



RAC Gender Pay Gap Report

RAC is proud to have established a reputation built on trust and respect. We acknowledge the fact that colleagues, customers and partners are at the heart of everything we have achieved and are essential to our ongoing success – **people are our business**.

You often hear RAC colleagues claim that they bleed orange. We all have enormous pride in our brand, and passion for what we do. The aim of our People Agenda is to become an even greater place to work.

Our People Agenda involves increased investment in how we engage with, reward and develop our people. RAC is committed to the equal and fair treatment of all of its colleagues and welcomes the government's initiative to increase transparency and equality as an opportunity to assess and share the progress that we are making on our journey.

As at April 2017, the difference between mean pay for males and females within RAC was 9%, and the median was 14%, compared to the national median of 18.1%.

Although better than the national median, there is a gap; but we understand the factors which contribute to it. We are committed to decreasing our gender pay gap over time, for example by developing our career progression framework to enable growth from within so that our talent and capability pipeline is strengthened; increasing opportunities for women to progress to more highly paying roles; raising the profile of the equality and diversity agenda across the business; and continuing our non-gender specific approach to recruitment.

I confirm that the detail within this report is accurate and has been produced in accordance with the government requirements for Gender Pay Gap reporting.

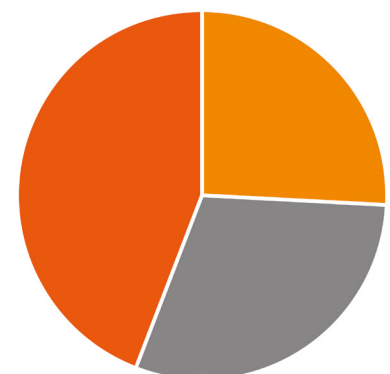
Rachel Blay
Chief People Officer



RAC colleagues by role function

All colleagues (100%)

- Patrols (44%)
- Contact Centres (30%)
- Support functions (HR, IT, Finance etc) (26%)



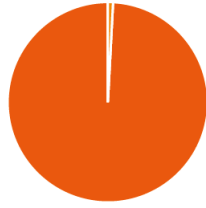
RAC demographics

All colleagues



m 75% / f 25%

Patrols



m 99% / f >1%

Contact centres



m 46% / f 54%

Support Functions



m 52% / f 48%

Within the automotive industry the majority of roadside patrols are male, and it's the same here at RAC. We do have female patrols, ours was the first motoring organisation to do so, and we acknowledge that we would like more. Our patrols include some of the most highly paid roles in the company, inclusive of monthly bonuses and commission.

As a result, our natural colleague demographics is demonstrated in our gender split by pay quartiles. Females tend to be over-represented within our frontline services concentrated in our Contact Centres and Support Functions and are under-represented at the roadside. Two positions on our Executive are held by females, meaning our gender splits truly reflects our overall colleague population.

Gender split by pay quartiles

Lower



m 52% / f 48%

Lower middle



m 77% / f 23%

Upper middle



m 91% / f 9%

Upper

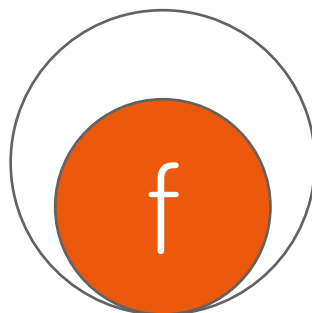


m 77% / f 23%

Proportion of colleagues awarded a bonus in 2017



85% received
bonus



71% received
bonus

All colleagues within the RAC have a bonus earning potential. As at April 2017, the difference between the mean bonus received between males and females within RAC is 61%, and the median is 83%.

Bonus earning opportunities differ between our Roadside Patrols, Contact Centres and Support Functions and in 2017 our bonus payment for support functions fell outside the Gender Pay Gap reporting period meaning that a large portion of our colleagues are not included in these calculations. Inclusion would have increased the percentage of colleagues receiving a bonus payment to over 90% for both genders.

Roadside patrols and contact centre colleagues are paid on set rates by collective agreement. Regardless of gender, colleagues receive the same pay for the same roles. A number of core roles such as our Roadside Patrols have the opportunity to earn monthly personal performance bonuses. Where no collective agreement stands for support functions, RAC roles are benchmarked to industry standard (Hay & TW). Our roles are market competitive regardless of gender.