

Gender pay gap report

2025



RAC

Leadership statement



At the RAC, we're committed to building a workplace where everyone feels valued and able to thrive, regardless of gender.

This isn't a standalone initiative – it's part of who we are and our annual Gender Pay Gap report is just one of the ways we hold ourselves to account.

I confirm that the figures in this report, calculated as at 5 April 2025, are accurate and I am pleased to see that this year's results show continued movement in the right direction.

Our gender pay gap remains well below the national benchmarks for both mean and median and we have achieved our strongest median position to date.

We also saw significant improvements across our middle pay quartiles, reflecting the impact of our ongoing focus on development, progression and inclusive recruitment. Bonus equity also improved this year, driven by a broader group of colleagues receiving awards.

We remain committed to using the insights that this report provides to help drive further progress.

A handwritten signature in black ink that reads 'Dave Hobday'.

Dave Hobday - CEO



Our workforce profile



Understanding our workforce

Our gender pay gap needs to be considered in the context of our workforce profile.

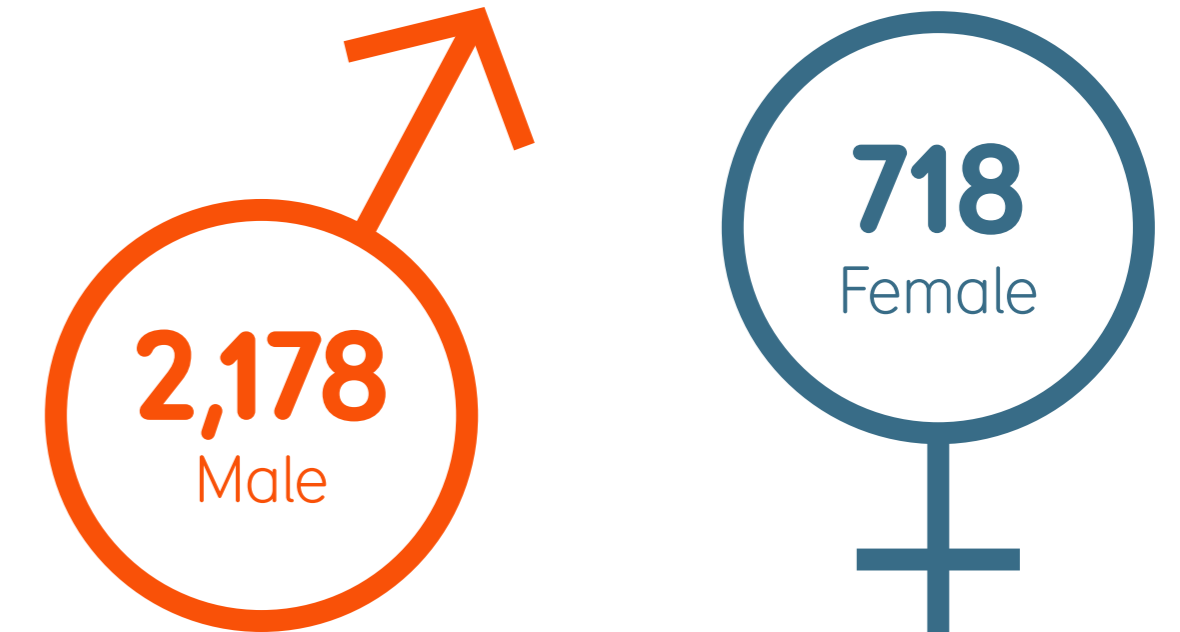
Like much of the automotive and roadside sector, we employ a large, operational workforce, particularly in frontline Patrols and Technician roles, which are historically male-dominated across the UK market.

As at 5 April 2025, we had 2,896 full-pay relevant colleagues, of which 75% were men and 25% were women. This overall balance reflects the nature of our core roles rather than unequal pay for the same work.

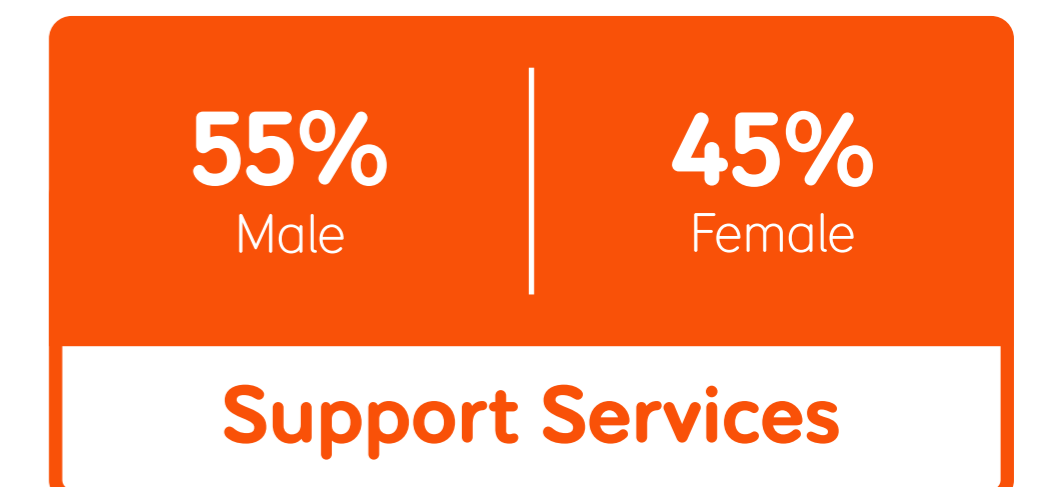
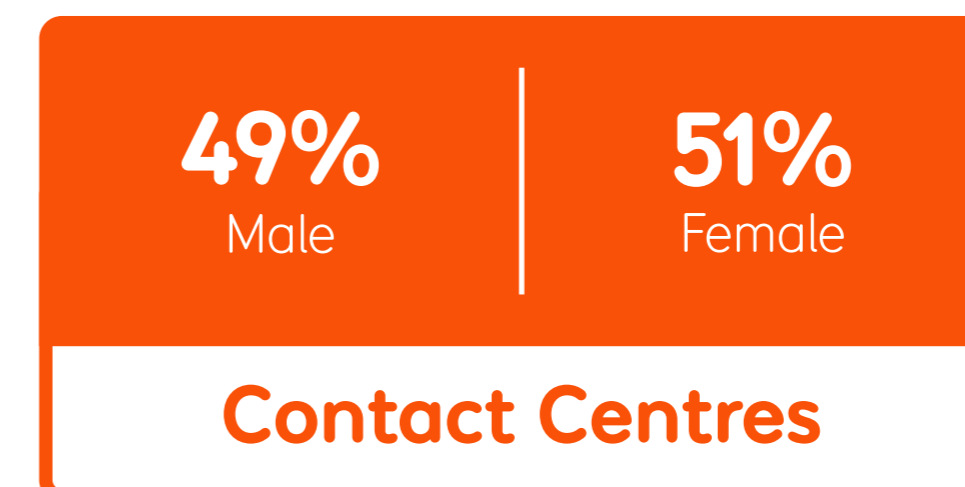
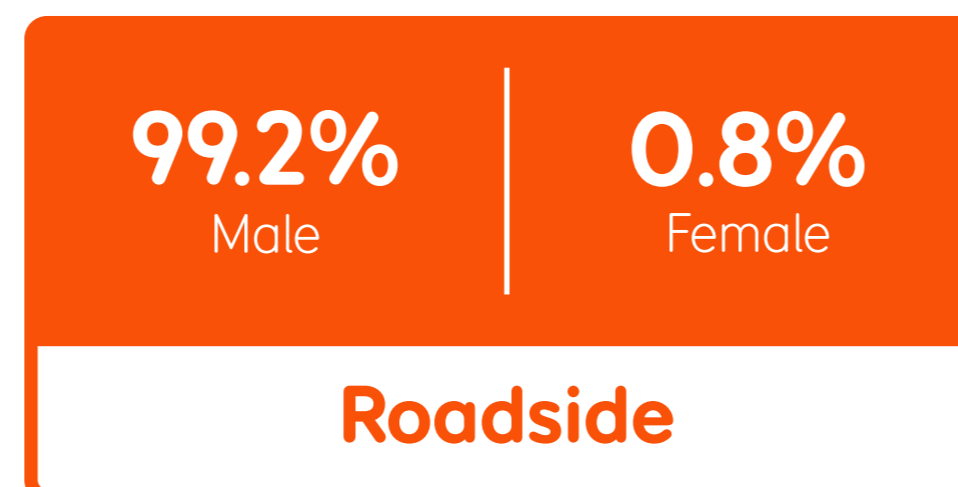
Gender pay gap reporting looks at average pay across the whole organisation. It does not measure equal pay, which compares men and women doing the same or similar roles.



Number of relevant colleagues



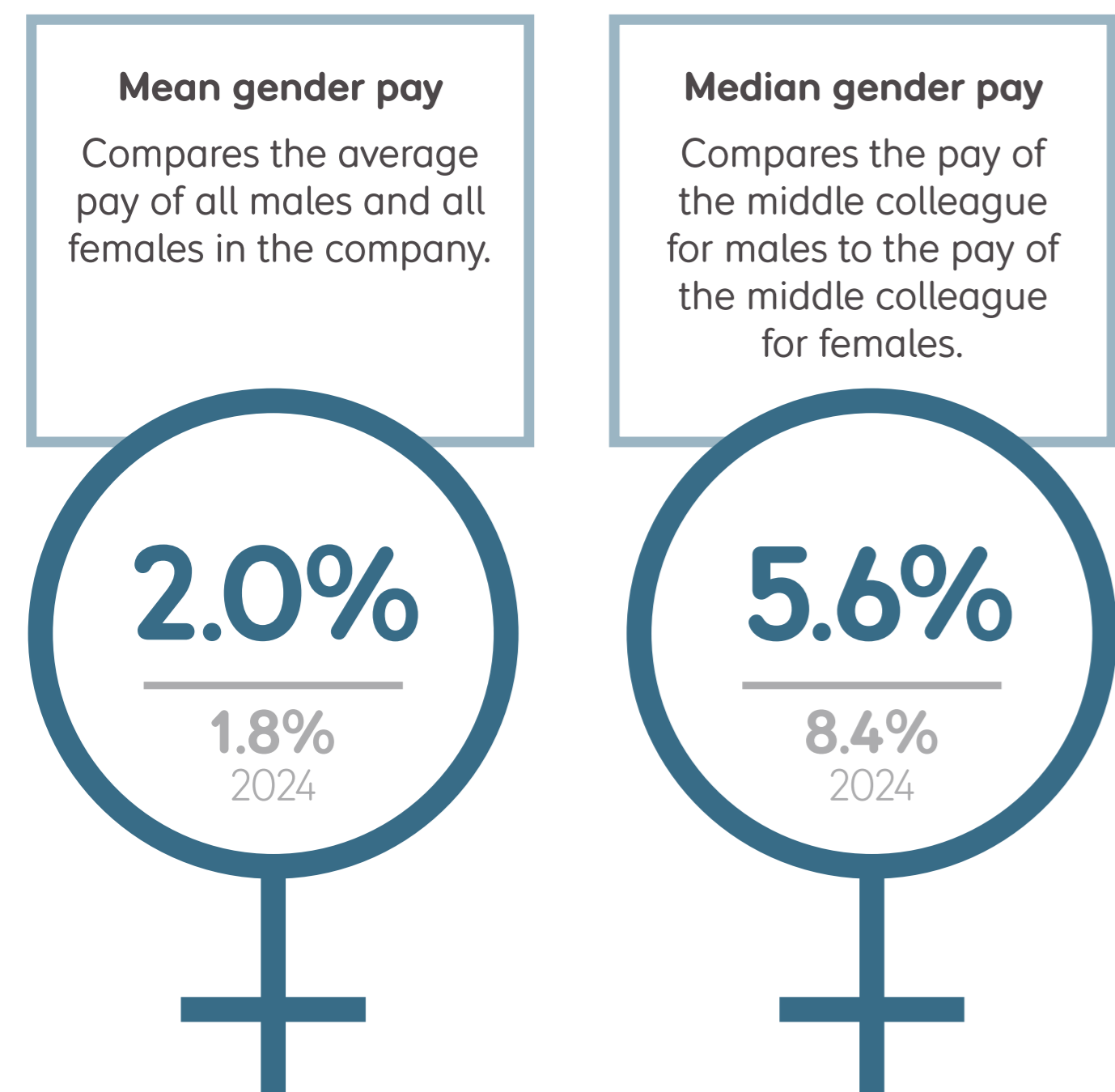
Male-female colleague split



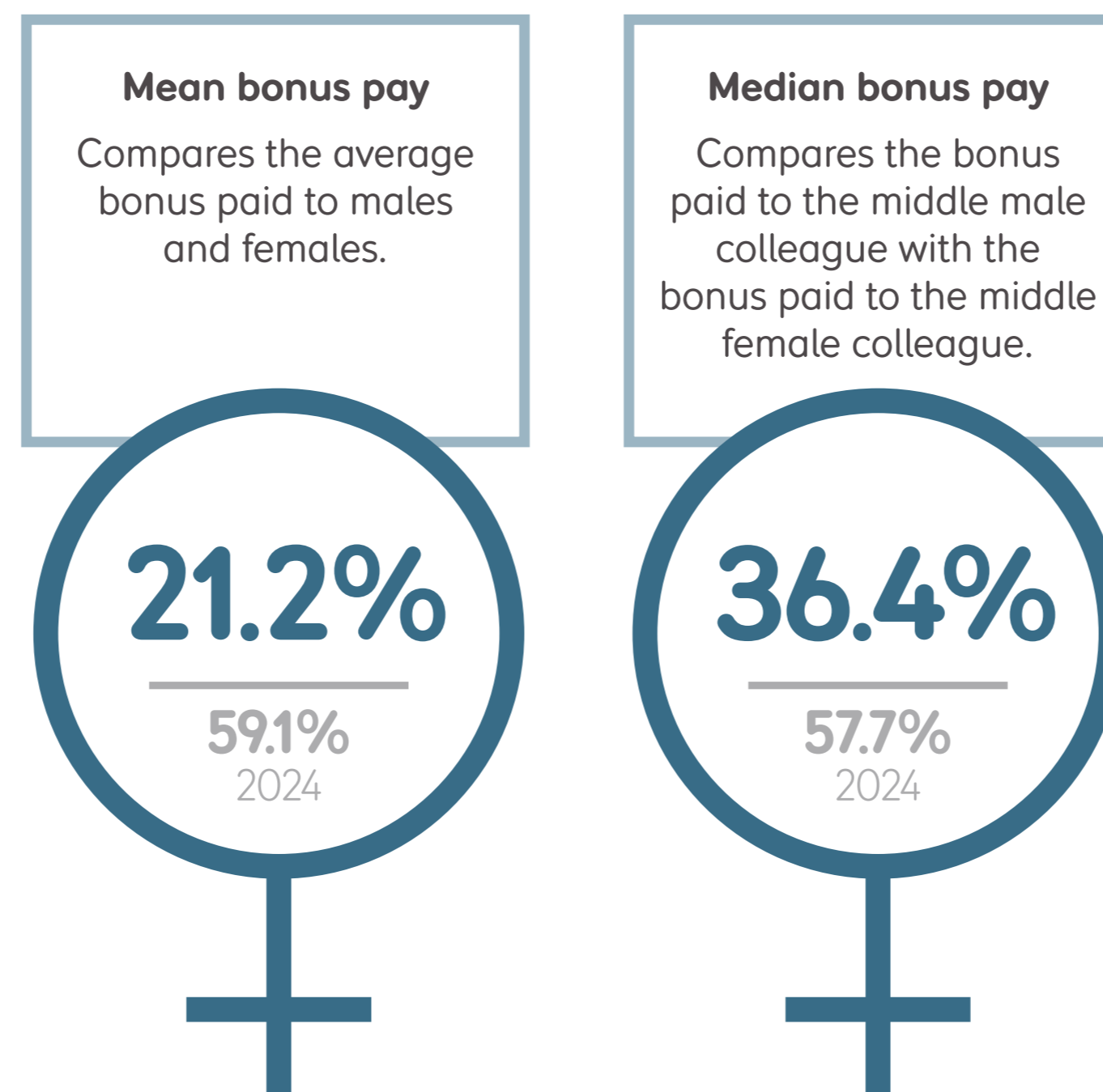
Gender pay gap results (statutory data)

Strong performance and year-on-year improvement saw three out of four gender pay measures improve in 2025, with our mean gender pay gap remaining significantly below UK benchmarks.

Gender pay gap



Bonus gender pay gap



In 2025, we continued to perform strongly on gender pay gap measures.

Our mean gender pay gap is 2.0%, remaining very low by national standards and well below the Office for National Statistics' benchmark of 7.1%. This reflects stable pay structures and consistent reward governance across the organisation.

We also saw material year-on-year improvements across three of the four statutory measures:

- Median gender pay gap reduced significantly from 8.4% to 5.6%, our strongest position to date
- Mean bonus gap reduced by 38 percentage points, from 59.1% to 21.2%
- Median bonus gap reduced from 57.7% to 36.4%

Bonus participation rates were also equivalent for men and women (98%), demonstrating equitable access to variable pay opportunities.

The slight movement in the mean gender pay gap reflects workforce composition and national pay changes affecting predominantly male operational roles, rather than changes in pay equity.

Pay quartiles: what the data tells us

Analysis of pay quartiles shows how gender representation varies across pay levels and highlights the structural drivers of the gender pay gap.

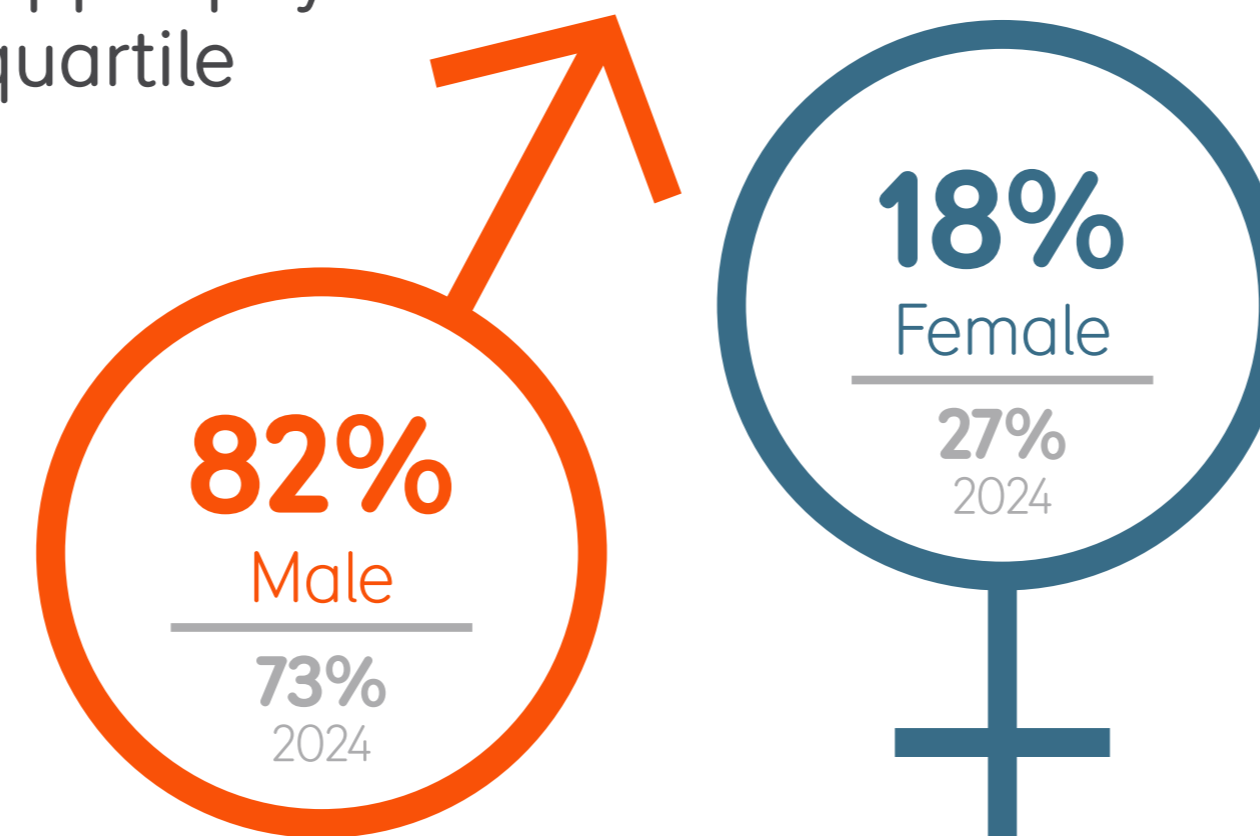
In 2025, we made strong progress in the middle of the organisation:

- Female representation rose by 16 percentage points in the lower-middle quartile
- Female representation rose by 12 percentage points in the upper-middle quartile

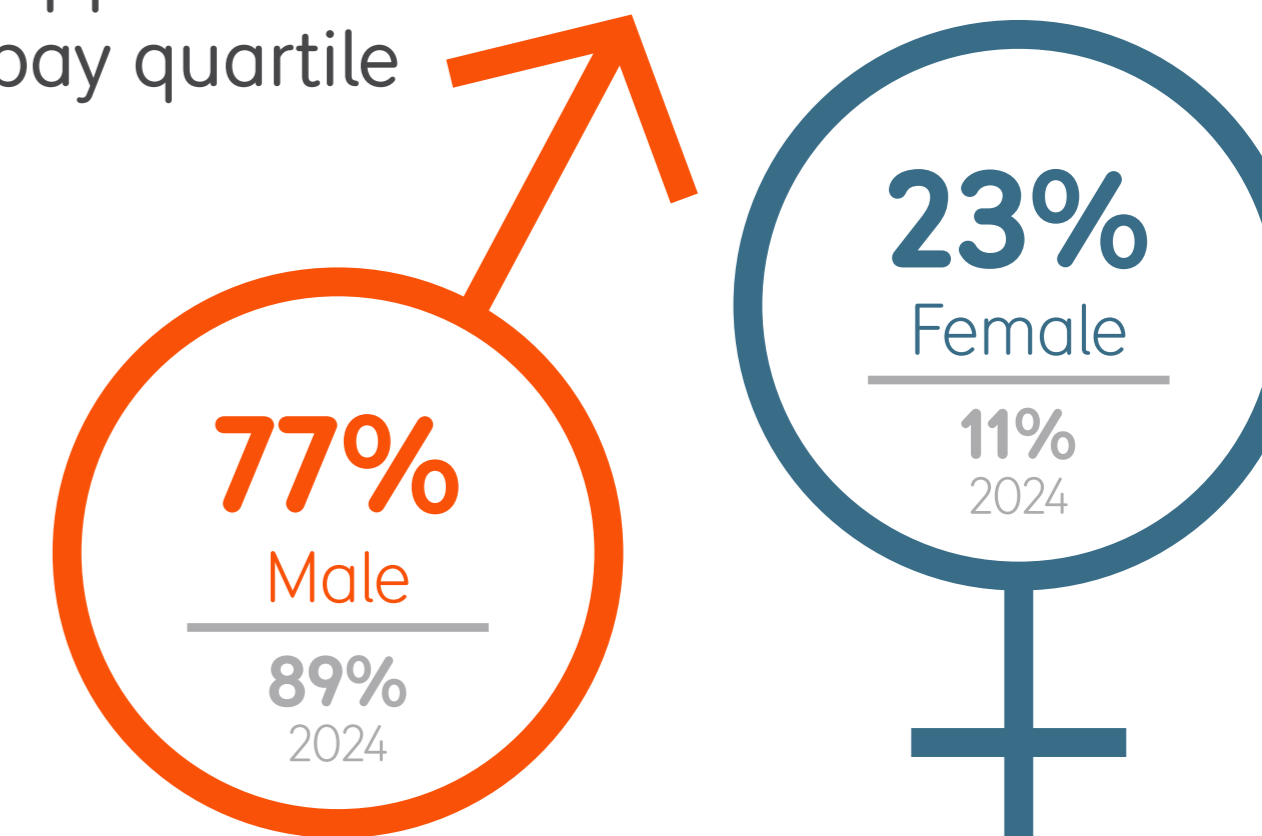
This reflects our continued focus on development, progression and inclusive recruitment, supporting more women to move into higher-paid roles.

Overall, the data shows encouraging progress. Movement within the lower quartile reflects women progressing into higher-paid roles, helping to build a stronger pipeline for future senior representation. However, representation at the most senior levels remains more limited, highlighting the need to maintain a clear focus on leadership progression.

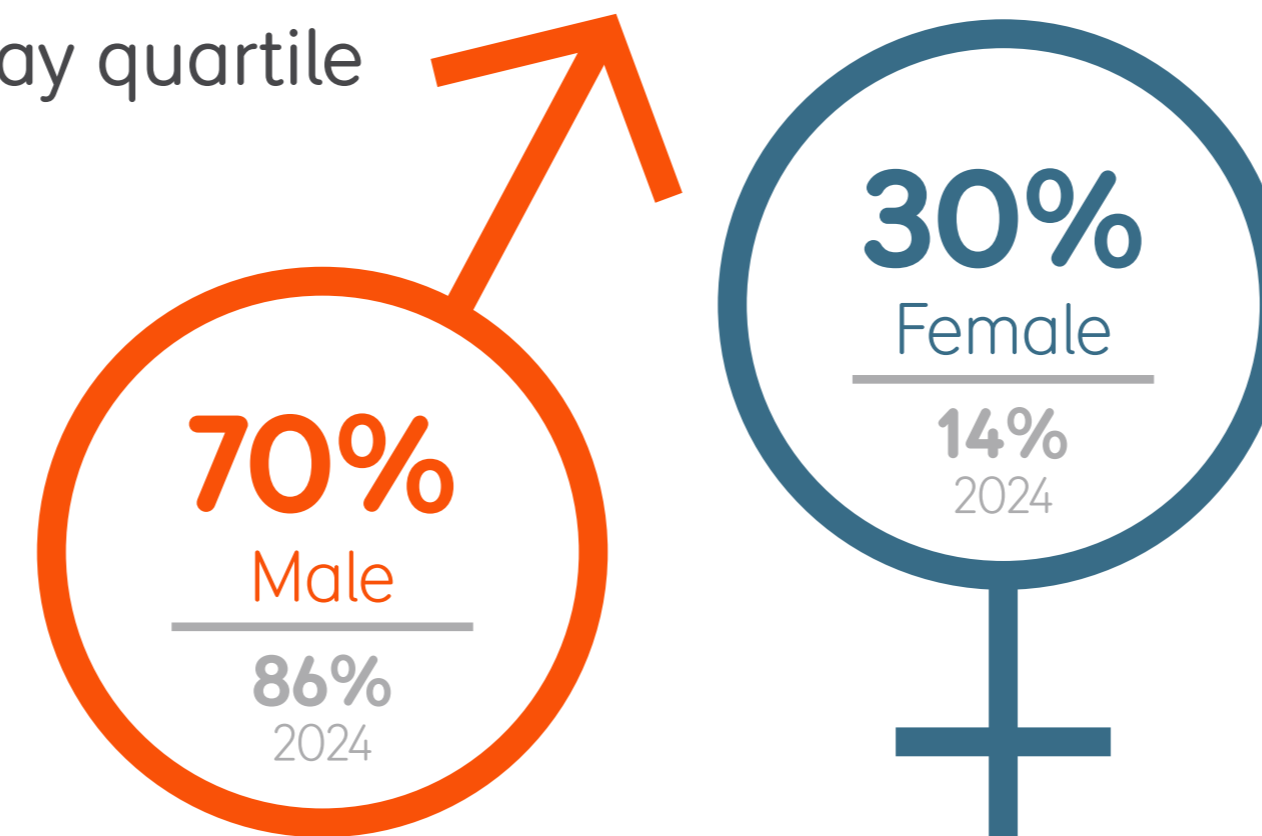
Upper pay quartile



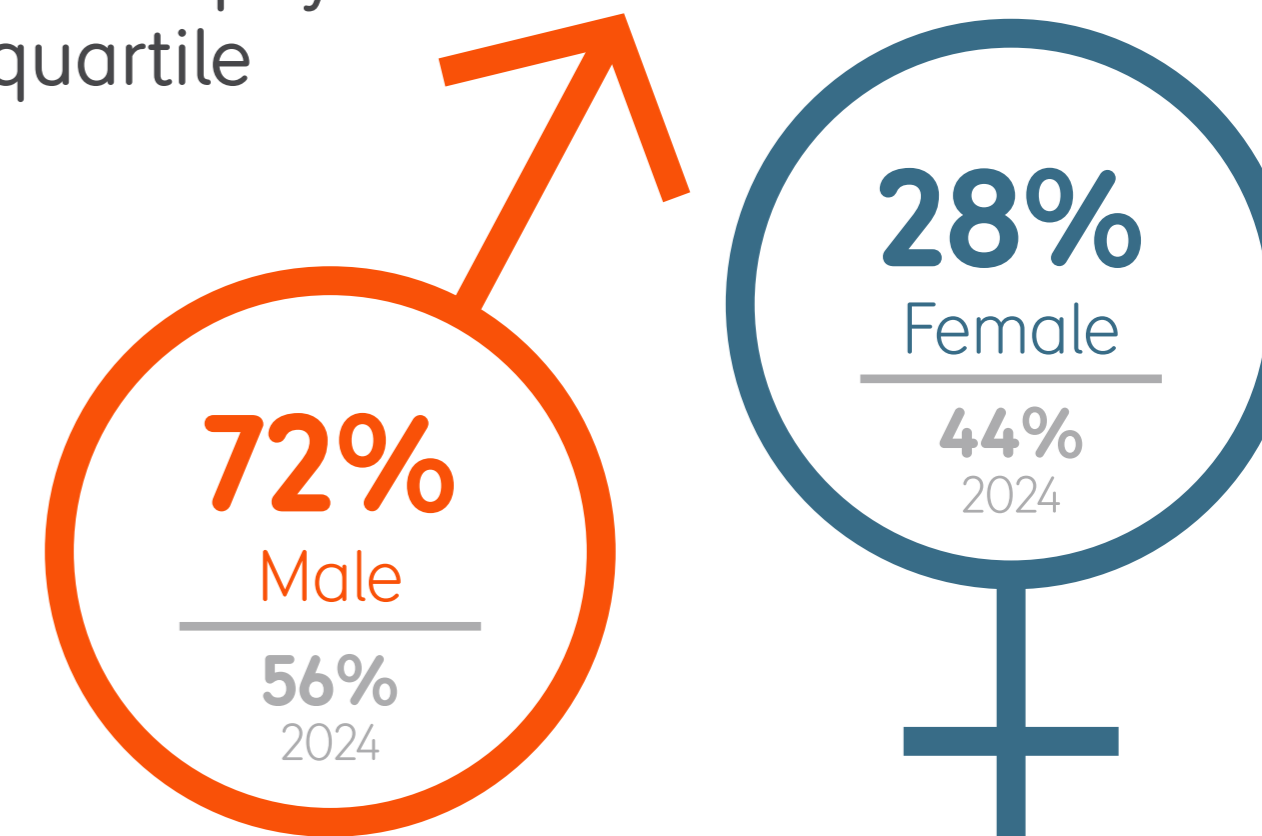
Upper middle pay quartile



Lower middle pay quartile



Lower pay quartile



Closing the gap: actions delivered and future priorities



This year, we continued to strengthen our commitment to fairness, transparency and inclusion by enhancing our reward frameworks, embedding more robust equal pay¹ safeguards, and reinforcing the governance of culture and conduct across the organisation. These steps support more consistent, evidence-based decisions and are helping us shape a workplace where everyone can progress and thrive.

What we have done

- Continued market benchmarking across all roles to ensure fair and competitive pay ranges.
- Enhanced maternity and paternity pay, reducing career-break penalties and supporting more women to progress into higher-paid roles.
- Embedded equal-pay analysis into the 2025 pay review, including structured calibration, senior oversight of unexplained pay differentials, and targeted adjustments where inequities were identified.
- Continued to evolve our Conduct & Culture Committee, strengthening oversight and challenge of conduct, culture, and pay-equity risks (including gender pay gap).

What we're going to do

- We will continue to focus on strengthening female representation in leadership.
- We will maintain rigorous scrutiny of bonus structures and progression pathways to address structural barriers and support long-term gender equity.
- We will continue to build on our manager toolkit to educate, support and embed understanding of unconscious bias and pay equity.
- We will review our working policies on an ongoing basis to ensure they are family friendly, fit for purpose and meet the needs of our current and future workforce.



¹Equal pay vs gender pay gap – The gender pay gap shows differences in average hourly pay between men and women across our whole workforce. It is not a measure of equal pay for the same or similar work, which is a separate legal requirement.

Correction to 2024 reported figures

Following a routine audit, we strengthened our payroll data classification and gender pay gap reporting processes to improve accuracy and alignment with statutory definitions. This identified that our 2024 dataset included colleagues outside the "full-pay relevant" population and that some pay elements were coded in ways that, while accurate for internal use, did not fully match gender pay gap technical guidance. We have now refined our payroll coding, updated our datasets and resubmitted the corrected 2024 figures to the government portal. All comparisons in this report reflect the updated dataset. Internal Audit has independently validated these enhancements, confirming the robustness of our methodology and strengthening our long-term commitment to accurate, high-quality reporting and pay equity.