



Gender Pay Gap Report 2019

MARCH 2020

Diversity and Inclusion is a core part of our overall people and culture strategy and remains a key business priority

Introduction



Alison Ross
PEOPLE AND CULTURE DIRECTOR

At Auto Trader we remain committed to continually evolving our business to ensure we become more inclusive in welcoming, and just as importantly retaining, a diverse workforce. Diversity and Inclusion is a core part of our overall people and culture strategy and remains a key business priority that's supported by our Board.

We have a dedicated Diversity & Inclusion Guild who work closely with the People & Culture Team to develop and deliver initiatives designed to further our goals of having a business that reflects the communities in which we operate and the consumers we serve.

Diversity at Auto Trader means respect for and appreciation of differences in: sex, gender identity, age, sexual orientation, disability, race and ethnic origin, religion and faith, marital status, social, educational background and ways of thinking. We believe that inclusion is a state of being valued, respected and supported for who you are - we want people to be able to be their 'true' selves at work.

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 readdressed for future reporting. Looking at this year's report, we have made progress across a number of areas but the impact will not be seen immediately.

In the year, we are pleased to report that we welcomed more women to Auto Trader; entering the business in predominantly early career roles or across our technology cohorts. Our dedication and focus on early careers has resulted in us supporting a variety of initiatives which have contributed to inspiring women to join and have fulfilling careers not only with Auto Trader but across our industries and local communities.

Although a gender gap pay gap does still exist at Auto Trader, we will continue to work hard to address the issues we believe are relevant to reduce this gap.

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At a glance

What is the gender pay gap and why are we reporting this?

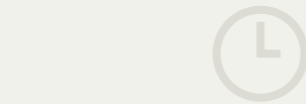
It's a legal requirement for all employers with 250 or more employees to calculate and publish their gender pay and gender bonus gaps as they are on 5th April each year. The gender pay gap is the measure of the difference between the average pay for all women in the Company compared to all men. It's a snapshot based on employees and it is calculated using specific and detailed rules as set out in the legislation. It's important to note that gender pay gap does not show differences in rate of pay for comparable jobs. The calculations are an average for all women and men employed by the business, regardless of job role. We are confident that there are no inequalities of pay for comparable roles within Auto Trader.

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

The figures set out have been calculated using the mechanisms that are set out in the gender pay gap reporting legislation.

We recognise that the gender pay gap has widened in 2019. This is partly due to the fact that we have increased the proportion of women in entry level roles (with 58% of our early careers intake being women in 2019), which has increased the proportion of women in the lower and lower-middle quartiles. We have also seen a reduction in the proportion of women on our Operational Leadership Team from 50% to 42%. We are making progress though, as women in technology roles more broadly has increased from 15% to 23% this year, driven mainly from those joining the business in the lower and lower middle quartiles.

Our remuneration policy takes a simple approach to reward and the vast majority of our employees do not receive bonuses or commissions. However, in 2019 the number of men and women receiving a bonus has significantly increased as it includes share incentive plan awards (free shares) exercised between April 2018 - March 2019. This also impacted the mean and median bonus pay gap.



Hourly pay gaps between men and women

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Mean hourly pay gap 2019

12.1% ▲ 3.0% | 2018 | 2017 | 9.1% | 12.1%

Median hourly pay gap 2019

17.9% ▲ 4.0% | 2018 | 2017 | 13.9% | 18.5%

AT AUTO TRADER GROUP PLC¹

Mean hourly pay gap 2019

14.9% ▲ 2.9% | 2018 | 2017 | 12.0% | 14.9%

Median hourly pay gap 2019

17.7% ▲ 4.4% | 2018 | 2017 | 13.3% | 17.5%



A **mean gap** is the calculation of the average hourly pay or bonus of a man in our company versus the average hourly pay of a woman, 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 man versus the equivalent woman.

1. This includes all full pay relevant employees within the Auto Trader Group as at 5 April 2019, including Auto Trader Group plc (which had only 2 employees) and Webzone Limited (a company registered in Ireland). We have reported this voluntarily.

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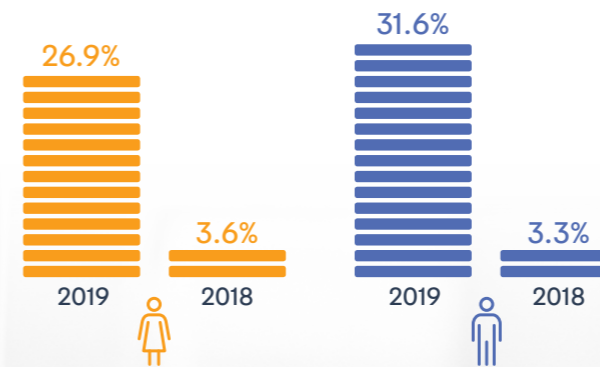
Salary quartiles	% Women		% Men	
	2019	2018	2019	2018
Lower quartile	49.2%	47.9%	50.8%	52.1%
Lower middle quartile	43.8%	40.9%	56.2%	59.1%
Upper middle quartile	28.7%	30.3%	71.3%	69.7%
Upper quartile	33.5%	34.7%	66.5%	65.3%



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.

Proportion of men and women receiving bonus

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Bonus pay gaps between men and women

AT AUTO TRADER LIMITED

Mean bonus pay gap 2019

(0.8%) ▼ 2.2% | 2018 | 2017 | 1.4% | 54.1%

Median bonus pay gap 2019

(0.0%) ▲ 20.0% | 2018 | 2017 | -20.0% | 21.0%



Continuing to make a difference

Gender diversity

As at 31st March 2019	Male	Women	Total	Women as % of total
Board	4	2	6	33%
Operational Leadership Team	7	5	12	42%
Operational Leadership Team direct reports	69	38	107	36%
Total company	488	311	799	39%

Our Operational Leadership Team (OLT) comprises of 42% women, which is a drop from last year partly owing to the fact that Le Etta Pearce left the OLT, as she was promoted to the CEO position of Dealer Auction, our Joint Venture with Cox Automotive.

Auto Trader ranked at No.8 in The Hampton-Alexander 2019 review; an independent review body that aims to increase the number of women in senior positions in FTSE350 companies, with a dual focus of improving women's representation at Board level and also in leadership roles two layers below the Board.

As at October 2019, our Board became 50:50 gender balanced, one of only three FTSE100 companies to have such a positive gender balance.

Diversity and Inclusion

For the fourth consecutive year, our Diversity & Inclusion working group, a cross functional team of dedicated colleagues are leading a comprehensive strategy making a difference to the lives of our employees, industries and communities around us. They lead four Employee Networks focused on the following communities: Women, LGBT+, BAME, Disability & Neurodiversity. These Networks empower colleagues from across the business to take positive action, increase awareness and collaborate with charities and community groups from across the UK to create an inclusive working environment.

These networks empower colleagues from across the business to take positive action, increase awareness and collaborate with charities



Developing the next generation

As part of our future talent strategy we have supported a number of initiatives and partnerships including DigitalHer with Manchester Digital; a network of organisations harnessing the power of its membership to provide the support, the opportunities and the guidance to encourage a new generation of women into the digital industry. We have tried to achieve this by:

- Introducing girls to real role models and visible mentors
- Ensuring key influencers such as teachers, career advisors and parents are informed and able to support and advise girls interested in digital and tech
- Delivering 10 Digital Her "Inspire and Empower" Roadshows across Greater Manchester which were attended by over 1,000 year 8 girls, hosted Female Youth Hacks and International Women's Day Events.

We also continue with our STEM Ambassador Programme; with a number of our colleagues working with schools, colleges, universities and other educational institutions delivering over 2,500 meaningful encounters. Those included Code Clubs, career round tables, workshops, onsite insight and experience days and talks. We focus and select institutions that have a diverse student population and those in less affluent areas across Greater Manchester and Greater London.

This year we have taken part in Bridge GM, a Greater Manchester Combined Authority network of businesses, education leaders and careers professionals providing young people with a careers' programme fit for the 21st Century.

Our continued investment in these types of initiatives have seen an increase of women applying for our early careers roles, resulting in 58% of our 2019 early careers intake being women and 60% of our technology cohort.



of our 2019 early careers intake were women



of our 2019 early careers technology cohort are women

Automotive 30% Club

Annual Conference | November 28th 2019

Countdown to 30% by 2030 | Our 10 Year Campaign for Change



The Women's Network continues to engage with new colleagues and has recruited new members who bring fresh ideas and help to evolve the network's strategy

Educating colleagues

We have continued to deliver our "One Auto Trader: Creating a diverse & inclusive culture", one day workshop for all new joiners that aims to create a common understanding of D&I. It also provides participants the opportunity to explore their unconscious biases as well as a chance to meet with all our employee network groups. We also continue to run our "Brilliant recruitment" workshops for all colleagues that are involved in the hiring process, to ensure they familiarise and practice utilising our carefully designed and inclusive assessment techniques.

Auto Trader Women's Network

Our dedicated Auto Trader Women's Network has run events throughout the year, based on topics generated from the members of the network including:

- A panel discussion on "Removing barriers to success" with internal and external speakers
- A series of videos around the #BalanceforBetter theme for International Women's Day
- A workshop on Assertiveness with a communications expert on Assertiveness
- An event focussing on "Confidence in the Workplace" facilitated by an external researcher
- Informal drop in events giving an opportunity to network and share experiences

The Network continues to engage with new colleagues during our "One Auto Trader" workshops to update them on their vision and commitments and has recruited new members who bring fresh ideas and help to continuously evolve the network's strategy.

Being community-minded

Through our collaboration with Forever Manchester we have sponsored various community groups across Greater Manchester designed to improve the lives of local residents and provide opportunities for them to engage in sports, creative arts and employment.

Over 53% of our colleagues have taken advantage of at least one of their two volunteering days we offer them each year and have brilliantly supported various charities across Manchester and London. Some of the charities that are focused on supporting women specifically include: teaching English to women, increasing their chances of progressing their careers; offering free clothes and interview advice for women trying to gain employment; and supporting older women against loneliness.

Our partnerships with Ennis & Co, an automotive executive search firm, and the Automotive 30% Club, an organisation which strives for better gender balance in the automotive industry, both continued for another year. We hosted events in our London office with both organisations and welcomed more than 100 senior leaders from the automotive industry to each event. Both events featured a series of talks and interactive panel discussion as well as participant working groups all designed to share ideas to instigate change in the automotive industry.

53%

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We help a huge proportion of society with their car buying and selling needs, so it's crucial that our employee base reflects our society so we are best placed to serve everyone



Summary



Nathan Coe
CEO

As one of the largest marketplaces in the UK we help a huge proportion of society with their car buying and selling needs, so it's crucial that our employee base reflects society more broadly. One of our strategic focuses is to become one of the UK's most admired digital business' and an integral part of this is ensuring we have a truly diverse workforce and an inclusive culture.

We are pleased to be one of only three FTSE100 companies to have 50:50 gender parity on our Board and although our OLT isn't 50% balanced, we will continue to work hard on achieving parity throughout the organisation, including in key leadership positions. We all recognise that a greater level of diversity allows for more innovative, creative and rounded ideas and the development of more inclusive products and services.

Our values are at the heart of everything we do from hiring and retaining talent, to supporting the communities in which we operate. I continue to be amazed at the dedication and passion our diversity and inclusion guild and employee networks put in to creating awareness and initiatives designed to support all aspects of diversity from women to BAME to LGBTQ+ and neurodiversity & disability. We are making meaningful progress in all of these areas and I am pleased that we have been recognised by Inclusive Companies for all the hard work the teams have put in.

As a technology company we encounter similar issues as experienced by our peers, including a dearth of women in technology roles at all levels. Therefore, it is both important that we support the talent that is available, as well as emerging talent in schools and universities. We get involved in both the technology and automotive industries supporting campaigns like encouraging more women into STEM qualifications and careers, as well as sponsoring the automotive 30% club which aims to have 30% of women in key leadership positions by 2030. We also continue to host initiatives internally and within our local communities that aim to educate, inspire and change attitudes, all of which are driven by a blend of our leadership team and the wider business.

We are all committed to long-term change and so will continue our hard work and dedication in this area until diversity in all its forms is truly accepted and celebrated and inequalities are eradicated.

I confirm the data reported is accurate.

Nathan Coe



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