

Gender Pay Gap Report 2019



This is the third year that we have published our gender pay gap information. Whilst we have seen improvements in our figures we acknowledge these are likely to fluctuate as we continue to address the gender imbalance within the Company. Within our first two reports we outlined the challenges we face as a Company to tackle the gender diversity within a traditionally male dominated industry. In this report we evaluate our 2019 data and highlight some of the initiatives we are taking to address the pay gap.

Gender Pay Gap Data

Mean (average)	Median (middle)
Gender Pay Gap	
20%	31%

*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.

Mean (average)	Median (middle)
Gender Bonus Gap	
12%	67%

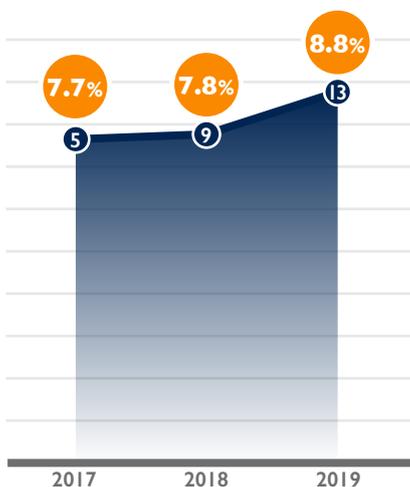
*Gender bonus gap: the percentage difference in bonus paid to all women and all men in the 12 months up to 5th April 2019. Our bonus figures include both annual cash bonuses, Pension payments to employees that left the GBRf Defined Benefit Pension Scheme and vested share awards from previous ownership.

Gender Pay Gap Data

GB Railfreight's average 2019 mean gender pay gap is 20%. This is an improvement from our 2018 pay gap of 25%, although we recognise it is still higher than the national average of 17.3%. Our gender pay gap stems from two main issues; fewer women than men in senior and middle management roles and fewer women than men in operational roles within the business. We have been working hard to recruit more women in operational positions and have seen a significant increase since we started reporting in 2017 as evidenced in the chart opposite. We recognise it will take time to create long term sustainable change, however, we believe such initiatives are starting to address the mean pay gap across the business.

The mean bonus figure in favour of men reflects the under representation of females within the business. The numbers are particularly skewed by large payments to those that voluntarily left the Defined Benefit Pension Scheme which ultimately affected a higher number of males as a result of the historic landscape of our workforce. The median figure is also impacted in the same way by the vested share award as all employees were automatically issued the shares four years prior to the vesting date and the workforce was predominantly male.

Gender Diversity Within the GBRf Workforce



Women in Operational Positions

% Women as a % of the Total Workforce

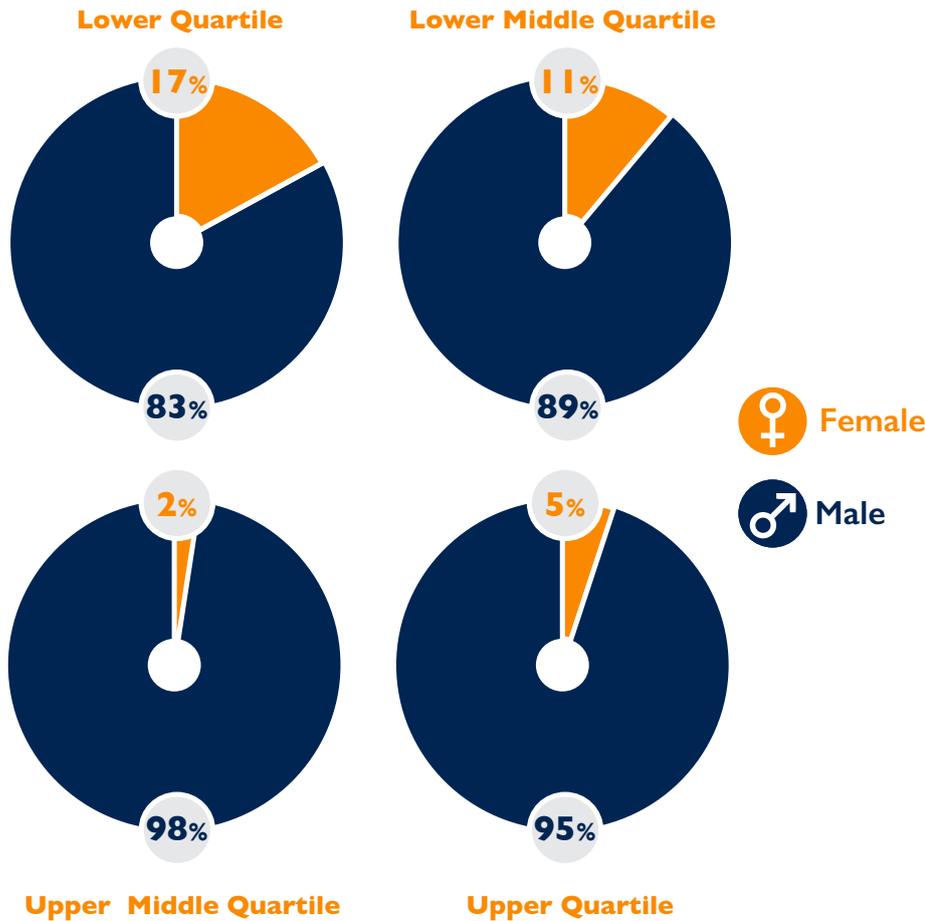
Proportion of Staff Receiving a Bonus



Proportion of Staff Receiving Bonus

Bonus payments are based on Company performance within a financial year. We apply the same eligibility rules to all employees. The difference between men and women that receive a bonus is reflective of those that joined the business after the end of the financial year.

Pay Quartiles



Pay Quartiles

The pay quartiles within GB Railfreight have remained relatively stable over the last three years. There is a 1% point increase in the number of females in the lowest pay quartile compared to 2018. This is a result of recruitment initiatives like our apprenticeship programme, developed to increase talent and diversity within the Company whilst also enabling us to open up opportunities to females interested in the industry. We have successfully recruited a number of females into our apprenticeship positions across a number of sectors and we are hopeful that as they develop and gain expertise, they will progress into management positions within the Company.

The most significant change in quartiles compared to previous years is in the upper pay quartile and is a result of the recruitment of several female Train Managers (drivers) into the business.

We are focused on creating an inclusive culture and will continue to take action to attract a more diverse workforce by concentrating on the following areas:

Policies and Practices - We have seen a steady increase in applications for more flexible working and are reviewing our practices and approach to ensure as a business we are adapting to the changing demands within the workforce. We also recently improved our paternity leave offering, as it was important to us that employees felt they could afford to spend the full leave entitlement with their family.

Progression – We want to support female talent within the business and provide opportunities for females to progress through to senior roles. As a result, we are providing an ILM Level 5 leadership qualification for managers across the business and encouraging females in middle management positions, with potential, to undertake this training. As a large proportion of our workforce work flexible shift patterns, it is not always possible for them to attend conventional training courses, our learning platform is available to all employees and provides access to training and information at a time that suits individual needs.

Recruitment - We will continue to focus on early careers through our apprenticeship programme, although appreciate this may temporarily have a negative effect on the gender pay gap. We are also continually developing and piloting new initiatives to attract more females into the industry and have recently launched a Recruitment Day specifically for females to provide those with an interest in the industry an opportunity to experience the role of a Train Manager (driver) by trialling driving on our industry leading train simulators.

I confirm the gender pay gap data contained in this report is accurate.

Karl Goulding-Davis,
Finance Director