



Gender and Ethnicity Pay Gap Report 2021



MARCH 2022

We have made significant progress on ensuring everyone at Auto Trader can bring their authentic and best selves to work and thrive as a result



We are committed to creating a diverse and inclusive work community that enhances our culture and improves our business through our ability to attract, identify and develop talent. We have made significant progress on ensuring everyone at Auto Trader can bring their authentic and best selves to work and thrive as a result.

We define diversity as any classification that can be used to differentiate groups or individuals from one another, including: gender; sex; age; sexual orientation; disability & neurodiversity; race & ethnic origin; religion & faith; marital status; and social/educational background & way of thinking. We define inclusion as a state of being valued, respected and supported for who you are.

We, and our people strongly believe in pursuing this aim authentically and systemically, expecting to see improvements in metrics, but not being driven solely by the pursuit of metrics. That being said we believe it is important to remain accountable and transparent which is why we publish both our gender and ethnicity pay gap.



Nathan Coe
CEO AUTO TRADER



Alison Ross
PEOPLE AND CULTURE DIRECTOR AUTO TRADER



The last couple of years have been difficult for everyone. However it is at times like this when the strength of the human spirit shines through, and I am humbled by how our people have supported each other and the business, which has seen us achieve records across almost every measure. However, we have also seen that inequalities still prevail in our society, as seen in the 2021 Euros, where English players faced abuse based on their racial background. Sadly, abuse and prejudice is also still experienced by many communities across the UK today, something we all need to work together to stamp out.

Ensuring we are unlocking the full potential of the people we have is a perennial priority and our distinct focus on creating diversity and inclusion is integral to this. We are working hard to ensure everyone feels included with high levels of engagement and that we have good representation across all levels of our organisation, particularly within our leadership teams. Our employee-driven networks have been a driver of change in our organisation for which we are incredibly grateful, they have ensured that our people feel welcome, supported, and represented across the business.

This year, we have made progress on closing our gender pay gap with a focus on both recruitment and retention. We have implemented

connected working which will allow everyone to better integrate their personal and work lives, but especially so for parents and carers.

While we are making good progress on the gender pay gap, this comes after five years of concerted effort and despite facing the same well-documented challenges faced specifically by technology companies. Our focus on ethnicity is at an earlier stage of development but is beginning to benefit from the same approach we have taken for gender. We have addressed recruitment, focusing heavily on earlier careers which has seen us achieve good levels of diversity in the lower quartiles of our organisation as determined by pay.

Our employee-driven networks have been a driver of change in our organisation

The challenge now is to ensure that level of diversity is retained as people develop their careers at Auto Trader, such that over time we achieve the same level of diversity we see in the lower quartiles across the entire organisation. We are raising awareness and empathy for the lived experiences of our colleagues through our One Auto Trader programme for all employees.

To address management and leadership we have launched an in-house Inclusive Leadership program which has been completed by the majority of our people leaders within the organisation, promoting the why and how for creating diverse and inclusive teams. To accelerate people at mid-career levels we have launched our Diverse Talent Accelerator program, which is open to everyone, and focuses on providing people with the skills, confidence coaching and sponsorship to progress through the organisation quicker.

Our efforts to provide an environment in which all our people feel comfortable being themselves, and included, has been recognised, as we have again been named as one of the UK's top 50 most inclusive companies, and a Top 75 Employer for Social Mobility. This year we are also proud to report that the proportion of women on our Board as of 1st January 2022 is 56%. Across our industry, three colleagues have received the Inspiring Automotive Women Award from the Auto 30% Club. Together we are committed to achieving our long-term goals, and I have confidence we will do the right thing, in the right way, so we can make the changes we all want to see.

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

At Auto Trader we pride ourselves on being a workplace where differences are celebrated and where everyone can thrive and progress in their careers based on their true potential. Diverse teams are key to our success, fuelling innovation, driving engagement and attracting talent, which benefits our people, our local communities, and our industries.

Diversity and inclusion is at the very heart of our organisation. That is why we are constantly pushing ourselves to achieve this across the business. While Auto Trader has a myriad of initiatives in place, all these programmes are guided by two key principles:

- Foster an environment where everyone feels included with high levels of engagement, especially across the different diversity focus areas.
- Have a representative workforce of the communities we operate in with a focus on; women, BAME, LGBT+, disability & neurodiversity, social mobility and age.

Diverse teams are key to our success, fuelling innovation, driving engagement and attracting talent, which benefits our people, our local communities, and our industries

To ensure that we recruit from a diverse talent pool and maintain this across all levels, we are investing heavily in our early careers' programmes. These programmes aim to attract graduates, interns and apprentices at the very start of their careers, providing the tools they need to excel professionally.

We also have initiatives in place to support colleagues as they return to the workplace after taking career breaks or changing careers.

Everyone at Auto Trader is encouraged to join one of our employee-driven networks that help to champion: wellbeing, women, multiculturalism, LGBT+, disability and neurodiversity, parents and carers, and a multigenerational workforce. These employee-driven networks and their leaders are a core part of our culture, helping to welcome employees when they join our organisation, empowering team members to thrive, and spearheading outreach programmes that support our local communities. These networks feed into a wider diversity and inclusion

guild. This guild helps to oversee Auto Trader's various networks to ensure they drive real change across our organisation.

We are delighted to see even more of our colleagues from diverse backgrounds using our talent programmes to develop their careers. Our programmes are key to the development of our company's future leaders and provide them with the knowledge they need to lead successful teams.

Our gender pay gap reporting follows the Government's legislation guidelines which do not include other gender identities such as non-binary. We would welcome changes to redress this 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.

While we are thrilled to see some green shoots of change take root, we have taken the decision to prioritise more long-lasting and impactful initiatives which means that the changes we seek will not be immediate. But we are already starting to see positive signs and we will continue to work hard to address inequality, reduce the pay gap and realise our long-term goals.

What are the gender and ethnicity pay gaps and why are we reporting these?

It is 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 is a snapshot based on employees, and it is calculated using specific and detailed rules as set out in the Government's legislation.

Employers are not 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 ethnically diverse 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 is not at 100% (at the time of reporting, it stood at 83%); thus, any individuals with undisclosed ethnicities are excluded from our calculations.

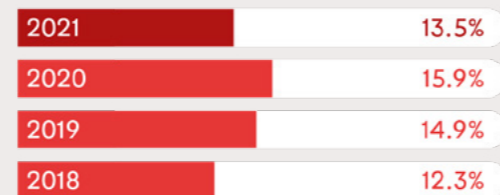
It is important to note that the gender and ethnicity pay gaps do not show differences in rates of pay for comparable jobs. The calculations are an average for colleagues employed by the business, regardless of job role. Our data shows that Auto Trader has achieved pay parity, there are no inequalities of pay for comparable roles within Auto Trader.



Auto Trader Group

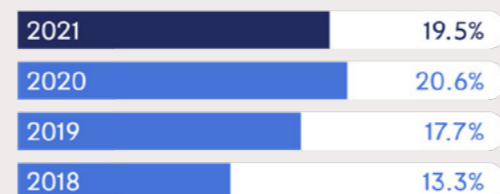
MEAN HOURLY PAY GAP

13.5% ▼-2.4%



MEDIAN HOURLY PAY GAP

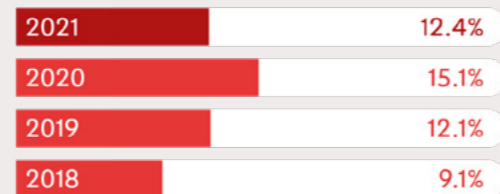
19.5% ▼-1.1%



Auto Trader Limited

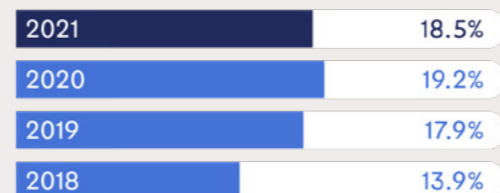
MEAN HOURLY PAY GAP

12.4% ▼-2.7%



MEDIAN HOURLY PAY GAP

18.5% ▼-0.7%



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.

Auto Trader Limited

SALARY QUANTILES

	% Women				% Men			
	2021	2020	2019	2018	2021	2020	2019	2018
Lower quartile	50.2%	51.0%	49.2%	47.9%	49.8%	49.0%	50.8%	52.1%
Lower middle quartile	43.8%	44.6%	43.8%	40.9%	56.2%	55.4%	56.2%	59.1%
Upper middle quartile	27.6%	29.2%	28.7%	30.3%	72.4%	70.8%	71.3%	69.7%
Upper quartile	34.4%	32.1%	33.5%	34.7%	65.6%	67.9%	66.5%	65.3%

Total number of employees **339 (39%)**

530 (61%)



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?

Our gender pay gap in 2021 has reduced due to better retention of women in our upper quartiles and the return of several women in the upper quartile, who were excluded from the reported figures last year due to taking a period of leave, such as maternity.

In addition to this we have made good progress in terms of recruitment, in spite of the well documented difficulties in gender diversity in technology roles. Auto Trader welcomed 81 new starters, 42% of which were women, of which a third (31%) were in early career roles.

Company-wide there was little movement between the quartiles due to an annual pay freeze, due to the pandemic, in July 2020. Where we have seen movement,

was from the lower to lower middle quartiles, due to the focus placed on our early career roles once the pay review freeze was lifted. Historically, both the technology and automotive industries have struggled to achieve a gender balance, adopting our early career approach shows our continued commitment to reversing this trend in a sustainable way to achieve long-term results.

One area in which we acknowledge more work is required is the recruitment of women within the upper middle and upper quartiles. The lower representation of women recruited into these quartiles this year was driven by the demand and growth in technology roles during the pandemic.



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 most 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 2020-March 2021), and share awards are included in the calculations at the time when an employee incurs an income tax charge based on the taxable value and not when the awards are granted.

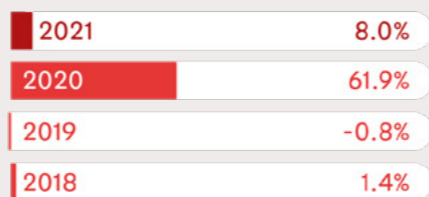
This leads to a distorted view of our gap, as the decision is firmly in the hands of employees on when they choose to exercise and to what extent (the exercise request may also include multiple awards). This is clear when we compare last years to this year’s mean and median bonus pay gap reported figures. Our figures show our mean and median gap reducing by 53.9% and 69.9% respectively however this change is due to fewer share awards being exercised by employees in the last twelve-month period.

Last year, we looked at our bonus gap based on the value of awards granted as opposed to what was paid, as we feel this is a more appropriate reflection of our bonus pay gap. In April 2020-March 2021, we saw the median gap increase to 35.5% (from 32.4%) and our mean increase to 23.2% (from 20.3%). Although the percentage of women being granted an award has not reduced, the widening of the gap has been impacted here by the higher salaries of men receiving an award. We acknowledge the fact that the progress we are making to our overall gender pay gap will subsequently help to reduce the impact on the bonus pay gap and we still have progress to make.

Auto Trader Limited

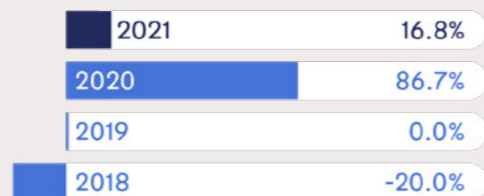
MEAN BONUS PAY GAP

8.0% ▼ -53.9%



MEDIAN BONUS PAY GAP

16.8% ▼ -69.9%



PROPORTION OF MEN AND WOMEN RECEIVING BONUS

	2021	2020	2019	2018
% Women	2.5%	9.1%	26.9%	3.6%
% Men	3.2%	6.1%	31.6%	3.3%

50.2%
of the lower
quartile are
women



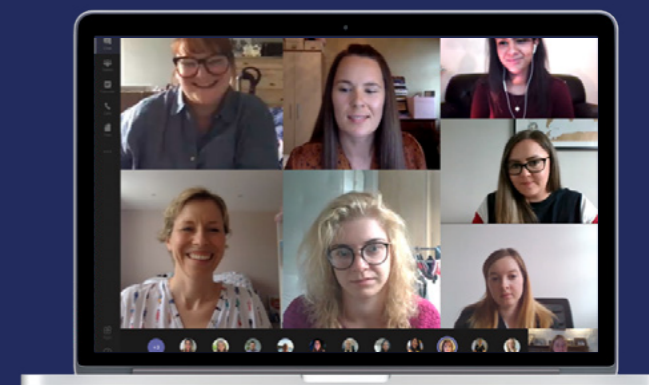
Women’s Network

We remain committed to driving long-term change to reach gender parity in our business. Our focus is on developing the next generation of women in our industry by investing in our early career strategy, as well as supporting several initiatives and partnerships, including DigitalHer with Manchester Digital, AUTO30% and our STEM Ambassador Programme.



Key achievements of the women’s network:

- Auto Trader’s Women’s network launched the Woman of the Month award, which celebrated the hard work of 12 women across the business. The award helps to raise the internal profile of its winners, boost confidence, and serves as an opportunity to share positive feedback.
- The network also runs a mix of relaxed drop-in sessions where colleagues can come together and share in a safe space, as well as interactive panel sessions with expert guests which provide an opportunity to discuss difficult topics, such as body dysmorphia, sexual harassment and returning to work after maternity leave.
- The Women’s Network partnered with the BAME (Build A Multi-Cultural Environment) network and jointly hosted an engaging Black Herstory event. The event celebrated inspiring black women throughout history and highlighted topics such as misogyny – the unique discrimination black women face. The Women’s Network also partnered with the Sustainability Network to run a session which explored how women are often most impacted by the damaging effects of climate change but are often most engaged in discussions on sustainability.
- The network has continued to collaborate with the Auto 30% club. The Auto 30% Club aims to encourage women working in the automotive industry into leadership positions. Auto Trader’s women’s network regularly meets with representatives from Auto 30% Club to shape initiatives. We have worked with them to launch a new Courageous Conversations webinar series.
- We also published the third edition of our Making Diversity and Inclusion a business reality report in partnership with Ennis & Co.
- The network has also worked closely with Auto Trader’s early careers network to kickstart mentoring and coaching programmes.



Deep dive into ethnicity

This is the second year that we have voluntarily shared figures on Auto Trader's ethnicity gap. We believe the best way to address and reduce the ethnicity pay gap is to acknowledge the challenge by publishing our figures and monitoring the impact of the measures that we are putting in place to ensure we close the gap.

The data is representative of 83% of people in our business who have disclosed their ethnicity. Our current representation of ethnically diverse colleagues, reported here for the purpose of the ethnicity pay gap, is 14.5% (up from 13.7% last year). While close to reflecting national demographics, these numbers are not yet reflective of the areas in which Auto Trader operates (London and Manchester), so we will continue to work to improve representation.

This year, the mean and median ethnicity pay gaps have increased by 2.7% and 0.7% respectively. The key reason being that ethnically diverse colleagues in the upper quartiles have left the business and many of the new ethnically diverse recruits were earlier on in their careers. 81 new starters joined between April 2020 – March 2021, 20% of which were ethnically diverse, and 5 who have not disclosed their ethnicity and therefore are not included in these figures.

The highest representation for ethnically diverse colleagues is in the lower quartile pay bands, due to the company's early careers intake. Our long-term plan (which follows the same approach taken to reduce our gender pay gap) is to ensure a steady pipeline by having a diverse talent pool at entry level and investing in these colleagues, as they progress in their roles. In the short-term, our teams are also monitoring experienced hire recruitment to increase representation at the upper quartiles. Both objectives are key to us closing the ethnicity pay gap and increasing diversity across all levels.

Some of the measures that we have in place to ensure that we have a diverse talent pool include recruitment initiatives, working with charities and community groups, and continuing our awareness efforts and our One Auto Trader: A Culture of Inclusion Programme for all new starters. Last year, we also introduced two new programmes, Inclusive Leadership and the Diverse Talent Accelerator.



BAME

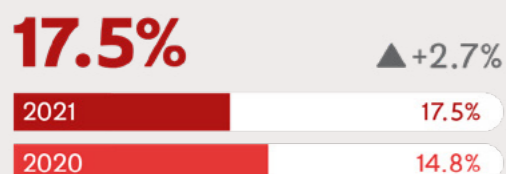
Our BAME (Build A Multi-Cultural Environment) Employee Network is a well-established group of Black, Asian and minority ethnic colleagues, and allies, that work to tackle inequalities and celebrate inclusivity.



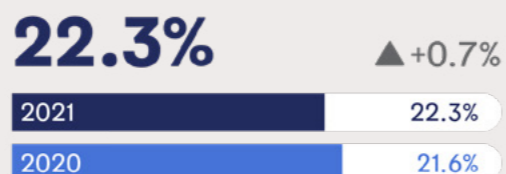
Auto Trader Limited - Ethnicity 2021

SALARY QUANTILES	BAME (Non white)		WHITE	
	2021	2020	2021	2020
Lower quartile	22.6%	20.6%	77.4%	79.4%
Lower middle quartile	16.1%	14.7%	83.9%	85.3%
Upper middle quartile	10.8%	10.0%	89.2%	90.0%
Upper quartile	8.6%	9.4%	91.4%	90.6%
Total representation	14.5%	13.7%	85.5%	86.3%

MEAN ETHNICITY PAY GAP



MEDIAN ETHNICITY PAY GAP



Key achievements of the BAME network:

- Auto Trader's BAME Network partnered with Inclusive Companies and Black Leaders to host the #ProudToBe event, in honour of Black History Month. The event brought together engaging speakers from several organisations, for an exciting, inspiring event that celebrated black culture, black achievements, addressed the inequalities still faced and promoted allyship.
- We continued our partnership with the Black Leaders organisation, an action focused national community of Black leaders, Black professionals, non-Black company CEOs, influencers and allies who collaborate with each other to address the inequalities and the systemic barriers faced by Black people.
- To commemorate the Islamic celebration of Ramadan, Auto Trader colleagues joined the AT Ramadan Fast, alongside their Muslim colleagues. The business sponsored those who were fasting and raised £2,500. The money raised was donated to One Nation's Gift of Water Project, which helps create Water Wells, Hand Pumps and Water tanks for developing countries to provide them with a clean, drinkable water.
- The network continued to promote ChatSpace, a safe space for ethnically and culturally diverse colleagues and allies to support and connect with each other throughout the pandemic. The space served as an education and awareness tool for colleagues, providing them with a platform to discuss current events impacting racial equity and offering them access to mental health support.

20%
of our new starters are
from a BAME background

Actions we are taking

Our strategy and therefore initiatives are focused on driving long-term changes, so we don't expect to see immediate results; we are prepared for our pay gap numbers to fluctuate whilst our plans take hold. Our Board Corporate Responsibility Committee and our Operational Leadership Team oversee the progress we make against the following diversity and inclusion commitments:

- Have a representative workforce across all levels of our business with a focus on Women, LGBT+, BAME, Disability & Neurodiversity, Social Mobility 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 also fundamental to driving change and lead our work in this area. Together we will take action to achieve our commitments, by:

Taking action

- Recruit more diverse individuals and support career progression of women and ethnically diverse 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 ethnically diverse communities in the UK
- Support our people to grow through our Inclusive Culture Development Programmes
- Educate each other and increase awareness via our training and employee network activities

Measuring 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
- Our development programmes have a strong representation of women and BAME individuals and they successfully support their progress and development
- Calculate the different pay gaps and report on our gender and ethnicity pay gap in 2021

Doing more

- Keep increasing representation of diverse individuals across all levels of the organisation at a steady and sustainable pace every year
- 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
- Encourage colleagues who haven't yet done so to disclose their ethnicity to improve the quality of our reporting



Auto Trader welcomed 81 new starters, 42% of which were women, of which 31% were in early career role



Auto Trader's networks

An overview of the other employee-driven networks at Auto Trader - These networks are key to implementing and supporting the company's diversity and inclusion initiatives, helping to create a representative workforce where everyone feels included.

Disability and Neurodiversity

In its fourth year, our Disability & Neurodiversity Network continues to create a more accessible and inclusive environment for our colleagues. 12.5% of our colleagues have disclosed a disability or neurodiverse condition. The Network partners with various charities including the Leonard Cheshire, Royal National Institute for Deaf People and the Business Disability Forum to educate colleagues and raise awareness.



LGBT+

Our Group LGBT+ representation is currently 7.1% and, for a fourth consecutive year, our LGBT+ Network has continued to support our colleagues and connect with local LGBT+ charities, including The Proud Trust and the George House Trust.



Age

Last year, we launched a new employee network that focuses on creating an inclusive environment for the multigenerational workforce of Auto Trader.



Family Network

Supporting parents and carers across our business; our family network works closely with our other networks, our People team and with charities like Carers UK.



 **AutoTrader**