

Gender Pay Gap report 2019

Introduction



I am pleased to present our third 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 understand the needs of our customers, and deliver the best possible service, our workforce must reflect the diversity of the communities we serve.

At FirstGroup, we are committed to making our workplaces inclusive for all our employees, regardless of their gender or any other characteristic. We recognise women have traditionally been under-represented in the UK transport sector, so in our first Gender Pay Gap Report in 2017 we committed to four actions to increase our gender diversity:

- **Increase the number of female applicants for all roles;**
- **Encourage more women to stay and progress**, through employment policies which 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.

This report provides an update on our continued progress against each of these commitments.

Our overall gender pay gap figure for 2019 reflects our absolute determination to ensure fairness in pay and progression regardless of gender, and to close any gender pay gaps that exist in some of our individual businesses. Of course, there is still much more to do, but I am proud of what we have achieved so far, and I am personally committed to driving further progress against the four actions set out above.

Matthew Gregory
Chief Executive

Our headline figures

Our median gender pay gap is **-11.6%**

This means women's median hourly pay is 11.6% higher than men's.

Our mean gender pay gap is **3.4%**

Explaining our results

The number of UK employees covered by our report at 5 April 2019 is 26,922.

This comprises 22,992 men and 3,930 women.

Although only 14.6% of these employees are female, 64% of these women are in the upper and upper middle pay quartiles, whereas 52% 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.

80% of our companies have a gender pay gap below the UK national average of 17.3%.

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 2019 our overall median gender pay gap across the UK was -11.6%. This compares to -5.1% in 2018. The change has been driven by a 3% increase in overall female headcount versus a 2% decrease in overall male headcount, and more women being hired or promoted into roles which pay at the upper and middle quartiles (64% of women were in these quartiles, up from 56% in 2018).

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; according to data from the Office for National Statistics, 81% of transport workers are male.¹ 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 page 9. Of our 20 operating companies in the UK with more than 250 employees, 16 of them (80%) had a median gender pay gap below the national average of 17.3%; three either had a gender pay gap of zero or women's average pay was higher than that for men. We are pleased that 7 of the operating companies have improved their median gender pay gap since last year.

¹ Office for National Statistics, data as at 18 February 2020

Our commitments

In our first Gender Pay Gap Report in 2017, 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 recognise that change will take time to achieve, but we are pleased to have made further progress over the course of 2019.

1 Increase the number of female applicants for all roles

During the year we have continued to find new ways to promote our jobs to women and increase the number of female applicants.

All of our UK businesses have increased their usage of social media to help them reach women who might not have considered a role within the transport industry, and all have continued to review and update their recruitment material to include more images and case studies featuring women, particularly in engineering and driver roles. In our First Bus division, a review of the advertising material for apprentice bus engineers has resulted in a 6% increase in the number of female apprentices, up to 11% in 2019 from 5% in 2018.

During 2019 we carried out research with some of our female drivers to gain a better understanding of the barriers that prevent women from becoming bus drivers. The women we spoke to said they had initially assumed they would be working in an 'all male' environment, and that physical

strength would be required to drive such a large vehicle. In order to tackle these perceptions, we've run a number of 'female-focussed' recruitment events across Scotland and the West of England. These events have given potential applicants the opportunity to meet female drivers and experience what it's really like to drive a bus; 36% of the women who attended one of these events went on to submit an application, with 24% eventually completing their training and becoming a fully qualified driver. More of these recruitment events are planned for 2020.

As a result of these initiatives, the number of women hired across our UK businesses has continued to increase steadily, rising from 16.3% in 2017 to 20% by December 2019.

Our graduate programme continues to be one of the key routes through which talented candidates are appointed into management roles across the Group. Traditionally, because of the requirement for engineering and other technical degree subjects for many of the places on the graduate scheme, we tended to attract more male than female



Thereza Skivington
Bus Driver, FirstBus

Thereza decided it was time for a change of career, and when she saw an advert for a women's recruitment day at the FirstBus Glasgow depot, she decided to go along. Despite her initial concerns about being able to drive such a large vehicle she received a huge amount of encouragement throughout her training and feels that becoming a bus driver is the best thing she's ever done.

"I absolutely love it and I'd encourage other women to consider it as a career" said the mum of four. "It is just lovely – I really enjoy seeing the people coming on the bus. At the age of 54, I am super proud and so are my grandchildren."



Laura Dixon

Engineering Management Graduate, First Bus

“I used to work in childcare, but as my teenage daughter got older, I decided it was time for me to do something different and retrain. I went back to university as a mature student to study for a degree in mechanical engineering, and in my last year, I applied for the First Bus engineering graduate scheme. The programme really appealed to me as I wanted to be able to get hands-on with the buses and make a tangible difference. Everyone has been really supportive and I know that there are a huge number of career opportunities open to me. I hope that by being visible on the ‘shop floor’, more women will see that engineering can offer them a great career, and will consider working in the industry.”

applicants. However, we have continued to use social media to target female undergraduates studying relevant degree subjects, and to promote our opportunities at STEM events across the UK. As a result, women made up 39% of our graduate intake in 2019, up from 25% in 2017.

2 Encouraging women to stay and progress

We asked women across our UK businesses what actions we could take to encourage them to stay and progress their careers with FirstGroup. They told us that traditional, fixed shift patterns can make it difficult to achieve a balance between work and family responsibilities, so we have continued to explore different ways in which we can offer more flexibility in our working arrangements.

In our largest bus company, First West Yorkshire, a pilot of more flexible shift patterns which began in 2018 has resulted in a 12% increase in female drivers to date, as well as better levels of driver retention. In our West of England business, we have worked in partnership with the local Trade Union to develop part-time rosters; this agreement gives us a model to use in our other bus operating companies.

In our Rail Division we have implemented a number of successful job share arrangements at all levels of the organisation – examples include train drivers and conductors at TransPennine Express as well as the HR Director role at Hull Trains.

Two of our senior managers, Ruth Busby HR Director at Great Western Railway and Glen Willie, Inclusion and Diversity Manager at South Western Railway have become board members of ‘Women in Rail’ (South), an organisation which aims to support and develop women in order to retain them within the rail industry.

During the year, FirstGroup has hosted a number of ‘Women in Rail’ professional development and networking events which have given our female employees the chance to learn from senior industry leaders and explore some of the key issues which they have identified as limiting their career progression. We look forward to continuing our partnership with Women in Rail in 2020, and in playing our part to encourage women to stay and progress in our own rail companies, and in the rail industry as a whole.



3 Support and develop women to move into higher paying roles

In 2018 we launched the **Women's Career Development Programme** to help existing female middle managers to prepare for more senior leadership jobs.

In 2019 we launched the **'Step Up' Programme** to support women in non-management roles to prepare for and attain their first supervisory or line management job. 110 women have already attended, and a further 100 women will benefit in 2020.

The feedback on these programmes has been extremely positive, both from the women who participated, and their line managers. We are delighted that 18 attendees have already been promoted into higher paying roles since attending 'Step Up'. However, we recognise that more needs to be done to increase the pipeline of women to fill positions at all levels of management, so we've developed a third programme, **'Step Forward'**. This aims to support women in junior managerial roles to prepare for middle management jobs. Twenty women from across the UK businesses are already participating in a pilot programme and we plan to run further events in 2020.



Shannon Fox
Maintenance Team Leader,
South Western Railway

"I attended the first Step Up women's development course last year and it was interesting to meet other like-minded women within First Group who are keen to progress in their careers. The course helped to prepare us for job application processes and interviews and gave an insight into leadership and management qualities which I found particularly useful. As a result of the course, I've been promoted into a team leader role, and am keen to use the skills I learned on the course to develop further in the future."

Rebekah Whelan
Senior Marketing Executive,
First Bus

"My manager nominated me to take part in 'Step Up' with a fantastic group of women. The skills and insight that this course gave me were vital in building confidence in my own abilities, and were key factors in my recent promotion to a Senior Marketing Executive."



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

During the year, our UK businesses have taken a variety of actions to make our workplaces more inclusive and welcoming to women. First Bus and our larger rail franchises have implemented unconscious bias training in order to make managers more aware of, and therefore better able to overcome, any discrimination within the workplace. The Bus Executive team as well as senior and middle managers have already received the training, and plans are in place to extend delivery to all Bus managers over the course of 2020.

FirstGroup is one of the few publicly-listed companies that has employee directors. This gives the boards of our operating companies an employee viewpoint on matters affecting the direction and governance of our business as well as providing an additional route for employee feedback on a wide variety of topics, from new commercial opportunities to diversity and inclusion.

In 2019 we were delighted to welcome our first female Employee Directors; Sally Bennett was elected at GWR and Natalie Rees at First Bus, Cymru. Sally and Natalie are both passionate about listening to employees and ensuring that their views and opinions are taken seriously and shared with senior management. They are looking forward to working with FirstGroup's other employee directors and our management teams on finding and developing ways to make our workplaces more inclusive and welcoming to everyone, regardless of their gender or any other characteristic.

All of our divisions have policies in place which aim to eliminate any form of discrimination or inappropriate behaviour and we continue to ensure that our leadership teams, supported by our employee directors, are reinforcing appropriate standards throughout their organisations.



Sally Bennet (left) and Natalie Rees

Natalie Rees

Employee Director – First Bus, Cymru

“I love my position as Employee Director – it’s a position where I can make real decisions that have a positive impact on FirstGroup and all its employees. Although I’ve only been in the role for a few months, I hope to promote diversity in the workplace by dispelling myths and supporting people to apply for roles that they might have felt were not open to them – for example because of their sexual orientation.”

Sally Bennett

Employee Director - GWR

“When the Employee Director role was advertised, I knew this was the role for me as it would give me the opportunity to ensure that the voice of employees is always heard.”

Summary

We are pleased to have made progress on all four of the commitments made in last year’s Gender Pay Gap Report but recognise there is still more to do. During 2020 we will continue to drive further action, and in doing so, play our part in addressing the longstanding underrepresentation of women in the passenger transport industry.

Our gender pay gap: data as at 5 April 2019

Company / Entity with more than 250 Employees	% 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 Ltd	+9.7%	+5.7%	+75.5%	+83.0%	70.4%	48.6%	92.5%	7.5%	86.0%	14.0%	11.8%	88.2%	11.8%	96.7%	3.3%
First Bristol Ltd	-0.2%	+1.5%	-4.1%	+33.3%	56.9%	45.9%	92.2%	7.8%	94.3%	5.7%	7.3%	92.7%	7.3%	88.6%	11.4%
First Cymru Buses Ltd	-9.5%	-0.6%	-151.3%	+60.0%	11.3%	12.8%	92.6%	7.4%	95.5%	4.5%	1.7%	98.3%	1.7%	93.2%	6.8%
First Eastern Counties Buses Ltd	+5.4%	+3.1%	+61.8%	-17.9%	36.8%	36.7%	94.8%	5.2%	93.2%	6.8%	4.2%	95.8%	4.2%	87.0%	13.0%
First Essex Buses Ltd	+3.9%	+0.4%	+42.9%	0.0%	29.3%	17.9%	91.9%	8.1%	91.0%	9.0%	8.5%	91.5%	8.5%	86.8%	13.2%
First Glasgow (No.1) Ltd	+8.2%	+6.5%	-23.3%	0.0%	28.7%	23.9%	97.0%	3.0%	94.0%	6.0%	4.3%	95.7%	4.3%	89.7%	10.3%
First Glasgow (No.2) Ltd	+6.1%	+11.4%	-66.3%	+0.0%	41.3%	30.0%	97.9%	2.1%	96.5%	3.5%	7.6%	92.4%	7.6%	92.4%	7.6%
FirstGroup Holdings	+44.2%	+43.2%	+68.0%	+70.6%	59.8%	51.4%	84.6%	15.4%	68.1%	31.9%	52.7%	47.3%	52.7%	45.1%	54.9%
First Hampshire & Dorset Ltd	+0.6%	0.0%	+37.5%	0.0%	64.8%	75.0%	89.5%	10.5%	85.5%	14.5%	17.1%	82.9%	17.1%	89.5%	10.5%
First Manchester Ltd	+3.7%	+5.3%	+30.2%	+55.0%	23.5%	23.5%	94.8%	5.2%	95.8%	4.2%	6.4%	93.6%	6.4%	87.4%	12.6%
First Potteries Ltd	+2.3%	0.0%	+39.5%	+71.4%	10.5%	26.5%	92.5%	7.5%	90.0%	10.0%	8.8%	91.3%	8.8%	86.3%	13.8%
First Scotland East Ltd	+5.1%	+0.2%	-28.7%	-381.5%	4.2%	6.7%	90.1%	9.9%	88.7%	11.3%	5.6%	94.4%	5.6%	84.7%	15.3%
First South West Ltd	+1.0%	+0.6%	-18.2%	0.0%	53.2%	50.0%	95.3%	4.7%	93.4%	6.6%	5.7%	94.3%	5.7%	93.4%	6.6%
First South Yorkshire Ltd	+4.4%	+0.2%	+88.2%	+56.7%	1.3%	1.0%	94.4%	5.6%	93.7%	6.3%	7.0%	93.0%	7.0%	89.4%	10.6%
First West of England Ltd	-6.2%	-0.4%	-67.6%	0.0%	47.8%	27.6%	76.0%	24.0%	89.1%	10.9%	10.9%	89.1%	10.9%	78.6%	21.4%
First West Yorkshire Ltd	+2.8%	+7.7%	-83.9%	-10.0%	33.2%	33.2%	93.6%	6.4%	94.5%	5.5%	6.7%	93.3%	6.7%	85.9%	14.1%
Midland Bluebird Ltd	+10.9%	+0.1%	+100.0%	+100.0%	5.8%	0.0%	94.0%	6.0%	87.1%	12.9%	5.0%	95.0%	5.0%	80.2%	19.8%
Great Western Railway	+24.5%	+26.0%	-11.9%	-75.7%	98.2%	97.6%	91.4%	8.6%	83.4%	16.6%	32.5%	67.5%	32.5%	60.6%	39.4%
South Western Railway	+17.3%	+19.7%	+13.4%	0%	95.8%	95.9%	93.3%	6.7%	85.6%	14.4%	20.6%	79.4%	20.6%	74.0%	26.0%
TransPennine Express	+21.6%	+37.4%	-36.2%	-346.9%	93.5%	92.8%	91.2%	8.8%	87.7%	12.3%	20.1%	79.9%	20.1%	63.6%	36.4%

Note

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

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