

Pendragon | PLC



Gender Pay Gap Report 2017



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What is the gender pay gap?

The **gender pay gap** is a measure of the difference between the average earnings of men and women across an organisation. The gender pay gap is not the same as equal pay, which relates to men and women being paid equally for equal work. Equal pay is a legal requirement in the UK and Pendragon already abides by this.

Legislative Requirements

All UK companies, with over 250 team members on 5 April 2017 are required to report on their gender pay gap, and publish the following specific gender pay information:-

- Mean and median gender pay gap;
- Mean and median gender bonus gap;
- Proportion of males and females receiving a bonus;
- Proportion of males and females by quartile pay band.

Figures for each legal entity with at least 250 team members must be calculated and reported separately.

The mean and median gender pay gap is based on hourly rates of pay as at 5 April 2017.

The mean and median gender bonus gap considers bonus pay received in the 12 months leading up to 5 April 2017.

Pay quartiles look at the proportion of men and women in four pay bands when we divide our workforce into four equal parts.

Our Company

Pendragon PLC is comprised of a number of different companies. This report looks at the gender pay gap across the combined Pendragon Group. Subsidiary entities with more than 250 team members are reported on separately, as required at the end of this report. Pendragon employs 9,989 team members of which 25% are female.

What is our approach to the gender pay gap at Pendragon?

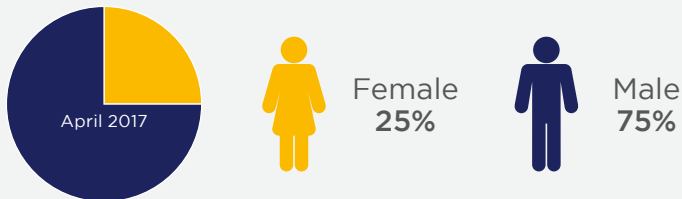
The requirement to report on the gender pay gap within Pendragon supports our ethos of treating all our team members equally and with respect. Improving the diversity and inclusion of our team members remains a strategic focus of our People Strategy, as we continue to build and develop a culture that attracts talented individuals who can be themselves regardless of gender.

However we do recognise that in relation to pay, a gap exists between genders where we have fewer women in senior roles. This is reflective of the wider motor industry. Pendragon is working hard to redress this imbalance across our businesses, changing working practices and patterns to appeal to a wider demographic reflecting our diverse customer base. We are active ambassadors of the motor industry, raising awareness of the vast opportunities our business and the industry has to offer to female talent.



Gender Split of Pendragon Team Members

Automotive retail has historically been a male dominated sector, which, unsurprisingly, is reflected in our split between male and female team members:



Key Data on Gender Pay

Information presented below relates to the combined population of all Pendragon Group subsidiaries. We have included a breakdown for all subsidiaries that employ more than 250 team members.

Gender Pay

Difference in mean Hourly rate of pay **11.2%**

Difference in median Hourly rate of pay **5.0%**

Mean and Median Gender Pay Gap

The mean gender pay gap is the difference in average hourly rates of pay that female and male team members receive. This gives an overall indication of the gender pay gap by taking all hourly rates of pay and dividing by the total number of team members in scope.

The median gender pay gap shows the difference in the midpoints of the ranges of hourly rates of pay for men and women by ordering individual rates of pay from lowest to highest and comparing the middle value.

Both mean and median gender pay gap is expressed as the difference in the average pay of all male and female team members across the Pendragon Group as a percentage of men's pay.

Gender Bonus

Difference in mean Bonus award **58.2%**

Difference in median bonus award **67.9%**

Mean and Median Gender Bonus Gap

The mean gender bonus gap is the difference in average bonus pay that male and female team members receive.

The median gender bonus gap shows the difference in the midpoints of the ranges of bonus pay received by male and female team members.

Percentage of men receiving a bonus **90.7%**

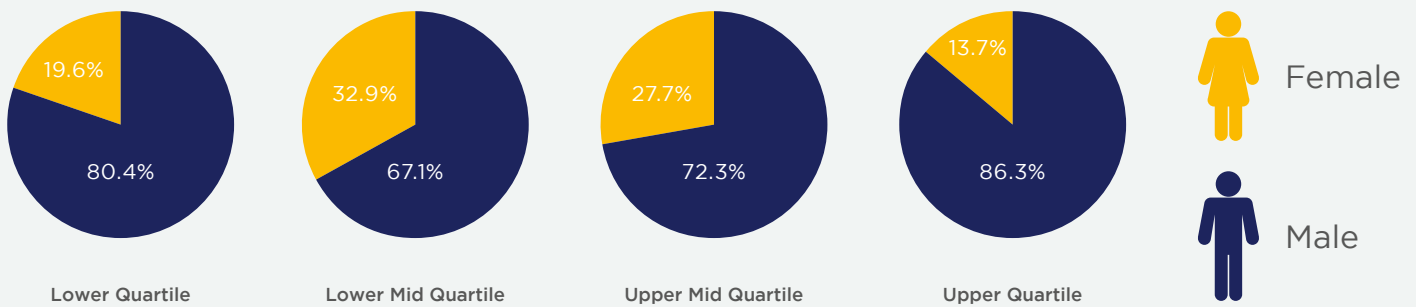
Percentage of women receiving a bonus **85.2%**

Proportion of Male and Female Team Members Receiving a Bonus

This is the percentage of male and female team members who received bonus pay in the 12 months leading up to 5 April 2017.



Proportion of Male and Female Team Members in Each Pay Quartile



This is the percentage of male and female team members in four quartile pay bands (dividing our workforce into four equal parts).

Why do we have a gender pay gap at Pendragon?

As mentioned, the automotive retail sector is historically a male dominated sector. The gender pay gap at Pendragon is not as a result of our pay policies and practices, but rather having a higher proportion of women than men in our more junior or entry level roles paid lower salaries, and fewer women than men in our senior and management roles, paid higher salaries.

Why do we have a gender bonus gap at Pendragon?

As with the gender pay gap, the gender bonus gap between male and female team members is mainly due to the structure of our workforce. We currently have more men in senior roles and also working in our dealerships where bonus remains a core part of remuneration, particularly for sales team members. When structural factors such as these are removed, differences in bonus can be mainly attributed to differences in individual performance, experience and skill sets.

Gender pay gap by quartile

These charts highlight the under representation of female team members in senior roles across our businesses as shown by the lowest percentage of females in the upper quartile. The lower quartiles are predominantly made up of dealership roles on spot basic salaries regardless of gender.



Our Commitment to Closing the Gap

At Pendragon, we continue to progress our approach to making the business more attractive and accessible to a wider demographic, including female talent. As we continue to focus our efforts on ensuring men and women are represented equally at all levels in our business, the gender pay gap will close.

However, although we are impatient to deliver change, we recognise that eliminating the gender pay gap will take time, and no single action can eliminate it overnight.

Recruitment

We continue to seek the best candidates from all backgrounds to apply for roles at all levels in Pendragon, and it is important that we take into account all perspectives in order to get the best person for the role.

- We have introduced new customer facing roles and more flexible part time roles that are attracting more female applicants to our dealerships
- We continuously scrutinise our recruitment and selection processes and advertisements to ensure we attract a diverse range of applicants

Training, Development and Progression

We will continue to encourage female team members to progress their career with Pendragon, ensuring our talent process helps us identify, support and equip women to feel ready to move into more senior roles in the future.

In Pinewood, our IT business, we have a successful approach to female recruitment with supported development career paths and training programmes which encourage more females to join and progress their career with us. Early indications are positive, with the proportion of female team members now over 30% in another gender biased sector. Again this will take time but we look forward to reporting on progress from a gender pay perspective in future years.

Retention

It is becoming increasingly difficult to balance work and home commitments, and providing support to retain the team members with the skills we need in our businesses is becoming more fundamental to our ongoing success. We will continue to explore smarter and more flexible ways of working to meet the needs of our team members, with a view to increasing our retention of female talent.

We recognise that it will take time to correct the historic bias that automotive retail has experienced over several decades. We are confident that our approaches will increase the proportion of female team members recruited or progressing to senior roles going forward, although in the short term we will potentially see the gender pay gap increase as we recruit more females into entry level roles.



By Reporting Entity

The following tables summarise the position in our Pendragon entities that employed over 250 people as at April 2017:

Pay and Bonus by Entity

ENTITY	PAY GAP		BONUS DIFFERENCE		% RECEIVING A BONUS	
	Mean	Median	Mean	Median	Male	Female
Alloy Racing Equipment Limited	10.5%	5.9%	51.9%	71.2%	93.9%	78.5%
Bramall Quicks Dealerships Limited	4.9%	0.0%	50.0%	50.7%	96.2%	92.1%
Derwent Vehicles Limited	6.1%	(1.5%)	64.1%	64.3%	96.1%	93.6%
Pendragon Management Services Limited	47.4%	28.3%	86.2%	70.9%	84.9%	80.0%
Pendragon Motor Group Limited	10.3%	2.6%	55.2%	62.7%	93.6%	89.5%
Pendragon Premier Limited	12.8%	7.6%	46.6%	76.2%	90.7%	82.1%
Pendragon Used Cars Limited	7.0%	1.7%	55.8%	75.2%	90.2%	73.0%
Reg Vardy Limited	14.2%	2.7%	55.7%	72.3%	94.1%	87.9%
Stripestar Limited	5.3%	(1.3%)	52.9%	71.4%	90.4%	89.1%
Pendragon Group (combined)	11.2%	5.0%	58.2%	67.9%	90.7%	85.2%

Pay Bands by Entity

ENTITY	LOWER QUARTILE		LOWER MIDDLE QUARTILE		UPPER MIDDLE QUARTILE		UPPER QUARTILE	
	Male	Female	Male	Female	Male	Female	Male	Female
Alloy Racing Equipment Limited	74.0%	26.0%	72.8%	27.2%	64.4%	35.6%	92.5%	7.5%
Bramall Quicks Dealerships Limited	80.1%	19.9%	87.7%	12.3%	74.2%	25.8%	89.0%	11.0%
Derwent Vehicles Limited	81.6%	18.4%	60.2%	39.8%	52.6%	47.4%	86.0%	14.0%
Pendragon Management Services Limited	30.2%	69.8%	38.3%	61.7%	46.7%	53.3%	79.9%	20.1%
Pendragon Motor Group Limited	82.9%	17.1%	70.1%	29.9%	69.8%	30.2%	89.5%	10.5%
Pendragon Premier Limited	76.9%	23.1%	64.8%	35.2%	74.4%	25.6%	88.5%	11.5%
Pendragon Used Cars Limited	89.8%	10.2%	67.7%	32.3%	80.5%	19.5%	89.8%	10.2%
Reg Vardy Limited	81.3%	18.7%	72.5%	27.5%	72.8%	27.2%	92.3%	7.7%
Stripestar Limited	86.6%	13.4%	78.0%	22.0%	71.1%	28.9%	90.6%	9.4%
Pendragon Group (combined)	78.7%	21.3%	58.5%	41.5%	72.7%	27.3%	86.3%	13.7%

I confirm the gender pay gap data contained in this report is accurate.

Richard Maloney
Group Company Secretary



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