



Gender Pay Gap Report 2018

The government introduced legislation in 2017 that requires organisations with 250 employees or more to annually report their gender pay gap. As we report our gender pay gap figures for the second year we realise a greater effort is required to redress the gender pay gap within the Company.

Mean	Median
Gender pay gap*	
25%	38%

*Gender pay gap; the difference between the average hourly pay levels of all women compared with all men, irrespective of their role across the Company, expressed as a percentage of men's average pay.

We acknowledge that our mean and median gender pay gap has marginally increased since we reported our figures in 2017. As stated in our Gender Pay Gap Report 2017 we recognise that we operate in an industry where traditionally there has been an under-representation of females particularly in operational roles. Due to the under-representation we have been focussing on a strategy of recruiting females into operational positions that we can train and develop internally. We are fortunate that the growth of the business has supported this strategy, which has resulted in an 80% increase in females in operational roles. As we recruit more females into entry level operational roles, we temporarily slow progress in reducing the gender pay gap.

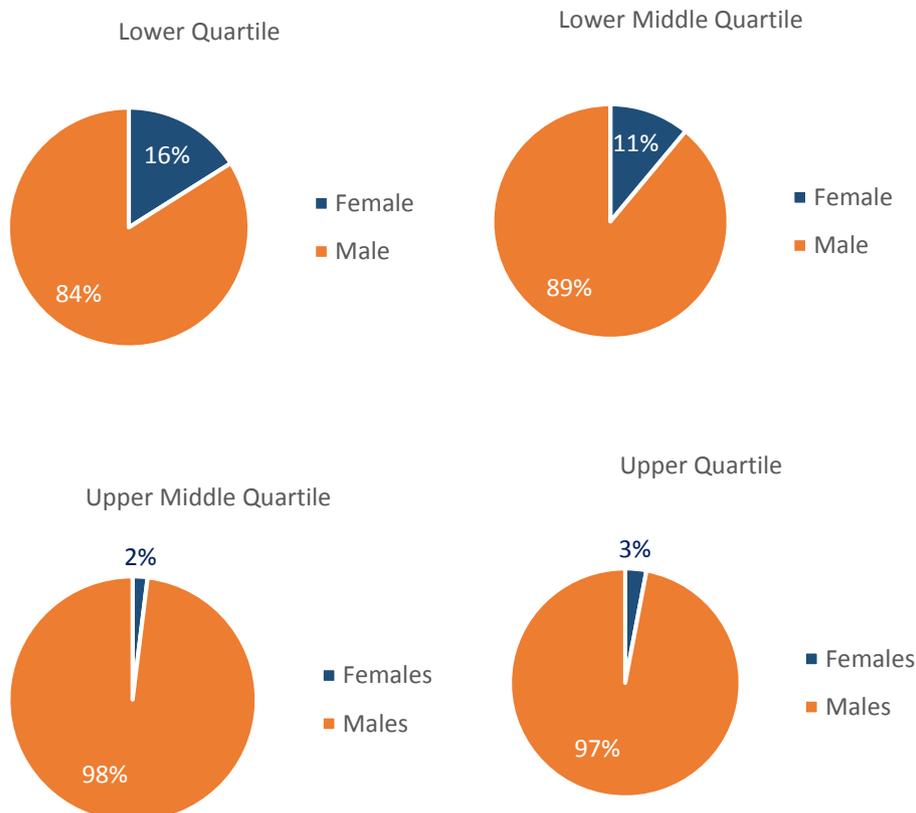
We are pleased to confirm we have made significant improvements in reducing the gender bonus gap highlighted in our 2017 gender pay gap report. The negative mean gender bonus gap indicates a higher average bonus for females compared to males across the organisation.

Mean	Median
Gender bonus gap*	
-23%	0%

- Gender bonus gap; the percentage difference in bonus paid to all women and all men in the 12 months to 5th April 2018. Our bonus figures include both annual cash bonuses and vested share awards from previous ownership.

Pay quartiles

At GB Railfreight our gender pay gap is due largely to a higher proportion of women occupying non-operational roles as demonstrated in the charts below, which sets out the gender distribution across the Company in four pay quartiles.



The business growth strategy in 2018 has supported the recruitment of females namely into entry level operational positions. This provides the Company with a future resource pool to train and develop into Train Manager (Train Driver) positions that are currently predominantly occupied by males and fall into the Upper Middle Quartile. As a result of focusing on this strategy the proportion of females remains broadly the same in the top two pay quartiles.

Proportion of employees receiving a bonus payment

We apply the same bonus eligibility rules to all employees. To receive a bonus in 2018 employees had to be employed by the Company as at the 31st December 2017. The difference in the percentage figures is indicative of the number of staff who joined the business after the end of the financial year.

FEMALE 88%

MALE 92%

Our Strategy

As part of our long term strategy to reduce our gender pay gap we have reviewed our recruitment processes to understand the under-representation of females at applicant stage. Whilst we have made steady progress in attracting female talent into the business, we are aware working patterns in this sector make certain roles less attractive to carers of young children. Although society is changing this predominantly still affects more women than men. We will continue to do all we can to attract females that are interested in a career in this sector. To support us in this effort we have enhanced our social media campaigns allowing us to reach a wider audience and are continuously looking at ways to increase the Company's visibility.

The relatively flat management structure with little turnover in senior positions contributes to a higher number of men in senior roles. In 2018 we launched a leadership programme to encourage career progression within the business. The programme was designed to build and acquire behaviours and leadership qualities to support development into leadership positions when they arise. We are pleased to report that 20% of our female workforce have attended the programme.

On behalf of the Board of Directors, I confirm the data reported is accurate.



Karl Goulding-Davis, Finance Director