

Gender pay gap report

2023

RAC

The RAC is committed to creating an inclusive and diverse workforce, making sure colleagues are treated fairly and equally across all parts of our business. We are committed and continuously strive to create a culture where everyone's contribution is valued, regardless of their background or gender.

I'm pleased to say we've seen a positive shift in our gender pay gap with our median average gap decreasing by 4.6% and an increase in the number of females being paid in the Upper Mid and Upper quartiles.

However, we want to do more. We know that one of the main drivers of our gender pay gap lies in the under representation of women in our business, particularly in our roadside team (where 99% of our patrols are men) and in our senior leadership and Executive teams.

In a bid to attract, recruit, retain and promote females, during 2022 / 23 we delivered a number of activities in support of enhancing and improving their experience...

- › Our job adverts now meet gender decodification guidelines, removing all pronouns and gender sentiments.
- › Our recruitment and colleague performance appraisal processes have been reviewed and improved in a bid to reduce unconscious bias.
- › We've seen particular success in our first ever patrol apprenticeship programme with seven females in our first cohort of 75 due to graduate in early 2024.
- › Our menopause policy was reviewed and improved, and we held menopause awareness sessions open to all colleagues.
- › In 2023 we refreshed our career pathway framework, providing clearer guidance and support for those wishing to progress.

Importantly, we're not stopping there - we're improving our level of insight into ED&I with more regular colleague surveys and feedback highlighting key areas of focus and providing important direction for our people strategy.

We continue to scale-up the RAC Academy, tapping into more schools, colleges, and networks to increase the number of female mechanical apprentices and therefore female patrols in our business.

Our policies and processes will continue to be reviewed to ensure they're family-friendly and flexible to meet the needs of our current and future workforce.

With this extra insight, a refreshed ED&I strategy, and continuous improvement approach, we aim to improve the experience for female colleagues across our business and in turn take action to reduce the gender pay gap.



Dave Hobday – CEO

2023

Challenges:

2023 continued to be an exceptionally challenging year with the cost of living continuing to impact significantly culminating in the UK falling into recession during the second half of 2023.

Despite the continuing financial challenges and our increasing operational costs, whilst we weren't able to pay a group bonus to eligible colleagues, we were able to provide annual pay increases, a cost-of-living payment, and local operational incentives to our colleagues during 2023. Due to the nature of our business, the majority of our front-line colleagues who received the operational incentives were roadside patrols (predominantly male), which has then impacted the Mean Bonus Gap detailed below.

Mean pay gap
decreased from
6% to

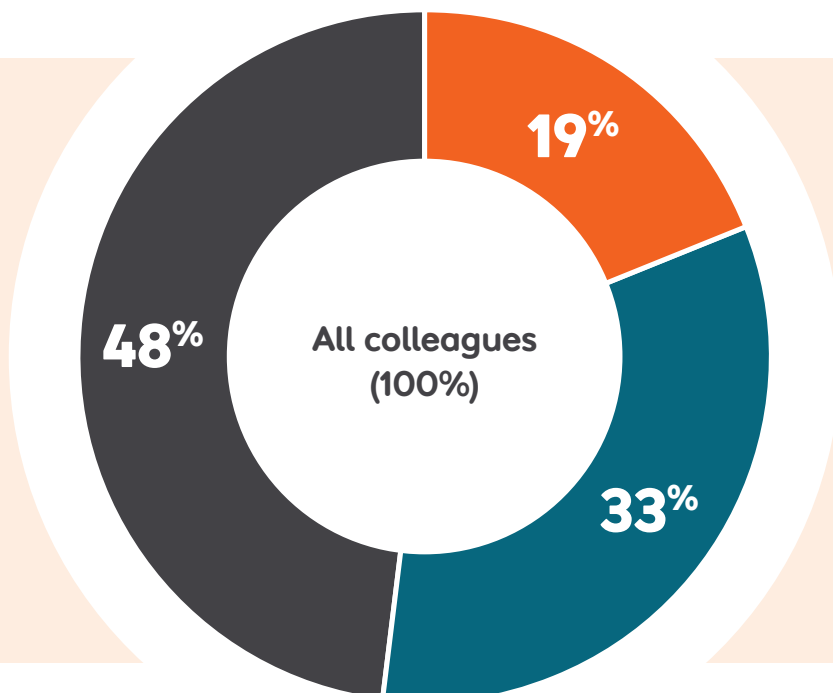
4%

Mean bonus gap
increased from
30% to

46%

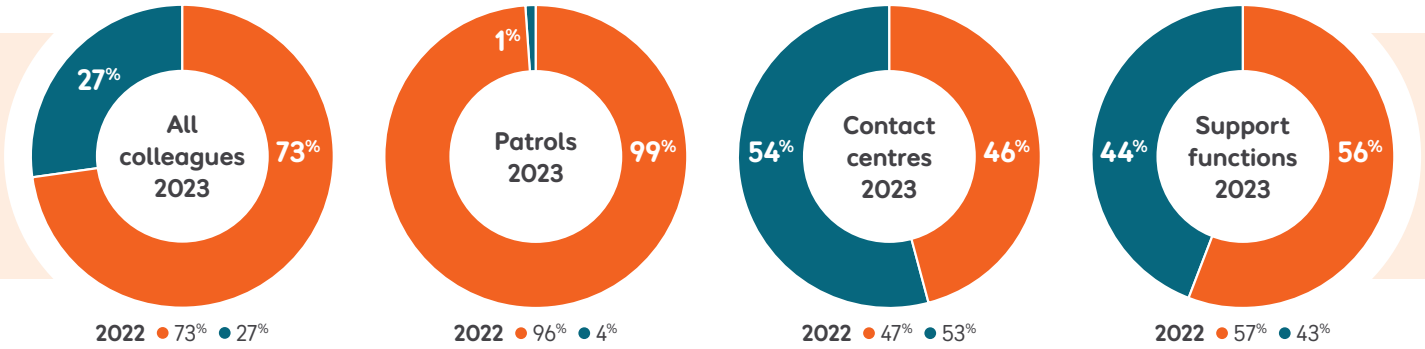
RAC colleagues by function

- Support functions [19%]
- Contact centres [33%]
- Patrols [48%]



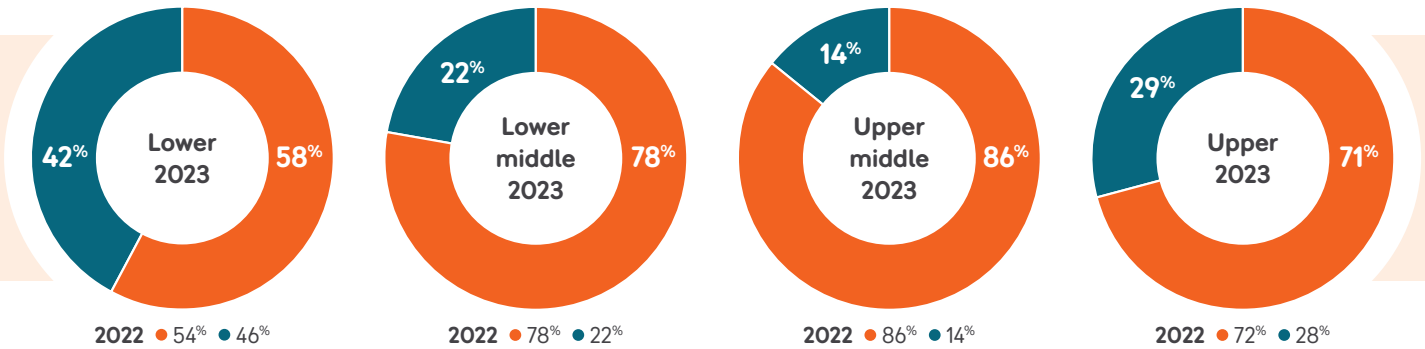
Gender split by function

Male Female



Gender split by pay quartiles

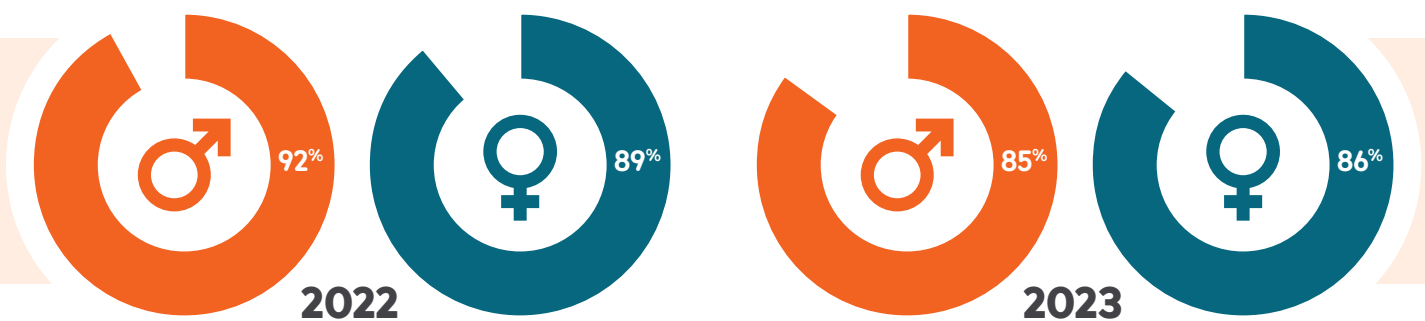
Male Female



Proportion of colleagues awarded bonus in 2023

The number of colleagues receiving a bonus decreased by 7% for males and 3% for females.

Male Female



The mean bonus pay gap has seen an increase of 16% from 30% in 2022 to 46% in 2023 (as detailed above). This is attributed to the reduction of female patrol operatives which has impacted on the average percentage of females receiving bonus, relative to their male counterparts. Conversely, we observed a positive trend in the median bonus gap, decreasing from 63% to 62%.

Median bonus pay gap decreased from 63% to **62%**