



# GENDER PAY GAP REPORT

2017

# INTRODUCTION

Talent is our lifeblood. We need the very best designers, engineers and thinkers. Traditionally, Jaguar Land Rover has been male dominated. But if you are seeking the best of talent, as we are, you cannot restrict yourself to just half the population.

That is why we have reached out to millions of young women to try to attract them to a career in engineering and design. Why we seek to engage the most talented young women on our apprenticeship and graduate schemes. And why we have specific programmes to fast-track our brightest minds to senior management positions and equip them to succeed when they get there.

This is about generational, social change. We are starting to marry our corporate culture with diversity and different opinions. You must always resist the default and that takes time and hard work.

We have a long way to go before we reach the levels of equality we seek. However, our gender pay gap at under 5 per cent suggests we are on the right path and we welcome this initiative to give the issue clarity and transparency.

Jaguar Land Rover has made great progress on our journey to gender parity. We are confident that the destination is in sight. We will not rest until we get there.

Dr Charlie Atwell, Solihull

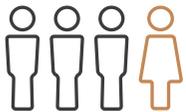
# INTRODUCTION

## WE ARE MAKING PROGRESS



# 24%↑

increase in the **proportion of women** working for Jaguar Land Rover since 2014.



# 21%↑

increase in the **proportion of female management** since 2014.

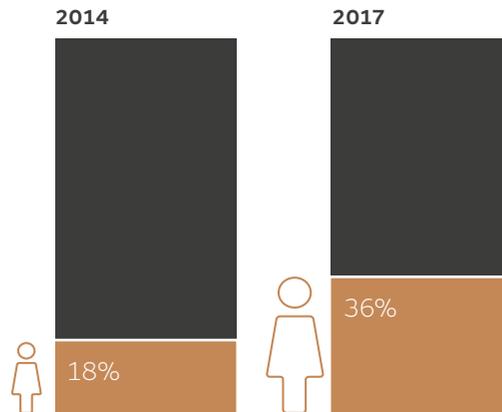


In 2017, we **recruited more women** than men (55 per cent female) onto our Advanced Apprenticeship programme.

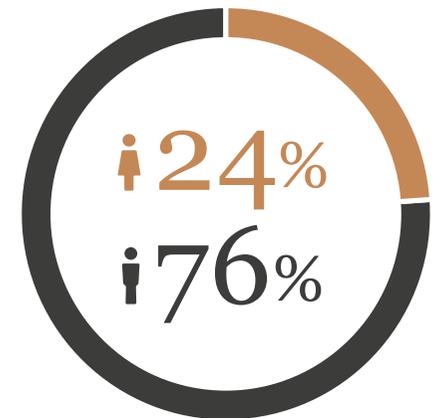


Across all of our **apprentice programmes**, women accounted for 36 per cent of recruits in 2017.

This number has increased over the last four years from 18 per cent in 2014.



In 2017, 24 per cent of our internal promotions to our **senior leadership team** were women.



# MEASURING THE GAP

## 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 Jaguar Land Rover. This is regardless of their role in the organisation, length of service and any other differentiating factor.

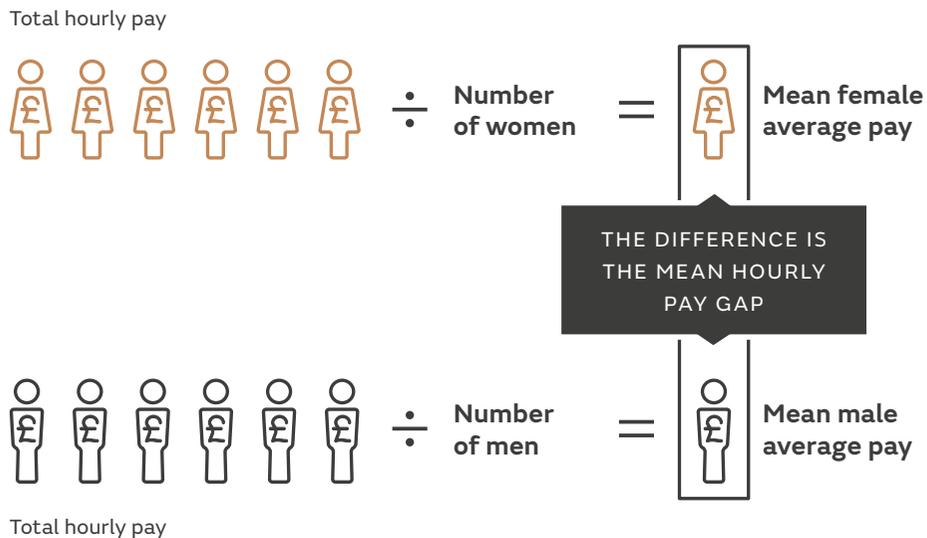
It is important not to confuse the gender pay gap figures with an equal pay comparison. Equal pay is a direct comparison of two people, or groups of people, doing the same or comparable work. This is not covered in this report.

### HOW ARE THE MEDIAN AND MEAN PAY GAPS CALCULATED?

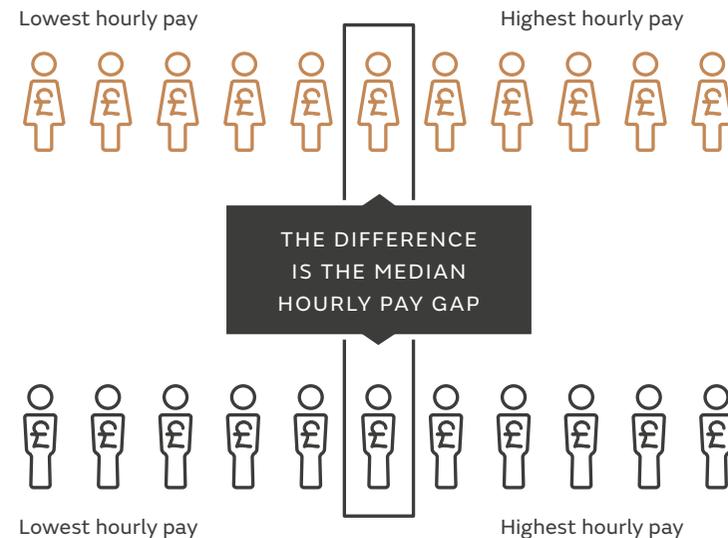
The mean gender pay gap is a calculation of the average hourly pay or bonus of a man in our organisation versus the average hourly pay of a woman, including all relevant additional payments and regardless of what they do in our organisation.

The median pay and bonus gap takes the exact mid-point between the lowest and highest-paid man in the organisation versus the equivalent woman.

### HOW WE CALCULATE THE MEAN DIFFERENCE



### HOW WE CALCULATE THE MEDIAN DIFFERENCE



# OUR CALCULATIONS

## HOW WE MEASURE THE GAP

### WHAT'S INCLUDED IN OUR CALCULATIONS?

All pay calculations are based on the relevant pay period that includes 5 April 2017, with 5 April being the snapshot date, 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. Relevant employees do not include those on reduced or nil pay, such as those on long-term sick leave or special leave. People on maternity leave have been included as they receive full pay. Relevant employees do not include those employed by an agency, personally contracted or inbound assignees.

### PAY

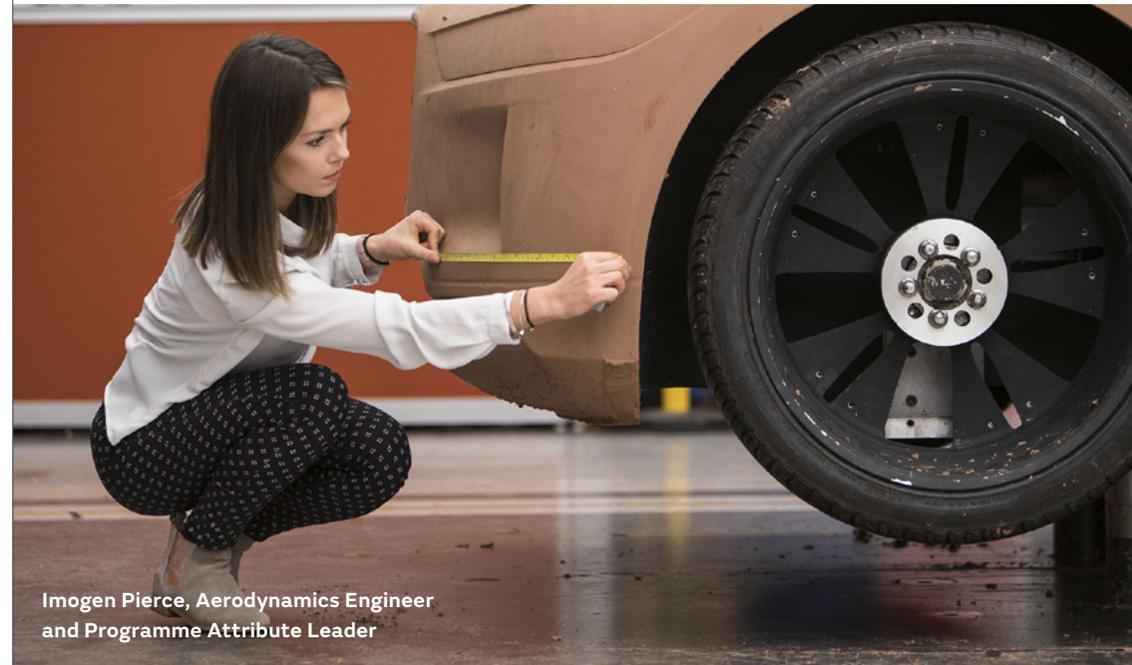
Ordinary pay includes base pay, paid leave, shift pay, supplements and allowances. An employee's hourly pay rate is calculated on their post salary sacrifice pay in line with the Regulations. The gender pay figures are based on full pay relevant employees only – these are employees who were employed on the snapshot date and were being paid at their full rate of pay. UK employees who are on an international assignment are included in the calculations. A group of 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.

### 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 Jaguar Land Rover, a holiday payment of £390 was paid in June 2016 to some employees. Following the company pay negotiations in autumn 2016, Jaguar Land Rover made a payment of £750 to all non-management employees. We concluded 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 2017. Jaguar Land Rover operated a reward and recognition voucher scheme during the relevant reporting period. However, the mechanism to report on the value of the vouchers was insufficient to include in the bonus pay calculations. A new reward and recognition system has since been launched, which will provide accurate reporting functionality for gender pay gap reporting in 2018.



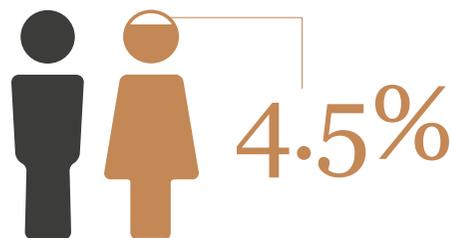
Imogen Pierce, Aerodynamics Engineer  
and Programme Attribute Leader

# OUR RESULTS

## KEY HIGHLIGHTS

### MEAN PAY GAP

The mean pay gap tells us the difference in the average hourly pay rate for men and women.



### MEDIAN PAY GAP

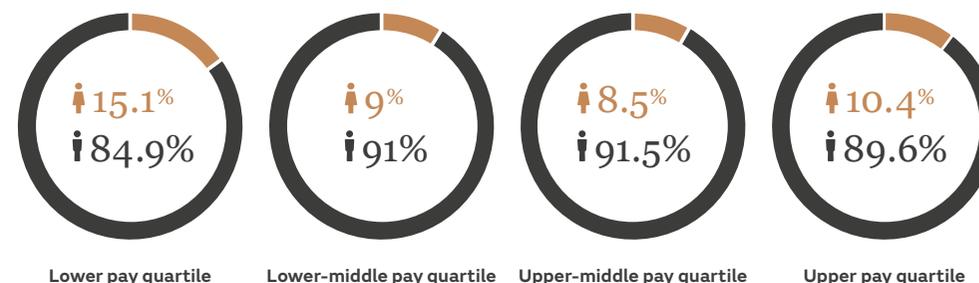
The median pay gap is the difference in the hourly pay rate between the pay of the middle female employee and the pay of the middle male employee when male and female employees are listed in order of hourly pay rate.



There are a number of contributing factors to our gender pay gap, one of which is that the majority of the senior roles within the organisation are filled by men, another that there is a majority of men in production operations in our factories.

Another factor that explains our gender pay gap is the proportion of women in our design and engineering functions. Compared to some of the other functions within the organisation, women are less represented, which is reflective of the industry. These roles attract a premium as a result of scarce skills and market rates.

### QUARTILES



This shows the proportion of males to females 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 sections and the percentage of male and female employees in each quartile is calculated.

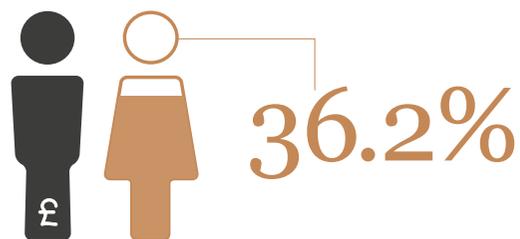
The quartiles are not reflective of our grade structure. The way in which hourly pay is calculated has impacted how pay has been split between the quartiles. Over 8 per cent of females have a childcare voucher salary sacrifice compared to 3.5 per cent of male employees. The pay gap and quartiles are also impacted by the inclusion of shift pay; shift work is most prevalent in the manufacturing part of the organisation, which is 95 per cent male. Overall, just over 50 per cent of men in the organisation work shifts compared to 18 per cent of women.

# OUR RESULTS

## BONUS DETAILS

### MEAN BONUS GAP

The mean bonus gap tells us the difference in the average bonus payment for men and women.



### MEDIAN BONUS GAP

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



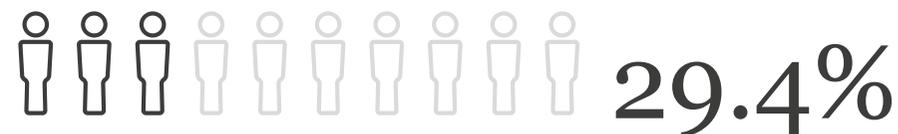
Our bonus gap is representative of the fact that there are fewer women in senior roles in the organisation. The bonus gap is also impacted by the proportion of women who are part-time compared to men: in April 2017, 14 per cent of women who received a bonus were part-time compared to less than 1 per cent of men.

The mean and median figures differ as the mean figure involves taking the average of all bonuses; therefore, high bonus payments have impacted the value. The median figure gives an indication about the difference in the middle bonus payments within the organisation.

### PERCENTAGE OF WOMEN WHO RECEIVED A BONUS



### PERCENTAGE OF MEN WHO RECEIVED A BONUS



This calculation shows the proportion of males that received a bonus compared to the total male population and the females who received a bonus compared to the total female population.

Our largest population of employees is our manufacturing workforce, who do not participate in the bonus schemes: 95 per cent of this group is male. The number of females is more evenly split across the levels of the organisation outside of manufacturing, which explains why a much higher percentage of women received a bonus compared to men.

# OUR COMMITMENT TO THE FUTURE

Attracting talented women into our industry is a challenge but we are committed both to equality and encouraging a diverse workforce, recognising that increased diversity leads to increases in creativity and productivity.

Recruiting, training and retaining an engaged, skilled workforce aligned to the needs of our business is at the heart of our strategy. But we also stand by our view that we will not do this through gender quotas, which, we believe, do disservice to both talented men and women. But quotas are not the same as targets, and we have an ambition to attract more women into our business, to have long and successful careers.

Charanya Ravi, Performance Engineer,  
Panasonic Jaguar Racing



# OUR COMMITMENTS

## CLOSING THE GAP

We are currently supporting women in our workplace and encouraging more future female talent into the automotive industry in five key ways.

### 1 WORKING ENVIRONMENT AND SUPPORTING POLICIES

We offer a variety of flexible working arrangements to all our employees, with particular focus on those who have childcare commitments.

We provide full pay for 52 weeks of maternity leave for all female employees.

Many of our maternity returners choose to work part-time, on a variable hours contract or within a job-share arrangement.

We provide crèche facilities at two of our main UK sites for pre-school-age children of our employees to ease the burden of juggling childcare and work commitments.

### 2 INSPIRING YOUNG FEMALES INTO AN AUTOMOTIVE CAREER

We lead a number of pipeline programmes for young people, from encouraging girls into STEM (science, technology, engineering and maths) subjects at school to develop an interest in engineering to sponsoring undergraduate placements for female engineering students.

### Women in Engineering

Jaguar Land Rover launched a programme in 2012 to inspire more bright female STEM students to pursue engineering careers and increase the company's talent pool. The course challenges outdated misconceptions that engineering is an unsuitable career for women. During the week-long programme, students participate in a work placement, tour design, engineering and manufacturing sites, hone interviewing techniques, and network with successful female mentors from across the business. Of the 210 females aged 15–18 who have participated in the course to date, 80 are now advanced and degree apprentices at Jaguar Land Rover and many more have pursued careers with other employers.

### Women in Engineering Sponsorship Scheme

This is an undergraduate placement scheme aimed specifically at females studying engineering at University. It offers three, six and fifteen-month paid placements and the students join us every summer until they graduate. Based on placement performance, the aim is to convert to a graduate hire. They are also provided with a Jaguar Land Rover female engineering mentor.



Dr Lucia Carassiti (Morsa Images), Solihull

# OUR COMMITMENTS

## CLOSING THE GAP CONTINUED

### 3 CAREER PROGRESSION AND SKILL DEVELOPMENT

We believe in training, developing and encouraging all of our current workforce to learn and grow.

Jaguar Land Rover invests £110 million a year in learning and development through the Jaguar Land Rover Academy, and 10,000 employees are currently pursuing formal qualifications.

We are currently undertaking a programme to train all of our managers, men and women, to ensure that they operate the best practices of leadership and inclusion, inspire and encourage their teams, and create the disciplines needed for success.

Our efforts are being recognised too. In the latest annual *Autocar* list of 100 Great British Women in the Automotive Industry, a fifth of the nominees were Jaguar Land Rover employees. The overall winner was Dr Amy Rimmer, who is one of a team of specialists spearheading Jaguar Land Rover's future autonomous car technology.

#### Leadership development

We are also working to support women to develop into our most senior positions. Over the last four years, we have partnered with The Pipeline, who deliver Executive Leadership Development programmes designed for women. Through this partnership we have accessed two development programmes: the Leadership Summit and Top Flight.

In the Top Flight programme, senior executive women learn from the experience and thinking of world-class business leaders and contributors, building their confidence and self-belief. In our first year of attending the Leadership Summit, 24 women took part in a three-day development programme for our senior managers potentially destined for executive and senior leadership roles. They have also benefited from follow-up executive mentoring and coaching.



**Dr Amy Rimmer, Engineer, won *Autocar* magazine's 2017 Rising Star award for British women in the car industry**

# OUR COMMITMENTS

## CLOSING THE GAP CONTINUED

### 4 INSIDE INFLUENCE

Women have huge influence in the car-buying process and so it's crucial to have women in key decision-making roles in product development. We have many existing female design and engineering experts but we augment this with an internal consultancy programme that encourages women to contribute to the design and innovation of our future models.

An excellent example of this working is the award-winning Jaguar F-Pace, where a diversity of input led it to become not only Jaguar's best-selling car but also the overall winner in the Women's World Car of the Year awards.

### 5 NETWORKING FOR SUCCESS

We are currently in the process of launching a women's network into our business, with a view to providing a collective platform for people wanting to connect on a women's agenda. This network is being co-created with people from all areas of Jaguar Land Rover to ensure a truly employee-driven network that is designed by and for the women and men in our business who share a passion for diversity and inclusion. Recognising the challenges of recruiting females into STEM careers, there is a Women in Engineering network that is engaging and inspiring female engineers inside and outside Jaguar Land Rover to both attract women engineers and retain them.



Chery Jaguar Land Rover,  
Engine Plant, Changshu, China

# CEO STATEMENT



Professor Dr Ralf Speth  
CEO, Jaguar Land Rover

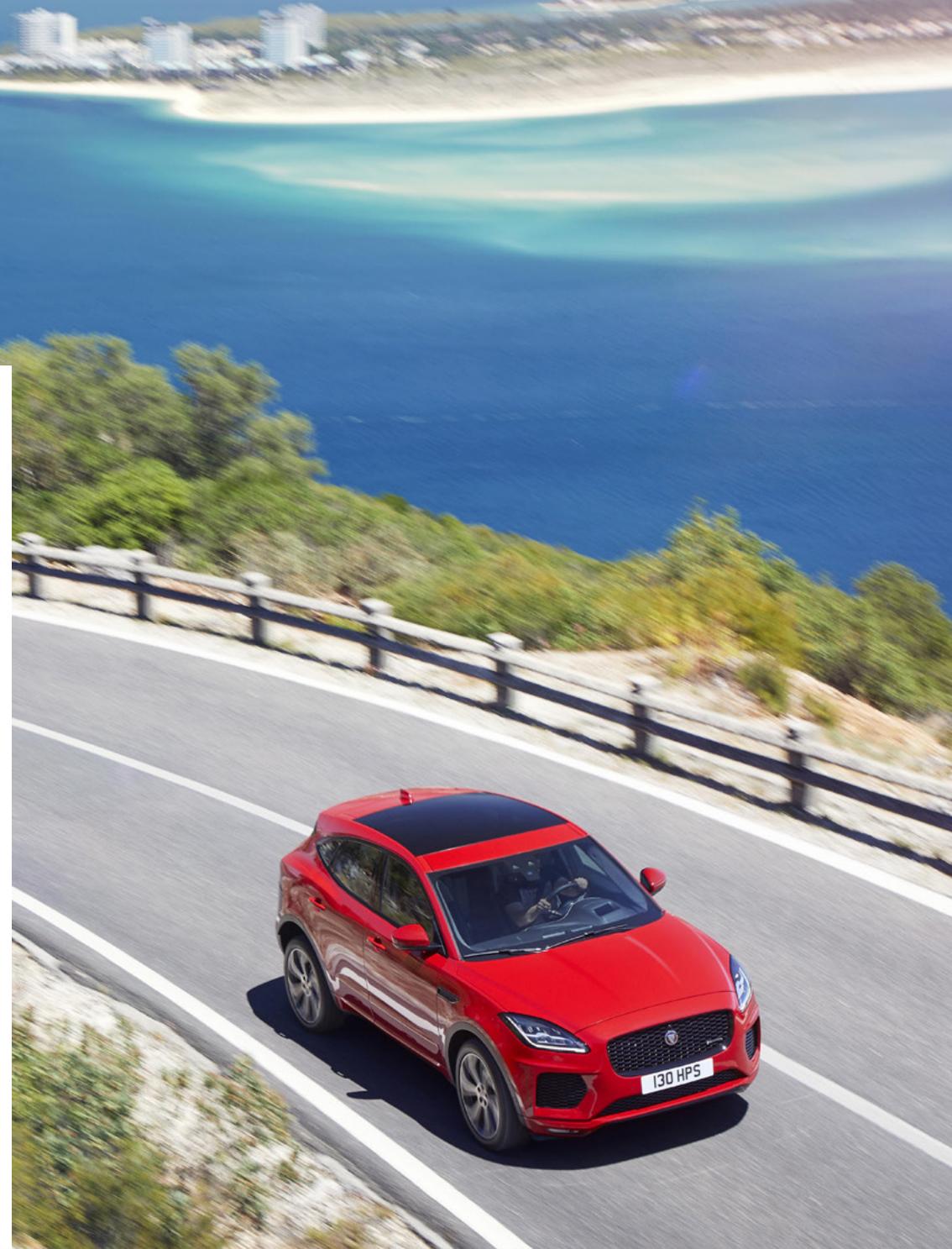
**Jaguar Land Rover exists to create experiences people will love for life. That includes not just our valued customers who buy our products but also the people who make them. The Jaguar Land Rover family.**

We want to hire the best people we can but that is not where our ambition ends. We need to give them the chance to develop their talents, through the Jaguar Land Rover Academy, and make them properly rewarded.

We are passionate about our people and they are at the heart of our business. Taking care of our employees, developing them and encouraging diversity are some of the many reasons why we welcome the opportunity to report on how people are paid.

We will continue to strive for equality. In the words of Jamsetji Tata: “In a free enterprise the community is not just another stakeholder in the business, but in fact the very existence of it.”

I declare the contents of this report to be accurate and they have been independently audited.



# INDEPENDENT ASSURANCE STATEMENT

We have performed a limited assurance engagement for Jaguar Land Rover's management on selected performance data and related statements presented in the 2017 Gender Pay Gap statutory disclosures for JLR ('the Report').

## Respective responsibilities

JLR's management are responsible for the collection and presentation of the information within the Report. Management are also responsible for the design, implementation and maintenance of internal controls relevant to the preparation of the Report, so that it is free from material misstatement, whether due to fraud or error.

Our responsibility, in accordance with management's instructions, is to carry out a 'limited level' assurance engagement on selected data in the Report.

We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

## What we did to form our conclusions

Our assurance engagement has been designed to provide a limited level of assurance in accordance with ISAE3000 (Revised)<sup>1</sup>. The criteria we have used to evaluate the selected data ('the Criteria') are described in the Gender Pay Gap legislation<sup>2</sup> and within the Report as footnotes.

1 International Federation of Accountants' International Standard for Assurance Engagements (ISAE3000) Revised, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information.

2 The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The procedures we performed were based on our professional judgement and included the steps outlined below:

1. **Interviewed a selection of internal stakeholders** to understand the current status of the gender pay gap within JLR, the methodology, definition and approach used to calculate the gender pay gap, and structure of the data processes and current controls to support data quality.
2. **Carried out the following activities to review gender pay gap data samples and processes:**
  - a. Reviewed disaggregated gender pay gap data from JLR to assess whether the data had been collected, consolidated and reported accurately.
  - b. Reviewed and challenged supporting evidence provided.
  - c. Tested whether gender pay gap data had been collected, consolidated and reported appropriately and accurately at the aggregate level.

## 3. Challenged and reviewed presentation of the mandatory disclosures in the Report

Our review of the data processes was limited to the following statutory disclosures:

- the difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees;
- the difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees;
- the difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees;
- the difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees;
- the proportions of male and female relevant employees who were paid bonus pay; and
- the proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

Our assurance engagement did not include procedures over any additional disclosures or content within the Report.

# INDEPENDENT ASSURANCE STATEMENT CONTINUED

## The limitations of our review

Our evidence gathering procedures were designed to obtain a 'limited level' of assurance as set out in ISAE3000 (Revised) on which to base our conclusions. The extent of evidence gathering procedures performed is less than that of a 'reasonable assurance' engagement (such as an audit of financial statements) and therefore a lower level of assurance is provided.

Completion of our testing activities has involved placing reliance on JLR's controls for managing and reporting gender pay gap information, with the degree of reliance informed by the results of our review of the effectiveness of these controls. We have not sought to review systems and controls at JLR beyond those used for gender pay gap data.

## Our conclusions

Based on the scope of our review our conclusions are outlined below:

### How complete and accurate is the gender pay gap information in the Report?

- With the exception of the exclusions described in the Report (in particular on page 5), we are not aware of any material payroll accounts or employees that have been excluded from the gender pay gap statutory disclosures.

- Nothing has come to our attention that causes us to believe that the selected gender pay gap data has not been collated properly from JLR systems.
- We are not aware of any errors that would materially affect the selected data as presented in the Report.

## Our independence

With the exception of this work, we have provided no other assurance services relating to JLR's Gender Pay Gap reporting.

We have implemented measures to ensure that we are in compliance with the applicable independence and professional competence rules as articulated by the IFAC Code of Ethics for Professional Accountants and ISQC1.

**Ernst & Young LLP,  
London, 13th March 2018**

