



Gender and Ethnicity  
Pay Gap Report 2020





“We are committed to driving meaningful change in our organisation”



We are committed to creating a diverse and inclusive workplace culture at Auto Trader, where everyone can reach their full potential. Our interpretation of diversity is any dimension that can be used to differentiate groups and individuals from one another. For anyone at Auto Trader it means respect for and appreciation of differences in gender, sex, age, sexual orientation, disability & neurodiversity, race & ethnic origin, religion & faith, marital status, social/ educational background & way of thinking. Whereas inclusion is a state of being valued, respected and supported for who you are. We are committed to driving meaningful change in our organisation which is why we deem it important to publish our gender pay gap, as well as our ethnicity pay gap which we have done for the first time this year.







Nathan Coe  
CEO AUTO TRADER



Alison Ross  
PEOPLE AND CULTURE DIRECTOR AUTO TRADER

The global pandemic has brought immense challenges for our people, our customers and our communities. However, thanks to the decisive action that we took to protect each of our stakeholder groups, coupled with the resilience and positive attitude shown by our people, we believe that our business and culture will emerge from the crisis in a stronger position than ever.

It's not only been the global pandemic that has created waves across the world in the past year, but a movement aimed at highlighting the racial inequalities that still exist within society. We have been focused in earnest on improving diversity and inclusion for many years, and it has now become both a strategic priority and a key attribute of our culture. Our employee-driven networks have been an invaluable source of support for our people and have been pivotal to the development of our vision for diversity and inclusion: to nurture our inclusive culture and enrich our workforce with diverse individuals who collaborate for the benefit of our business, industries and communities.

As part of this vision, we have committed to a strengthened focus on race. We have built a strategy which will see us work harder to remove individual and systemic racial inequalities that exist within Auto Trader. We are committed to reporting our ethnicity pay gap from this year on and have introduced race targets and initiatives across our business.

Our commitment in this area has strong support from our Board, who this year have established a Corporate Responsibility Committee that will oversee our strategy, execution and KPIs for all our diversity and inclusion ambitions.

Our many years of concerted effort have delivered tangible results. Our Board continues to have 50:50 gender parity, already achieving the Board level ambitions set out by the Hampton Alexander Review and we have almost met the Hampton Alexander targets set for senior management representation. Through a recruitment focus on early careers we have increased the percentage of women in our lower and lower middle quartile since 2018. Whilst this has initially had a negative impact on our overall gender pay gap, when combined with an equally deliberate approach to mid-career development and internal succession, over time it should provide a more sustainable and systemic solution to building a more diverse and inclusive Auto Trader.

We have been recognised by the Inclusive Companies Top 50 award as the seventh most inclusive employer in the UK, and several colleagues were recognised by the Automotive 30% Club annual Women In Automotive Awards, including the top accolade of Inspiring Automotive Woman of the Year. Both these achievements are testament to all the hard work and dedication of our colleagues from across the business who are all passionate about making a difference.

However, despite this progress our overall gender pay gap results haven't gone in the direction we would have liked, in a large part because of the decline in the percentage of women in the upper quartiles of the Company. This is a result of the combination of leavers, promotions and recruitment. We are addressing promotions through a series of development programs aimed at mid-career levels which over time should result in the diversity we see in lower quartiles, begin to be reflected in upper quartiles. However, we need to work even harder to improve diversity when it comes to recruitment in these upper quartiles. Whilst our ability to improve is hampered by the heavy male bias inherent in technology roles, we will double down on improving this in the years ahead.

These same initiatives apply not just to gender, but to all aspects of diversity including sex, gender, age, sexual orientation, disability, race & ethnic origin, religion & faith, marital status, social, educational background and way of thinking.

We remain as committed and determined as ever to continue our journey to create a diverse and inclusive Auto Trader where all our people can bring their true selves to work and perform at their very best.

I confirm that this report is an accurate statement of our pay gaps and that it meets the statutory requirements.

Our work community is a place where differences are celebrated and where diverse individuals can thrive in a collaborative environment to the benefit of our customers, people and the communities in which we operate.

Refining our diversity and inclusion vision in the year has given us the opportunity to challenge ourselves and to develop new commitments that will help us achieve our vision.

- These are:
- Have a representative workforce of the communities we operate in across all levels of our business with a focus on Women, LGBT+, BAME, Disability & Neurodiversity, Age and Social Mobility.
  - Create an environment where everyone feels included with high levels of engagement, especially across the different diversity focus areas.

We continue to operate our Diversity and Inclusion Guild, which is made up of people from across the business representing all levels. The Guild steers the Company's strategic focus areas and governs our employee networks, including: Women, BAME, LGBT+ and Disability and Neurodiversity. This year we are introducing a new employee network for Age, which will focus on creating an environment that is inclusive of our multi-generational workforce. These employee-driven networks continue to be a fundamental part of our overall culture and have proven extremely

powerful over the last very challenging year, bringing people together and uniting them towards a common purpose.

As part of our commitment to increase representation across our business at every level we are always looking for new ways to ensure all our people feel empowered and that they have the support to continue their personal growth and professional development at Auto Trader.

**Our work community is a place where differences are celebrated and where diverse individuals can thrive**

To achieve this we have continued investing in our early careers programmes, welcoming new graduates and apprentices to our business, as well as forming a new partnership to recruit returners following a career break. We hope these programmes will begin to positively change our pay gaps over the coming years as they help to address both gender and ethnicity representation across our business.

In the last 12 months we have also launched two talent programmes; one focussing on Inclusive Leadership for all leaders across our organisation and the second a Diverse Talent Accelerator

programme designed to support the progression of mid-career colleagues. Both programmes have been designed to support our overall strategic ambitions by supporting our leaders to be more inclusive and helping their development through the organisation.

It's worth noting that our gender pay gap reporting follows the Government's legislation covering those employees who identify as men or women. The Government's reporting guidelines do not address other gender definitions such as those who identify as non-binary which we feel is a shame and should be redressed for future reporting. Additionally, in the absence of formal Government legislation concerning the ethnicity pay gap, we have followed the same guidelines as are currently laid out for gender.

Although we are making progress with our goals, the impacts of our work will take time to be seen, hence the continued gender and ethnicity pay gaps. We will continue to work hard to address the issues we believe are relevant to reduce these gaps and believe that our new programmes will go some way to help us realise our goals.

### What is the Gender pay gap and the Ethnicity pay gap and why are we reporting these?

It's a legal requirement for all employers with 250 or more employees to calculate and publish their gender pay and gender bonus gaps as they are on 5th April each year. The gender pay gap is the measure of the difference between the average pay for all women in the Company compared to all men. It's a snapshot based on employees and it is calculated using specific and detailed rules as set out in the Government's legislation.

Employers aren't currently required to publish information about their ethnicity pay gap, and we include this in our report on a voluntary basis. The ethnicity pay gap shows the difference in the average hourly rate of pay between BAME Non-White (Black, Asian, Minority Ethnic) and White (White British and White Other) individuals in our organisation, expressed as a percentage of the average White earnings.

We have chosen to use the same calculation methodology set out by the Government Equalities Office ("GEO") for gender pay gap reporting, for our mean and median ethnicity pay gap and distribution across pay quartiles. However, unlike gender, our ethnicity disclosure rate on 5th April 2020, stood at 86.8%; thus, any individuals with undisclosed ethnicities were excluded from our calculations.

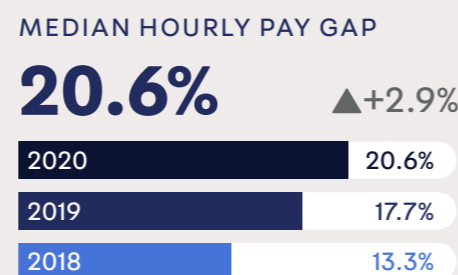
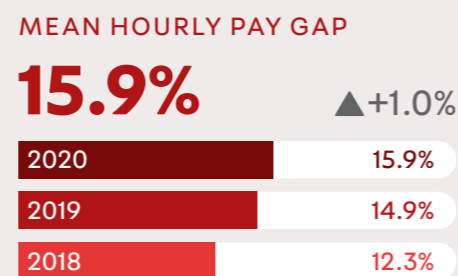
It's important to note that the gender and ethnicity pay gaps do not show differences in rates of pay for comparable jobs. The calculations are an average for colleagues employed by the business, regardless of job role. We are confident that there are no inequalities of pay for comparable roles within Auto Trader.



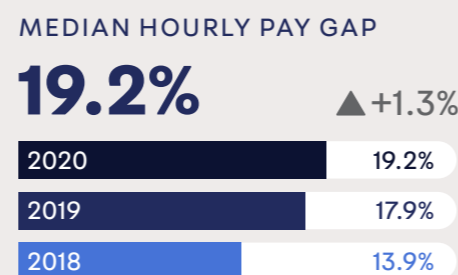
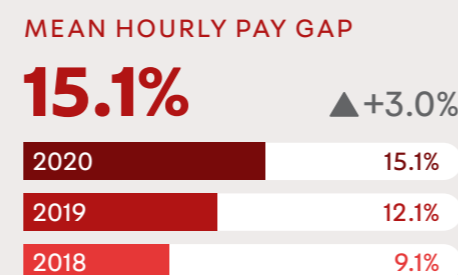
#### Key achievements of the women's network:

- We have continued our partnership with the Automotive 30% Club, whose aim is to encourage more women into leadership positions within the automotive industry, with the launch of a new Courageous Conversations webinar series.
- The network have launched new internal focused webinars tackling important topics such as sexual harassment and menopause.
- They have also actively supported our early career's network with mentoring and coaching programmes.

### Auto Trader Group<sup>1</sup>



### Auto Trader Limited



A **mean gap** is the calculation of the average hourly pay or bonus between different groups of people by gender or ethnicity, including all relevant additional payments and regardless of what they do.

A **median gap** is the calculation of the exact mid-point between the lowest and highest paid person in different groups of people, for example, by gender or ethnicity.

1. This includes all full pay relevant employees within the Auto Trader Group as at 5 April 2020, including Auto Trader Group plc (which had 3 employees), Webzone Limited (a company registered in Ireland) and KeeResources. We have reported this voluntarily.

### Auto Trader Limited

SALARY QUANTILES	% Women			% Men		
	2020	2019	2018	2020	2019	2018
Lower quartile	51.0%	49.2%	47.9%	49.0%	50.8%	52.1%
Lower middle quartile	44.6%	43.8%	40.9%	55.4%	56.2%	59.1%
Upper middle quartile	29.2%	28.7%	30.3%	70.8%	71.3%	69.7%
Upper quartile	32.1%	33.5%	34.7%	67.9%	66.5%	65.3%
<b>Total number of employees</b>	<b>307 (39.3%)</b>			<b>475 (60.7%)</b>		

Quartiles are calculated by ranking the pay for each of our employees from lowest to highest. This list is then divided into four equal sized groups of men and women. In our table it shows the percentage of men and women in each of these groups.

### What is Auto Trader's gender pay gap and progress since last year?

We recognise that the gender pay gap has widened in 2020, and there are two main drivers for this. Firstly, we have increased the proportion of women in entry level roles, our graduate intake this year was predominantly women (63%). There is a significant challenge in both the technology and automotive industries when it comes to gender balance, therefore we remain determined to create a solution by overinvesting in our early career strategy and programmes. We believe that over time this will result in a sustainable pipeline of female talent throughout our organisation. We are also making progress in the lower middle quartile as women who previously entered the business in an early career capacity progress upwards through the organisation. Another positive indicator that our long-term strategy

is working is that women in technology roles has also increased again this year to 24%.

The second main driver of our pay gap has been the reduction in the proportion of women in the upper quartile salary roles. This is due to a combination of senior women leavers, senior male promotions and senior male hires. We are taking action through our new development programs aimed at mid-career levels, and we acknowledge that there is more work to do in improving the gender balance of recruitment into these upper quartile roles.

**63%**  
of our early career programme intake this year was women





### Bonus

In calculating our bonus pay gap, "bonus pay" must include any remuneration which relates to profit sharing, productivity, performance, incentive or commission which is paid in cash, vouchers, shares or share options. As part of our remuneration policy we continue to take a simple approach to reward and the vast majority of employees do not receive bonus or commission.

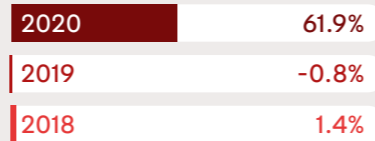
Our senior leadership team and other key individuals receive incentive awards which are fully settled in shares over a three-year period. However, the bonus pay gap looks back over a twelve month period (April 2019-March 2020), and share awards are included in the calculations at the time when an employee chooses to exercise their share options, not when the awards are granted. The bonus pay gap reported includes the exercise of awards from previous years (when our senior leadership team was not as gender balanced as today), and also includes multiple awards for some employees depending when they have chosen to exercise, and is therefore not a reflection of the current award structure. This has had an impact on both our mean and median bonus pay gap figures.

However, based on the value of the awards granted in the year, the mean bonus pay gap was 20.3% and the median bonus pay gap was 32.4%. We believe this is a more appropriate reflection of our bonus pay gap and acknowledge we still have progress to make.

### Auto Trader Limited

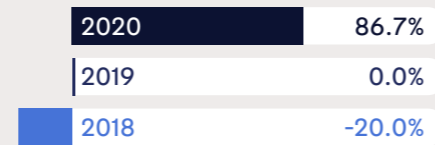
#### MEAN BONUS PAY GAP

**61.9%** ▲+62.7%



#### MEDIAN BONUS PAY GAP

**86.7%** ▲+86.7%



#### PROPORTION OF MEN AND WOMEN RECEIVING BONUS

	2020	2019	2018
% Women	9.1%	26.9%	3.6%
% Men	6.1%	31.6%	3.3%

### Deep dive into ethnicity

For the first time, we have calculated and shared our voluntary ethnicity pay gap figures for Auto Trader Ltd. The term BAME (Black, Asian and Minority Ethnic) has been used throughout this report to refer to individuals who have declared heritage from African, Asian, Middle Eastern and South American regions i.e. "non-white" while appreciating that non noun/group is perfectly suitable. The data is representative of 86.8% of our business, as those who chose not to disclose their ethnicity are not included in this reporting. Our current representation of BAME employees is 13.66%, which whilst almost reflective of wider society, is not reflective of the communities in which we operate so it's therefore an area we will actively want to improve on.

**30%**  
of our early career's intake are from a BAME background

The proportion of employees from BAME non-white backgrounds is higher in the lower quartile pay bands as our business and industries face similar challenges to those faced by women. We are working on increasing the recruitment of BAME non-white individuals and we are already having success as 30% of our early career's intake are from a BAME background. We are hopeful that the introduction of our two new programmes, Inclusive Leadership and the Diverse Talent Accelerator will help us to make further progress in this area. This year we have voluntarily reported our high level ethnicity pay gap figures for Auto Trader Ltd and will look to publish our full figures in our next report.

### Auto Trader Limited - Ethnicity 2020

SALARY QUANTILES	BAME	White
Lower quartile	20.6%	79.4%
Lower middle quartile	14.7%	85.3%
Upper middle quartile	10.0%	90.0%
Upper quartile	9.4%	90.6%
Total number of employees	93 (13.7%)	588 (86.3%)
<b>MEAN ETHNICITY PAY GAP</b>	<b>MEDIAN ETHNICITY PAY GAP</b>	
<b>14.8%</b>	<b>21.6%</b>	



#### Key achievements of the BAME network:

- The BAME network ran a speed reverse mentoring session for both our OLT and our PLC Board. The aim of the event was to share our BAME colleagues' stories so that our leadership teams could get a better understanding of the challenges that the BAME community face.
- The business joined the newly formed Black Leaders organisation, aimed at creating an action focused national community of black leaders, black professionals, non-black company CEOs leaders, influencers and allies who connect and collaborate with each other, aimed at addressing the inequalities and the systemic barriers faced by black people across all aspects of society. The network hosted a webinar with Black Leaders during Black History Month addressing the Black Lives Matter movement, which reached more than 1,000 people from a mixture of public and private sector businesses.
- The network supported the business to sign up to several race charters including: Business in the Community (BITC) "Race at Work Charter" and the Confederation of Business Industry (CBI) "Change the Race Ratio" initiative. Signing up to these will ensure we can create meaningful strategies to achieve the changes we all want to see.
- The network created safe spaces for individuals within the business to share how the events that preceded the Black Lives Matter movement last year affected them, including offering further support as needed.



### Actions we are taking

Supported by our Board Corporate Responsibility Committee and our Operational Leadership Team our colleagues are working tirelessly on different initiatives in order to achieve our two strategic diversity and inclusion commitments that we believe will directly contribute to closing the pay gaps that exist, which are:

- Have a representative workforce across all levels of our business with a focus on Women, LGBT+, BAME, Disability & Neurodiversity and Age
- Create an environment where everyone feels included with high levels of engagement, especially across the different diversity focus areas.

Our Diversity and Inclusion Guild and Employee Networks are leading our work and form partnerships with charities and organisations like the AUTO30%, Inclusive Companies, the National Autistic Society and Black Leaders. In order to achieve our commitments, we will:

### Take Action

- Recruit more diverse individuals and support career progression of women and BAME non-white colleagues in lower and upper middle quartiles through our Diverse Talent Accelerator and Inclusive Leadership programmes
- Fulfil our commitments as part of the Business in the Community (BITC) "Race at Work Charter" and the Confederation of Business Industry (CBI) "Change the Race Ratio" initiative
- Partner with charities and organisations like Business in the Community and AUTO30% to raise awareness and make a difference to the Women and BAME communities in the UK.

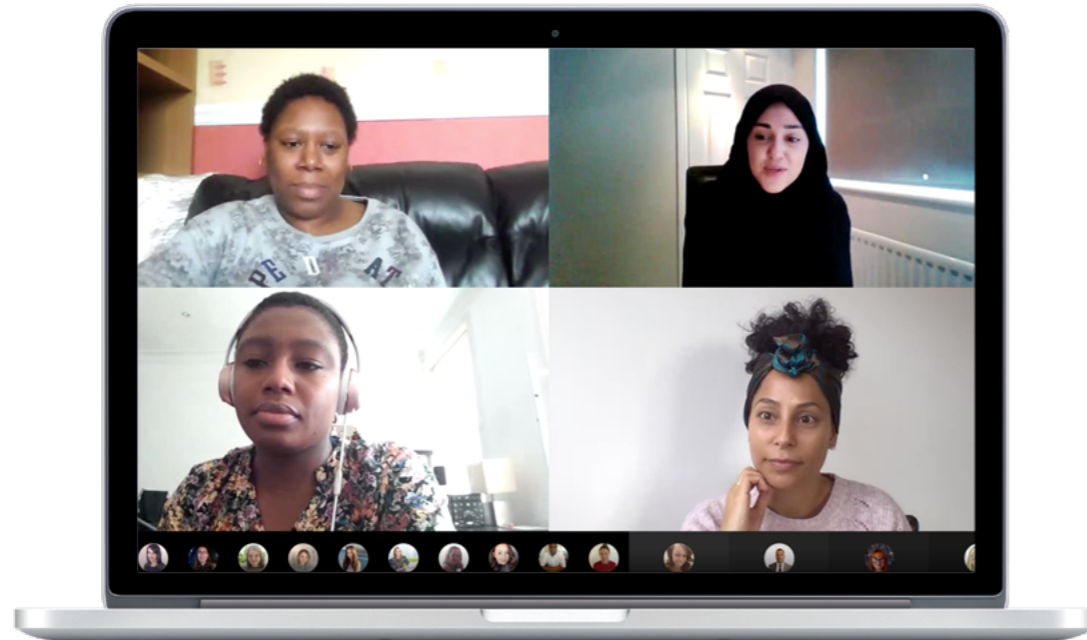
### Measure Impact

- Analyse and act on employee feedback through our Guilds, Networks and surveys
- Monitor the make-up of our workforce across our focus areas and continue calculating pay gaps
- Ensuring our development programmes have a strong representation of women and BAME individuals and they successfully support their progress and development

### Do More

- Continuously increase representation of women and BAME individuals across all levels of the organisation
- Improve employee experience, remove systemic barriers and reduce the pay gaps
- Drive change across our industries and communities and partner with new charities and organisations like Black Leaders

**Our Diversity and Inclusion Guild and Employee Networks are leading our work and form partnerships with charities and organisations**



 **AutoTrader**