

JLR

**PAY GAP** REPORT 2023

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## HOW WE'RE TRANSFORMING OUR CULTURE

# INTRODUCTION





## CEO STATEMENT

As we reimagine the future of our business, it is important that we prioritise our journey of cultural transformation, putting people at the heart of everything we do.

We are focused on making JLR an even more diverse and inclusive place to work, where everyone feels welcome and valued for their personal contribution. It is clear to me that the more we celebrate our unique backgrounds and perspectives equally, the better we understand and exceed our clients' expectations.

Our people's skills and knowledge are only part of the formula for bringing to life our customer promise: what will truly differentiate us is making the day-to-day experience of every individual at JLR exceptional. That is simply the right thing to do as a test of our pledge that everyone has the same opportunity to grow and reach their full potential.

Our dedicated Diversity, Equity & Inclusion (DE&I) team, employee-led networks and inclusion councils are guiding and educating us to create continuous positive change. With the full backing and support of my board colleagues Barbara Bergmeier and François Dossa as executive co-sponsors of DE&I, we are championing the voices of colleagues to drive meaningful, sustainable impact for all. In recent months we have introduced 'equity' into our vocabulary, recognising that we all have individual needs, and embracing our differences.

Looking at both the gender and ethnicity pay gaps, overall results this year show a decrease, which is a welcome trend signalling that the steps we are taking are making a difference. What the outcome also highlights is that we have some way to go still to increase female and ethnicity representation across our business, and this remains an area of very close attention and significance - for me personally as well as for the board.

I am committed to ensuring a positive experience of working at JLR for everyone in our team, and confident that the measures we are taking will continue the outstanding progress we have already made. Through our Reimagine strategy, we are on an exciting journey of transformation, but the way we get there is what can come to define us.

We will continue to make the changes that will distinguish us as a workplace of choice. Those changes will enrich the experience of working here for every one of our team, now and in the future, elevating our performance and uniting us as we excel and become stronger, together.

I declare the contents of this report to be accurate.

ADRIAN MARDELL  
Chief Executive Officer  
JLR



# WHAT IS THE PAY GAP REPORT

## WHAT DOES OUR PAY GAP REPORT INCLUDE?

Within this report we detail the gender and ethnicity pay gap results for April 2023 and compare against April 2022 results. Whilst reporting on ethnicity pay gap results is not a legal requirement, we want to be truly transparent and lead the way in pay gap reporting.

## WHAT IS THE GENDER PAY GAP?

The gender pay gap is a measure of the percentage difference in the average hourly pay or bonus of men and women working for JLR. This is regardless of their role in the organisation, length of service and any other differentiating factor.

## WHAT IS THE ETHNICITY PAY GAP ?

The ethnicity pay gap is a measure of the percentage difference in the average hourly pay or bonus of those categorised as white and those categorised as AEM (all ethnic minorities) working for Jaguar Land Rover. This is regardless of their role in the organisation, length of service and any other differentiating factor.

To be more transparent, we have elected to include a breakdown of the AEM category which will share the pay gaps for Asian, Black and Multiracial categories and compare them to those categorised as white.

We understand the importance of recognising the pay gap across our specific ethnic groups and are using this data internally to help inform our D&I activity and decisions.

## GENDER AND ETHNICITY PAY IS NOT EQUAL PAY

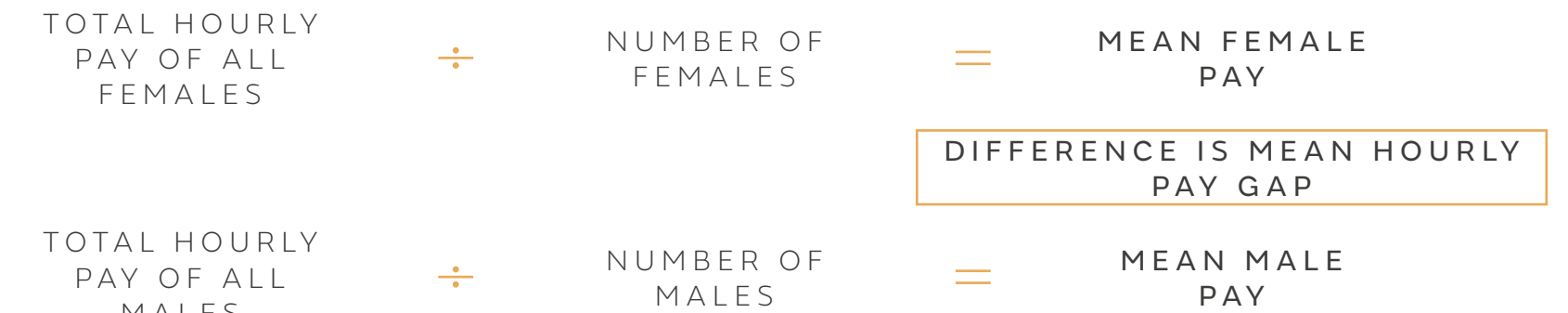
It is important not to confuse the pay gap figures with an equal pay comparison. Equal pay is a direct comparison of two or more employees doing the same or comparable work. Equal pay is not covered in this report.

## WHAT ARE THE MEAN AND MEDIAN CALCULATIONS?

The mean is a calculation of the average hourly pay or bonus including all relevant additional payments.

The median is the pay or bonus of the middle employee when all employees are listed in order of pay or bonus.

### HOW WE CALCULATE THE MEAN DIFFERENCE FOR GENDER PAY



### HOW WE CALCULATE THE MEDIAN DIFFERENCE FOR GENDER PAY



### HOW WE CALCULATE THE MEAN DIFFERENCE FOR ETHNICITY PAY



### HOW WE CALCULATE THE MEDIAN DIFFERENCE FOR ETHNICITY PAY



## HOW WE MEASURE THE GAP



### PAY

Ordinary pay includes base pay, paid leave, shift pay, supplements and allowances. An employee's hourly pay rate is calculated on their post-salary sacrifice pay in line with the regulations.



### BONUS PAY

Under the regulations, bonus pay refers to remuneration in the form of money, vouchers or securities that relate to profit sharing, productivity, performance, incentive or commission.



### EXCLUDED PAYMENTS

At JLR, a holiday payment was paid in June 2022 to some employees. We concluded that these payments did not fulfil the definition of bonus under the regulations and they were not included in the ordinary pay calculations as the payments were not made in April 2023\*.

All pay calculations are based on the relevant pay period that includes 5 April 2023, and bonuses from the previous 12 months. The data is for all UK- based Jaguar Land Rover relevant employees and those working overseas on a UK contract. This does not include employees on reduced or nil pay, such as those on long-term sick leave, special leave, those employed by an agency, personally contracted or inbound assignees.

Employees on maternity leave have been included as they receive full pay.

\*Certain employees are paid for one less hour a week than they work and accumulate the additional hour throughout the year, which can be converted into holiday, cash or paid into a lifestyle account at a specific point in the year. For the purpose of the ordinary pay calculations, the hourly rate has been calculated based on the hours paid for. Any hours cashed out have not been included as they are not cashed out on the snapshot date.



## DIVERSITY, EQUITY AND INCLUSION AMBITIONS

At JLR we have a clear aspiration to see a significant increase in the diversity of our people globally.

Our aim is to support women and individuals with diverse backgrounds in their careers at JLR, with a focus on leadership, where representation of these demographics is less. The report indicates that by making progress in this area we can further reduce the pay gap. As we continue our cultural transformation journey, the actions we are taking to reduce the pay gap fall into the three areas of the DE&I strategy.

1. Shape a culture of unity, belonging, inclusion and respect
2. Implement progressive policies, benefits and support
3. Engage our employees to accelerate our progress

To fully understand progress and evolve our working strategy, the 2023 DE&I review focused on our hiring practices. An in-depth analysis revealed significant improvements in gender and ethnicity representation across all levels and functions within JLR.

Our passion, commitment and consistency are driving forces to boost the representation of all minorities in the workforce.

Click [here](#) to view the DE&I 2023 review and learn more about our progress over the last 12 months.



GENDER PAY GAP



## OUR RESULTS - GENDER PAY GAP

### KEY DRIVERS FOR CHANGE

Our gender mean and median pay gaps have decreased since 2022, and are now slightly in favour of women. We can attribute this change to the following key reasons:



#### SHIFT PAY

In April 2023, our hourly population received less shift pay than last year. This impacts proportionately more males than females as we have more males within this population. This has therefore reduced the overall male hourly pay, and so reduced the pay gap. As our shift patterns change in the future, we may see an impact on our gender pay gap again.



#### FEMALE AVERAGE PAY HAS INCREASED

Between April 2022 and April 2023, we saw a higher percentage of females (based on gender population percentage) being promoted compared to males. This trend, along with pay review activity has resulted in a slightly higher proportion of women in our higher grades and women who are paid more. This is a welcome trend as it demonstrates our commitment to reaching our 2026 goal of at least 30% of all senior leadership positions globally being held by females.

### THE RESULTS DO NOT TELL US THE FULL STORY

Whilst we welcome the progress we've made in increasing the female average pay, we still have a lot of work to do and acknowledge that the pay gaps alone do not tell the full story. We know we need to increase representation of female employees across all grades, particularly within our management grades as well as encouraging more females to join the engineering and technology fields.

The negative pay gap results are mainly attributed to the higher number of males we have in the hourly population and lower grades who saw less shift pay. This outweighs the high number of males we see in our senior grades and reduces their overall hourly pay rate.

#### MEAN PAY GAP

- 1.7 %

The mean pay gap tells us the difference in the average hourly pay rate for male and female employees.

#### MEDIAN PAY GAP

- 3.9 %

The median pay gap is the difference in the hourly pay rate between the pay of the middle female employee and the pay of the middle male employee when male and female employees are listed in order of hourly pay rate.

## OUR RESULTS - GENDER PAY GAP

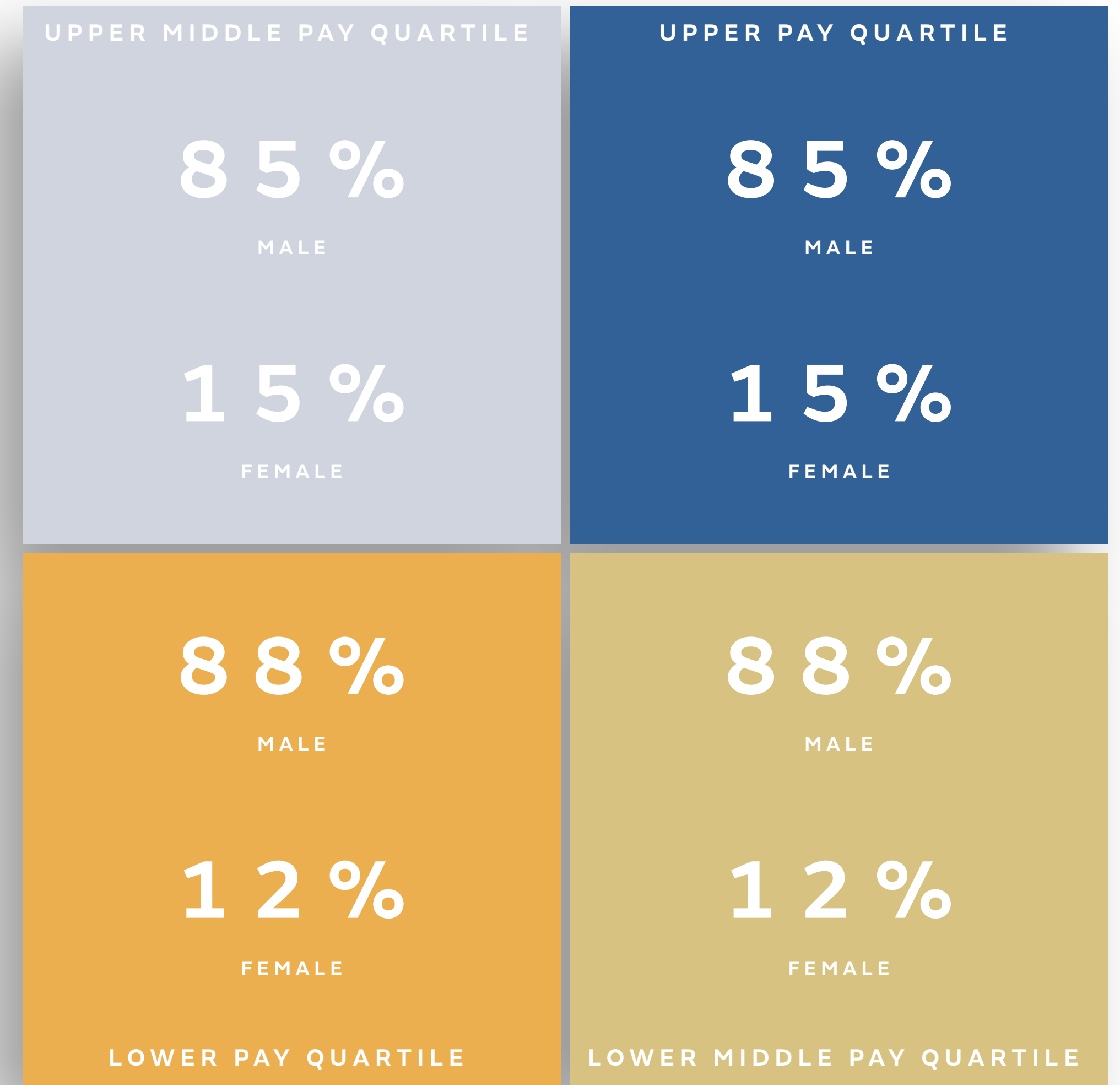
### QUARTILES

The data to the right shows the proportion of men and women in each pay quartile of the organisation. All relevant employees are ranked from the lowest rate of hourly pay to the highest, then the list is split into four equal quartiles and the percentage of male and female employees in each quartile is calculated.



Our quartiles have shifted since April 2022, with the largest shifts seen in the upper middle and lower quartile. We can see female representation has increased in the upper middle quartile by 3% and decreased by 4.7% in the lower quartile.

The shifts we see in our quartiles are as a result of the reasons stated on the previous page including promotion and pay increase movements.





## OUR RESULTS - BONUS PAY GAP

37% OF MEN RECEIVED A BONUS



This calculation shows the proportion of men who received a bonus compared to the total population of our male workforce.

55% OF FEMALES RECEIVED A BONUS



This calculation shows the proportion of women who received a bonus compared to the total population of our female workforce.

Our mean bonus gap has reduced from 35.7% in April 2022 to 32.9% in April 2023. Our median has remained at 0.0% in April 2023.

Our management population's bonus is calculated based on a percentage of their salary. As the pay gap has decreased, this also flows through to the bonus gap decreasing. The proportionately higher number of females promoted into the management population than men also means a higher percentage of females would have seen an increase in their bonus target compared to the previous year. This would have contributed to the bonus gap reducing.

Our median bonus gap is 0.0% this year. A large group of our eligible non-management employees have the same fixed cash target award. When you arrange all eligible employees by lowest to highest payment, the middle employee for both male and female falls in this group for 2023, meaning they have the same bonus target which creates the zero percent pay gap.

Our hourly population, who do not receive a bonus, makes up the majority of our workforce and is predominantly male, which is why a higher percentage of females received a bonus payment.

### MEAN BONUS GAP

32.9%

The mean bonus gap tells us the difference in the average bonus payment for male and female employees.

### MEDIAN BONUS GAP

0.0%

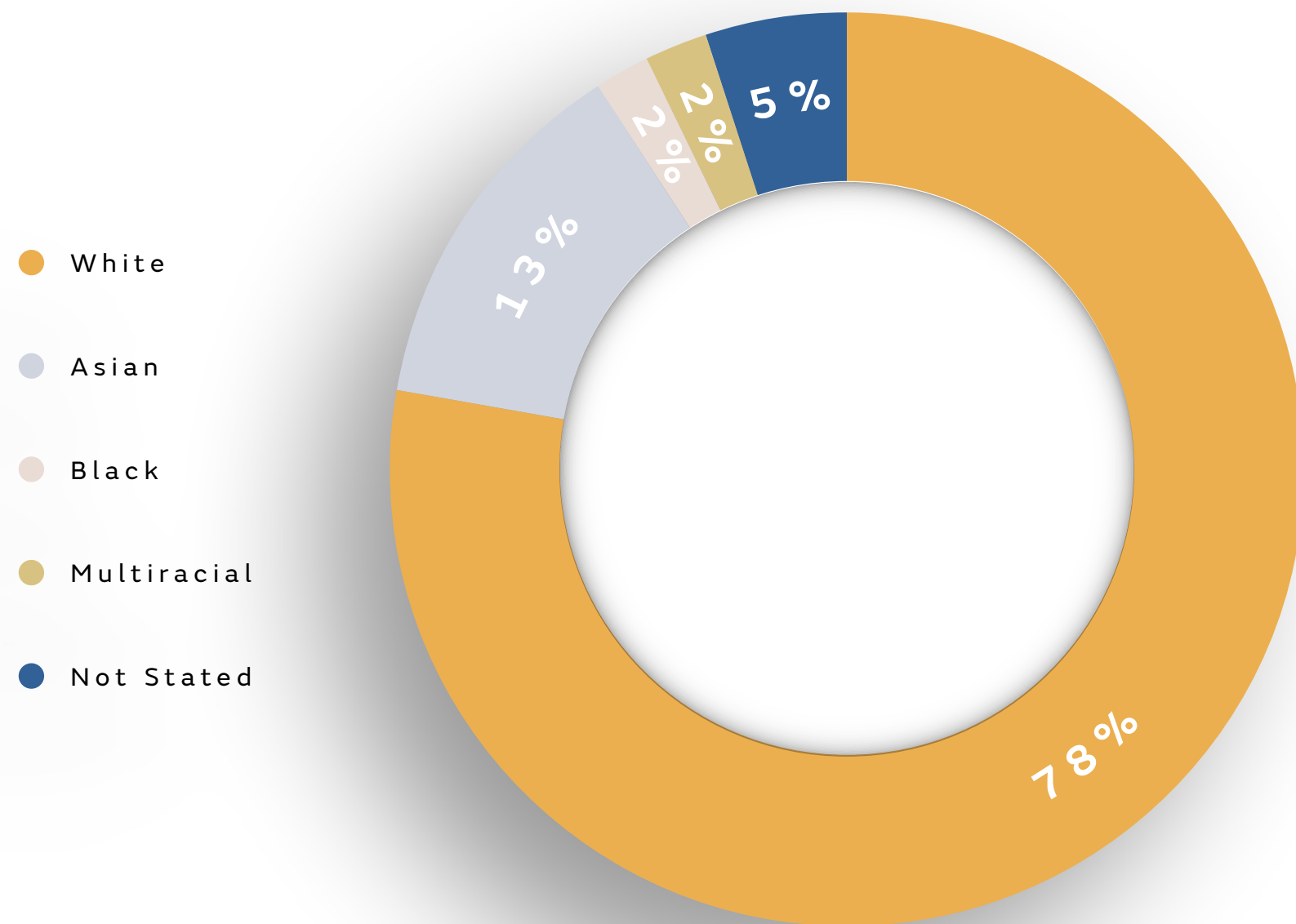
The median bonus gap is the difference in the bonus pay between the middle male employee and the bonus pay of the middle female employee when male and female employees are listed in order of bonus payment.

ETHNICITY PAY GAP



# OUR RESULTS - ETHNICITY PAY GAP

## OUR PEOPLE ETHNICITY POPULATION



ETHNICITY PAY GAP	2023 MEAN	2023 MEDIAN
AEM	4.8%	0.5%
ASIAN	3.6%	-1.4%
BLACK	10.1%	4.6%
MULTIRACIAL	6.1%	3.3%

### ETHNICITY BREAKDOWN

For the first time we are sharing a further breakdown of our AEM population and the pay gaps. It's important to highlight that the Asian, Black and Multiracial pay gaps are less reliable than the overall AEM pay gap due to the size of the populations. However, the breakdown of results does help us start to have conversations with multiple stakeholders including our network groups and leadership teams and ensure we are looking within ethnic groups for trends and understand where targeted actions can be taken.

### KEY DRIVERS FOR CHANGE

Our ethnicity mean and median pay gaps have decreased since 2022. We can attribute this change to the following key reasons:

#### INCREASED ETHNICITY REPRESENTATION

Our representation of AEM employees across JLR in the UK has increased by 3% since April 2022, this has been driven by recruitment and employee moves. This 3% increase was seen in our higher paid salaried grades only with no increase or decrease seen in the lower paid hourly grades.

Despite this welcomed increase, we know we still have a lot of work to do to create a more diverse workforce especially within our management grades.

### LOWER SHIFT PAY

In April 2023, our hourly population received less shift pay than last year.

This has therefore reduced the overall average pay gap.

The reason is JLR has a larger proportion of white employees in our Hourly population, who receive this shift pay. This has reduced the average pay of white employees more than AEM employees, since 2022.

As our shift patterns change in the future, we may see an impact on our ethnicity pay gap.

## OUR RESULTS - ETHNICITY PAY GAP

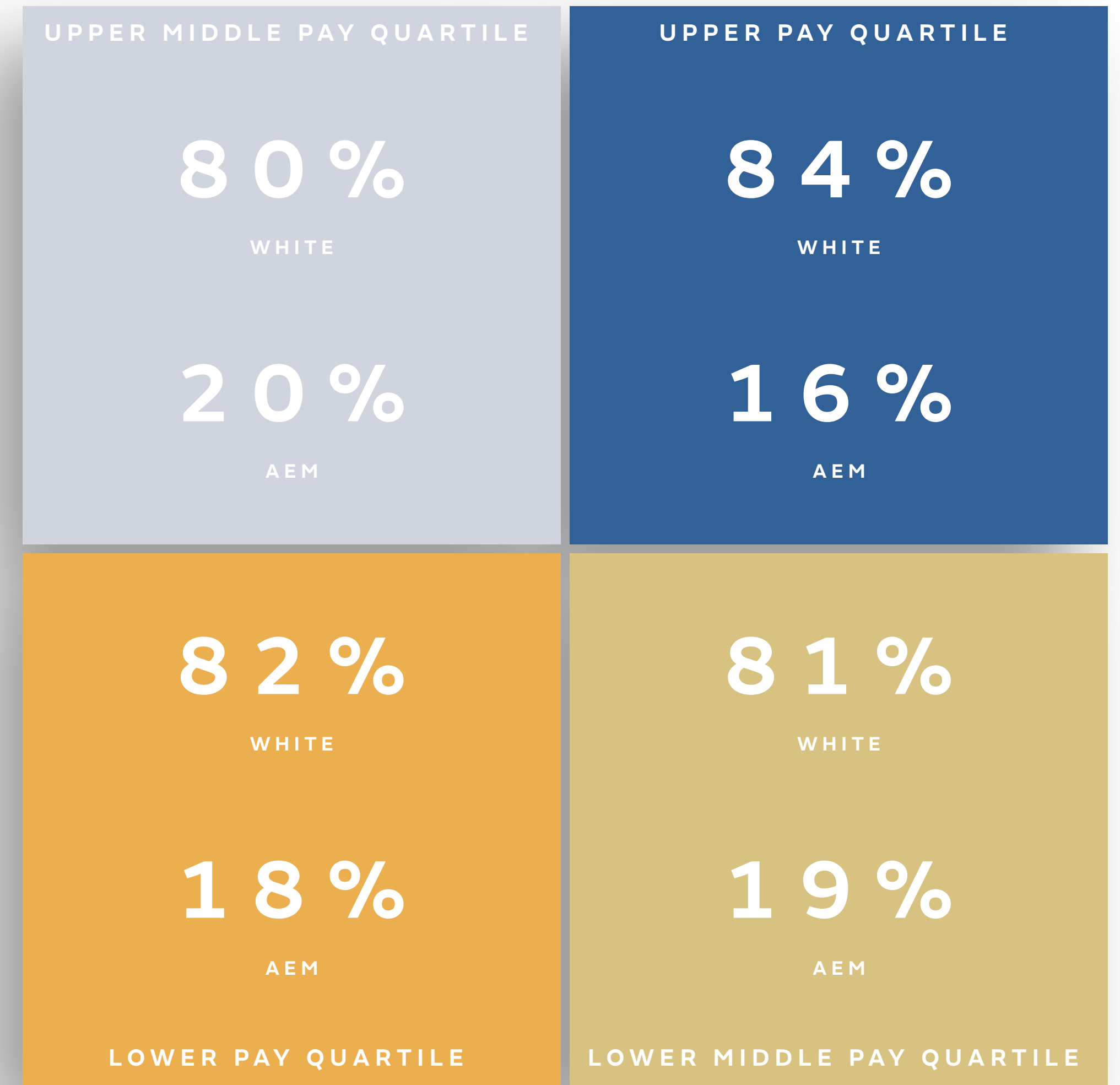
### QUARTILES

The data to the right shows the proportion of those categorised as white and those categorised as AEM in each pay quartile of the organisation. All relevant employees are ranked from the lowest rate of hourly pay to the highest, then the list is split into four equal quartiles and the percentage of white and AEM employees in each quartile is calculated.

Our quartiles have shifted since April 2022, with the largest shifts seen in the upper quartiles. We can see AEM representation has increased in the upper middle quartile by 6.8% and increased by 3.9% in the upper quartile.

There is also a slight shift in the lower quartiles. With AEM representation increasing by 3% in the lower middle quartile and decreasing by 0.5% in the lower quartile.

The shifts we see in our quartiles are as a result on the reasons stated on the previous page.





## OUR RESULTS - BONUS PAY GAP

40%

OF THOSE CATEGORISED AS WHITE RECEIVED A BONUS



This calculation shows the proportion of those categorised as white who received a bonus compared to the total population of our white workforce.

38%

OF THOSE CATEGORISED AS AEM RECEIVED A BONUS



This calculation shows the proportion of those categorised as AEM who received a bonus compared to the total population of our AEM workforce.

Our mean bonus gap has increased from 44% in April 2022 to 45.6% in April 2023. Our median has also increased from 0.0% in April 2022 to 4.8% in April 2023.

We have a high number of those categorised as white sitting in our senior management grades, who typically receive higher bonus targets compared to the lower grades. This drives the bonus pay gap. We acknowledge we have work to do in increasing representation and diversity across JLR and in particular our management grades.

ETHNICITY PAY GAP	2023 MEAN	2023 MEDIAN
AEM	45.6%	4.8%
ASIAN	45.9%	4.8%
BLACK	54.7%	36.5%
MULTIRACIAL	36.2%	4.8%

HOW WE'RE TRANSFORMING OUR CULTURE



## ADVANCING OUR CULTURE

We understand that increasing representation alone is not enough to break down systemic barriers, and we must look at how we are approaching each individual's end-to-end experience at JLR. Closing our gender and ethnicity pay gap requires a fundamental shift in society and our business, this will help us achieve an equitable work culture that enables people of all backgrounds to enjoy a successful and fulfilling career at JLR. We have identified the need for a cohesive approach to DE&I across our UK and global locations. To achieve this we have increased our investment to ensure each of our colleagues has access to the tools and resources that enable us to build an inclusive culture.

### DE&I NETWORK ACTIVITY

Our employee-led DE&I networks are vital in developing, delivering and showcasing tangible actions that benefit business-wide objectives. Their diverse voices are instrumental in helping us to shape the focus and direction of our strategy.

United under the We are JLR banner, our global networks have been key collaborators inspiring change across events such as International Women's Day, Black History Month, Neurodiversity Matters, Pride Month, and many more.

Each one has played a critical role in helping shape our culture, through valuable insight into our colleague experience and implementing changes which have a positive impact on everyone's work life.

### GLOBAL DE&I SUMMIT

In September 2023, we held our first-ever Global DE&I summit. More than 600 people were there in person, with a further 4000 people joining online in 26 countries with 17 global inclusion hubs. This event was a big celebration of the progress made to date in changing the culture at JLR, and marked the moment when we introduced the term equity to the business, alongside diversity and inclusion.

### PARTNERSHIPS

Our partnerships allow us to engage our employees and accelerate our progress by helping us tap into the right tools and resources to better support our diverse workforce. We continue to partner with the Business Disability Forum, working together to build our disability strategy, which is a key focus in FY 24/25. We have also partnered with Amos Bursary, sponsoring young students of African Caribbean descent from year 12 for up to five years while they are in higher education. As part of this we can provide mentoring to help students think about what career paths they may want to go into supporting their ambitions. This allows us to build relationships with the new generation of talent.







## ADVANCING OUR CULTURE

### EXECUTIVE CO-SPONSORS

Since their appointment in 2022 as executive board co-sponsors of diversity, equity and inclusion, Barbara Bergmeier and François Dossa have supported and championed our continued progress in making JLR an environment where we all feel proud to work. Their involvement ensures diversity, equity and inclusion is represented at the highest level, leading by example to create even greater, sustainable impact. During the past year alongside the entire JLR Limited Board, they have both been taking part in reverse mentoring to further their understanding of different characteristics, they've supported the Kaleidoscope Trust, talked on the Defender launch event panel for the Rugby World Cup with Defender's Trailblazers, held a series of listening circles and attended a wide range of DE&I network events.

### REFRESHING OUR APPROACH TO TALENT

In the process of changing our approach to talent development, we have moved away from the traditional end-of-year rating format to a self-empowered continuous development framework. This is designed to promote frequent check-ins and facilitate a tailored approach to individual talents and requirements - building a culture of trust, continuous development and consistency which in turn reduces unconscious bias.

### REIMAGINE LEADERSHIP JOURNEY - MANAGER AND SENIOR MANAGER LEARNING

Our Reimagine strategy is our vision for the future of JLR. It will be brought to life by bold, modern leaders who understand how to fulfil our promise to our people and to our customers. Leadership development at JLR follows an experiential approach that provides a dynamic and impactful environment in which to grow, connect and reflect – we call it our Reimagine Leadership Journey. This equips our leaders with not only the skills and knowledge but importantly the self-awareness and mindset needed to care equitably for our people and drive the organisation forward in a sustainable and responsible way. The value of inclusion is at the centre of our approach, with the programme focusing on essential leadership skills such as building trust, psychological safety and coaching. Our clear goal is to develop and support great leaders who will nurture diverse teams, helping them to thrive and grow.

### INCREASED FOCUS ON WELL-BEING

In 2023, we have continued to build on our wellbeing strategy. We have trained over 90% of UK managers in mental health awareness and launched a new face-to-face course. We have now delivered our award-winning Centres for Wellbeing on each of our main sites, and started working towards delivering them in our other global markets in 2024.

We have been working hard on a refreshed wellbeing strategy for 2024 onwards, supporting our colleagues and other businesses on their wellbeing journey. This includes the launch of Mental Health First Aid, a wellbeing survey and global service audit, as well as creating an internal wellbeing rating for our sites, and health and wellbeing assessments for everyone. Healthy employees are the most engaged employees, pushing themselves for opportunities and striving to reach their full potential.



## CLOSE

Pay gaps exist for a variety of reasons: one of these is representation of both females and those from ethnically diverse backgrounds within senior leadership positions. In order for us to continue closing this gap, we must keep growing and developing our own diverse talent, to drive more representation across the business.

This is a journey that we embrace and welcome to truly embody our company purpose in everything we do. Our ambition for the future is to shape a culture of unity, belonging, inclusion and respect. We are doing this simply because it is the right thing to do, and a cornerstone of our company, in an environment where everyone feels welcome, safe and truly valued for who they are.

