

Our
gender pay gap
report

March 2019



Our 2018 gender pay gap report

At Virgin Trains people truly are, our greatest asset. They are at the heart of our organisation and enable us to deliver the very best in Customer Experience. We are incredibly proud that the diversity of our people is reflective of the communities we serve on the West Coast Mainline route.

Whilst we don't believe in setting targets linked to diversity, we do believe in recruiting for the right skills for the right role. We look at key areas within our organisation, such as Technology and Engineering as part of our wider attraction strategy, to ensure we are reaching out to all Talent.

I am confident the initiatives we continue to have in place to close the gap are the right ones. I also confirm the data shown below is correct.

Natasha Grice, People Director,
29 March 2019

N. Grice

What is a gender pay gap and how is it calculated?

Gender pay gap measures the difference between men and women's average hourly earnings across an organisation and is represented as a percentage. A positive percentage indicates a result in favour of men, whilst a negative percentage indicates one in favour of women. Gender pay gap differs to equal pay, which is the difference between men and women's earnings for performing the same or similar work. With collective bargaining, we are confident in our approach to ensuring men and women are paid on the same terms for doing the same role across our business.

Difference between the mean and the median

The **mean** gender pay gap shows the difference between:

- The summation of all female employees' average hourly rates of pay divided by the number of females in the organisation
- The summation of all male employees' average hourly rates of pay divided by the number of males in the organisation

24.83%

Whereas, the **median** gender pay gap shows the difference between:

- The pay of the woman in the middle of a line, when all of the company's female employees are lined up in order of pay from lowest to highest
- The pay of the man in the middle of a line, when all of the company's male employees are lined up in order of pay from lowest to highest

19.20%

Pay quartiles

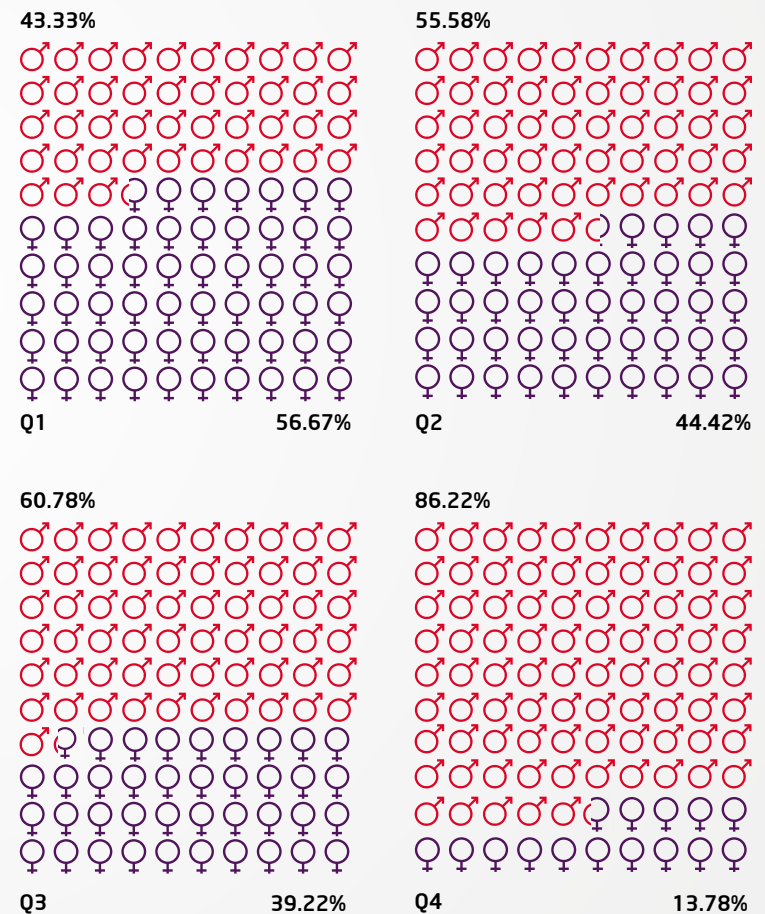
Proportion of Males and Females in each pay quartile, Upper Quartile has **878** employees, Upper Middle has **877** employees, lower middle has **878** employees and lower has **877** employees.

♂ Male
♀ Female

Our gender pay gap is strongly influenced by our driver community. Similar to other train operating companies (TOCs) in the UK, the vast majority of our drivers are male, and as drivers are the highest paid frontline staff this has increased the average male pay significantly. It is important to note that these figures do not represent the situation at Virgin Trains currently, but instead represent what the business looked like on a snapshot date. Since this date, we have extended our female attraction strategy to ensure we increase the number of women we attract for driver roles.

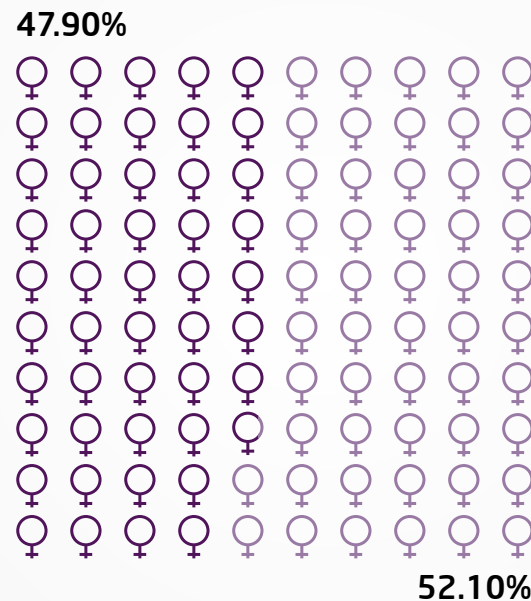
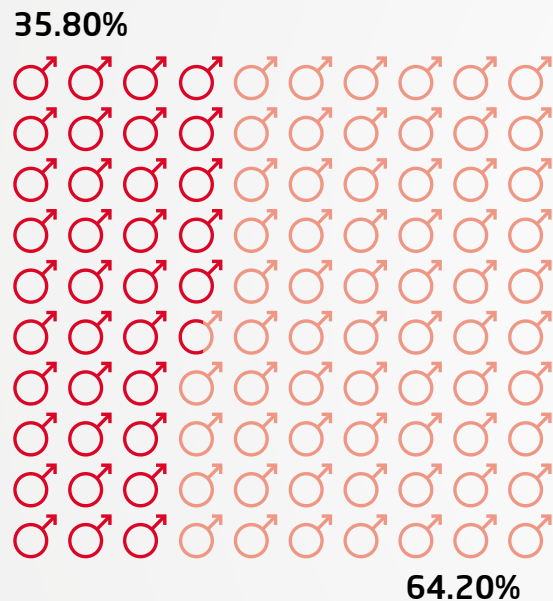
Our female workforce (38%) remains higher than the average for UK TOCs and the UK railway industry as a whole. We have spent the last year addressing the underrepresentation of women in 'traditional' rail industry functions, such as in our Control and Train Planning teams. We will continue to push next year to increase the attractiveness of these roles to all genders.

We are continuing to increase representation of females in leadership positions, namely through mentoring and sponsorship. We are committed to encouraging the participation of all genders in all of our grades. Due to the nature of some of the roles in our business, it can take some time to work up to senior management, however we have been addressing the underrepresentation of women in senior management roles for the past 5 years by actively encouraging, supporting and promoting female employees and applicants. We have focussed on ensuring that we lead by example and now 3 out of our 3 General Managers are women, and we have 2 female executive directors and have just recruited another female non – exec Director.



Quartile Pay Bands - The proportions of males and female full-pay relevant employees in the upper, upper middle, lower middle and lower quartile bands. There are 3510 full pay relevant employees – 3510 doesn't divide equally between 4 so the Upper has 878 employee, Upper middle has 877 employees, Lower Middle has 878 employees and Lower has 877 employees.

Proportion of employees receiving a 2018 bonus:



Gender Bonus Gap

Mean **57.59%** Median **51.30%**

Bonuses at Virgin Trains are determined by salary percentages and are based on customer satisfactions scores (including NAS and National Rail Passenger Scores), our steps to success programme that measures our people's progress against set goals (including keeping our customers safe), and the performance of the company. As the majority of the highest paid employees are male, this has also been reflected in the bonus gender breakdown.

We believe in having a fair, inclusive and Diverse environment and will therefore be implementing the following policies in the next year to close these gaps:

- Extending our quarterly pay reviews to include reviews on gender pay
- Developing a committed gender workstream that updates the business on a quarterly basis
- Ensuring that there are gender diverse interview panels where practicable
- Driver recruitment focus – advertising in prominent places to attract more female applicants
- Mentoring scheme for young females entering into the rail industry
- Work place scheme to encourage females to come and work for the railway