



GENDER PAY GAP REPORT 2019
JAGUAR LAND ROVER

INTRODUCTION

Jaguar Land Rover is transforming today for tomorrow – simplifying our business, delivering our strategy and adapting to the tough market environment.

In 2019, we took decisive action to help deliver long-term growth, in the face of multiple geopolitical and regulatory disruptions as well as technology challenges facing the automotive industry. Our transformation programme combined efficiency measures with targeted investment, safeguarding our future and ensuring that we maximise the opportunities created by growing demand for Autonomous, Connected, Electric and Shared technologies.

The next chapter in the story of Jaguar and Land Rover will be the most exciting – and demanding – in our history.

Technologies are changing, but the core ingredients of Jaguar Land Rover remain the same: responsible business practices, cutting edge innovations and outstanding vehicles that offer our customers a compelling combination of the best British design and engineering integrity. Destination Zero is our defined vision to shape future mobility: zero emissions, zero accidents and zero congestion. We have the ambition to make our societies safer, our environment cleaner.

Creating a diverse workforce enables us to foster cognitive difference: a rich variety of ideas, perspectives and experiences, fueling innovation and creativity. The automotive industry has long been male dominated, yet if you are seeking the best talent, as we are, you need to ensure you have a culture that also attracts and retains the best female talent.

Through our engaging recruitment programmes and our early careers opportunities we are committed to recruiting more women into our business to develop, grow and succeed at Jaguar Land Rover. We have also made a strategic choice to focus on gender, in the first instance, as part of our wider Diversity & Inclusion Strategy, to shift the make-up of our organisation at every level.

At 4.1%, our median gender pay gap is still significantly lower than the Office of National Statistics UK average of 17.3%. However, we recognise we still have more to do to narrow the gap further. Our Diversity & Inclusion Strategy and in-year action plans are being developed to accelerate our progress further in closing the gap.



WHAT IS THE GENDER PAY GAP?

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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.

GENDER PAY IS NOT EQUAL PAY

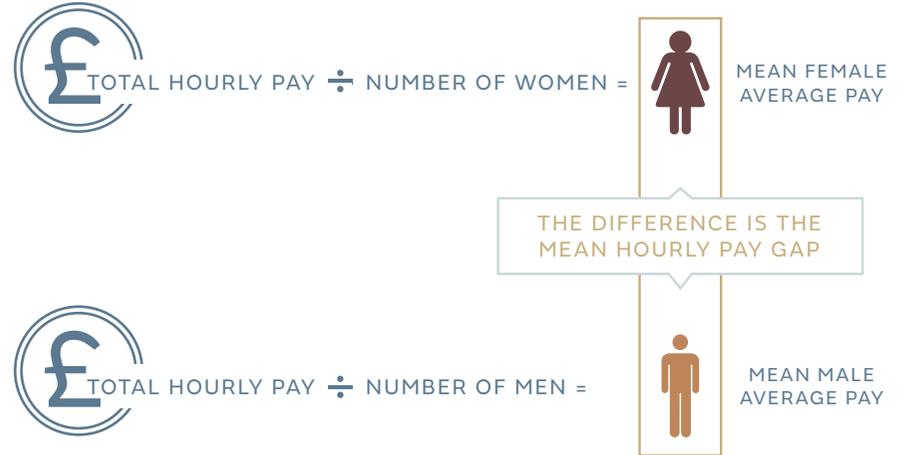
It is important not to confuse the gender pay gap figures with an equal pay comparison. Equal pay is a direct comparison of two or more employees doing the same or comparable work. Equal pay is not covered in this report.

HOW ARE THE MEDIAN AND MEAN PAY GAPS CALCULATED?

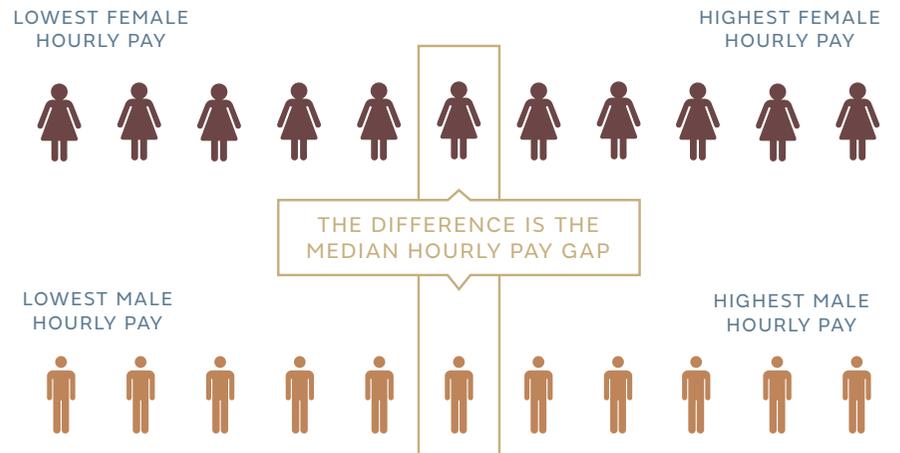
The mean gender pay gap is a calculation of the average hourly pay or bonus of men in our organisation versus the average hourly pay or bonus of women, including all relevant additional payments and regardless of what they do in our organisation.

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

HOW WE CALCULATE THE MEAN DIFFERENCE



HOW WE CALCULATE THE MEDIAN DIFFERENCE



HOW WE MEASURE THE GAP

All pay calculations are based on the relevant pay period that includes 5 April 2019, 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.



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.*



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 £410 was paid in June 2018 to some 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 2019.

* 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.

WHAT WE HAVE DONE SO FAR

Diversity and Inclusion (D&I) has been identified as a key component of our workforce experience agenda. As such we are committed to creating an inclusive culture where our people can be their authentic selves.

We have delivered a number of activities that support us achieving our vision:

DIVERSITY AND INCLUSION GOVERNANCE

We have set up a Diversity & Inclusion Steering Committee which includes a Board Sponsor and Executive Sponsors. This forum is responsible for setting direction, alignment across the D&I leadership roles and ultimately holding the business to account for progress against our D&I priorities.

EMPLOYEE LED NETWORKS

We increased the number of employee networks to nine in 2018/19. These include BAME (Black, Asian and Minority Ethnic), Gender Equality, JLR PRIDE (LGBTQ+), Women in Engineering and Allies, SHINE (disability), Armed Forces, Christian Fellowship, Islamic Society and Drive (U.S. specific) networks.

PERSONAL DEVELOPMENT

As well as offering Unconscious Bias and Dignity at Work training, we have also implemented a Reverse Mentoring Scheme. Each Board Member now has a reverse mentor assigned to them from the Diversity and Inclusion networks, which includes 4 female reverse mentors. The purpose of the reverse mentoring scheme is to allow Board Members to hear directly from employees with a diverse characteristic, to offer a different perspective and to stimulate their thinking on the D&I agenda.

PROVISION OF DATA AND METRICS

We have developed a diversity data dashboard which is published to our HR Leadership Team on a regular basis. We have also created a HR metric for Women in Leadership roles which is reported quarterly.

DIVERSITY AND INCLUSION CONFERENCE

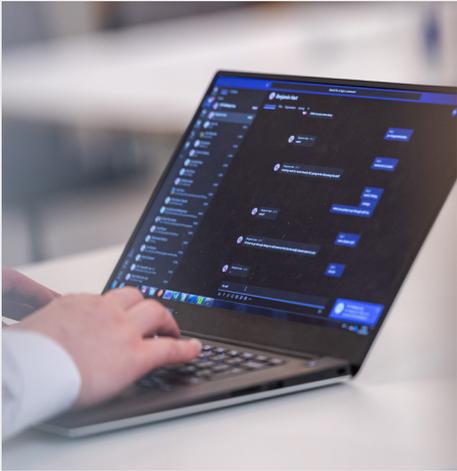
To mark National Inclusion Week 2019, on 23rd September we hosted our first Diversity and Inclusion Conference. The event was attended by more than 350 employees and sought to engage people across the business in our diversity and inclusion agenda, to unite people across our employee networks and to inspire action to help to make Jaguar Land Rover a more inclusive and diverse organisation.



“We are committed to providing an equal and encouraging environment”

WHAT WE HAVE DONE SO FAR

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



WORKING ENVIRONMENT AND SUPPORTING POLICIES

Flexible working arrangements and 52 weeks of full pay maternity leave for all female employees are just two of the ways we support women in our business. Job-share arrangements and on-site crèche facilities are also in place to support employees balancing childcare and work commitments.



INSPIRING YOUNG WOMEN TO PURSUE AUTOMOTIVE CAREERS

Our school education programme increases engagement in STEM (science, technology, engineering and maths) subjects as well as introducing successful female role models to girls as young as seven to increase their interest in engineering.



WOMEN IN ENGINEERING - FURTHERING FUTURES

Jaguar Land Rover's Furthering Futures course is a week-long career immersion programme designed to encourage more young female STEM talent to consider engineering careers. Since the course was launched in 2012 we have recruited 90 Furthering Futures participants into our Early Careers programmes.



WOMEN IN ENGINEERING SPONSORSHIP SCHEME

This undergraduate sponsorship scheme is aimed at female university students studying engineering. We offer three, six and fifteen-month paid placements and assign students with a Jaguar Land Rover female engineering mentor during their placement. The Women in Engineering and Allies Network supports both initiatives by providing mentors for the students on the undergraduate sponsorship scheme.

WHAT WE HAVE DONE SO FAR



CAREER PROGRESSION AND SKILL DEVELOPMENT

We believe in training, developing and encouraging all of our current workforce to learn and grow. In the next year Jaguar Land Rover will invest over £20 million in training, education and skills through the Jaguar Land Rover Academy.

LEADERSHIP DEVELOPMENT

Over the last five years, we have partnered with The Pipeline, an organisation that delivers Executive Leadership Development programmes designed for senior females in business. Since 2015, 10 employees have attended the Top Flight programme and 57 employees have attended the Leadership Summit programme. Both programmes offer learning from world-class business leaders and contributors.

In December 2018, we created an alumni network for people who attended the Pipeline programmes with a view to supporting each other, sharing best practice and ideas and supporting other females in the business. In March 2020, we will hold our first female senior leader event, bringing together our most senior female leaders from across the business to network and share experiences; contribute to the development of our female leadership strategy; and explore what support we might provide to enable females in Jaguar Land Rover to flourish and reach their full potential.

OUR RESULTS - KEY HIGHLIGHTS

Our mean pay gap has decreased by 0.8% from 5.8% in April 2018 and our median pay gap has decreased by 0.9% from 5.0% in April 2018.

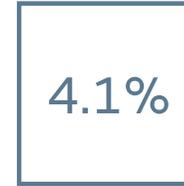
It is still evident there is a higher ratio of males in manufacturing and senior management roles which is reflective of the industry. Our long-term commitment is to develop and nurture our employees so that over time we can boost the pipeline of female talent and address the gender balance in these roles.

There are a number of key factors that have contributed to the reduction in the pay gap.



MEAN PAY GAP

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



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.



SHIFT PAY

Employees working in production and engineering roles attract a shift premium due to the working pattern. In 2019, we have reduced the number of shifts in line with global demand and times of challenging external factors. This has resulted in a 10% reduction in shift pay since April 2018. As the majority of the employees in these roles are male, this has contributed to reduction of the pay gap.



VOLUNTARY REDUNDANCY

In early 2019, we implemented a business wide review resulting in a voluntary redundancy programme across the company. The first phase of the programme saw employees leaving the company at the end of March 2019. 46.0% of the male leavers were in the upper pay quartile and only 14.9% were in the lower quartile. Women leavers were distributed more evenly with 36.0% in the upper quartile and 28.6% in the lower quartile. This has rebalanced the pay gap slightly.



GENDER REPRESENTATION

Our pay gap is reflective of the industry as there are more men in Engineering and Design functions, as well as in senior roles within the business which typically attract higher rates of pay. However, the per cent of women across the company has increased from 12.0% to 12.7%

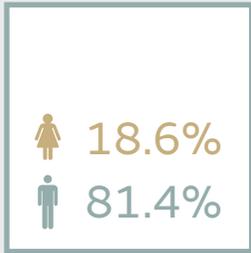
OUR RESULTS - KEY HIGHLIGHTS

QUARTILES

The data below shows the proportion of men to 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.

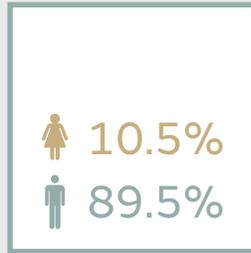
Q1

LOWER PAY QUARTILE



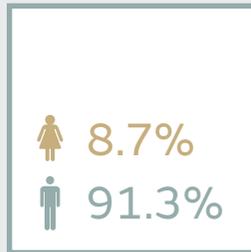
Q2

LOWER-MIDDLE PAY QUARTILE



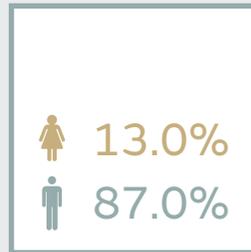
Q3

UPPER-MIDDLE PAY QUARTILE



Q4

UPPER PAY QUARTILE



Since our 2018 report, the percentage of women has risen in all quartiles except the upper-middle quartile which has remained the same. Overall, the per cent of women in the company has increased from 12.0% in April 2018 to 12.7% in April 2019.



OUR RESULTS - BONUS DETAILS

Our mean bonus gap has decreased by 2.5% from 36.8% in April 2018 and our median has increased by 4.0% from 12.7% in April 2018.

The proportion of women eligible for bonus has increased by 6.6% whereas the per cent of eligible men has only increased by 3.2%. This, coupled with the fact that more higher paid men left through the voluntary redundancy programme, has led to the decrease in the mean bonus gap.

There has been a 5.9% increase in part time women and a 34.0% decrease in part time men. This means more women have had prorated bonuses whereas more men have had the bonuses paid in full. This has led to an increase in the median bonus gap.

MEAN BONUS GAP

34.3%

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

MEDIAN BONUS GAP

16.7%

The median bonus gap is the difference in the bonus 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 bonus payment.



This calculation shows the proportion of women who received a bonus compared to the total population of our female workforce, and the proportion of men that received a bonus compared to the total population of our male workforce.

Our largest population of employees is our manufacturing workforce, who do not participate in the bonus schemes: 94% of this group is male. The number of women is more evenly split across the levels of the organisation outside of manufacturing, which explains why a higher percentage of women received a bonus compared to men.

OUR COMMITMENT TO THE FUTURE NEXT STEPS

OUR VISION:

Our vision is to be an organisation that meets the aspirations of an increasingly diverse customer base through diversity in the workplace and an inclusive culture where our people can be their authentic selves.

Our strategy to deliver the vision is to:

- > Create a culture of respect;
- > Drive progressive HR policy, benefits and support;
- > Increase diversity in the leadership team and organisation; and
- > Leverage our employee-led networks to support the change

We are currently developing our FY 2020/21 action plan to deliver the strategy and further address our gender pay gap. We will implement a number of evidence-based actions aimed at increasing female representation in our senior leadership positions.

These actions will include:

- > Increasing the number of women in shortlists for recruitment and promotions
- > Having more diverse recruitment panels
- > Increasing the transparency of the senior leadership recruitment process
- > Offering greater opportunities for mentoring and support
- > Offering greater networking opportunities





At Jaguar Land Rover, we invest in our people and partners, enable continuous learning, and build caring and collaborative relationships based on trust and mutual respect. Our most valuable asset is our people, nothing is more important than their safety and well-being.

We recognise that increasing diversity fosters a culture of creativity and productivity and are committed to creating a diverse and inclusive workforce. Hence, we welcome the opportunity to report on how our people are paid.

I declare the contents of this report to be accurate.

IAN HARNETT

EXECUTIVE DIRECTOR, HUMAN RESOURCES AND GLOBAL PURCHASING
JAGUAR LAND ROVER

