



Gender Pay Report 2017/18



Gender Pay Report

Overview: our people and our business

The rail freight industry carries goods worth over £30 billion and 1-in-4 containers that enter and exit the UK via deep sea ports is carried by rail.

DB Cargo is the largest rail freight business in the UK (2,200 employees). It is our employees who deliver and complete each order every day, from supplying the materials used to maintain the rail network, to supplying power stations to keep industry and our homes running.

A legacy of privatisation has been the male gender bias within the rail industry which means today we must encourage and develop a new culture to clearly position recruitment and career development based on potential.

Family life is also changing and creating challenges which require innovative solutions and personal commitments; as a business we must change in response to this.

The Gender Pay data we have captured contains two significant characteristics which are:

1. Taking the workforce as a whole we have identified on average a gap in pay between the average earnings of men and women. This appears to be common throughout many of the operators within the industry.
2. As a business we are reporting that our female employees represent 7% of our total employees, an imbalance we will work to improve in the future.

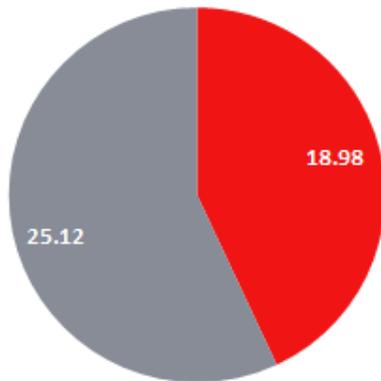
I have been responsible for this business for nearly two years and I must say I am not surprised at these figures. We have historically had an apparent 'glass ceiling' and we have been and are striving to remove this. Business re-structuring and improving recruitment practices are attracting a much broader range of applicants and of course a developing business requires different skills. This creates new opportunities.

Hans-Georg Werner
CEO, DB Cargo UK



Our gender pay analysis

Gender pay gap (GPG) %

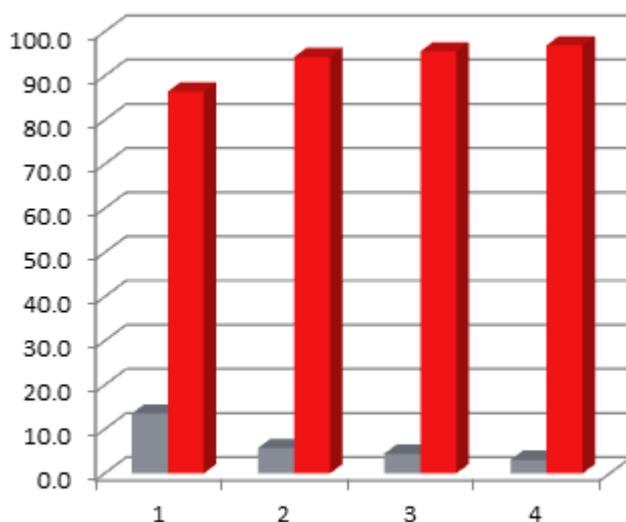


- GPG % mean
- GPG % median

Characteristics of the gender pay gap at DB Cargo UK:

- DB Cargo UK has a similar gender profile to other operating companies in the rail industry.
- Gender pay gap is measured by calculating the two average hourly rates of pay for male and female populations.
- Males represent 93% of the total population working at DB Cargo UK. Some 40% of this population are train drivers who earn proportionally higher rates of pay, which partly influences the gender pay gap.

Gender analysis by quartile

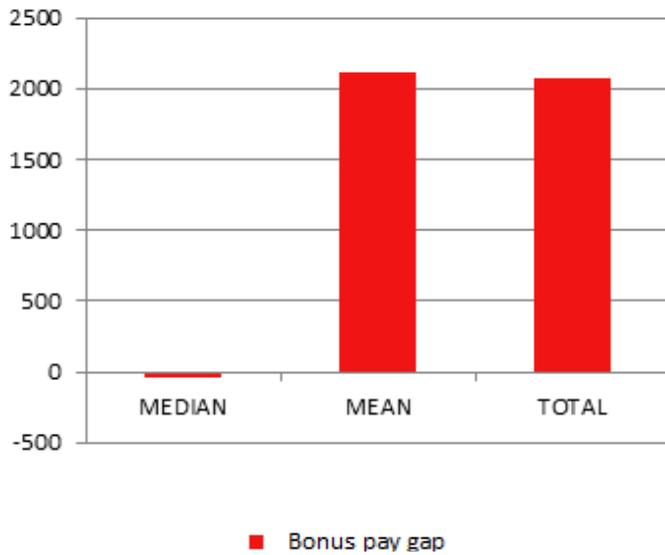


- Quartile gender proportion female %
- Quartile gender proportion male %

Characteristics of the gender population defined by pay rate at DB Cargo UK:

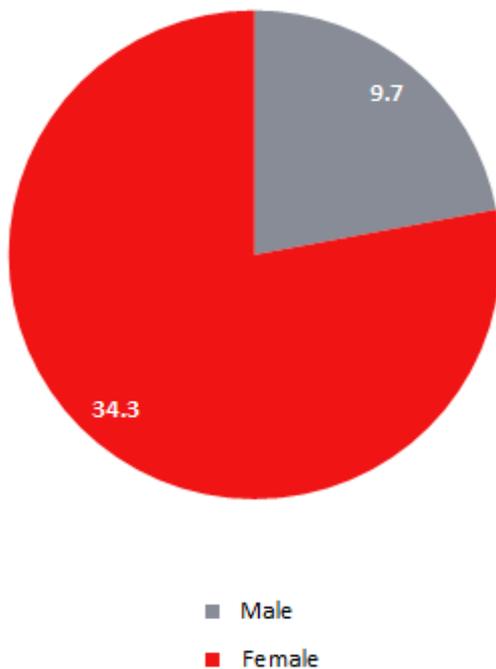
- Females represent 7% of our total workforce. This is consistent with the rail industry and with other operations companies.
- Quartile 1 includes the percentage of male and female colleagues in the lowest hourly pay rates at DB Cargo UK.
- Q2 and Q3 are the lower middle and upper middle hourly pay rates. These contain approximately the same number of females.
- Q4 is the highest quartile with the highest hourly rates. This contains the lowest proportion of females across all quartiles to males.

Bonus pay gap



In analysing the bonus pay gap at DB Cargo UK, there are proportionately more males than females in the higher salary quartiles and consequently receive higher bonuses.

Bonus pay gender % proportion



Characteristics of the bonus gender pay gap at DB Cargo UK:

- i. Bonus is awarded and paid based on performance. Of the job types within our business, there are more females in roles where bonuses can be awarded. Therefore proportionately more females are awarded bonuses than males at DB Cargo UK.
- ii. Within the overall population a considerable proportion of male employees are not eligible to receive bonuses.

Understanding DB Cargo's gender pay gap

Our 2017 gender pay data highlights that overall there is an imbalance within our business. The legacy of a fixed demographic characterised by proportionately more males who are long serving and occupy the greater proportion of jobs in the higher quartiles.

Men and women have equal opportunities, access to all roles and pay for roles within DB Cargo UK. However, more men than women take up management, engineering and operational roles.

Through our recruitment practices we will continue our efforts to broaden the appeal of DB Cargo UK to attract a greater mix of applicants and create a more diverse workforce.

Gender pay vs equal pay

There are important differences between gender pay and equal pay. **Equal pay** is the measure of whether a person of one gender receives less pay for carrying out the same or similar job. It compares the remuneration of individuals performing the same or similar work.

The measure of **gender pay**, however, is much broader as it is the difference between the average earnings of the total number of each gender population, based on hourly rates of pay.

Recognising how cultural change will impact on the gender mix in DB Cargo UK

Current initiatives

Women in Rail Mentor Scheme

DB Cargo UK works closely with Women in Rail, the national charity which works towards creating greater gender equality in the rail industry. One of DB Cargo UK's employees leads the Yorkshire branch of Women in Rail and recently organised an event at the National College for High Speed Rail in Doncaster during Apprenticeship week in order to motivate young women to consider a career in rail. Moreover, a number of female DB Cargo UK employees participate in the free Women in Rail mentoring programme (as both mentors and mentees). Through this programme women, and men, support one another in informal mentoring sessions. Working closely with Women in Rail DB Cargo UK aims to change industry perceptions and make rail more diverse for future generations.

Working with apprentices

In order to deliver and improve the railways performance we need to attract a new generation of people to work in rail and also upskill our existing workforce. DB Cargo UK is utilising the Apprenticeship Levy to invest in its existing workforce and also encourage new people into the industry. It is also actively collaborating with other industry leaders to develop more apprenticeships within the sector.

Collaborating to establish a Driver Academy

Research suggests that the industry will need to recruit 1,000 drivers per year for the next 10 years in order to meet customers' demands.

According to the Department for Transport, the National Driver Academy will pool together existing industry training resources and promote best practice and innovation in training techniques to improve training and recruitment.

DB Academy

We believe that by creating a well-balanced, more diverse leadership team we will have the right talent pool to deliver an agile business to meet the changing demands of our customers. The DB Academy offers development opportunities to our executive employees worldwide and establishes the capabilities identified to be a successful leader. DB Academy, based in Potsdam, Germany, offers state-of-the-art facilities and world leading leadership training to ensure that DB Cargo UK is being led by the best in the business.