



**GENDER
PAY GAP
REPORT
2017**

INTRODUCTION



I'm pleased to introduce Virgin Trains East Coast's first gender pay report.

Gender pay reporting legislation was introduced in 2017, and now organisations employing more than 250 colleagues must publish an annual report on six areas including the distribution of male and female employees over pay ranges (in quartiles), mean and median gender pay, average bonuses and the proportion of females and males receiving a bonus.

There has been much media attention recently about gender pay, and understandably so. It's put a spotlight on some of the inequalities that exist within the UK. For us in the rail industry, traditionally a male-orientated world, it's a good opportunity to stop and look at our pay and recruitment decisions, and understand what could and should be done to make it better and to ensure our workforce is more representative of the customers and the communities we serve.

For us, this focus is welcomed with open arms. We're all about shaking things up; it's just one of the many reasons why Virgin is a world-known brand. We're very proud of this and will always endeavour to do what's best for our people.

And to be better, we have and always will celebrate and encourage diversity and promote talent. It's this that will attract the brightest and best, and ultimately deliver superb customer service and a safe and efficient operation.

Our first gender report accurately reflects the data as of 5 April 2017 but also looks more broadly at what we're doing as a company to get the best people through our doors. I'm proud to say it also demonstrates our approach to ensuring that people receive equal pay in the same roles irrespective of their gender. Where a gender pay gap does exist it reflects the distribution of roles between men and women typical of the rail industry. You can find more information on this in the report.

Of course, we can always strive to be better. It would not be wise to think what we're doing now is enough and the Government's new legislation presents a clear challenge for all companies to ensure they're putting their people first.

And at Virgin Trains East Coast we are committed to delivering outstanding customer service and know that will be achieved through the quality of our people. I'm determined to continue the good work we've done so far to get the brightest sparks into the company, while seeking out new opportunities to fairly award our colleagues.

Thank you.

Clare Burles
People Director

THE PAY GAP: WHAT IS IT?

The gender pay gap looks at the difference between the average hourly pay and bonuses men and women receive across an organisation. It is not adjusted to take into account the different jobs undertaken by male and female colleagues and so it is not a like-for-like comparison.

Last year legislation was introduced whereby companies employing more than 250 colleagues need to report six key areas. Our results below show our mean and median gender pay gap (based on hourly rates of pay at the snapshot date of 5 April 2017) and the mean and median bonus pay gap (based on bonuses paid in the 12 months to 5 April 2017). They also show the proportion of men and women by hourly pay quartile and the proportion of men and women who received a bonus.

THE DIFFERENCE

Overall difference between women and men

	Mean	Median
Hourly Pay: April 2017	25%	17%
Bonus Pay: 12 months to 5 April 2017	38%	0%

A positive number indicates a result in favour of men, and a negative result indicates a result in favour of women.

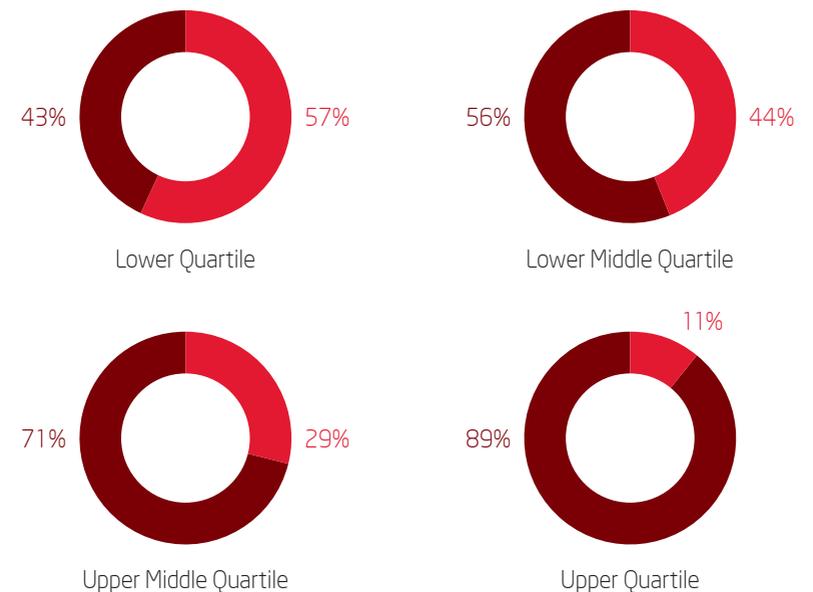
PROPORTION RECEIVING BONUS PAY

Out of all employees. 12 Months to 5 April 2017



PAY QUANTILES

■ Male ■ Female



ANSWERING YOUR QUESTIONS

What causes gender pay gaps?

The rail industry has traditionally hired more male workers, and particularly in higher paid roles such as train drivers or engineers at our depots. Over 95% of our qualified drivers at the time the data was taken were men, although this is changing. At Virgin Trains East Coast we're lucky to have an incredibly loyal workforce, many of whom have worked on the network for up to and over 40 years. However, the historically low turnover rate means it will take some time for the pay gap to equalise.

Another often publicised cause of the pay gap is a lack of women in senior roles, and a lack of men in more junior roles. However, we're pleased to have a talented 9-strong Executive team, 4 of which are women including one on a part-time contract, as we're committed to providing flexible working practices across all grades.

What are our bonus payments?

The definition of bonus payments for gender pay reporting includes productivity, performance and incentive payments; commission and payments in cash, vouchers and share / share options.

What's the difference between the gender pay gap and equal pay?

The gender pay gap reporting looks at the average pay across the whole business without taking into account the different jobs, whereas equal pay or roles which have an equal value in the business is concerned with ensuring equal pay for female and male wages in the same role.

Do we have an equal pay problem?

No. We are confident in our approach to ensuring men and women are paid on the same terms for doing the same roles across the business. It's the under-representation of women in some of our higher paid roles and to a lesser degree of men in more junior areas of the business that creates the gender pay gap.

What initiatives do you have to tackle gender pay gaps?

Already, we've taken on more female trainee train drivers during our Azuma train recruitment campaign - we had a massive 15,000 applicants of which 878 were female. After assessment centres, which were transformed from the past to reflect the competencies we need for the future, 87 external and 15 internal offers were made of which 7 were female. Notably no offers were declined. So we're absolutely committed to taking on the best talent, regardless of gender and source.

All People managers and those involved in recruiting undergo an 'inclusive leadership' course, focussing on our Virgin values of inclusivity to ensure difference is celebrated and to help to prevent bias creeping into the recruitment process.

This document was originally published in March 2018 when the company was operated by Virgin Trains East Coast. The company transferred to London North Eastern Railway on 24 June 2018 and future reports will be published by London North Eastern Railway.

