

## ALSTOM TRANSPORT UK LIMITED

### GENDER PAY REPORT 2018

We want to ensure Alstom is a welcoming and inclusive place to work as well as one that values differences and allows our people to be themselves. Our organisation's values of Team, Trust and Action and Ethics and Compliance mean we put people first in our business. We take this commitment seriously and have a clear strategy for achieving and maintaining it. We welcome the Government's requirement for large organisations to be transparent on gender pay.

#### The gender pay gap in Alstom

	2017	2018
Median gender pay gap	-27.7%	-23.2%
Mean gender pay gap	-20.6%	-20.0%

UK national median gender pay gap (ONS Nov 18)	-17.9%
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The table above shows our gender pay gap. This is a snapshot of the difference in the overall hourly rate of pay for men and women in April 2018 whatever their job role or position in Alstom. The figures show the gap for women expressed as a percentage of the hourly rate for all men. The mean average shows women's hourly rate is 20.0% less than men and the median (or middle value) average shows 23.2% less than men. The median gap between men and women has closed by 4.5 percentage points over the last year. Our data analysis show the actual median value for women increased over last year by 11.2% compared to 5.5% for men.

It is important to recognise that a gender pay gap *does not* mean we pay women less than men for doing the same work or work that is considered to be of equal value. To do so would be unlawful under the Equality Act 2010 and also completely at odds with our values. However it indicates there are more men than women in senior, professional and more highly paid jobs. Where women hold these senior roles, our research shows their rates of pay are consistent with their male colleagues.

We carry out regular pay reviews to ensure our rates of pay are fair, reflect market rates and are lawful.

## Bonus differences between men and women 2018

	2017	2018
<b>Median bonus gap</b>	<b>-23.8%</b>	<b>+12.8%</b>
<b>Mean bonus gap</b>	<b>-29.4%</b>	<b>-21.2%</b>

Both men and women can earn bonuses, but not all do. Alstom has a clear policy on awarding bonuses based on a percentage of salary that is the same for men and women. The bonus gap above shows the average women's bonus payment as a percentage of men's for the 12 months preceding April 2018.

The median gap is positive; the middle value of the female bonus was greater than for men. We cautiously welcome this but the population of 68 women receiving a bonus is small overall reflecting our reorganisation across the business over the year. A small negative movement in the female median by just 2 people would have put the median for men above women.

Bonus payments are a percentage of salaries hence the mean bonus gap of 21.2%.

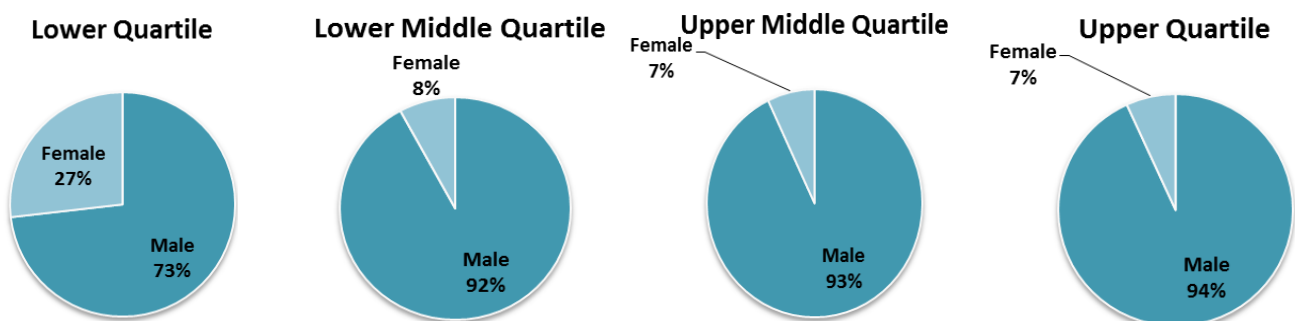
## Proportion of all employees receiving a bonus



Slightly more men were awarded bonuses this period compared to 31% equally last year. This is a small difference and reflects our robust and fair staff assessment system.

## Employees pay quartiles across our business 2018

Lower Quartile 1		Lower Middle Quartile 2		Upper Middle Quartile 3		Upper Quartile 4	
M	F	M	F	M	F	M	F
269	99	339	29	342	26	344	24
73.2%	26.8%	92.1%	7.9%	92.9%	7.1%	93.5%	6.5%



The charts above show the gender distribution across Alstom in four equal hourly pay quartiles of 368 employees each. They demonstrate the under representation of women across all parts of our business making up 12.2% (11% in 2017) of our workforce reflecting our historical heavy engineering background, combined with the national shortage of women taking STEM subjects to professional levels.

Restructuring our business in the last year has reduced the number of employees. For men the reduction was by 25% however proportionately more women left the business at 32%. This is a contributory factor to reducing our pay gap by effectively moving the median point for women up compared to men.

Increasing the number of women entering into our business and then creating an environment where they thrive will be central to bearing down on our gender pay gap. The following section describes what we're doing to achieve this and our plans for the future.

## **Addressing the gender pay gap in Alstom**

We recognise that reducing the gender pay gap is a journey. The gender pay gap reflects the cumulative choices men and women make within our business in terms of careers and roles. There is clear evidence that women experience the workplace differently to men starting with the effect of the educational system, the differing social expectations especially in terms of caring responsibilities placed on women and also the way our internal policies, practices, behaviours and attitude impact on women in our business. The following narrative sets out how we have worked to address these areas since our first report last year.

Our strategy and actions are aligned to the Women in Science and Engineering (WISE) 10 pledge commitments aimed to develop greater gender equality. We are also driven by ALSTOM's Global 2020 Vision to deliver operational and environmental excellence through a diverse and entrepreneurial team. A specific strategy is to achieve 25% women in management or professional roles by 2020.

As an industry, there is an ongoing issue attracting women into our workforce at all entry levels up to and including graduates. We have addressed this by developing strong partnerships with schools and colleges through our 135 STEM (Science, Technology, Engineering and Mathematics) ambassador activities and have developed strategic relationships with Educational/Industry partners such as the NSCHR (National College for High Speed Rail) and NTAR (National Training Academy for Rail), WISE (Women in Science and Engineering) and BITC (Business in the Community).

Accessible and available flexible working is recognised as a key element in addressing the gender pay gap. We have carried out an audit across our business of the forms of flexibility available and are revising our policies around two principles

- All requests for flexible working will be approached from the presumption of approval unless there is some evidenced based business reason why not
- All roles in our business can be delivered flexibly

To support this new approach we will be delivering training to employees explaining these two principles in practice and also addressing bias and pre-conceived ideas about the limitations of flexible working.

Closely linked to this new approach we continue with our membership of the Equality and Human Rights Commission initiative called Working Forward, which seeks to create an environment where women returning from maternity have the opportunity to be properly supported back into work.

Over the year we have revised our approach to dignity in the workplace. All our employees have the right to work without harassment or bullying, and in our industry in which men make up the large majority, we are making sure our workplaces value the contribution of women and men equally. To support this we are piloting a network of 6 fair treatment contacts at two of our London depots. They are trained members of staff who provide a listening ear in instances where the individual feels they have experienced unwanted behaviour. We intend to roll out this approach across all Alstom UK business sites in 2019.

Alstom realises the benefits of having a gender diverse workforce in all roles across the business to bear down on the gender pay gap. However our equality audit revealed under-representation of women, especially at the higher levels of the business. During 2018 we took the first steps to address this to create a fairer workplace.

As part of the ongoing “Voices of Alstom ... Women” initiative, we launched a training programme aimed at developing women to compete for higher level roles. The four day programme was run as four separate training days over a 6 month period, April-November 2018. Some 60 female employees were involved in the programme to date, made up of female employees of all ages and nationalities. The 12 module course built around the key themes of Personal Development, Communications, Work-life Balance and Management gave them an opportunity to understand themselves better and know how to manage and promote their careers going forward. The initial pilot programme in 2018 was a success and to coincide with International Women’s Day on 8<sup>th</sup> March 2019 we launched a second course with a further 30 female employees. The original 2018 cohort were invited onto a further programme to support their learning through reverse mentoring sessions with Board Directors and senior Alstom leaders during 2019.



**This Gender Pay Report 2018 has been approved by the Board of ALSTOM Transport UK Limited**