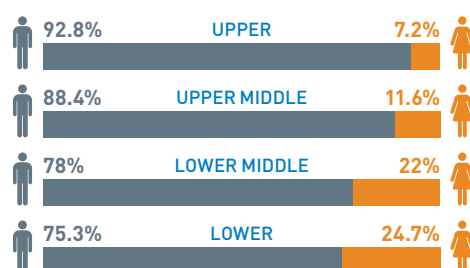
A negative number indicates that women on average earn more than men.

PROPORTION OF MEN AND WOMEN PAID A BONUS



This data represents our April 2017 results

POPULATION BY PAY QUARTILES

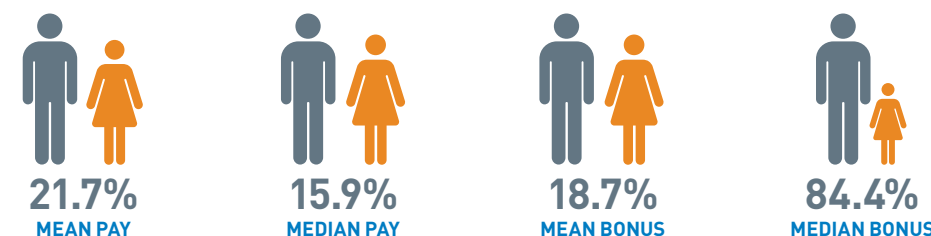


Most Common Roles (See page 4)

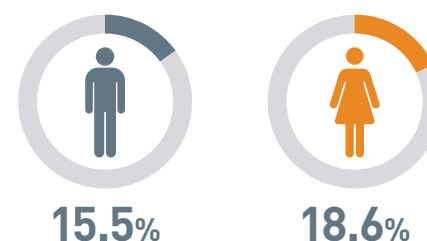
southeastern

In Southeastern, 11.3% of the 21.7% (or £4.29) mean pay gap can be attributed to the large number of male train drivers in the upper and upper middle pay quartiles. Although proportionally more women receive a bonus, the median bonus gap equal to £547.50 in favour of men is linked to the large number of women, in some roles, receiving small commission payments.

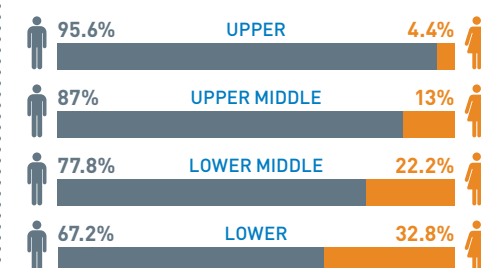
GENDER PAY AND BONUS GAP



PROPORTION OF MEN AND WOMEN PAID A BONUS



POPULATION BY PAY QUARTILES

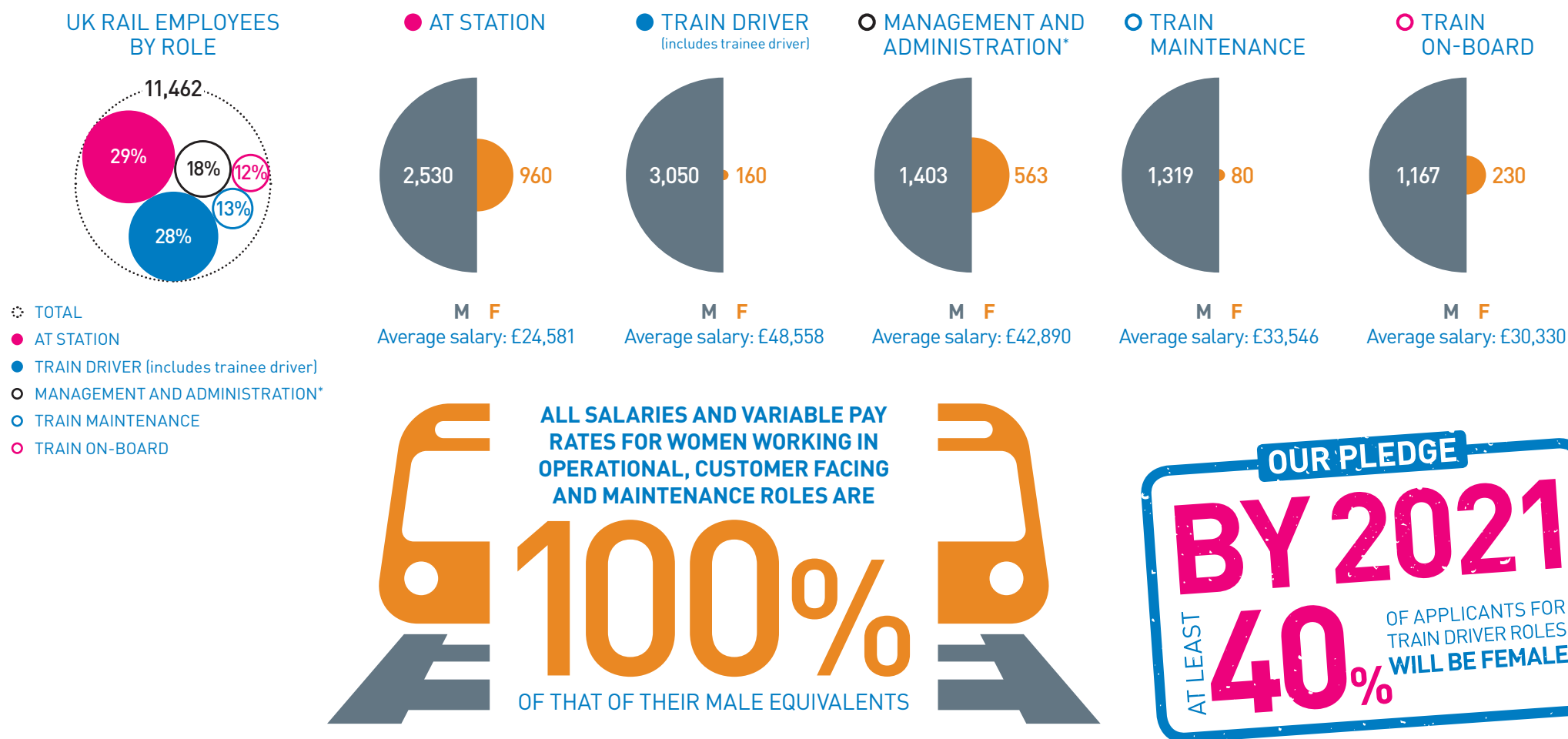


Most Common Roles (see page 4)
Exception: Upper Middle Pay Quartile is Train Maintenance

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 comprise over a quarter of our UK rail employees. Train drivers are predominantly male and have higher salaries, relative to other employees, this significantly increases the average male pay.

We are seeking to encourage more women to become train drivers through our involvement with **'Women with Drive'** and other initiatives. We have set a target that by 2021 at least, 40% of applicants for train driver roles will be female.



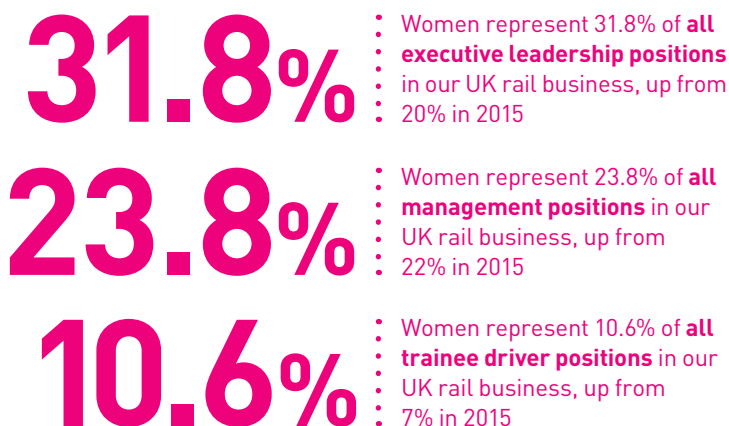
*This employee category includes Engineering Manager roles
April 2017 workforce data

OUR PLANS

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

Women now account for **31.8% of all executive leadership positions in our UK rail business, up from 20% in 2015**. We recognise there is more work to do 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 out to enhance our programmes at all career stages.



PROGRESSION

WHAT ARE WE DOING?

- Review our executive leadership talent pipeline – specifically targeting women for leadership roles.
- Partnering with the world's largest women's network 'Everywoman'.
- As champion members of Business in the Community's Gender Equality Campaign benchmark our progress against other leading organisations.

THE FUTURE:

- Work with development specialists to provide learning opportunities for aspiring women leaders.
- Support personalised development through the Everywoman network and other initiatives.
- Set more targets to secure progress and become 'best in sector'.

OUR CULTURE

WHAT ARE WE DOING?

- Over the last 2 years, Go-Ahead has implemented a culture change programme, underpinned by our beliefs and attitudes, focussing on empowering our people and enabling two-way communication between customer-facing employees and leadership teams. With an emphasis on collaboration, we are building an open and agile culture which will drive change.
- Flexible working policies including maternity, paternity and shared-parental leave.
- Sponsorship of initiatives targeting greater female representation in rail including the inaugural Women in Rail Awards 2018.



THE FUTURE:

- Increase opportunities for part-time and flexible working arrangements.
- Greater alignment of career development to modern work practices.
- Provide mentoring and development programmes for women executives and managers.

RECRUITMENT

WHAT ARE WE DOING?

- Changing the images used in our recruitment campaigns to reflect the improving diversity of our business and the communities we serve.
- Rolled out unconscious bias training supporting hiring managers to better understand the positive impact of 'difference' in teams.
- Increased the number of female graduates improving our future female talent pipeline.

THE FUTURE:

- As an accredited Employer Provider of Apprenticeships, we will have targeted action in the disciplines of engineering, train maintenance and train driver academy.
- Mandate unconscious bias training, so all future managers recognise our company standard.
- Ensure our gender rebalancing initiatives will drive progress within departments and through the business.



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 it is our ambition to narrow it. To achieve this, we are committed to promoting women and improving how we recruit from the widest possible talent pool, securing future skills and increasing our diversity.

David Brown, Group Chief Executive

Declaration

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.

Patrick Butcher,
Group Chief Financial Officer



Go-Ahead