

## Introduction

Our goal is to help improve Stephen James through investing in and retaining our employees. For that to happen, we need a diverse workforce and inclusive culture that attracts and keeps great people, of all genders and ethnic backgrounds, and supports them to be at their best.

The gender balance won't change overnight. It is a product of the combined choices and actions of organisations and society taken in the past.

The Motor trade still has a legacy of being male dominated which we are actively challenging. Our gender pay gap continues to head in the right direction, but progress is slow. We remain committed to narrowing the gap by balancing men and women across our organisation at all levels. We will keep learning from and responding to the data to make improvements that add to our momentum. The changes that have been forced upon us by the pandemic have shown that working flexibly works and we are grateful to our team for looking for creative working solutions. We have all understood and accepted a little more about how our colleagues have to juggle the various priorities in their lives. This makes us optimistic that many of the barriers to women's progression can be overcome.

While cultural and societal change often happens slowly, the Covid crisis was a jolt that has accelerated the flexible working agenda. We need to retain the positive impacts and lessons for all our employees, especially women.

### What is the gender pay gap?

When discussing the pay gap it's important to define what we're looking at.

#### Median Pay

Imagine we split our employees by gender, arranging men and women in two lines in order of pay from highest to lowest. The median gender pay gap compares the hourly pay of the woman in the middle of the female line with the hourly pay of the man in the middle of the male line. The most common reason for a gap is seniority and hierarchy.

#### Mean pay gap

The mean gender pay gap, on the other hand, shows the difference in the average hourly rate of pay between men and women in a company. As with median gender pay, the pay gap is often because there are more men in senior roles.

#### Bonus gap

These median and mean calculations are also carried out when comparing bonuses over a 12-month period.

#### Equal pay

Both median and mean pay gaps are different from 'equal pay', which is the difference in pay between men and women doing the same or similar jobs – 'i.e. equal pay for equal jobs'.

The gender pay gap measures the difference in pay regardless of role and can be influenced by the different number of men and women in organisations across all roles. An equal pay analysis on the other hand considers two employees or groups of employees carrying out the same, similar, or equivalent roles.

The chart below is our annual gender pay gap report for the snapshot date of 5 April 2022.

### Stephen James gender pay gap

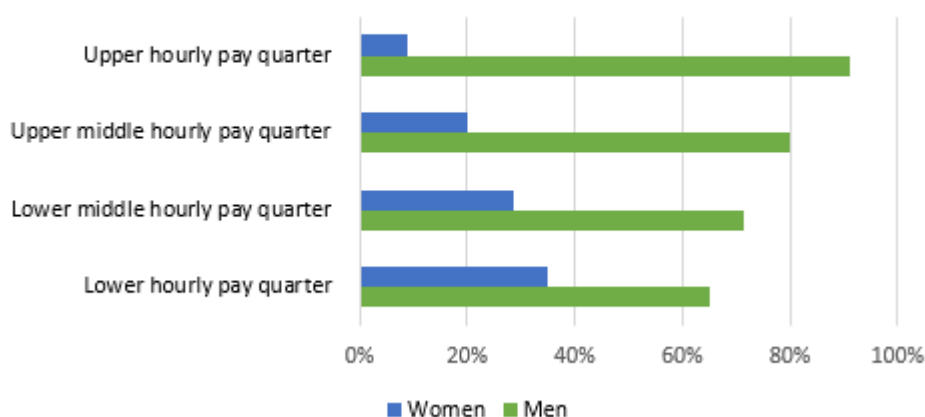
Gender pay gap	Apr-22	Apr-21	Apr-20	Apr-19	Apr-18
Mean	27.37%	18.30%	23.50%	31.40%	32.50%
Median	19.25%	31.70%	39.40%	21.80%	24.60%
<b>Bonus pay gap</b>					
Mean	47.42%	37.30%	45.20%	51.00%	55.70%
Median	90.07%	73.60%	64.70%	54.90%	58.10%
<b>% Employee receiving a bonus</b>					
Male	88.89%	89.90%	86.30%	67.70%	86.80%
Female	66.00%	72.00%	75.30%	62.70%	73.10%

### Pay quartiles by gender

This chart shows our workforce divided into four groups based on hourly pay rate. A quartile is one of four equally sized groups created when you divide a selection of numbers that are in ascending order into four. The "lower quartile" is the lowest group. The "upper quartile" is the highest group.

The figures in this table have been calculated using the standard methods used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

### Proportion of Males and Females in each pay quartile



## **Why do we have a gender pay gap?**

Legally, men and women must receive equal pay for:

- the same or broadly similar work;
- work rated as equivalent under a job evaluation scheme; or
- work of equal value.

We are committed to equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or anything else listed above). We:

- carry out regular pay and benefits audits; and
- evaluate job roles and pay grades to ensure fairness.

We are confident that our gender pay gap is not because we pay men and women differently for the same or equivalent work. Instead, our gender pay gap is because men and women work in different roles and those roles have different salaries.

Across the UK economy, men are more likely than women to be in senior roles (especially very senior roles at the top of organisations). Women are more likely than men to be in administrative roles at the lower end of the organisation. Men are more likely to be in technical roles, which are paid more highly than other roles at similar levels of seniority. Women are also more likely than men to have had breaks from work that have affected their career progression, for example to bring up children. They are also more likely to work part time, and many of the jobs that are available across the UK on a part-time basis are relatively low paid.

This pattern from the UK economy as a whole is reflected in the make-up of our organisation. Most BMW technicians in our business are men and 75% of line managers and senior managers are men, which is a 2% increase from last year however, eleven months on (March 2023) the number of line managers/senior managers has decreased by 6.2% and yet the percentage of women in supervisory roles remains the same at 25%.

For the reporting period, our business comprises of 25% women, which is one percent higher than last year's report. Eleven months on (March 2023) today women represent 29% of our business.

## **How does our gender pay gap compare with that of others?**

Most organisations have a gender pay gap. The mean gender pay gap for the whole UK economy (according to the October 2022 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 13.9%, this statistic relates to the pay period that includes 21 April 2022. Our April mean gender pay gap is considerably higher at 27.37% which reflects there are more men in management and technical roles, which are eligible for a performance bonus.

The median gender pay gap for the whole UK economy (according to the October 2022 ONS ASHE figures) is 14.9%, our April median gender pay gap has significantly reduced by over 12% on last year to 19.25%.

88.8% of men at our organisation received a bonus in the 12 months up to 5 April 2022. For women this was 66.0%. This is because there are more men in management and technical roles, which are eligible for a performance bonus.

### **What are we doing to address our gender pay gap?**

We are not happy with our gender pay gap even though it compares relatively favourably with others. We are committed to doing everything we can to reduce the gap. However, we also know this is a difficult task. For example, we have no control over what people choose to study or the career choices that they make.

In December 2022, the business reviewed all job roles, salaries and bonus structures, the basic hourly rate for all staff (excl. sales people and apprentices) was raised to £10.80 per hour.

We have a number of women and men who have returned to work with us at the end of maternity/shared parental leave to work flexibly. We consider requests from all employees to work flexibly, regardless of their role and level of seniority, and that flexible working is not just part-time working.

By themselves, none of these initiatives will remove the gender pay gap - and it may be several years before some have any impact at all. In the meantime, every year we will tell you what we're doing to reduce the gender pay gap and the progress that we're making.

Over the next year, we will:

- continue to review our salaries and bonus structures;
- continue school-partnering with local secondary schools, to raise young people's awareness of the different career opportunities available within the retail sector, and to help dispel any myths and stereotypes;
- continue to monitor statistics;
- continue to promote Equality, Diversity and Inclusion.

Any further initiatives launched throughout the year will be reported on the company intranet.

I can confirm the gender pay gap data contained in this report is accurate.



Peter Williams  
**Group Finance Director**