Gender Pay Gap Report

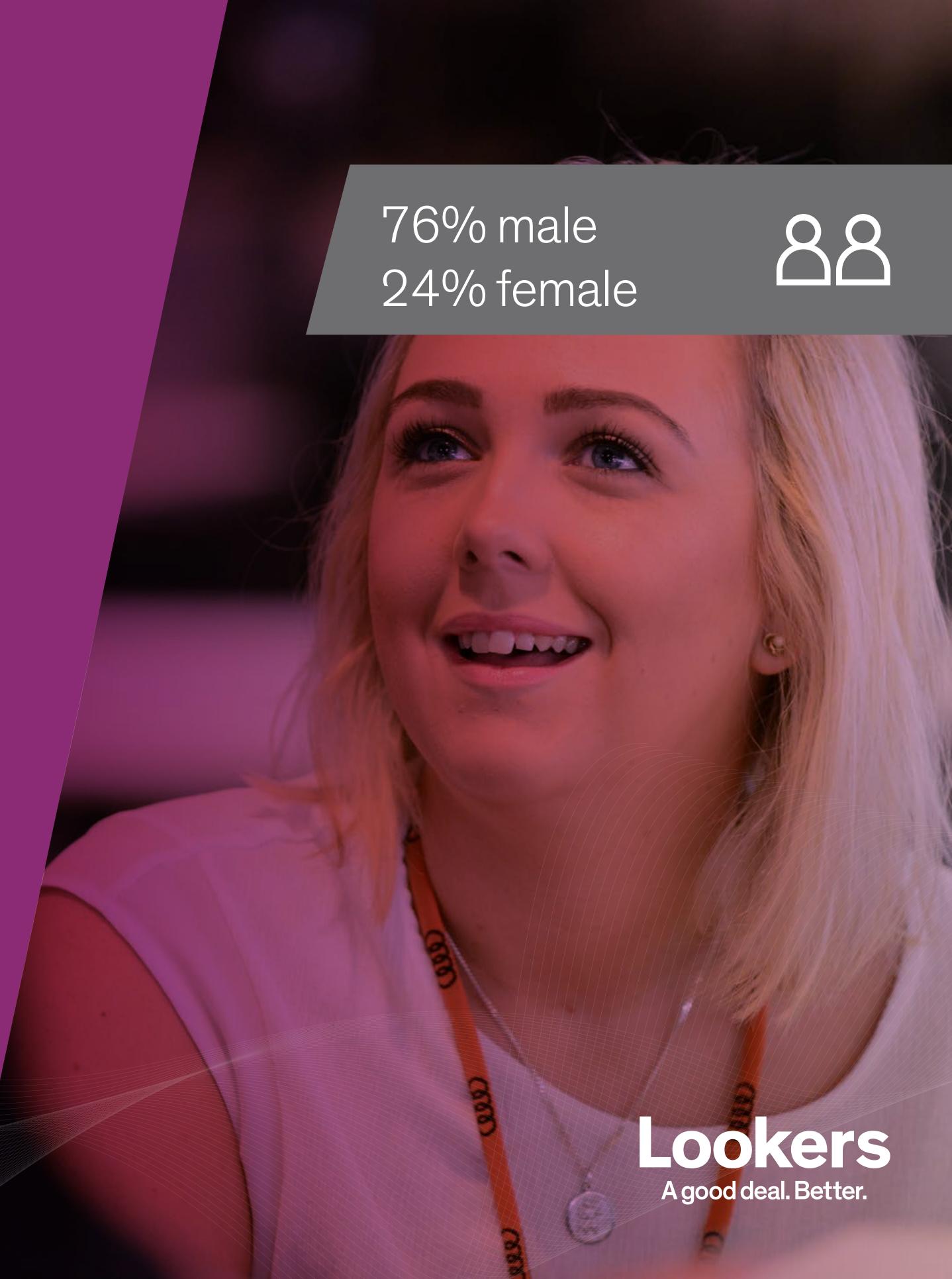
2022

The Lookers commitment to bridging the gap



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 present in what is historically a male dominated sector. Our current Gender split taken on the snapshot date of 5th April 2022 is 76% male 24% female.

We are delighted to report a significant improvement in this reporting period in relation to the hourly pay gap, however we acknowledge a pay gap still exists and remain focused on reducing this gap in the future. We have focused on several initiatives throughout 2021 and 2022 and continue to invest in driving additional initiatives throughout 2023. More detail on these initiatives and strategy is 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.



Ourresults

The 2022 report highlights we have a mean basic pay gap of

26.20/0

76%

of our roles are filled by males and females are disproportionately found in the lower pay quartiles.

Why the gap?

The 2022 report highlights we have a mean basic pay gap of 26.2% and a mean bonus gap of 65% (Table 1).

We are encouraged our mean gender pay gap has improved from the previous year, acknowledging there remains a gap, and we are committed to continue to drive our initiatives to reduce this gap. There are many factors which influence the data. Our current gender split is a historical cultural issue and very much in common with other businesses in our industry. This is a key factor in our gender pay gap in addition to the gender imbalance across specific roles, a pay gap will exist until there is a proportionate gender representation across all levels in the organisation, most notably the male to female ratio of our senior leadership population. Overall, 76% of our roles are filled by males and females are disproportionately found in the lower pay quartiles. The below graphs show how female underrepresentation increases as the roles and grades progress into Bands A and B which represent the Lookers Leadership population.

As detailed in previous reports and our figures, a high proportion of our employees receive a bonus/commission. Ordinary pay is not limited to basic pay but also includes other pay elements including bonus/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, sales performance is significantly higher due to a registration plate change month in March. 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.

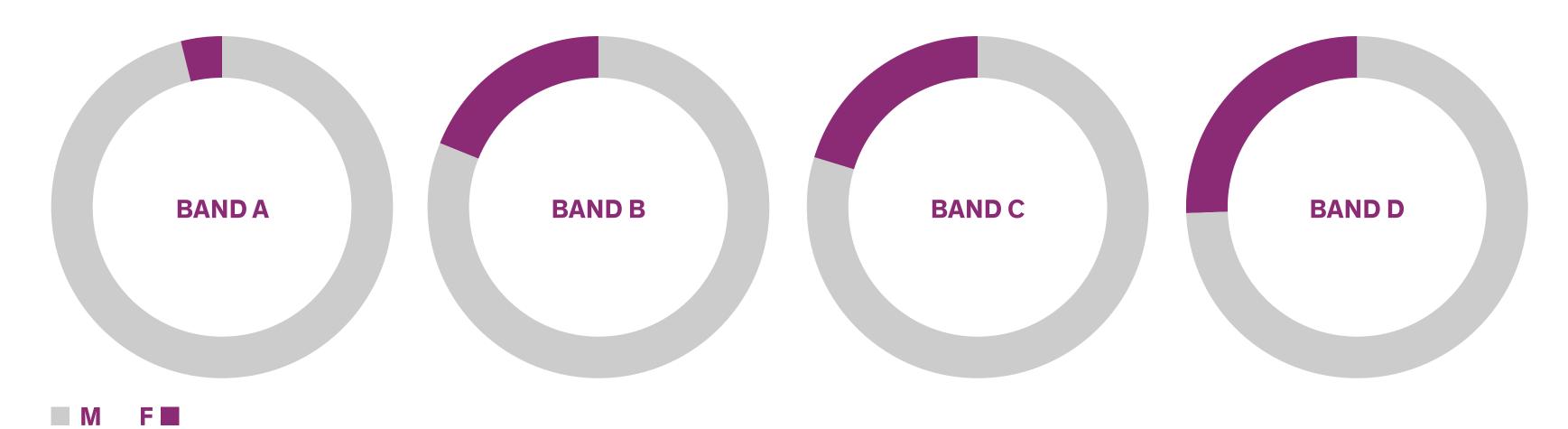
April is a period where managers receive bonus. Again, this is typically higher in April, due to the structure of the business performance and bonus plan, adding further distance across the gap, particularly given our management population is predominately male.

The bonus pay gap calculation is calculated by using the actual bonus that has been paid to colleagues, however, it doesn't take into consideration where bonus is pro-rata. A high proportion of our female colleagues are in part time roles; therefore, this will impact on our overall bonus pay gap figures.

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 males than it is for females, 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.

	Pay and Bonus							
Reporting Year	Mean Basic Pay Gap	Median Basic Pay Gap	Mean Bonus Pay Gap	Median Bonus Pay Gap				
Lookers Group - 2022	26.2	21.5	65.48	29.2				
Lookers Group - 2021	39.5	15.2	47.00	35.7				







What are we doing about it?





Apprenticeships

We continued to support the local community through offering apprenticeships. 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.

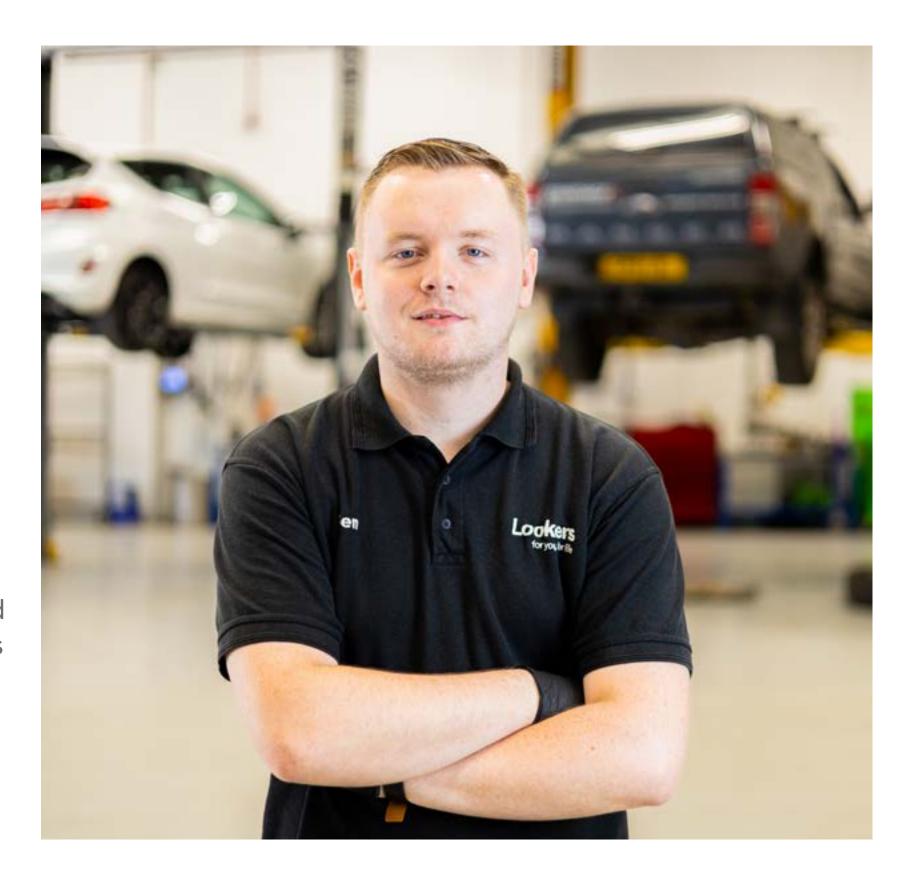
We have a heavy focus on attracting more females into the Automotive Industry. Starting with our early careers pathways with our Apprenticeship intake for 2023 being around 200 plus vacancies, which is in line with our intake in 2022 and will be focusing on attracting a diverse cohort of candidates. Apprenticeship roles are largely centred around the Aftersales landscape, however there are plans to expand our apprenticeship offering to other areas of the business, which may appeal to a more diverse candidate pool.

Underpinning our apprenticeship academy will be a robust early careers agenda where we will make a commitment to visit and partner with local schools throughout 2023, looking to establish strong relationships with local schools, colleges and centres. There will be a large drive to visit female only schools showcasing all our inspiring female colleagues, sharing their journeys and career stories with a hope to encourage more females into our fantastic industry.

Jump Start

In January 2022 we launched the innovative JumpStart programme which is a 6-month Sales Trainee programme. Designed to provide fast-track fulfilling careers for ambitious people of all ages and backgrounds, with a specific objective to diversify our workforce. Combining classroom, digital and on-the-job learning, and supported by Managers, Mentors, HR, L&D and SMEs. The programme supports new talent joining the business from outside of the industry who have a passion for delivering great customer experiences and have a strong work ethic. So far 69 JumpStart trainees have been inducted by Lookers, 30% of whom were female, 49 of which are now fully qualified, and we currently have 17 going through the final accreditation stage of the programme.

We have had some great success from our previous programmes, and we hope to increase our female talent through our early careers agenda. When compared to our previous programmes, where we typically see around 10% of females being recruited, this is a real step forward in creating a more diverse population we can grow and develop into leaders within the organisation.





We have increased our overall learning & development curriculum and offerings to colleagues by over

3000% in 2022.



People Development

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

To support our female talent agenda, we are piloting a new mentoring programme with the global 30% Club – Moving Ahead.

The Mission Gender Equity programme is a cross-company mentoring programme; a powerful initiative to build and strengthen necessary pipelines to achieve parity of women in leadership and board roles.

We have given four of our high potential females leaders the opportunity to join Mission Gender Equity where they will receive mentoring from senior leaders and executives. They will also have access to masterclasses and learning events hosted by world class leaders across several topics. We have also provided four mentors from our senior leadership and executive team who will support other mentees from other organisations.

The programme concludes in July 2023, we will then review the success and feedback from the pilot group with an ambition to formally launching wider into our 'business as usual' offering.

We have increased our overall learning & development curriculum and offerings to colleagues by over 300% in 2022. New for 2023 Lookers introduced a 'Looking After Our People' course to our mandatory digital curriculum, covering several areas including ED&I (Equity, Diversity & Inclusion), culture and values. Every employee must complete the course, amongst others, on an annual basis and all new starters to the business must complete this course within 30 days of joining.

The above also features our zero tolerance stance on bullying and discrimination, highlighting how colleagues can escalate issues and concerns.

Leadership Development

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

We have redesigned a new People Manager development programme called 'People Manager Essentials', launched in Q4 2022 which will run throughout 2023. This will offer a two day learning programme to equip managers with knowledge, confidence, and skills on how to manage and lead their people and create a development opportunity for our people who aspire to become people leaders within their career. This assists in driving the right culture but also creating a talent pipeline and succession planning for the future.

A key focus of the programme is engagement, well-being and how to treat people fairly and individually in line with processes and legislation.





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Mental Health & Wellbeing

We recognise that Mental Health and Wellbeing are incredibly important in ensuring Lookers can support its people through difficult and challenging periods. In 2022 we launched a new partnership with an external mental health and wellbeing provider – Everymind at Work.

Several services are provided in our partnership available to all colleagues:

- Digital mental health and wellbeing mobile app which is packed with resources and support tool, including help and support with menopause.
- Monthly webinars on range of topics in relation to mental health and wellbeing we are seeing an average attendance of over 200 colleagues attending each session.
- New Internal Mental Health First Aider network we now have over 30 mental health first aiders to support colleagues who might need additional help and signposting to support, with plans to increase to 50 by the end of 2023.

Equity, Diversity, and Inclusion (ED&I)

Lookers recently partnered with The Clear Company to help us identify our strategy in relation to ED&I a key element of this is to carry out a full ED&I audit to help us understand our starting position to help drive authentic change within the business. The audit is an independent three-stage quantitative and qualitative review allowing us to assess our organisational standards rigorously and uniformly against inclusive best practices.

The audit itself concentrated around 5 key areas:

- A review of people policies and documentation
- A review of at least five recruitment rounds from start to finish
- 20 stakeholder interviews facilitated by The Clear Company
- 4 focus group sessions facilitated by The Clear Company
- ED&I Survey

The Audit Report will give us a clear picture of where we are on our ED&I journey, show us where we have areas of good practice and where we could do more.

Having completed the audit, there is an opportunity to engage leaders further in the strategic action planning as a result of the audit recommendations.

The Clear Company will use the audit findings to inform the creation of a strategic action plan that prioritises quick wins and considers longer term goals and ambitions. There will be a facilitated strategy development workshop with key stakeholders to establish priorities, direction of travel, clear objectives, and secure leadership buy-in and commitment. This session will also outline leaders' roles and accountabilities in the plan to ensure leaders understand their role in driving change and supporting the plan.

As part of this we will continue to review and strengthen our family friendly policies to ensure we have diverse policies to support all colleagues and enable managers to support their team members through difficult situations. In the future, we hope to focus on supportive policies for Pregnancy Loss, Menopause Support, Fertility Support, Life Events and Cancer Support and additional support and care for bereavement.





Automotive 30% Club

Automotive 30% Club

We have worked with the Automotive 30% Club for several years, and in April 2022 CEO, Mark Raban became a Patron, pledging his support for their goal of achieving true gender balance. Mark's patronage has been renewed for 2023.

Throughout each year we take part in many of their initiatives, such as Inspiring Women's Week and Awards, where we have four winners this year, National Apprenticeship week – with lots more planned for 2023.

Culture

Numerous colleagues within Lookers champion their diversity, building inclusive communities and providing educations for their colleagues, such as:

Ramada Along – during the month of Ramadan our Muslim colleagues challenges their colleagues to join them in a 'fast for a day in solidarity'. The group get together on the day to show support to each other, share tips on how to make it through the day, and a hear from our Muslim colleagues who do this for 30 days.

During Pride month (June 2022) the theme for Lookers this year was Bite-Sized Learning on items such as 'What does LGBTQ+ mean', 'History, Rights & Inclusive Language', and 'The Rainbow Flag'.

We celebrate many religious and awareness days throughout the year.

We actively support all colleagues and during 2023 we will be looking to enjoy more celebrations and occasions to ensure we foster an inclusive environment and culture.

Attraction and Recruitment

We will be using Technology to help us de-gender our adverts, job descriptions and train our hiring managers on conscious and unconscious biases. We will adopt, with the support of The Clear Company, a fair and inclusive attraction, recruitment, and selection process to break down any unwanted behaviours and raise awareness within our business.



Reputation



Engagement with our people

We regularly seek feedback from colleagues through all channels of communication. We have partnered with Reputation.com and in April 2023 we will be launching our new engagement survey for employees. We understand this feedback is key to the success of our business and is pivotal in the attraction and retention of our people and understanding how we can improve the employee lifecycle and Employee Value Proposition. It is imperative our people feel listened too and we encourage our teams to have a voice and to share their feedback in an open, honest and safe environment.

We have also worked with our people to understand how we can offer a diverse suite of benefits, adding several new offerings across our Choices platform launched in July 2022. Choices enables employees to select from a range of lifestyle benefits, it is important we offer choice as this supports the diversity of our colleagues and their needs.

Feedback from colleagues during 2022 was specific to work life balance, something we consider to be incredibly important in ensuring our people spend time away from the workplace to recharge. We have considered their comments and have agreed to close a selection of our dealerships on a weekend. This further demonstrates our commitment to listening and acting on what our people tell us. We also hope these working hours will help to generate applications from a wider, more diverse pool of candidates.

Changes to pay approach

Throughout 2021 and 2022 we implemented several new pay plans across the business meaning all employees have a level within their function/job role and rewards for skillset and complexity of role and level of responsibility. For Head Office roles we benchmark salaries using Willis Towers Watson to ensure salaries are accurate, objective and promote fair pay. In 2022 we also introduced a Lookers Living Wage, paying 5% above the National Living Wage. This will also ensure transparency and fairness within our pay strategy and support our colleagues who earn lower salaries and may not be eligible for bonus/commission.

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.

Our changes in approach to remuneration and structured pay plans demonstrates our commitment to removing any misconceptions centred around pay levels and ensure employees receive equal pay when carrying out the same role, regardless of gender. We are confident our pay gap is due to the underrepresentation of females across 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.



Summary

We acknowledge our current gender pay gap is higher than we would like, and this is heavily influenced by the proportion of males in our senior leadership team, which is usual for our industry. With successful succession planning and focus on developing our own talent, we plan to change this for the future through our people strategy and developing our employees.

Our continued commitment with regards to employee and leadership development is aimed at advancing the next generation of female leaders. The areas set out within the report demonstrate our commitment to ensuring we offer a working environment suitable to all employees, regardless of gender, race, or ethnicity. We believe Lookers has an important role to play in encouraging women to join a supportive industry with a range of careers available across all levels, including those across head office support functions which are equally integral to the business.

Our desire is to engage with local schools and colleges is to cultivate and inspire talent for the future, breaking down any historical misconceptions of the industry. It is important to Lookers we focus on fair and consistent treatment of all our employees and are committed to becoming a diverse and inclusive organisation, a place where everyone feels valued, respected, and has a strong sense of belonging and we look forward to making some great progress throughout 2023 and beyond.





Breakdown of Legal Entities

					Workforce	Proportions	per quarti	le						
2022 Legal Entities	Pay and Bonus			Proportion with a bonus Lower Pay Quartil		Quartile %	Lower Middle Pay Quartile %		Upper Middle Pay Quartile %		Upper Pay Quartile %			
Legal Entity	Mean Pay Gap 2022	Median Pay Gap 2022	Mean Bonus Pay Gap 2022	Median Bonus Pay Gap 2022	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Lookers PLC	26.2	21.5	65.48	29.2	85.40	59.86	63.44	36.56	70.39	29.61	83.88	16.12	86.13	13.87
Addison Motors Ltd	21.6	19.1	67.12	45.9	88.63	61.63	60.63	39.38	61.64	38.36	87.42	12.58	82.50	17.50
Addison TPS	-0.7	-18.7	3.49	-67.1	92.11	100.00	90.91	9.09	90.91	9.09	90.00	10.00	81.82	18.18
Charles Hurst Ltd	22.3	15.1	50.18	0.4	90.69	64.24	67.01	32.99	78.24	21.76	88.08	11.92	88.66	11.34
Colebrook & Burgess Ltd	43.2	32.3	79.44	53.1	90.12	54.55	40.00	60.00	74.58	25.42	84.75	15.25	90.00	10.00
Drayton Group Ltd	45.9	37.1	80.36	72.9	84.84	64.38	53.75	46.25	79.75	20.25	83.54	16.46	91.14	8.86
Fleet Financial Ltd	50.9	37.1	90.54	77.3	92.31	90.91	16.67	83.33	33.33	66.67	83.33	16.67	83.33	16.70
Lomond Motors Ltd	33.3	26.9	73.93	41.8	88.05	53.85	68.35	31.65	62.03	37.97	93.67	6.33	93.67	6.30
Lomond TPS Ltd	-15.2	7.3	-33.44	31.9	95.92	100.00	100.00	0.00	76.92	23.08	100.00	0.00	92.31	7.69
Lookers Colborne Ltd	24.4	22.2	32.84	-45.9	92.37	53.49	54.55	45.45	81.40	18.60	79.07	20.93	86.36	13.64
Lookers Leasing	55.4	33.4	80.03	58.2	93.33	100.00	14.29	85.71	50.00	50.00	83.33	16.67	100.00	0.00
Lookers Motor Group Ltd	22.7	16.5	68.99	16.8	79.05	54.15	63.13	36.87	67.45	32.55	80.61	19.39	83.31	16.69
MB South Ltd	39.9	28.5	69.49	19.3	81.27	56.25	67.37	32.63	80.00	20.00	91.49	8.51	93.68	6.32
Get Motoring Ltd	22.6	25.8	27.05	73.5	100.00	100.00	11.10	88.89	66.67	33.33	62.50	37.50	77.78	22.22
S Jennings Ltd	28.6	19.1	82.51	55.6	96.12	58.62	70.00	30.00	74.36	25.64	89.74	10.26	92.50	7.50
The Dutton Forshaw Motor Company Ltd	25.5	20.7	46.57	16.0	95.27	81.18	62.22	37.78	75.56	24.44	77.78	22.22	90.00	10.00



Lookers - working hard to bridge the gap.

