



# Gender and Ethnicity Pay Gap Report 2022



NOVEMBER 2022

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



**A**t 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.

We have chosen to change the publication dates for our pay gap reporting to November each year to provide a more timely account of our actions and progress.



Our employee-driven networks and their leaders are a core part of our culture



Nathan Coe  
CEO AUTO TRADER



We are all galvanised behind our purpose to ‘drive change together, responsibly’, and ensuring we have a diverse workforce and an inclusive culture is critical to this as it enables us to unlock the full potential of our people.

Our Diversity and Inclusion Guild, and the employee networks that feed into it, are fundamental to driving change and lead our work in this area. 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. 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.

I am pleased that our actions are seeing forward progress on both our gender and ethnicity pay gaps, albeit recognising we still have some way to go. However, our strategy is focused on driving long-term changes, so we don’t expect to see immediate results and are prepared for our pay gap numbers to fluctuate whilst our plans take hold.

We continue to make good progress in terms of increasing the overall representation of women in the business, with 43% of our new hires being women. We are pleased to be seeing women that started with us in early career roles begin to move up into the upper quartiles, a sign that our systemic approach is leading to the right outcomes.

Furthermore, at this year’s Auto 30% Inspiring Automotive Women Awards, designed to redress the diversity balance across the industry, we were delighted to see four of our colleagues being recognised.

I am also pleased to report that our mean and median ethnicity pay gaps have decreased by 0.8% and 1.2% 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.

This year we have joined forces 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. We believe a greater level of transparency will drive more accountability and more action, which is needed to close the gaps.

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

At this year’s Auto 30% Inspiring Automotive Women Awards we were delighted to see four of our colleagues being recognised

## 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.

## Progress since our last report?

We continue to make progress in reducing our gender pay gap. This year our mean gender pay gap has seen a decrease of 0.3%, however, our median pay gap has increased by 0.4%.

While we again performed well in retaining women in our upper quartiles (25% women leavers compared to 57% for men), a combination of hiring more women in the lower quartile, plus more men moving into the upper quartiles when looking at year-on-year comparisons, has led to our median hourly pay gap increasing.

We continue to make good progress in terms of increasing the overall representation of women in the business. 136 new hires were included in this year's report, 43% of which were women. When we take a closer look at the type of roles our women new hires are starting in, 27% are joining in early career roles. Whilst this shows our commitment to our long-term strategy of increasing women in tech from early career roles and progressing through the business, it does have the short-term impact of 'pulling down' the mid-point of the hourly pay for women which contributes to increasing our median pay gap. We do still believe, however, that hiring women early on in their careers and progressing them through the business, taking into consideration the fact that women are greatly underrepresented in both the technology and automotive sectors, is the most sustainable way to



## Auto Trader Group

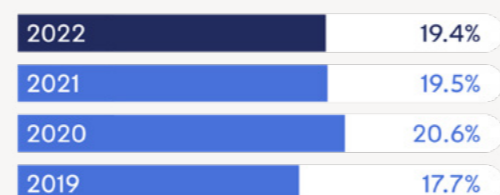
### MEAN HOURLY PAY GAP

**13.3%** ▼-0.2%



### MEDIAN HOURLY PAY GAP

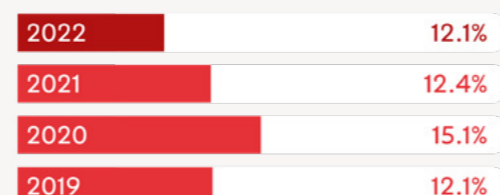
**19.4%** ▼-0.1%



## Auto Trader Limited

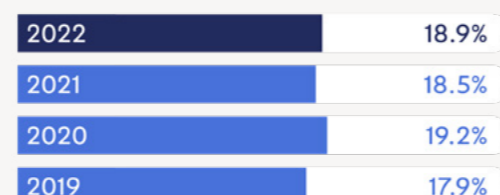
### MEAN HOURLY PAY GAP

**12.1%** ▼-0.3%



### MEDIAN HOURLY PAY GAP

**18.9%** ▲+0.4%



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.

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SALARY QUANTILES	% Women				% Men			
	2022	2021	2020	2019	2022	2021	2020	2019
Lower quartile	50.0%	50.2%	51.0%	49.2%	50.0%	49.8%	49.0%	50.8%
Lower middle quartile	43.2%	43.8%	44.6%	43.8%	56.8%	56.2%	55.4%	56.2%
Upper middle quartile	33.5%	27.6%	29.2%	28.7%	66.5%	72.4%	70.8%	71.3%
Upper quartile	31.6%	34.4%	32.1%	33.5%	68.4%	65.6%	67.9%	66.5%
Total number of employees	360	339	307	287	550	530	475	453
% of the workforce	39.6%	39.0%	39.3%	38.8%	60.4%	61.0%	60.7%	61.2%



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.

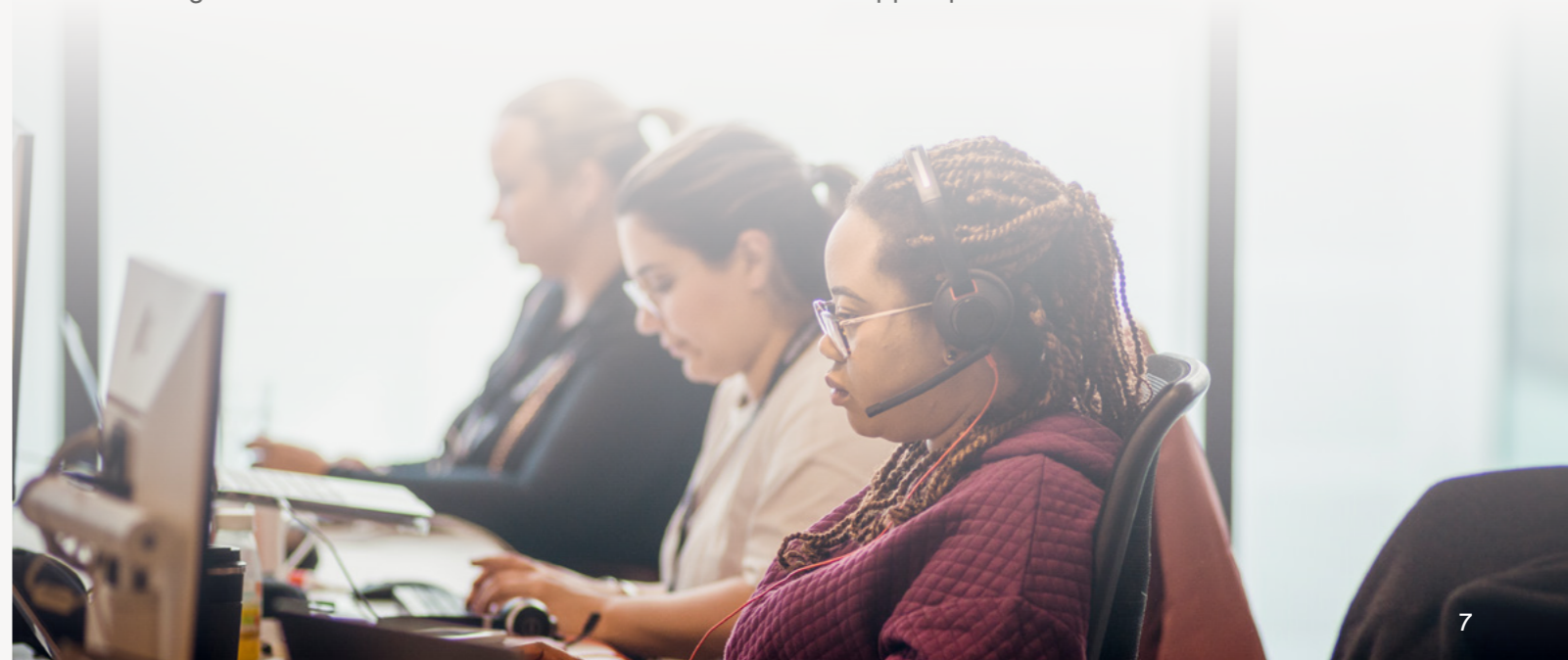
reduce the pay gaps in the long-term. Between April 21 and March 22, we were pleased to see that women accounted for 41% of all promotions, and we continue to strive to increase this further.

Although our early career approach, specifically within tech will take time, we have seen an increase in total representation of women in our upper quartiles (upper middle and upper) this year in non-tech roles. We will continue to place a focused effort on increasing the representation of women into the upper quartiles through both recruitment and promotions.

Company-wide, we also saw a more positive quartile movement for existing men in the business compared to women. We regularly review and benchmark our roles against the market and due to increased demand

and competition in Manchester, we took the necessary steps to increase our Software Developer salary bands. As men make up around 78% of this group, when we look at the quartile movement year-on-year, it shows that 20 of the 25 men that moved from upper middle to upper were from tech roles. This has contributed to the increase in our median pay gap.

One area in which we are unable to influence but which does have a year-on-year impact on our figures is the legislative requirement to omit employees who were not paid their normal full-time salary as of April 2022. This year 15 employees were omitted, with 14 of these being women who primarily were off on maternity leave. When looking at what quartiles they would have been included in, five would have been in the upper quartiles.



## Our gender bonus gap

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 take a simple approach to reward, and most employees do not receive a bonus or commission.

In March 2022 however, all eligible employees received a one-off £1,000 'thank you' payment, regardless of role, to recognise their contribution during the Covid pandemic. This significantly increased the percentage of men and women receiving a bonus and is the reason why we have seen a reduction in both our mean and median bonus pay gaps this year.

For our senior leadership team and other key individuals who receive incentive awards these are fully settled in shares over a three-year period. However, the bonus pay gap looks back over a 12-month period (April 2021-March 2022), 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).

We believe it is important to look 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. From April 2021-March 2022, we saw the median gap increase to 40.1% (from 35.5%) and our mean increase to 27.1% (from 23.2%). Even though the percentage of women being granted an award went up this year, the widening of the gap has been impacted by the higher salaries of men receiving an award.

Closing the bonus gap is inherently linked to the progress we are making to reduce our overall gender pay gap. Our focus to increase our representation of women in senior leadership roles, will over time start to also have a positive impact on reducing the bonus gap too.

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#### MEAN BONUS PAY GAP

**2.4%** ▼-5.6%

2022	2.4%
2021	8.0%
2020	61.9%
2019	-0.8%

#### MEDIAN BONUS PAY GAP

**0.0%** ▼-16.8%

2022	0.0%
2021	16.8%
2020	86.7%
2019	0.0%

#### PROPORTION OF MEN AND WOMEN RECEIVING BONUS

	2022	2021	2020	2019
Women	97.1%	2.5%	9.1%	26.9%
Men	97.7%	3.2%	6.1%	31.6%

### 3 Key achievements of the Women's Network in 2022:

1. Growing our community which champions all women talent; collaborating with our LGBT+, Age and BAME (Building A Multicultural Environment) Networks
2. Hosted a "Hear Her Story" Allyship event to amplify the voices of women as well as continuing with recognising women through our "Woman of the Year" and "Inspiring Automotive Women" awards
3. Working with the 30% Club to engage with schools and inspire the future generation of women in the automotive industry



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.



136 new hires were included in this year's report, 43% of which were women

## Deep dive into ethnicity

This is the third time that we have calculated and voluntarily shared figures on Auto Trader’s ethnicity pay gap. The ethnicity pay and bonus gap shows the difference in the average pay and bonuses between ethnically diverse 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 have chosen to use the same calculation methodology set out by the Government Equalities Office (“GEO”) for gender pay gap reporting. The data this year is representative of 89% (up from 83% last year) of people in our business, as 11% of employees have chosen not to disclose their ethnicity data. This year’s report shows the representation of ethnically diverse colleagues has increased to 16.3% (up from 14.5% last year). This puts us above national demographics, however, 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 across our organisation.

## Progress since our last report

This year, the mean and median ethnicity pay gaps have decreased by 0.8% and 1.2% respectively. The main drivers include the retention of ethnically diverse colleagues in the upper quartiles while also hiring new talent across the business. Whilst we can see from the quartile data that the highest representation for ethnically diverse colleagues is still in the lower quartile pay bands, mainly driven by the Company’s early careers intake (33% of our early career hires this year were ethnically diverse). We have still increased ethnically diverse representation across all other quartiles by both hiring new talent and through the promotion of existing employees. Our biggest movement when looking at existing employees year-on-year was the movement from the ‘Lower’ to ‘Lower Middle’ Quartile. Ethnically diverse employees made up 29% of this upward movement with 67% of those originating from an early careers programme.

We’ve previously talked about some of the measures that we have in place to ensure that we have a diverse talent pipeline through the introduction of programmes such as the Diverse Talent Accelerator (DTA). While almost a third of the DTA cohorts last year were ethnically diverse, it’s still too early to see a significant impact on ethnically diverse representation in leadership roles. We still believe that building a steady diverse pipeline within the business is an authentic way to increase representation across the business in the long-term and so have committed to three further DTA cohorts across 2022/23.

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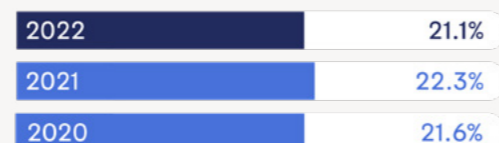
#### MEAN ETHNICITY PAY GAP

**16.7%** ▼-0.8%



#### MEDIAN ETHNICITY PAY GAP

**21.1%** ▼-1.2%

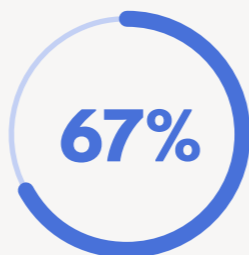


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SALARY QUANTILES	ETHNICALLY DIVERSE			WHITE		
	2022	2021	2020	2022	2021	2020
Lower quartile	22.3%	22.6%	20.6%	77.7%	77.4%	79.4%
Lower middle quartile	21.3%	16.1%	14.7%	78.7%	83.9%	85.3%
Upper middle quartile	11.9%	10.8%	10.0%	88.1%	89.2%	90.0%
Upper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



of the movement from the lower quartile to lower middle quartile were by ethnically diverse employees, with...



of those employees originating from our early careers programme

We have no inequalities of pay for comparable roles based on ethnicity



## Our ethnicity bonus gap

For the ethnicity bonus pay gap we have calculated this in the same way as our gender bonus pay gap and 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 £1,000 'thank-you' payment and is the reason why the median pay gap is 0%.

The main factor driving our mean ethnicity bonus pay gap is the under-representation of ethnically diverse employees in senior roles. This can also be seen when we look at our ethnicity bonus gap based on the value of awards granted, highlighting a 56.9% mean gap but a median gap of -36.6%. The reason for the mean gap is also the reason for the positive median gap in that only 5% of ethnically diverse employees were granted a share award.

The focused efforts we are placing on closing our ethnicity pay gap will in turn be intrinsically linked to the closing of our ethnicity bonus gap. Although we have seen an increase in the number of ethnically diverse employees in our upper quartile this year, we acknowledge that we still have progress to make in this area.

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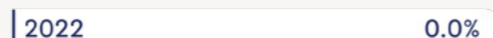
#### MEAN BONUS PAY GAP BETWEEN WHITE AND ETHNICALLY DIVERSE EMPLOYEES

**71.8%**



#### MEDIAN BONUS PAY GAP BETWEEN WHITE AND ETHNICALLY DIVERSE EMPLOYEES

**0.0%**



#### PROPORTION OF WHITE AND ETHNICALLY DIVERSE EMPLOYEES RECEIVING BONUS

	2022
Ethnically diverse	97.8%
White	97.7%

### 3 Key achievements of the BAME Network in 2022:

1. Launched "Uncomfortable Conversations" a series of talks discussing issues impacting our ethnically diverse colleagues in an open forum raising awareness across our business
2. Raising funds and supporting charities that represent ethnically diverse communities including Black Leaders
3. Continued with our mutual mentoring "Chat Spaces" sessions to facilitate good discussions and learning amongst colleagues



BAME Network

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.

**33%**

of our early career hires this year were ethnically diverse



## Our strategic D&I commitments

Our strategy is 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 Corporate Responsibility Board 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+, 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 Diversity and Inclusion Guild and Employee Networks are also fundamental to driving change and lead our work in this area. Together we will 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 range of development 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 and support other community groups and charities
- Continue supporting the network of the FTSE100 group of companies that have already released their ethnicity pay gap in order to work with the Government to make reporting mandatory and continue efforts to eliminate the pay gap

### Measuring impact & doing more:

- Monitor the make-up of our workforce across our focus areas at all levels of our organisation through our quarterly People & Culture Scorecard. We will look to increase representation across all levels of the organisation at a steady and sustainable pace every year beyond the national average
- Elevate the employee experience, remove systemic barriers and reduce the pay gaps through analysis and feedback from our employee-led guilds, networks and surveys
- Drive change across our industries and communities while partnering with charities, community groups, and other organisations to benchmark our progress

Driving change across our industries and communities while partnering with charities and community groups





 **AutoTrader**