



Gender pay gap report 2023



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The automotive industry is traditionally male-dominated, but we are working hard and consistently to redress the gender imbalance – not just within our organisation but across our whole sector.

To this end, Arnold Clark is highly supportive of the government's decision to require large employers to publish their gender pay gap statistics.



Our ongoing aims are to:

- Continue to train and coach our managers on diversity.
- Work in a collaborative and targeted way to increase female recruitment into the business.
- Encourage women into roles within our workshops and Sales teams by breaking down preconceptions of the industry.
- Proactively work with the women at Arnold Clark to encourage confidence and progression within the company.
- Create an environment in which our female employees feel supported and can flourish.
- Promote the successes of our female role models internally and externally via social media.
- Ensure that our family-friendly policies, along with our flexible working offering, are continually reviewed to ensure they are industry-leading and fit for purpose.
- Continue to develop relevant external partnerships, such as Womanthology, Automotive 30% Club, Flexibility Works, Working Families, ENEI etc.

What have we achieved in 2023?

2023 has been a challenging year for Arnold Clark, as we found ourselves victim to a cyber attack in December 2022. We had to work for several months without our key systems and a huge amount of resource and efforts were focussed on our recovery. The cost-of-living crisis has continued and this, along with other factors, has made for a difficult year in the retail sector. However, we have been continuing to work hard on our overriding objective to become an employer of choice and redressing the gender imbalance in our organisation is pivotal to this aim.

The motor trade continues to be perceived as a male-orientated industry and we are striving to challenge this misconception. We recognise that to make a bigger impact, we need to work in partnership with other organisations in the motor trade to try to move the needle together and, hopefully, at a faster pace.

Our Chief Executive and Group Managing Director, Eddie Hawthorne, continues to be a patron of the Automotive 30% Club. The 30% Club is a voluntary network of MDs and CEOs from UK-based automotive manufacturing, retailing and supplier companies. The network was founded with the purpose of achieving a better gender balance within the automotive industry. In addition to Eddie Hawthorne being a patron member, we have furthered our partnership with the 30% Club by becoming the Early Careers Group Sponsor. This involves us taking an active role in the monthly Early Careers meetings, sharing our ideas and driving participation in its various ongoing projects.

We have taken part in a number of initiatives organised by the 30% Club; most recently we took part in their 'This Girl is Me' school project. This saw female employees from Arnold Clark attend various high schools to chat to girls about their career and encourage them to consider the motor trade as an option for them. Females from automotive organisations throughout the UK visited schools during the same period to really raise awareness of the opportunities available within the motor trade.

We also participated in the 'Inspiring Automotive Women - Who Inspires You?' campaign, which involved encouraging all employees to post on their social media about a female in the automotive industry who they look up to and respect. Again, all the member companies took part on the same day, raising visibility across the UK of the jobs that females do within the motor trade.

As a company, we genuinely want to reward good work and we want to find the best people and offer them a career for life.

Here are just some of the ways we support female colleagues at Arnold Clark and try to make an impact in our sector as a whole:

- **Women in Sales network** – We expanded our Women Coaches programme into a Women in Sales network for all female product consultants and product geniuses. We also held a focus group with female product consultants and product geniuses to understand how the network can support them.
- **Internal role models** – We have continued to shine a light on women in the business who have progressed within their role and made outstanding achievements, demonstrating to employees and external potential candidates the range of roles and progression opportunities available within Arnold Clark.
- **Partnerships** – We have renewed our partnerships with Womanthology, Flexibility Works and Working Families to strengthen our support available to women in the business – with our very own Carole-Anne McCann, Group Head of Recruitment, also taking part in the Womanthology podcast. Listen here – [Womanthology podcast](#).
- **Community** – We also donated 300 personal safety alarms to six UK women's charities.
- **Flexible working** – We removed the rules around only one application in 12 months within our flexible working policy.
- **Training** – We delivered a managers diversity and sub-conscious bias course to all managers via ACE Learning.
- **International Women's Day** – We held the first Girls with Skills Test Drive event (2022), which encouraged young schoolgirls to start thinking about their future and the opportunities available to them. On International Women's Day 2023, we done a recap of the event on social media.
- **Working Families** – We are continuing our work with Working Families and supporting their Best Practice Awards for another year, sponsoring their brand-new category of Family Friendly Champion of the Year award.
- **Girls with Skills** – In 2023, we adapted our strategy for Girls With Skills by pushing the importance of the programme and highlighting it as a direct route to an apprenticeship with Arnold Clark. We also expanded the event, with it now running in two Scottish cities – Glasgow and Edinburgh – and have plans to introduce the programme in England in 2024.
- **Managers' toolkits** – We're introducing new toolkits to provide managers with the resources and tools to support their employees through challenging times, such as through our pregnancy loss toolkit and fertility treatment toolkit.

Gender pay and bonus reporting statistics for staff employed at 5th April 2023

The gender pay gap explained

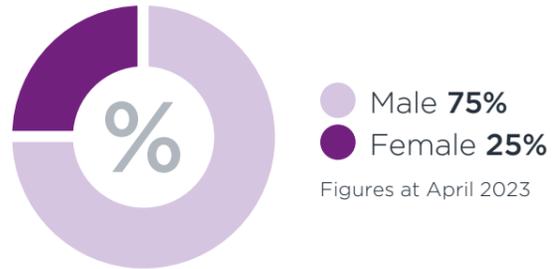
A pay gap is the difference in average pay between two groups within a workforce.

It is not to be confused with equal pay. This is a different matter and is concerned with being paid equally for the same or similar work. Below we will consider the gender pay gap.



Arnold Clark Automobiles Ltd

Our workforce



Figures at April 2023

The figures for both mean and median hourly rate and bonuses are entirely reflective of the demographic of our organisation. Our business has more males at senior level and, as such, our average male salary (mean and median) is higher than our average female salary.

We have seen a movement in the mid-point, reducing the gap to 3.7%. This is due to our females in lower paid jobs receiving higher percentage increases in 2023 than those in higher paid positions. However, the pay gap will continue to exist until we achieve a fair representation of men and women at all levels, which is something we are working hard to achieve.

The bonus pay figures confirm that most employees receive a bonus, however, males receive an average of 30.3% more.

The bonus gap has reduced this year, however, as an organisation, we have sold less cars, which has affected commission payments for our Sales division. With the Sales division being the area that earns the biggest bonuses due to our commission structure, and with a significantly larger proportion of this department being men, any change in this area affects the bonus gap figures. Should we retail more cars next year, we are likely to see that gap increase again.

Overall, we are seeing that any small variances in pay and pay structures internally can skew the figures within the report and, as such, the headline figures when reviewed over time are not entirely reflective of the true story.

We will continue to work to address the gender imbalance throughout the coming year.

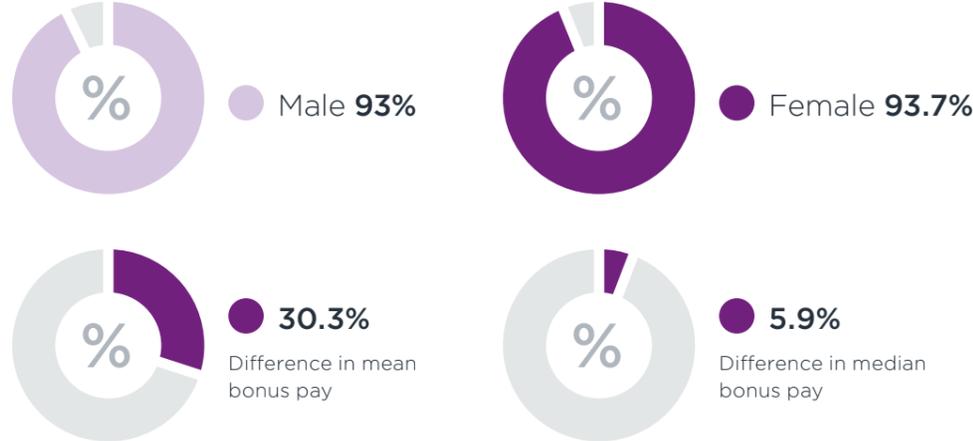


Gender pay

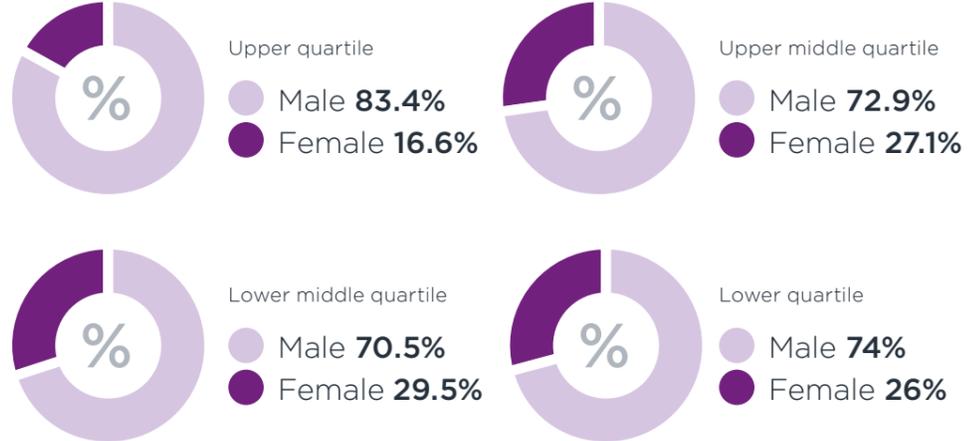


Gender bonus

Percentage of men and women receiving bonus:



Pay banding



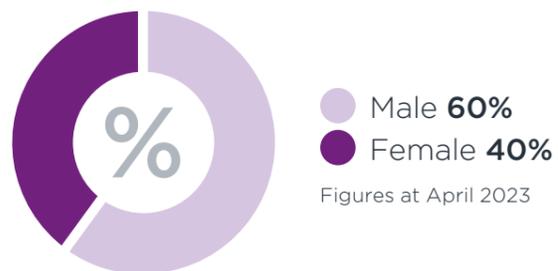


Arnold Clark Finance

Within our Finance division, the picture is very different. Women in this area are paid more (mean and median) than men.

The Arnold Clark Finance senior team is mostly made up of females, which is testament to the equal opportunities within Arnold Clark as a whole.

Our workforce



Gender pay



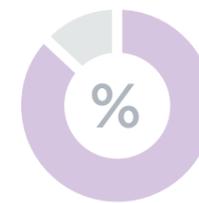
-6.2%
Difference in mean hourly rate of pay



-11%
Difference in median hourly rate of pay

Gender bonus

Percentage of men and women receiving bonus:



Male 86.9%



Female 93.2%



10.8%
Difference in mean bonus pay



-1.5%
Difference in median bonus pay

Pay banding



Upper quartile
Male 46.3%
Female 53.7%



Upper middle quartile
Male 52.2%
Female 47.8%



Lower middle quartile
Male 71.3%
Female 28.7%



Lower quartile
Male 71.3%
Female 28.7%

It starts from the top

"2023 was a hugely challenging year for our business with many obstacles thrown our way, from the cyber attack at the start of the year to the ongoing cost-of-living crisis. However, despite these challenges, we have remained committed to fostering a culture of inclusivity at Arnold Clark, particularly when it comes to addressing the issue of gender balance.

Historically, the automotive industry has been a male-dominated environment, but we've continued to work together to challenge this stereotype - showing that Arnold Clark is a company welcome to all, with ample opportunities and well-laid career paths for both men and women.

From the expansion of our Women in Sales network to our Girls with Skills initiative, we've taken massive strides in promoting diversity and inclusivity across every level of the business. We've also joined forces with other organisations - such as the Automotive 30% Club - to encourage positive change, share ideas and raise awareness of the opportunities available within the motor trade. We know that in order to make a real impact, we must take a collaborative approach and work with other organisations so that this has a rippling effect on the wider sector.

The industry is undergoing a massive shift, and while we are proud of our work in this area, we know that there is still a great deal to be done. That's why we listen to our employees and proactively promote an inclusive culture, with the aim of retaining and nurturing the best talent. As a business, we know that it is our differences that make us stronger and by working together, we can achieve even more."

Eddie Hawthorne
Group Managing Director
and Chief Executive



"Arnold Clark has always been a company built on family values and we strive to create a welcoming, nurturing and supportive work environment for all employees - no matter their gender.

Of course, there's no denying that 2023 has been a difficult year for the Group, but despite this, we have continued to make great progress in key areas - particularly when it comes to promoting an inclusive work culture and redressing the gender balance.

While we have importantly reduced the pay gap in certain areas of the business, I also take immense pride in the work we have done to support our employees and their families - showing that Arnold Clark is an inclusive place of work that offers equal opportunities to all. From properly recognising our female employees for their hard work to our extensive wellbeing package to giving them a platform so their voices can be heard, we want to make sure that every employee has the tools and resources required to thrive in their role.

It's also important that women know the opportunities that are available to them in the motor industry. By inviting the new generation through our Girls with Skills initiative and by forming important partnerships with the likes of the Automotive 30% Club, we hope to attract more women into these positions and support employees to reach their full potential. There may still be a lot to do in this area, but by attracting and retaining the best talent, we can secure a more progressive and successful future for the automotive industry."

Carol Henry
Group People Director

