



Gender Pay Gap Report

TOYOTA (GB) PLC

Data Snapshot 5th April 2018

Introduction & Commitment

TOYOTA (GB) PLC (TGB) is the sales and marketing company for Toyota and Lexus in the UK.

We wholeheartedly believe that diversity is critical to our future success because we seek input, impact and innovation from a range of talented people – irrespective of age, gender, race, religion or any other personal characteristic.

We pay men and women the same amount for work of equal value. We know this because of our externally benchmarked pay banding structure, internal performance review and alignment process, and rigorous recruitment policy. In addition to our company-wide training programme, giving employees the skills to have good quality conversations, we provide support and coaching to staff at all levels to help them fulfil their maximum potential. Differences occur only due to length of time at grade and competency-based performance.

Summary

- Men and women at TOYOTA (GB) PLC are paid the same for work of equal value (known as Equal Pay). This is our absolute policy. Benchmarking shows it is effectively applied.
- There remains a gap between overall average earnings of men and women at TGB (known as the Gender Pay Gap), however we can see progress from our action. We continue to work hard to deal with this legacy issue.
- The reason for the gap is that we historically had significantly more male employees. The legacy impact today is more male staff in senior positions with higher salaries and bonuses. This creates a gap in average earnings of male and female employees that takes time to equalise. The number of females at senior levels is growing, and has **increased from 2% to 19% in the last 4 years** (something we are focussed on accelerating).
- Like many companies, the key to our average pay gap is the proportion of female employees, in particular at senior level. Our high retention means the pace of change is slower than other companies, but we are making progress, and **now have our highest ever proportion of female employees.**

Extraordinary levels of engagement – Employer of Choice

We are very proud to have maintained our “Extraordinary” levels of engagement for the 4th consecutive year, and of ranking 22nd in the Sunday Times Top 100 Best Companies to Work For 2019 list.

We want to be an Employer of Choice; a company that people choose to work for and are happy to have chosen. Our staff retention and engagement levels show that people love working here, and we continue to work to ensure the best possible employee experience, and enable everyone to be at their best at work.



Gender Pay Gap Data (5th April 2018)

	Male %	Female %	
			Hourly Mean: 31.5% Median: 35.5%
Upper quartile	83.88%	16.22%	Bonus Mean: 57.0% Median: 61.7%
Upper mid quartile	74.32%	25.68%	Men getting Bonus 97.3%
Lower mid quartile	67.57%	32.43%	Women getting Bonus 99.1%
Lower quartile	28.00%	72.00%	

We have significantly low staff turnover and high staff engagement.

Overall Gender Pay Gap

We have seen an increase in our overall proportion of women, and in the proportion of women in higher levels of the organisation, so we know that the actions we have taken over the last 12 months are having a measurable impact.

We continue to have a higher Gender Pay Gap than the UK average. The primary cause remains that a significant majority of our more senior roles are presently filled by men, and employees in more senior jobs generally receive higher pay. With very **low staff turnover of c. 5%** average over the past 10 years and a **population of 297**, there is also a **4.5 year difference in length of service** for men (c. 14.5 yrs) compared to women (c. 10 yrs) at present.

Performance related bonuses are paid as a percentage of base salary. They are aligned within business areas to ensure that managers rate consistently and are not influenced by length of service. We know men and women continue to be equally valued and rewarded.

We are committed to fair and equal pay

Each year we conduct a thorough process to review levels of (competency-based) performance fairly across the organisation. Employees are awarded an annual merit pay increase.

After promotion, an employee is usually lower in their new salary band than someone who has been in grade for several years. It is likely that they will receive a lower bonus than their peers, but will have a greater opportunity to earn performance related salary rises, ensuring that (with appropriate performance) they will catch up to longer serving peers.

Our data confirms that a **higher salary continues to link to time in grade** as shown in the graph opposite.

This is fair and equal, as it rewards people appropriately, based on levels of experience and ability to perform at the required level, for the grade and role.



The difference between Equal Pay and Gender Pay Gap

Equal Pay

Equal Pay is the right for men and women to be paid the same, when doing the same or equivalent work.



Gender Pay Gap

The Gender Pay Gap is the average percentage difference between all men's and all women's hourly pay, regardless of their role or level.



Actions to close the Gender Pay Gap

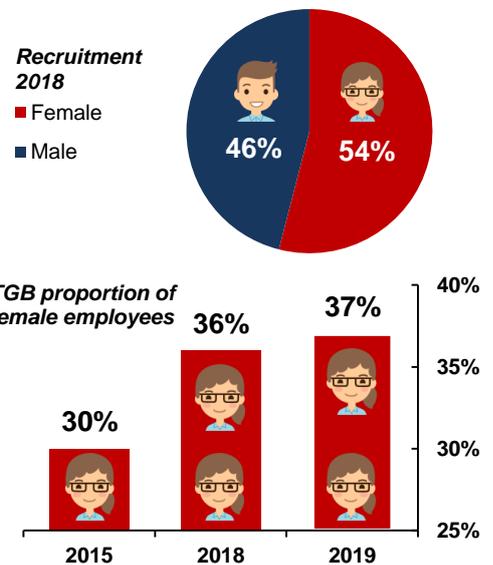
We are actively working to achieve a better gender balance throughout the organisation, through our leadership, culture, external network groups and HR processes

Our low turnover gives us fewer opportunities for movement, however over the past 12 months, we have continued to attract a higher proportion of women to our organisation, **with 54% of all external appointments being female**. We have also challenged our suppliers to include appropriately qualified female candidates on each vacancy shortlist as a standard.

As a result, **our overall proportion of females has increased** from just over 30% **to 37%** over the last 4 years, our highest ever proportion.

We have also **increased the proportion of female employees** in junior/middle management from 17% (2015) to 24% and **from 2% to 19% at mid/senior level**.

To support women in their careers with us, we have encouraged conversation across the organisation about how flexible working policies are supported and used, so that our policies have a real impact for those that need them. We continue to provide access to coaching for women returning from maternity leave, and are encouraging employees to make use of the full range of leave available to them, including Shared Parental Leave.



Traditionally the automotive industry has been less attractive to women, meaning that we need to work harder to attract female talent. We are consciously reviewing our role profiles and the way we advertise vacancies to make sure that they don't inadvertently discourage women from applying.

We have also increased use of social media platforms to help people outside TGB to understand the type of employer we are, what we offer and how we can help them to be their best.

We continue to link with external organisations to support our work, including the 30% club and the Automotive 30% club, as well as investing in ongoing development to enable our female employees to address any barriers to developing their careers. These internal and external networks help us to share knowledge and best practice, as well as to attract, engage, develop and retain great talent, increasing the levels of women in our business

Toyota (GB) PLC's gender gap aspiration

We want TOYOTA (GB) PLC to be an Employer of Choice as a company that people choose to work for and that people are happy to have chosen.

It is critical, therefore, that we continue to improve our gender mix by continuing to ensure we attract more female candidates, encouraging and facilitating a higher proportion of women progressing through the organisation, which will inevitably close the Gender Pay Gap.

Our aspiration, therefore, without any form of positive discrimination, is for 30% of senior roles to be filled by women by 2030.

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The information in this report comes from a data snapshot taken on 5th April 2018. This information is certified as a fair and accurate representation of TGB's Gender Pay Gap. Paul Van der Burgh, President & Managing Director, Toyota (GB) PLC.