

GENDER PAY GAP REPORT

as of 5 April 2020

What is the Gender Pay Gap?

The Gender Pay Gap Regulations apply to UK employers with more than 250 employees.

The *gender pay gap* is different from *'equal pay'*.

The gender pay gap represents the difference in the average hourly earnings of men and women across a business, regardless of the role they do. The gender pay gap can be impacted by a number of factors related to the composition the workforce, primarily the number of men and women occupying the different roles that exist across the company.

As a result of different jobs paying different rates and the number of men and women performing those jobs being variable – a gender pay gap will often exist.

This is different to *'equal pay'*, which is the difference in pay between men and women who carry out the same or similar jobs, or jobs of equal value.

ATS EUROMASTER - GENDER PAY GAP

This is the Gender Pay Gap report for ATS Euromaster as at the snapshot date of 5 April 2020. It captures the differences in hourly pay and bonus paid to men and women in the year up to and including 5 April 2020.

This report also shows the significant impact of the COVID pandemic on the company's gender pay gap.

In April 2020, 30% of the ATS Euromaster workforce had been placed on furlough. This included a large number of operational employees, the entire sales function and a significant proportion of clerical and professional support staff. As such the remaining employees that could be counted as 'relevant' for the purpose of the 2020 Gender Pay Gap calculations, was not a typical representation of ATS Euromaster's normal workforce structure.

We have therefore presented the Gender Pay Gap position in two formats

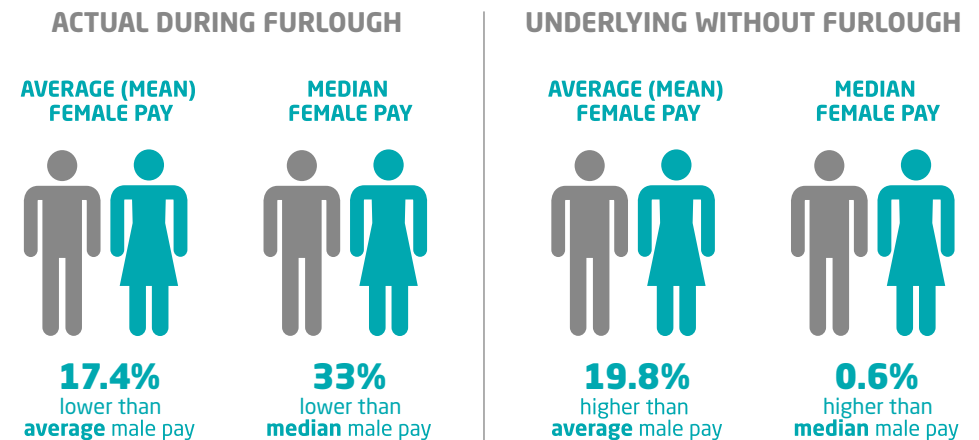
- The 'actual' position - based on the numbers of relevant employees who were at work on 5 April 2020
- The 'underlying' position - based on the number of employees that would have been working on 5 April 2020, if they had not been placed on furlough.

MEAN AND MEDIAN - WHAT'S THE DIFFERENCE?

The **mean** gender pay gap is the difference between the average hourly rate of pay for women and men within a company.

The **median** gender pay gap shows the middle point of the group. So if all colleagues within the company were lined up in a female line and a male line, in order of pay, the median pay gap is the difference between the hourly rate of pay for the woman in the middle compared with the hourly rate of pay for the man in the middle. The impact of the pandemic is clear to see.

The actual mean gender pay gap for 2020 shows our male pay to be 17.4% higher than our female pay. However, if the effect of furlough is stripped out, the **underlying** mean pay gap shows female pay to be 19.8% higher than male pay, in line with the 2019 position.



(Pay Gap 2019 - mean female pay 17.5% higher than male pay; median female pay 6.7% higher than male pay)

WHY IS FEMALE PAY HIGHER THAN MALE PAY AT ATS?

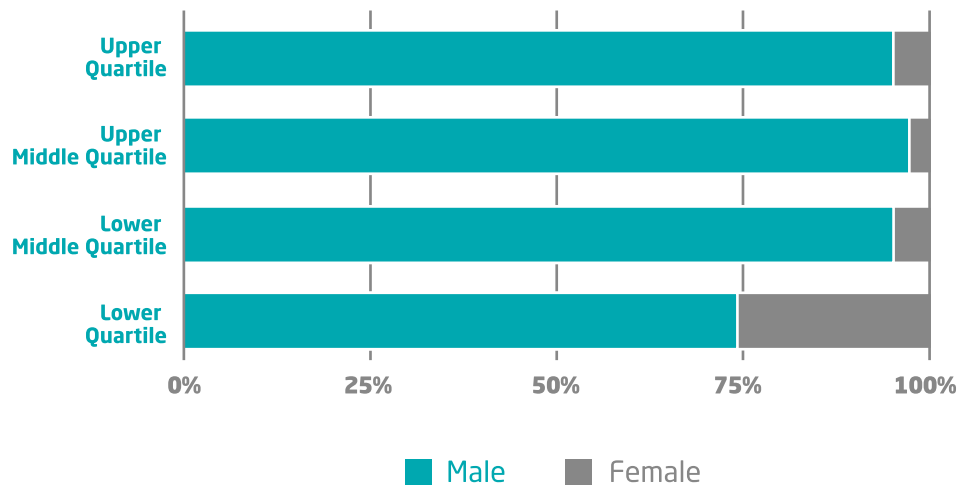
At ATS, over 90% of our employees are male and less than 10% are female. This gender split is typical of the tyre and vehicle maintenance industry in which we operate.

The vast majority of our male employees are employed in technician roles in our operational network. Our female population however, is more equally dispersed across operational, clerical, professional and managerial roles.

Professional and managerial roles attract higher rates of basic pay than technician and clerical roles. The comparatively high numbers of females in these type of roles mean that the underlying average female pay is higher than average male pay.

PAY QUARTILES

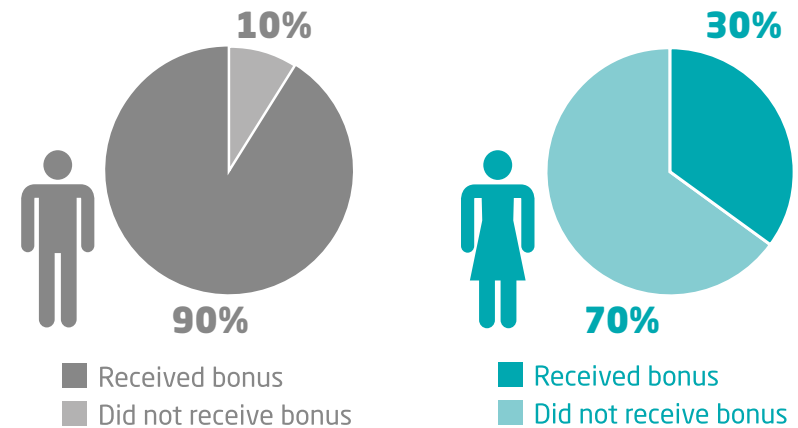
The graph below shows the male to female split of our workforce across four equal sized pay quartiles. The graphs show that ATS has a much higher percentage of male employees across all pay quartiles.



BONUS GAP

In 2020, ATS Euromaster operated a number of bonus schemes for people in sales, operations and management roles. Bonus payments did not form part of the remuneration package for clerical and professional roles.

The graph below shows that in 2020, 90% of male employees received a bonus payment, compared with 30% of females.



Most of our male population were employed in operational roles which attract bonus payments. A comparatively large proportion of our female workforce were employed in clerical and professional roles that do not have a bonus element in the remuneration package.

During 2020 we have reviewed our pay practices and with effect from 2021, as part of our drive to develop a 'one ATS' culture, we are extending our bonus scheme provision, to ensure that **all** employees across ATS Euromaster, including those in clerical and professional roles, will have the opportunity to earn a bonus.

SUMMARY

We are confident that men and women are paid equally for doing equivalent jobs across the organisation. Our gender pay gap is very much the product of our workforce composition and this has been brought sharply into focus by the impact of the COVID pandemic.

The pay structures in place across the organisation are gender neutral by design and are reviewed regularly. We continue to see healthy levels of female representation in management and executive positions and we have been actively working to replicate this success across our operational network.

For example, during 2019 and 2020, we changed our approach when recruiting for Centre Operations Managers, focussing on generic competences, rather than the more traditional approach of recruiting on the basis of technical skills and experience. This has widened the available talent pool and has enabled us to attract a greater number of female candidates for these traditionally male roles.

ATS works hard to establish a diverse and inclusive culture that represents the communities we serve and this is brought to life through our policies and working practices.

Going forward we will

- Continue to challenge our traditional recruitment practices and develop new approaches. This will help us attract a more diverse range of applicants and thus encourage more women into technical and operational roles
- Monitor levels of pay and bonus across the organisation and continue to ensure that our pay structures remain gender neutral and support our drive towards an increasingly diverse workforce

I can confirm that the data outlined above has been prepared in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Vitor Silva
Managing Director

March 2021

