



Gender and Ethnicity Pay Gap Report 2023



DECEMBER 2023

We are committed to creating a diverse and inclusive work community that enhances our culture



At Auto Trader, 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 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, which we expect in time to be evidenced in our metrics.

We believe it is important to be accountable and transparent which is why we choose to publish both our ethnicity and gender pay gaps.

Ensuring we have a diverse workforce and a culture where everyone feels included is critical



The view from our CEO



We're united in our purpose to 'Drive Change Together. Responsibly', and this translates into how we think about our people and our business's culture. People are our business's greatest asset, so ensuring we have a diverse workforce and a culture where everyone feels included is critical to unlock the full potential of our people therefore unlocking the full potential of our business.

A core part of Auto Trader's people and culture strategy is centred around employee-driven networks. Everyone is encouraged to join one of these networks that help to champion: wellbeing, women, ethnicity, LGBT+, disability and neurodiversity, parents, social mobility, and a multigenerational workforce. The 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. We ensure each network has a senior leadership sponsor to help drive change and champion network initiatives. We are working hard to ensure that we have diverse representation across all levels of our organisation, particularly within our leadership teams, and that everyone feels included with high levels of engagement.

I am pleased to report that we are making progress on reducing both our gender and ethnicity pay gaps, albeit recognising our strategy has been developed to support incremental levels of growth for the long term. This year, our mean reduced by 2.3% and median by 3.3%. We continue to make good progress in retaining women in our business with 44% of all promotions between April 2022 and March 2023, a sign of progression and retention, awarded to women. We have also successfully attracted more women to join with 46% of our new hires being women (a 3% increase on the previous year).

Our efforts to attract women into both the automotive and technology sectors go wider than our business, and I am delighted to say that Alison Ross, our Chief People and Operations Director, was recognised in the King's 2023 Birthday Honours and awarded an MBE for her efforts to champion Greater Manchester's technology sector, and particularly to encourage women and people from diverse backgrounds to consider a career in technology.

I am also pleased to report that our mean and median ethnicity pay gaps have decreased by 1.2% and 5.5% respectively. The main drivers include the retention of ethnically diverse colleagues in the upper quartiles while also hiring new talent across the business, thanks in part to some of our talent programmes devised to support our diverse colleagues. We recognise that the key to continually reducing our ethnicity pay gap is to increase representation of ethnically diverse individuals in senior roles, so to see positive movement in this area in the year is heartening.

In the year, the Ethnicity Network were instrumental in helping to achieve the "Race Equality Matters Bronze Trailblazer Award" that highlights organisations that have made an impact on tackling race inequality, with the ambition to accelerate change. Our People team also continued their joint efforts with other FTSE100 companies to encourage more companies to report and to campaign to make ethnicity pay gap reporting mandatory in the same way that it is for gender. The team's work has resulted in more companies reporting over the past year as well as others beginning their journeys to do so.

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

Nathan Coe
CEO AUTO TRADER

Our gender pay gap

It is important to note that the gender pay gap does not show differences in rates of pay for men and women carrying out comparable jobs. Our gender pay and bonus gap is the difference in the average pay and bonuses of all men and women employed by the business, regardless of job role. We are confident that we have no inequalities of pay for comparable roles based on gender.

We continue to voluntarily report our Group figures which have been impacted by two key changes this year: the sale of our Irish subsidiary Webzone Ltd, and the acquisition of Autorama UK Ltd. Overall gender representation at Autorama is positive, with a 50/50 gender split across the whole company. However, a stronger representation of men in senior positions and in roles with a commission element, both play a part in a 1.6% increase to our mean Group gap. Whilst we have seen a reduction of 2.3% in our median group gap, this was driven by positive changes in Auto Trader Limited reportable figures.

The rest of this report will focus specifically on our reportable figures.

Progress since our last report

This year in Auto Trader Limited, we have made positive steps in reducing both our median and mean pay gaps with our median reducing by 3.3% and our mean by 2.3%. We look at three primary areas when exploring what led to the decrease: retention; changes in circumstances for our existing colleagues and new hires.

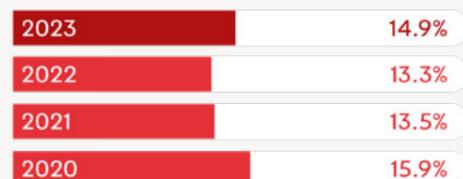
We have performed well again in retaining women in the upper quartiles, with just 30% of our leavers who are women being in the upper quartiles compared to 63% for men. Our overall gender split when looking at people who left Auto Trader in the last 12 months was also more favourable to women, they accounted for 30% of leavers compared to 70% for men.



Auto Trader Group

MEAN HOURLY PAY GAP

14.9% ▲+1.6%



MEDIAN HOURLY PAY GAP

17.1% ▼-2.3%



Auto Trader Limited

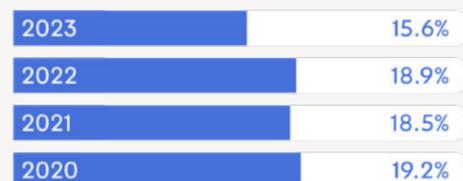
MEAN HOURLY PAY GAP

9.8% ▼-2.3%



MEDIAN HOURLY PAY GAP

15.6% ▼-3.3%



A **mean gap** is calculated by adding all employees hourly pay together and dividing that by the total number of employees to give the average hourly pay between different groups of people by gender or ethnicity.

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. This removes the lowest and highest rates of pay, often referred to as outliers.

Auto Trader Limited

SALARY QUANTILES	% Women				% Men			
	2023	2022	2021	2020	2023	2022	2021	2020
Lower quartile	53.3%	50.0%	50.2%	51.0%	46.7%	50.0%	49.8%	49.0%
Lower middle quartile	44.5%	43.2%	43.8%	44.6%	55.5%	56.8%	56.2%	55.4%
Upper middle quartile	32.9%	33.5%	27.6%	29.2%	67.1%	66.5%	72.4%	70.8%
Upper quartile	35.0%	31.6%	34.4%	32.1%	65.0%	68.4%	65.6%	67.9%
Total number of employees	407	360	339	307	576	550	530	475
% of the workforce	41.4%	39.6%	39.0%	39.3%	58.6%	60.4%	61.0%	60.7%



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.

When we take a closer look at our colleagues who have been in consecutive pay gap reports, we can see that the biggest movement for women was into the upper quartile. 19% of women who were in the upper middle last year, moved to the upper quartile this year. We can see this positive impact coming through with our women representation in the upper quartile increasing by 3.4% this year. Promotions have contributed to this, with 44% being awarded to women between April 2022 and March 2023.

Finally, we look at the people who have joined Auto Trader Limited since our last report. Overall, we have increased the number of women we have hired, with

46% of all hires being women within the last 12 months, 3% more than the previous year. Whilst this is above our current representation of women, our goal is to get to a 50/50 gender split across all our recruitment campaigns.

We have also continued with our focus on hiring early career roles, with 31% of total hires joining an Early Career programme. Of the technology based roles, 64% of them went to women as part of our continued strategy to increase the number of women in technology by hiring at entry level and progressing them through their careers.



Our gender bonus gap

In calculating our bonus pay gap, “bonus pay” includes 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 take a simple approach to reward, and most employees do not receive a bonus or commission.

In recognition of the rising costs of living, a discretionary £700 one-off payment was provided to all eligible employees in December 2022, regardless of role. This significantly increased the percentage of men and women receiving a bonus, similarly to the £1000 thank you payment provided in March 2022. This is why we have maintained a zero median bonus pay gap this year.

We have previously talked about how our bonus scheme, which is usually based on share provisions over a three-year period, gives a distorted view of our gap. This is due to employees being able to exercise as much of their award, whenever they choose. We have therefore continued to voluntarily disclose the gap of the awards that were granted between April 2022 – March 2023. The median gap was 19.1% (from 40.1%) and the mean was a positive gap for women at -1.4% (from 27.1%).

Whilst we have made progress in the representation of women in senior leadership roles (40.5% in April 2023 compared to 37.9% in April 2022) which can also be seen in the positive mean bonus gap based on granted award, we know that we can do better. By continuing to focus on this through internal promotions and new hires, our bonus pay gap, along with our overall pay gap, will see positive reductions.

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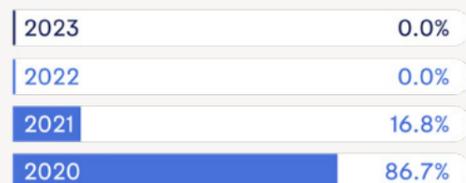
MEAN BONUS PAY GAP

4.9% ▲+2.5%



MEDIAN BONUS PAY GAP

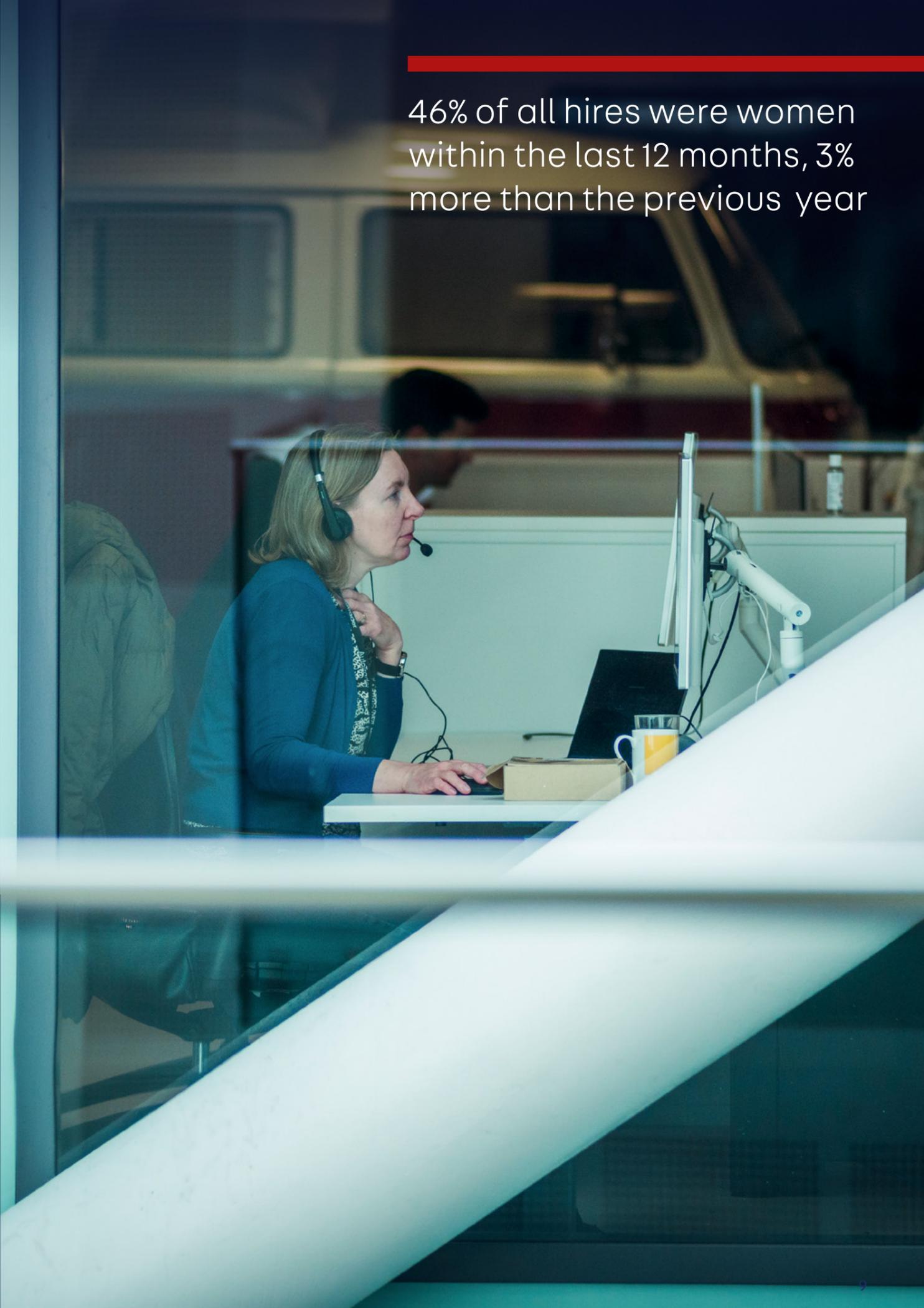
0.0% ◀▶ 0.0%



PROPORTION OF MEN AND WOMEN RECEIVING BONUS

	2023	2022	2021	2020
Women	97.4%	97.1%	2.5%	9.1%
Men	96.7%	97.7%	3.2%	6.1%

46% of all hires were women within the last 12 months, 3% more than the previous year



Key achievements of the Women’s Network in 2023:

1. Participated in the Auto 30% club conference and highlighted how we have continued to improve our representation of women at Auto Trader. The Network remains an active member of the club, contributing to various activities.
2. This year the Network has kicked off a “Spotlight on” series, a Vodcast where each episode sees a group of women from across Auto Trader join and discuss a different topic, ranging from representation to stereotypes.
3. Supported their chosen charity, Breast Cancer Now, with events held across all our offices to raise awareness and funds.



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.

Ethnicity pay gap

For the fourth time, we have calculated and voluntarily shared our data on Auto Trader Limited’s Ethnicity pay gap.

The ethnicity pay and bonus gap shows the difference in the average pay and bonuses between Ethnically Diverse (People of Colour and Other Ethnic Groups) and White (White British and White Other) employees in our organisation. We are confident that we have no inequalities of pay for comparable roles based on ethnicity.

We continue to use the same calculation methodology set out by the Government Equalities Office (“GEO”) for gender pay gap reporting which uses a binary calculation. We opted for the binary methodology whilst we continued in our journey of gathering ethnicity data of our employees to ensure anonymity of those who fall within an ethnicity group with low representation. As we have now progressed to a 93% disclosure rate, and with a commitment to increase our ethnicity makeup across all ethnic groups over the coming year, we should be in the position to report on a more granular level in our next report. This will mean, instead of an Ethnically Diverse vs White pay gap, we will show the pay gaps between Asian, Black, Mixed, Other Ethnic groups and White employee groups.

This move to more granular reporting is often cited as a key step for employers to make to overcome pay gaps in their organisation as binary reporting can mask issues different ethnicity groups face. It is worth noting that, when reporting at a more granular level, changes at an individual level can disproportionately impact the results for ethnicity groups with low representation. Due to lower representation of some ethnic groups, we have decided to report on a binary basis this year. We will continue to monitor our representation across all ethnic groups and move to more granular reporting as soon as it is appropriate to do so.

We have not voluntarily reported our Group ethnicity figures this year, as the overall figures would be distorted by the inclusion of Autorama, which has very low disclosure rates. Our focus is on increasing Autorama’s ethnicity disclosure rates in the coming months, to enable us to voluntarily report our Group ethnicity figures next year.

Auto Trader Limited		
ETHNICITY MAKE UP AS OF APRIL 2023		
	TOTAL PEOPLE	% OF BUSINESS
Asian	95	9.6%
Black	31	3.1%
Mixed Ethnicity	28	2.8%
Other Ethnic Group	13	1.3%
White (White British and White other)	757	76.2%
Not Disclosed/Rather not say	70	7.0%

These figures are actual representation across Auto TraderLtd and not based on the pay gap figures which omits full paid relevant employees

Auto Trader Limited

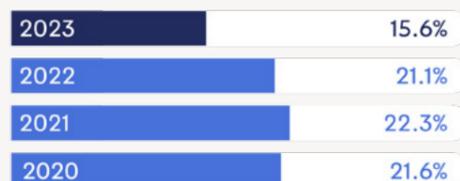
MEAN ETHNICITY PAY GAP

15.5% ▼ -1.2%



MEDIAN ETHNICITY PAY GAP

15.6% ▼ -5.5%



of the movement from the upper middle quartile to upper quartile were by Ethnically Diverse employees, compared to ...



of our White employees moving from the upper middle quartile to upper quartile

Auto Trader Limited

SALARY QUANTILES	ETHNICALLY DIVERSE				WHITE			
	2023	2022	2021	2020	2023	2022	2021	2020
Lower quartile	24.0%	22.3%	22.6%	20.6%	76.0%	77.7%	77.4%	79.4%
Lower middle quartile	22.7%	21.3%	16.1%	14.7%	77.3%	78.7%	83.9%	85.3%
Upper middle quartile	15.3%	11.9%	10.8%	10.0%	84.7%	88.1%	89.2%	90.0%
Upper quartile	10.0%	9.9%	8.6%	9.4%	90.0%	90.1%	91.4%	90.6%
Total number of employees	165	132	108	93	752	676	636	588
% of the workforce	18.0%	16.3%	14.5%	13.7%	82.0%	83.7%	85.5%	86.3%

Progress since our last report

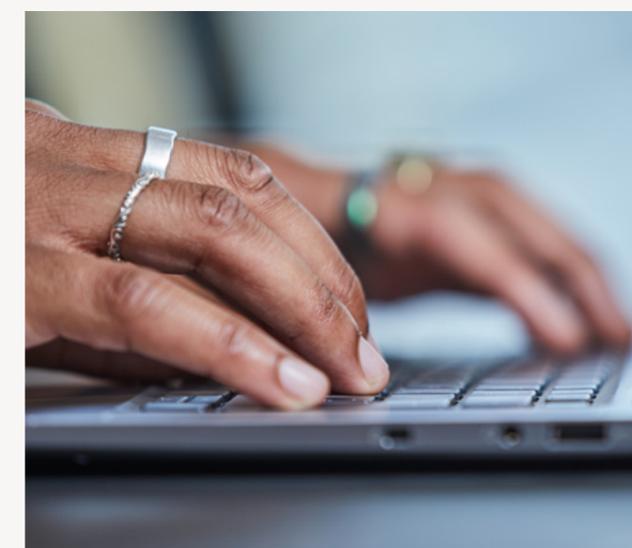
We have continued to make progress in reducing both our median and mean ethnicity pay gaps this year, with our median gap reducing by 5.5% and our mean by 1.2%. We have also increased Ethnically Diverse representation across all quartiles, with the upper middle quartiles showing the largest increase at 3.4%. We have again focused on three primary areas when exploring what led to the decrease: retention; changes in circumstances for our existing colleagues and new hires.

The retention of Ethnically Diverse employees, particularly in more senior roles, has had an important impact on reducing our ethnicity pay gap. Of those who left between April 2022 and March 2023, 8% of our Ethnically Diverse leavers were in the upper quartile compared to 28% of White leavers.

When we take a closer look at the employees who were in consecutive ethnicity pay gap reports, we found that Ethnically Diverse employees received higher pay increases, 1.3% more than White employees. When looking at quartile movement, both groups were similar with 16.1% of Ethnically Diverse employees moved up a quartile compared to 16.5% of White employees. However, we can see that the quartile with the most positive movement was from the upper middle to upper quartile, where 24% of Ethnically Diverse employees moved upwards compared to 21% of White employees. We have always been transparent

in acknowledging that the key to reducing our ethnicity pay gap is to increase representation of Ethnically Diverse individuals in senior roles (and therefore the upper quartiles), so we are pleased to see positive movement in this area.

Since April 2022, 27.5% of our hires were Ethnically Diverse – nearly 10% more than our actual representation at the time of reporting (18%). We can see the positive impact of this with the representation of Ethnically Diverse increasing across all quartiles which has been successful due to our continued efforts to hire diverse talent across all levels of the business.



Our ethnicity bonus gap

Our ethnicity bonus pay gap is calculated in the same way as our gender bonus pay gap and we have looked at both the reportable figures and the figures based on the value of awards granted.

As with the gender bonus gap, this year's figures have been favourably impacted by the one-off £700 cost of living payment and is the reason why the median pay gap is 0%.

We have repeated the voluntary calculation of our bonus gap based on the value of awards granted for Ethnically Diverse and White employees too. Here we can see the mean gap is 58.3% (from 56.9%) and the median gap of 2.2% (from -36.5%). The overall representation of those granted awards was the same as last year, 5% Ethnically Diverse colleagues v 95% of White.

Whilst we have seen a drop in the official mean gap this year, awards granted data highlights the main issue that we need to tackle - the under-representation of Ethnically Diverse employees in senior roles. It again comes as no surprise that increasing representation in more senior positions will help both the ordinary and bonus pay gap, like our gender pay gaps. Although we have seen an increase in the number of Ethnically Diverse colleagues in our upper quartile this year, we acknowledge that we still have progress to make in this area.

Auto Trader Limited

MEAN BONUS PAY GAP BETWEEN WHITE AND ETHNICALLY DIVERSE EMPLOYEES

56.3% ▼-15.5%



MEDIAN BONUS PAY GAP BETWEEN WHITE AND ETHNICALLY DIVERSE EMPLOYEES

0.0% ◀0.0%



PROPORTION OF WHITE AND ETHNICALLY DIVERSE EMPLOYEES RECEIVING BONUS

	2023	2022
Ethnically Diverse	96.4%	97.8%
White	96.8%	97.7%



Key achievements of the Ethnicity Network in 2023:

1. The Network has rebranded from "BAME: Building a Multicultural Environment" to "Ethnicity" Network successfully to reflect its commitments to foster inclusion across all racial, religious, and cultural backgrounds.
2. Achieved the "Race Equality Matters Bronze Trailblazer Award" which highlights organisations that have made an impact on tackling race inequality, with the ambition to accelerate change.
3. Completed an educational outreach project for Black Inclusion week with 40 students from local schools joining colleagues in our Manchester office and experiencing the world of Auto Trader.



Ethnicity Network

Our Ethnicity Employee Network is a well-established group of Black, Asian and minority ethnic colleagues, and allies, that work to tackle inequalities and celebrate inclusivity.

27.5%
of our hires, since
April 2022, were
Ethnically Diverse



Our strategic diversity and inclusion commitments

Our strategy remains focussed on driving sustainable changes and whilst we are seeing promising results we remain committed to doing more. Our Corporate Responsibility Board Committee and our Operational Leadership Team provide governance and oversight to our progress against our strategic commitments to:

- **Have a representative workforce across all levels of our business with a focus on Women, LGBT+, Ethnicity, 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 Community Guild and Employee Networks remain fundamental to driving change and lead our work in this area alongside our People & Culture team. Together we will achieve our commitments by:

Taking action:

- Strengthen our Inclusive Culture Programmes with a focus on our Diverse Talent Accelerator Programme and Inclusive Leadership.
- Collaborate with organisations including AUTO30% Club, Black Leaders and initiatives like “Change the Race Ratio” and “Race at Work Charter”.
- Continue supporting the network of the FTSE100 companies that have already released their ethnicity pay gap and encourage more companies to report.

Measuring impact & doing more:

- Improve the employee experience for our women and Ethnically Diverse colleagues by removing systemic barriers and reduce the pay gaps through analysis and feedback from our colleagues via surveys and focus groups.
- Monitor the make-up of our workforce and representation across our focus areas to ensure accountability and continual progression.
- Benchmark our progress by taking part in cross industry collaborative projects and driving change across our communities.

We will continue with our initiatives for recruitment and retention which are paying dividends whilst investing in more projects that will make a difference.

Our Community Guild and Employee Networks remain fundamental to driving change



 **AutoTrader**