

Gender Pay Gap Report 2018

Introduction



I am delighted to present our second Gender Pay Gap Report.

FirstGroup plc is a leading transport operator in the UK and North America. We provide easy and convenient mobility, improving quality of life by connecting people and communities. To provide the best service for our customers, we have to understand their needs, and our workforce must reflect the diversity of the communities we serve.

FirstGroup is committed to making our workplaces inclusive for all our employees, regardless of their gender, age, ethnic origin or any other characteristic.

We recognise that women have traditionally been under-represented in the UK transport sector, so last year we committed to take action to:

- **Increase the number of female applicants for all roles**, given that in some of our operating companies women make up less than 20% of the workforce;
- **Encourage more women to stay and progress**, through employment policies which encourage them to return from maternity leave and make it easier to combine a career with family life;
- **Support and develop** more women to move into higher paying roles;
- **Ensure men are more aware** and equipped to play their part in creating an inclusive workplace which is welcoming to women

You can find out more about our progress, as well as some of the talented women who are already building great careers with us, in this report.

Our overall gender pay gap figure for 2018 continues to reflect our absolute commitment to ensuring fairness in pay and progression regardless of gender. I am proud of the progress we are making to create a more diverse and inclusive company. Of course, there is still much more to do; during 2019 I will continue to drive progress against the four actions set out above, working to close gender pay gaps where they do exist in some of our individual businesses.

Matthew Gregory
Chief Executive

Our headline figures

Our median gender pay gap is **-5.1%**

This means women's median hourly pay is 5.1% higher than men's.

Our mean gender pay gap is **3.1%**

Explaining our results

The number of UK employees covered by our report at 5 April 2018 is 27,275.

This comprises 23,471 men and 3,804 women.

Although only 14% of these employees are female, 56% of these women are in the upper and upper middle pay quartiles, whereas 51% of men are in the lower and lower middle quartiles. As a result, our median hourly pay for women is higher than that for men.

81% of our companies had a gender pay gap below the UK national average of 17.9%.

Understanding our gender pay gap

The gender pay gap shows the difference between the average hourly rate of pay of all men and all women in the organisation as a percentage of the average hourly rate of pay of men. This is different from 'equal pay' which considers whether men and women receive the same pay for work of equal value.

As at 5 April 2018 our overall median gender pay gap across the UK was -5.1%. This compares to -9.1% in 2017. The change is predominantly due to the inclusion this year of data for South Western Railway which became part of FirstGroup in August 2017.

Although our overall UK figure shows that women's median hourly pay is higher than men's, we recognise that this is not the case for all of our operating companies. Analysis shows this is typically due to women being under-represented in our higher paid leadership and professional roles such as engineering and operational management. These roles are also more likely to be eligible for a bonus. The number of women in these roles has been affected by the low proportion of females studying STEM subjects (science, technology, engineering and maths) at school and university, which are required in many of our higher-paid jobs.

The UK transport industry has traditionally attracted more men than women, with around 80% of transport workers being male. The majority of our frontline employees are men, and because historically many of our managers have been promoted from these operational and technical roles, this also contributes to the under-representation of women in management positions.

You can access the gender pay information for each of our businesses on pages 12–13. Of our 21 operating companies in the UK with more than 250 employees, 17 of them (81%) had a median gender pay gap below the national average of 17.9%; seven either had a gender pay gap of zero or women's average pay was higher than that for men. We are pleased that 13 of the 18 companies that reported last year have improved their median gender pay gap.

What actions are we taking?

In our 2017 Gender Pay Gap Report, we committed to four actions to increase the number of women in our business and help to close gender pay gaps where they exist. We know that some of the issues we face are societal and change will take time to achieve, but we are pleased that our work over the course of 2018 has already started to deliver results.

1. Increase the number of female applicants for all roles

During 2018 we have taken a more thoughtful approach to the way in which we describe our roles, in order to make them more attractive to female applicants.

For example, Driver Manager jobs in our rail businesses traditionally attracted male candidates with previous experience as train drivers. At TransPennine Express, changing the job title from 'Driver Manager' to 'People Manager' resulted in a three-fold increase in applications from female candidates, and the calibre was extremely high. Sixty-six percent of those short-listed for assessment were female, and a woman was appointed to the position.

Research shows that some women are particularly influenced by seeing other women doing a job before they will think of applying themselves, so we have continued to refresh our recruitment advertising to make both the language and the photographic content more appealing to women. Our recruitment website <https://uk.firstgroupcareers.com/> now contains profiles of some of the women who are successfully carrying out traditional 'male' roles at all levels of our business.

We have continued to use the software tool 'Textio' to check that the language of our recruitment advertising material is not unconsciously biased towards male applicants.

These initiatives have already started to deliver an increase in the number of women hired, up from 16.3% in 2017 to 18.7% in 2018.



Karel Manouan
2018 Rail Operations Graduate

"While I was at university, I started thinking about all the changes happening in the transport industry, and the work and collaboration which would be needed, and I wanted to be involved. FirstGroup is a great company and it provides me with a tremendous amount of support and development opportunities. The company has a well-established graduate programme and many of the graduates who joined before me now hold senior management roles across the Group."

We have also looked at new ways to promote our jobs to women. During 2018 we've established a partnership with Weston College in Somerset who have a significant proportion of female students on their hospitality and tourism courses. Through this partnership we hope to attract women who are already preparing for a career in the travel and tourism sector, but may not have previously considered the wide range of interesting opportunities available in our First Rail and First Bus divisions.

Our graduate programme is one of the routes through which talented candidates are appointed into management roles across the Group. Many of the places on this programme have required engineering or other technical degree subjects, and traditionally, the majority of applicants have been male. For our 2018 intake, we used social media to target female undergraduates studying relevant degree subjects, and promoted our opportunities at STEM events across the UK. We were delighted that for the first time, women made up 50% of our graduate intake in 2018, up from 25% in 2017.

2. Encouraging women to stay and progress

During 2018, we have talked to women across our UK businesses to understand what we can do to encourage them to stay and progress their careers with FirstGroup.

As a result of their feedback, we are exploring how we can offer more flexible shift patterns which make it easier to balance work and family responsibilities.

In our largest bus company, First West Yorkshire, a pilot of more flexible shift arrangements has resulted in a 10.7% increase in female drivers and better levels of driver retention. Discussions on wider rollout are now underway with our employees' trade unions.

We know that many women find returning to work after maternity leave challenging, so we're piloting a number of ways in which we can make this process easier for them. This includes the introduction of a 'buddying scheme' which aims to provide support to women before, during and after their maternity leave.

3. Support and develop women to move into higher paying roles

As part of this commitment, during 2018, we launched two new development programmes for women. The **'Step Up' Programme** aims to help 60 women in non-management roles prepare for and attain their first supervisory or line management job.

Our second new development programme, the **Women's Career Development Programme** aims to help those who are already in middle management roles prepare for more senior leadership jobs. Fifteen women from across the UK took part in 2018. Following the programme, we have also launched a mentoring scheme for these women through which senior executives provide continued encouragement on career development. The scheme is designed to offer two-way learning: participants benefit from senior leaders sharing their advice and experience, and senior leaders gain insight into the challenges these women may be experiencing in the workplace.

We have been delighted by the positive feedback from employees and their line managers on these programmes, and plan to run further events in 2019.

"Through the Women's Career Development Programme, FirstGroup have demonstrated very clearly the value that they believe women can bring to the business. I have learnt an incredible amount about different leadership styles and my own strengths. The knowledge, skills and insights I gained have already been put to good use, as I was promoted to my first MD role during the programme."

Louise Cheeseman, MD, Hull Trains



Gemma Byrne
Train Driver, Great Western Railway
'Step Up' Programme, 2018

"I left the course amazed by the possibilities available to women like me within FirstGroup and impressed by the enthusiasm of everyone involved to reach new levels of success in the industry. I was reminded of the many paths one can take in a career, and I realised that I had been taking a narrow view of promotion in such a diverse, global Group. My eyes have been opened. The Programme has empowered me and my peers to push forward with our careers."

4. Ensure men are more aware and equipped to play their part in creating an inclusive workplace which is welcoming to women

All our divisions already have policies in place which aim to eliminate any form of discrimination or inappropriate behaviour.

In thinking about the further action we could take, we held focus groups with some of our female employees, to seek their views on how best to ensure the culture at all our locations is welcoming to women. Their feedback indicated that the most helpful next step would be for us to focus on the use of inappropriate language in the workplace. Our businesses are tackling this particular issue in a variety of ways – for example, South Western Railway are running workshops to educate men on why the use of some language is not acceptable, whilst our First Bus division has produced an 'everyday language guide' to address the issue. We will continue to ensure that our leadership teams are reinforcing appropriate standards throughout their organisations.

Summary

We are pleased to have made progress on all four of the commitments made in last year's Report, but recognise there is still more to do. During 2019 we will continue to drive further action against each commitment, and in doing so, play our part in addressing the longstanding underrepresentation of women in the wider transport industry.

On the following pages, you can read more about some of the talented women already building great careers at FirstGroup.

Women making a difference



Kerry Cassidy
Train Driver, GWR

With an English degree from Wolverhampton University, Kerry had already held a variety of different jobs including working for the BBC and Capital Radio, and running her own business. She joined FirstGroup as a train driver in 2008 because she wanted a job that would enable her to give something back to the community. FirstGroup funded Kerry to obtain a BSc in Railway Operations Management, and you might now see her driving one of GWR's brand new fleet of Intercity Express Trains.

"Train driving is no longer seen as a male job like it was when I was growing up. It is a job that allows me to make a contribution to the community, driving commuters to work, children to school, and elderly passengers to visit their families or the shops. Working shifts means my hours are condensed into a four day week, and that gives me a good home/work balance and makes it easier for me to plan my childcare. I am also a trade union rep, fully supported by the company, and often give careers talks in schools about what it's like to be a woman in the rail industry. Children don't see gender as being a barrier to their career and I love being involved in opening up the industry to the younger generation".

Dervla McKay
Managing Director, Aircoach Ireland

Dervla joined FirstGroup's graduate programme in 2005, where she received a good grounding in the business, getting involved in a wide range of activities from revenue protection to local authority meetings. Most of her career has been spent in operational roles where she has led teams of drivers, been responsible for depots and managed business restructures. Being Project Manager for a business improvement project in 2011-2012 gave her a broader exposure to the business and to senior leaders, before returning to operations, which is her passion, as Head of Operations in Hampshire, Dorset and Berkshire. In April 2018, Dervla was appointed Managing Director of our Aircoach business, based in Dublin.

"I'm really enjoying my new role in Aircoach – I like the variety of general management and the responsibility to make decisions that have a real impact on the success of the business. I love working with people and aim to constantly improve what we offer to customers. The move back to Dublin has allowed me to pursue my career, as well as bringing me closer to family and friends in Ireland. Having a young family, it's really important to balance the demands of my career and my children, and working at FirstGroup has enabled me to achieve this."





Carol Sim
Operations Manager, First Bus

Carol became a Bus Driver when she was just 18, training with our First Bus team in Yeovil. After four years, she was promoted to become a Controller and then she made the step up to Staff Manager. She's now Operations Manager in Dorset, overseeing every aspect of our operations to make sure our drivers deliver the best possible service for our customers. It also includes ensuring that we run a safe and environmentally sustainable service which meets the needs of local communities.

"I really enjoyed driving and couldn't believe I had that responsibility at the age of 18! I find my current role interesting with a variety of challenges to keep me busy, and I always have people to turn to for support if I need it. First Bus has provided me with the opportunity to develop and progress in ways I didn't think possible when I joined."



Sutopa Paul
Engineering Contracts Manager, GWR

After graduating in Aerospace Engineering, Sutopa joined our graduate scheme. Here, she enjoyed a variety of placements, gaining hands-on experience and shadowing our engineers. She also went on an external placement with our supplier Bombardier, to learn how our trains are made. Sutopa's broad training covered finance, our control centre and commercial activities. She's now become a Chartered Engineer.

"When I finished the graduate scheme, my first role was in a depot engineering team. I managed the logistics for accepting 45 new trains from the manufacturer, making sure they were safe and fit for purpose. Three years after that, I became an Engineering Contracts Manager, managing multi-million pound contracts for new train procurement, technical services and parts supply. The rail industry offers great opportunities to develop and progress your career."



Jo Ronson
Onboard Service Manager, TransPennine Express

Jo was a driving instructor before joining the First York team as a bus driver in 2009. She quickly moved on to teaching bus driving skills, before stepping up to a management role and becoming Staff Manager at one of our depots. In 2014, Jo moved across to our Rail Division with TransPennine Express. She started as a train conductor and progressed to the role of On-Board Service Manager for York and Scarborough.

"Being a Train Conductor is one of the best jobs in the world! But I also like managing teams, so I couldn't resist the temptation of becoming an On-Board Service Manager. At FirstGroup, there are lots of opportunities. It's up to you to decide whether you go for them."



Catherine Davies
Programme Manager

Catherine's career initially started in recruitment, but she moved into project management because she found that this was suited to her organisational skills and her natural aptitude for communication, planning and problem solving. Since joining FirstGroup in 2014, Catherine has worked on several large-scale change programmes, involving the implementation of new IT systems. She particularly enjoys the opportunity to work with FirstGroup's North American businesses as well as the UK divisions.

"My role involves introducing changes and improvements for customers and employees. There's lots of change going on in the transport sector at the moment! I make sure things are in place on time. I need to know a reasonable amount about IT, but I don't need to be an expert. Programme management is as much about the people, as it is the technology."

Our gender pay gap: data as at 5 April 2018



Employing company	% difference in Hourly Rates		% difference in Bonus Pay		% receiving a Bonus		% in Top Quartile		% in Upper Middle Quartile		% in Lower Middle Quartile		% in Lower Quartile	
	Mean	Median	Mean	Median	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
First Aberdeen	+9.1%	+1.2%	+6.1%	+23.1%	87.6%	67.5%	95.0%	5.0%	87.0%	13.0%	93.0%	7.0%	88.0%	12.0%
First Bristol	-3.0%	+1.3%	+48.6%	+20.0%	35.8%	17.0%	91.6%	8.4%	93.6%	6.4%	89.6%	10.4%	92.0%	8.0%
First Cymru	-19.4%	-0.5%	+100.0%	+100.0%	0.9%	0.0%	90.2%	9.8%	96.2%	3.8%	98.4%	1.6%	90.2%	9.8%
First Eastern Counties	+4.1%	+1.7%	+51.5%	-4.2%	42.1%	40.6%	95.2%	4.8%	92.8%	7.2%	95.2%	4.8%	88.6%	11.4%
First Essex	+3.0%	+0.5%	+38.8%	0.0%	31.9%	25.7%	94.8%	5.2%	93.9%	6.1%	88.7%	11.3%	91.8%	8.2%
First Glasgow (No.1)	+9.4%	+11.4%	+9.1%	0.0%	31.3%	28.8%	96.5%	3.5%	95.5%	4.5%	95.5%	4.5%	88.3%	11.7%
First Glasgow (No.2)	+3.4%	+10.3%	+23.3%	+20.0%	46.2%	46.2%	96.8%	3.2%	97.6%	2.4%	92.8%	7.2%	92.8%	7.2%
FirstGroup Holdings	+39.9%	+42.8%	+49.7%	+80.9%	50.9%	29.9%	84.3%	15.7%	66.7%	33.3%	48.9%	51.1%	43.3%	56.7%
First Hampshire & Dorset	0.0%	0.0%	+5.6%	-63.5%	4.6%	2.1%	89.7%	10.3%	85.9%	14.1%	89.1%	10.9%	86.5%	13.5%
First Leicester Citybus	+12.4%	+0.9%	+4.8%	+11.4%	68.8%	53.1%	98.1%	1.9%	98.1%	1.9%	92.5%	7.5%	98.1%	1.9%
First Manchester	+1.4%	+5.8%	+95.0%	-16.7%	40.5%	33.3%	92.8%	7.2%	95.2%	4.8%	93.7%	6.3%	85.1%	14.9%
First Potteries	+0.2%	0.0%	+22.8%	0.0%	10.0%	31.4%	87.8%	12.2%	94.0%	6.0%	92.7%	7.3%	84.3%	15.7%
First Scotland East	+13.8%	+1.7%	0.0%	0.0%	0.0%	0.0%	90.2%	9.8%	87.1%	12.9%	96.8%	3.2%	71.0%	29.0%
First South West	+2.4%	0.0%	+21.6%	0.0%	5.4%	3.2%	93.6%	6.4%	93.6%	6.4%	95.5%	4.5%	91.9%	8.1%
First South Yorkshire	+3.0%	0.0%	+10.0%	0.0%	42.6%	29.1%	92.6%	7.4%	94.5%	5.5%	92.6%	7.4%	90.5%	9.5%
First West of England	-8.9%	-2.5%	+8.5%	0.0%	29.1%	15.2%	80.5%	19.5%	90.7%	9.3%	89.9%	10.1%	84.5%	15.5%
First West Yorkshire	-5.1%	+7.8%	-458.4%	-10.0%	26.5%	21.4%	91.2%	8.8%	95.0%	5.0%	92.2%	7.8%	87.2%	12.8%
Great Western Railway	+22.1%	+27.4%	-1.9%	-129.1%	97.0%	95.8%	91.7%	8.3%	86.6%	13.4%	71.6%	28.4%	60.9%	39.1%
Midland Bluebird	+8.5%	0.0%	0.0%	0.0%	0.0%	0.0%	94.4%	5.6%	89.0%	11.0%	92.7%	7.3%	80.7%	19.3%
South Western Railway	+17.8%	+20.8%	+8.6%	+18.9%	50.3%	39.5%	93.6%	6.4%	86.8%	13.2%	78.5%	21.5%	74.7%	25.3%
TransPennine Express	+18.4%	+31.6%	-49.6%	-31.9%	87.5%	81.9%	90.7%	9.3%	85.8%	14.2%	77.9%	22.1%	67.9%	32.1%

Note

+ means men have higher pay/bonus than women.
- means women have higher pay/bonus than men.

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