

Gender Pay Gap Report

2021

The Lookers commitment
to bridging the gap

Lookers

Lookers plc is one of the leading UK motor retail and aftersales service groups in the UK. We are committed to addressing the ongoing gender imbalance, which operates in what is a male dominated sector. Our current gender split taken on the snapshot date of 5th April 2021 is 75.7% male 24.3% female.

Unfortunately, in this reporting period, we have not made the progress we had hoped for in relation to the hourly pay gap, however we acknowledge a pay gap exists and remain focused on reducing this gap in the future. We have committed to several initiatives, shared within this report, to improve our gender balance across the business. This will strengthen our ability to attract, engage and progress female employees across all levels of the business.

75.7% male
24.3% female



Our results

The 2021 report highlights we have a mean hourly pay gap of

39.5%

35.7%

A high proportion of our employees receive a bonus/commission, as detailed in the figures, however there is a median bonus pay gap of 35.7%.

The 2021 report highlights we have a mean hourly pay gap of 39.5%.

Whilst this is larger than we would like, this is influenced by the demographic within Lookers and one we're continuing to focus our efforts on to address the gap. Our current gender split is a cultural issue and very much in common with other businesses in our sector. We know this is a key factor in our gender pay gap in addition to the gender imbalance across specific roles and a pay gap will exist until there is a proportionate gender representation across all levels in the organisation.

A high proportion of our employees receive a bonus/commission, as detailed in the figures, however there is a median bonus pay gap of 35.7%. We are delighted this has reduced when comparing against 2018 and 2019, however acknowledge this remains a focus to reduce further, and there is still work to be done. Our figures for 2020 were heavily distorted due to furlough pay and drawing comparisons against prior years gives a more accurate indication of progress.

Ordinary pay is not limited to basic pay but also includes other pay elements including bonus and commission. Bonus/Commission roles are predominately Sales Teams and Management, both of which are underrepresented by females, creating a further gap across this measure. In addition, performance across these areas is significantly higher in March due to a plateau month. Commission is paid in arrears resulting in inflated commission/bonus levels being paid in the snapshot month, impacting on both hourly fixed pay and bonus statistics. Whilst the mean basic pay gap has increased, the median basic pay gap has also reduced when compared with 2018 and 2019.

In addition, April is a period where our managers receive their bonus. Again, this is typically higher in April, adding further distance across the gap, particularly given our management population is predominately male.

Our pay by quartile data further evidences our pay gap in the upper quartiles arises from our low female representation across senior roles within the organisation and not that the remuneration is greater for men than it is for women, when carrying out the same job at the same level. Equally the data also illustrates a larger proportion of our female employees fall within the lower quartiles. We have a significantly higher proportion of female employees within the administration and support functions. These roles tend to be lower paid and are often part time roles, again impacting the gender pay gap.

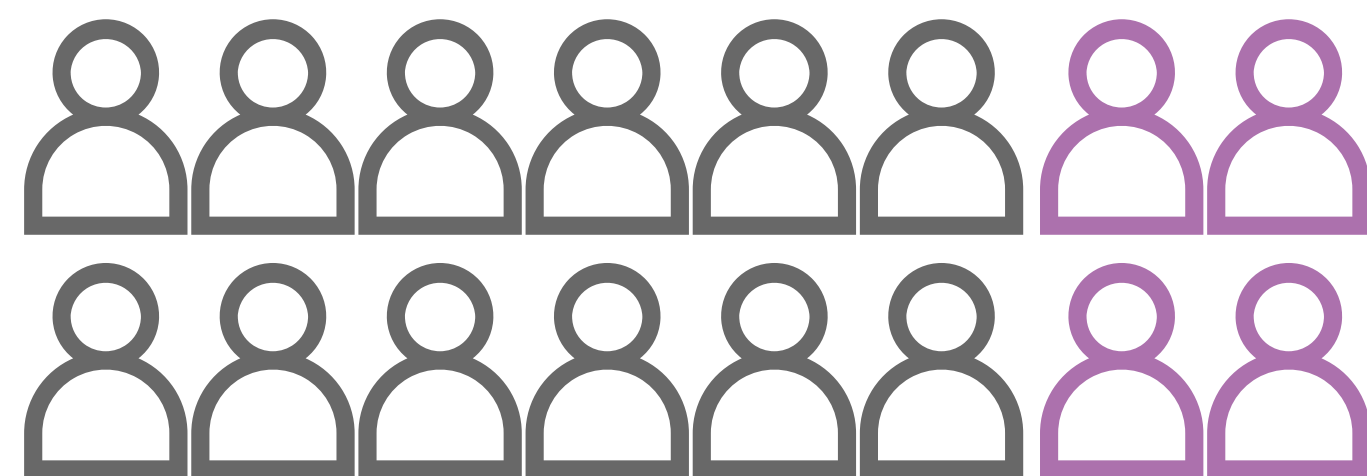
What are we doing about it?

Apprenticeship and Trainee opportunities

We continue to support the local community through offering apprenticeships and trainee 'Jump Start' programmes. This is a great opportunity to attract a more diverse population, creating career paths and promoting self-development at every stage of the employee life cycle.

We actively encourage female applications for our apprenticeships and are looking to broaden our apprenticeship programme across other functions within the business, in particular support functions. Our apprentice intake for 2022 is 208.

Our apprentice intake for 2022 is 208.



We have recently redesigned our Trainee Sales Executive Programme and relaunched it as 'Jump Start'. This is a great opportunity to attract a diverse population who can begin their journey of development and begin a career with Lookers. 'Jump Start' has been redesigned and now targets talent from outside the automotive industry, specifically in broader retail environments and customer facing roles. One of the programmes aims is to dispel some myths and preconceptions of the automotive industry and show we do have female representation in our workforce. We have had some great success from our previous programmes, and we hope to increase our female talent through our early careers' agenda. To further support this, we have just invested in a new management role to solely focus on our early careers' strategy, this role commenced with Lookers in January 2022.



Attraction and Recruitment

We recognise that to improve our gender imbalance we need to attract more females into the industry, this is always a challenge due the reality the industry is dominated by men and the misconception of the culture.

We want to attract a higher proportion of female candidates to our entry level vacancies to enable us to grow our own talent through internal development programmes across all roles within the business. In addition to this our resourcing team continue to work on several initiatives:

- Using technology and processes, taking gender bias out of our job descriptions, and breaking down the barriers of perceived gendered roles. This also assists in ensuring we promote based on skill and talent rather than gender.
- We strive to cast the widest possible net for talent and create an inclusive environment where everyone can achieve a successful career within our dynamic teams.

- All female applicants for Sales roles with the minimum experience (i.e., customer facing/customer service) are shortlisted for review.
- All female apprentice applicants who meet the providers minimum academic criteria for most apprenticeships are invited for interview/work trial.

During the COVID-19 pandemic we were forced to make significant changes to the way we work and supported colleagues using technology to enable home working. We recognise the valuable flexibility this gives our colleagues and encourage open discussions with regards to flexible and hybrid working during the candidate application process.

People Development

We remain focused on development of our employees through effective 121's and meaningful discussions. This includes senior roles and supports the development of our female talent pipeline to improve our female representation across all levels of the business.

We continue to support our leadership teams with regular programmes covering all aspects of HR, Diversity & Inclusion (D&I) and the importance and impact this can have on our business and customer outcomes.

Smart Works

Lookers has engaged with Smart Works, initiated by one of our Senior Female leaders. Smart Works is a charity who provide interview clothing and coaching to females to help them secure work. Lookers are delighted to support such a great initiative and will be focused on building a strong relationship to understand how we can help females more specifically successfully apply for roles at Lookers and support with their career journey.



SMART
WORKS

Culture

After a difficult 12 months and big organisational change, we are looking ahead to the future and taking positive strides on our D&I journey, this is a key focus for 2022 and beyond. Our next step is to partner with an inclusion expert to pave the way for D&I best practice and provide direction supports and expert guidance.

Our organisational change over the last 12 months creates a healthy landscape to set the new tone and governance for D&I. We have taken on new management, a new Board, appointed a senior D&I champion, and adopted an enthusiastic ambition for positive change with regards to D&I. We are seeking a D&I partner who can offer tailored, realistic, and effective initiatives that directs and drives authentic change and support with significant advances in diversifying our workforce.

We will look at priorities and direction, followed by a suite of leadership solutions to align the new management and Board to our D&I strategy, action plan and ambitions.

During 2022 we will be committed to undertaking a review of our business, our policies and procedures and support with the transition of embedding a culture and environment driven by inclusive behaviours aligned with our core values. This fosters a workplace where every one of our colleagues feels valued and can strive for their full potential, irrespective of gender, race, ethnicity, disability, or sexual orientation.

Our family friendly policies are under review to ensure we have diverse policies to support all colleagues. We already offer a market leading Maternity Policy and in 2021 enhanced our Paternity policy to bring a balanced approach to supporting our colleagues and their new families. In 2022 we hope to add to these and share supportive policies for Pregnancy Loss, Menopause Support, Fertility Support, Life Events and Cancer Support.

Wellbeing has also been a key focus throughout the pandemic and reinforces our responsibility as an employer to support colleagues. In 2021 we launched our Smart Health offering which provides 24/7 GP service for employees and family members, Mental Health Support, Nutritional and Fitness advice and much more. We want to support our employees to be proactive in looking after their health and feedback has been positive. We are continually guided by our employees through various feedback channels to enhance our benefits and support offerings.

Engagement with our people

We regularly seek feedback from colleagues through all channels of communication and carry out annual employee engagement surveys. We understand this feedback is key to the success of our business and is pivotal in the attraction and retention of our people.

Our 2021 survey had the highest response rate to date, and we will be looking to improve further in 2022. As part of reviewing the survey feedback we work closely with our dealerships and working groups to understand how we can improve. It is vital our people feel listened too and we encourage our teams to have a voice. We will be adding several questions on D&I in our 2022 employee engagement survey to provide us with tangible information to review and improve.

We also carry out dealership listening sessions to understand how we can improve our support for employee wellbeing, reward, and benefits. We want to ensure we offer a diverse suite of benefits for all our colleagues.

In reviewing our pay plans, we have also reduced our core working hours to support an improved work life balance. We hope these working hours will help to generate applications from a wider, more diverse pool of candidates.

UK Automotive 30% Club

We are members of the UK Automotive 30% Club and are delighted to work alongside an organisation who encourages women into the automotive industry. Their goal is to have 30% more women in automotive leadership roles by 2030. We support this initiative by taking part in discussion groups, engaging with school pupils, working with, and voting for inspiring women in the automotive sector. Working in partnership with other motor retail groups will strengthen our ability to change the perception of the industry, raise awareness of the types of roles available and have a positive impact on the gender balance.

Their goal is to have 30% more women in automotive leadership roles by 2030



Equal Pay

The Gender Pay Gap is not the same as Equal Pay. Equal Pay is the right for women and men to be paid the same for the same, or equivalent work.

Throughout 2021 we reviewed all pay plans across key roles and departments and designed fair and consistent pay levels and bonus structures across all divisions. This demonstrated our commitment to removing any misconceptions centred around pay levels and ensuring employees received equal pay when carrying out the same role, regardless of gender. We remain confident our pay gap is due to the structure of our workforce and not because of men and women being paid differently for carrying out the same job. We routinely review our pay plan information to ensure we maintain pay equity.

We acknowledge our senior management team are currently populated mainly by males, not unusual for our industry, however, with successful succession planning and focus on developing our own talent, we plan to change this for the future through our recruitment strategy and developing our employees.

It is our objective to actively pursue a culture that develops future leaders throughout our organisation regardless of gender or ethnicity and we look forward to making some great progress throughout 2022.

Breakdown of Legal Entities

					Workforce Proportions per quartile									
	Pay and Bonus				Proportion with a bonus %		Lower Pay Quartile %		Lower Middle Pay Quartile %		Upper Middle Pay Quartile %		Upper Pay Quartile %	
Legal Entity	Mean Basic Pay Gap	Median Basic Pay Gap	Mean Bonus Pay Gap	Median Bonus Pay Gap	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Lookers PLC	39.5	15.2	47.00	35.7	83.20	66.7	72.1	27.9	67.50	32.5	80.2	19.8	85.70	14.3
Addison Motors Ltd	43.7	12.3	45.90	31.9	87.30	71.4	72.0	28.0	62.20	37.8	83.4	16.6	82.10	17.9
Addison TPS	84.3	-0.3	31.90	-23.3	88.60	100.0	100.0	0.0	81.80	18.2	81.8	18.2	90.90	9.1
Charles Hurst Ltd	63.2	12.9	32.70	-8.0	91.00	65.1	73.7	26.3	78.40	21.6	81.4	18.6	89.10	10.9
Colebrook & Burgess Ltd	69.8	25.7	56.40	78.0	88.90	66.7	53.1	46.9	61.90	38.1	90.5	9.5	85.70	14.3
Drayton Group Ltd	29.0	33.3	64.50	79.2	86.60	76.1	67.4	32.6	59.60	40.4	86.5	13.5	93.20	6.8
Fleet Financial Ltd	72.6	41.0	85.80	82.4	87.50	90.0	57.1	42.9	33.30	66.7	71.4	28.6	83.30	16.7
Lomond Motors Ltd	32.5	17.2	46.90	40.8	83.80	67.1	68.5	31.5	67.00	33.0	87.6	12.4	86.40	13.6
Lomond TPS Ltd	-17.7	-8.8	-7.80	44.1	94.90	85.7	100.0	0.0	86.70	13.3	81.2	18.8	93.30	6.7
Lookers Colborne Ltd	50.1	24.0	33.40	15.1	83.40	56.8	69.6	30.4	69.60	30.4	82.6	17.4	88.90	11.1
Lookers Leasing	59.1	34.0	67.10	35.5	53.30	10.0	0.0	100.0	66.70	33.3	100.0	0.0	83.30	16.7
Lookers Motor Group Ltd	34.3	12.4	46.30	23.2	78.50	62.0	71.8	28.2	65.80	34.2	75.5	24.5	82.90	17.1
MB South Ltd	47.5	22.3	53.60	46.9	79.20	69.4	79.1	20.9	71.80	28.2	89.1	10.9	94.50	5.5
Get Motoring Ltd	27.3	50.6	17.00	70.5	95.20	100.0	12.5	87.5	62.50	37.5	75.0	25.0	75.00	25.0
S Jennings Ltd	48.7	8.3	73.40	35.9	93.90	87.5	85.7	14.3	54.20	45.8	87.8	12.2	89.60	10.4
The Dutton Forshaw Motor Company Ltd	-9.1	14.7	45.70	46.3	91.20	83.8	73.7	26.3	66.30	33.7	78.6	21.4	86.70	13.3

Lookers -
working hard to
bridge the gap.

