



RAC 2018 Gender Pay Gap Report

At the RAC, we are proud to have established a reputation built on trust and respect. **Key to delivering our 'RAC 2021' three-year strategy and growth are our #OrangeHeroes** who strive to deliver exceptional service, going the extra mile for our customers. Our colleague's passion, commitment, integrity and expertise create the positive culture which RAC is known for.



Our purpose, and long-term vision of transforming the RAC from a breakdown company, to becoming recognised as the UK's leading consumer motoring services organisation is clearly set out. To deliver we recognise the importance of investing in our people to create a great place to work.

Throughout 2018 our people agenda enabled greater focus and investment in how we engage and develop our people. We are committed to the equal and fair treatment of all our colleagues and we welcome the government's initiative to increase transparency and equality as an opportunity to assess and share the progress that we are making.

As at April 2018, the difference between average pay for male and female colleagues within RAC was 10%, and the median was 14%. Although larger than we would like, this compares favourably to the national median of 17.9%.

Although our results demonstrate that we have a gender pay gap, we are pleased to see that all but one of our measures have improved since 2017, including colleague bonus and gender pay quartiles. There has been a small increase in this year's mean pay gap following the departure of several senior female colleagues, however we have seen more female colleagues joining and progressing into higher paid roles at other levels of our business. RAC remains committed to improving our gender pay gap and we will continue to provide equal opportunities for all our colleagues.

At the RAC, we pride ourselves on our 121-year heritage, including being the first motoring services organisation to have female patrols. Working within the automotive industry most roadside patrols are male, and it is the same here at the RAC. RAC is proud to have customer friendly, and technically gifted Patrols that are there when our customers need us, and we will continue to recruit talented individuals to join our business regardless of their gender.

Our Patrols are at the core of our business and command some of the highest paid roles in our organisation (including monthly bonuses and commission). It is the effect of this, including the predominantly male demographic which contributes to the scale of our gender pay gap.

Relative to our all colleague gender demographic; female colleagues continue to be over-represented in our Contact Centres and Support Functions. Encouragingly female colleagues in our Support Functions are continuing to develop and progress into higher paid roles. This is demonstrated by a 4% increase in number of women in the upper quartile compared to the 2017 results.

Rachel Blay
Chief People Officer

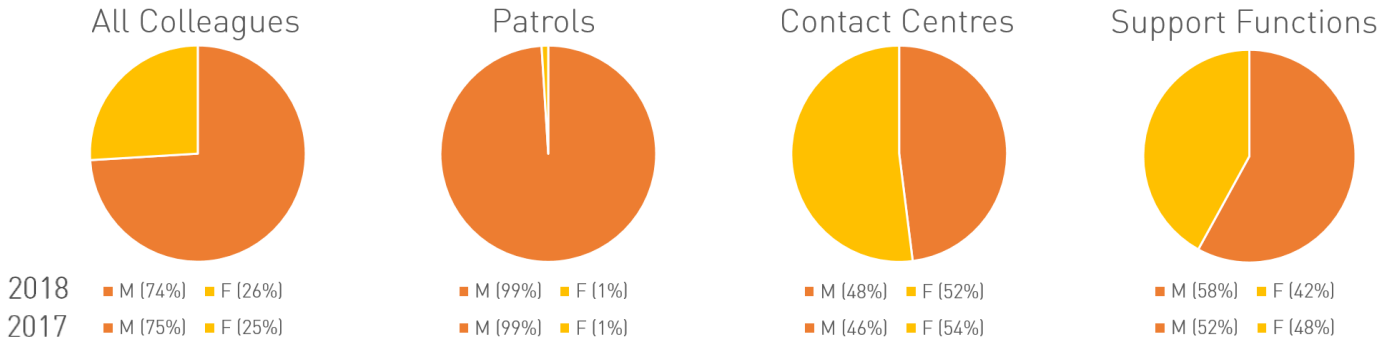
RAC colleagues by function

All colleagues (100%)

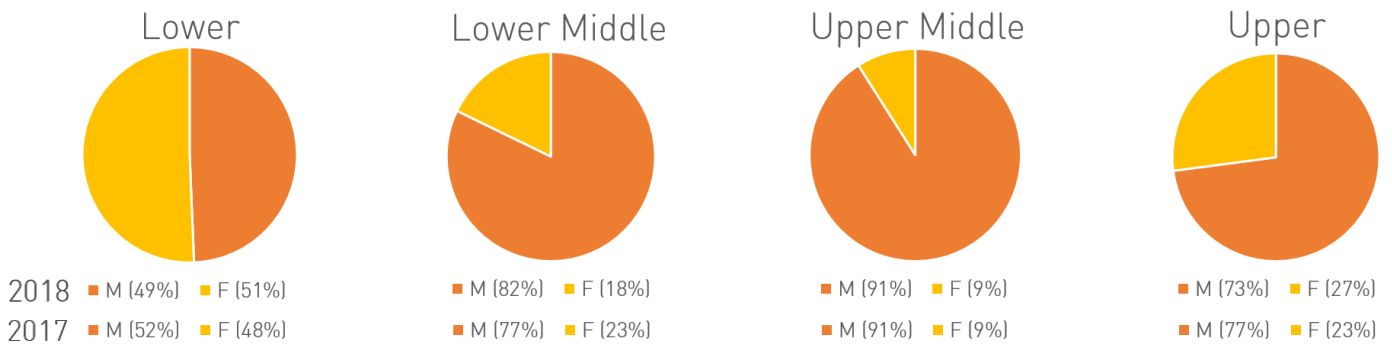
- Support Functions (24%)
- Contact Centres (30%)
- Patrols (46%)



Gender split by function



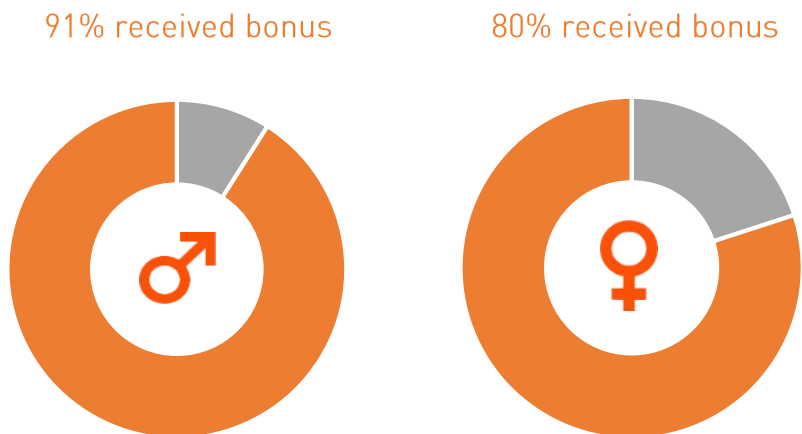
Gender split by pay quartiles



Proportion of colleagues awarded a bonus in 2018

In 2018 there has been an increase in the number of male (+6%) and female (+9%) colleagues awarded a bonus compared to 2017, this was aided by the inclusion of a Special Recognition Payment in 2018.

In addition, the mean (54% vs 61% in 2017) and median (69% vs 83% in 2017) bonus gaps have reduced.



RAC has several bonus and commission schemes, each are aligned to our values and tailored to ensure that they promote and measure colleague performance, as well as rewarding them for keeping the best interests of our customers at the heart of everything they do.

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. Most of this population can also earn monthly performance bonuses. Where no collective agreement exists, we have performance related pay. All roles within RAC are benchmarked to industry standards to set base rates and benefits (Hay & TW). Our rates of pay and benefit packages are market competitive regardless of gender or other protected characteristics.