



ALPHABET

Alphabet (GB) Limited 2021 Gender pay gap report

A BMW Group Company

Introduction

Diversity is the engine of our success – today and in the future – because a diverse workforce is an important force for innovation. The BMW Group believes that diversity is crucial to our ability to perform effectively and will ensure the long-term success of our Company.

The full Board of Management of the BMW Group established a commitment to diversity as part of the Company's human resources and sustainability strategy. In 2021, the Group signed up to the Diversity Charter in Germany and committed itself to create a working environment free of prejudices.

In 2021 the Group moved into 3rd place in the DAX 30 Diversity Index, which ranks companies based on their commitment to a diverse corporate culture that is open to all, regardless of how they identify. In the UK, Alphabet (GB) Limited are proud to have cultured an environment that celebrates diversity, and promotes tolerance, mutual respect, and equality of opportunity.

In this report, we provide our gender pay gap information, identify the reasons behind the gap and our plans to help close it. We continue to support the UK Government's drive for companies to be more transparent on gender pay issues, and confirm that the data reported is accurate and in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



A handwritten signature in black ink, appearing to read 'Mike Dennett'.

Mike Dennett
Chief Executive Officer



A handwritten signature in black ink, appearing to read 'Helen Ward'.

Helen Ward
HR Director



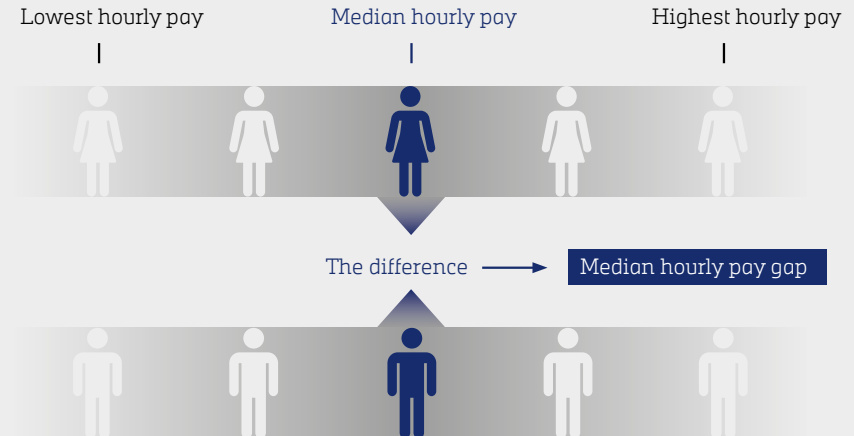
Our measurement

At the time of the reporting period, Alphabet (GB) Limited employed 375 people at its site in Farnborough. The Gender Pay Gap Reporting Regulations require all employers with 250 or more employees in the UK to report their gender pay gap. The figures reported are based on calculations set out in the Regulations and must be reported every year.

The gender pay gap does not measure equal pay, which relates to what women and men are paid for performing equal work.

The principle of equal pay is enshrined in law and we are committed to ensuring ongoing compliance with our equal pay obligations.

How we calculate the gender pay gap median difference

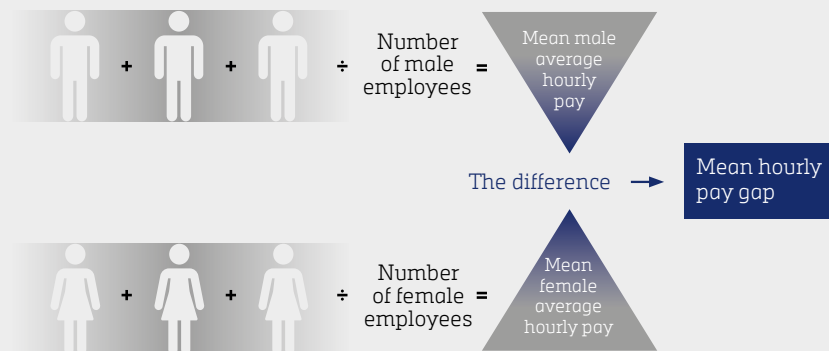


Definitions

The principle of equal pay is:
The right for men and women to receive equal pay for equal work

The gender pay gap is:
The difference in the average pay and bonuses of all men and women across an organisation, irrespective of their role or level in the organisation.

How we calculate the gender pay gap mean difference



Our findings

Alphabet (GB) Limited employs approximately an equal number of men and women. However, analysis of our gender pay gap shows that there are more men in senior, higher-paid roles, and women in lower paid roles, resulting in this gap.

Our bonus plan changed during the reporting period and our mean bonus pay gap relates to the previous structure of our bonus arrangements, where bonus potential is set as a percentage of salary, which increases with grade. The higher number of men in the higher grades and therefore earning higher bonus values, has a significant effect on our bonus pay gap. We would expect to see this reduce in the coming years. We still continue to see more commission payments made to men rather than women, also impacting on this gap.

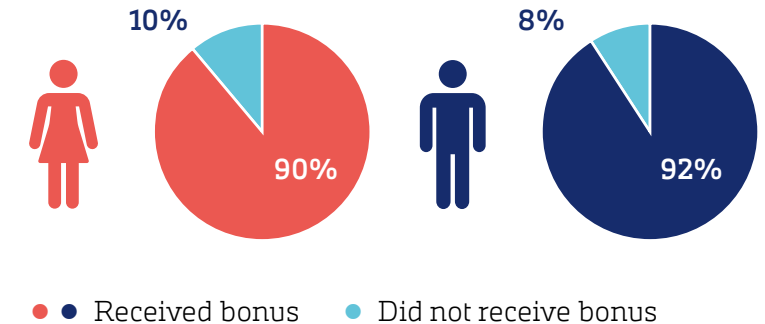
Alphabet (GB) Limited is an equal pay employer focused on supporting every employee to reach their full potential. We are confident that men and women are paid equally for doing equivalent jobs throughout our business.

SALARY QUANTILES. The proportion of males/females in each quartile pay band is as follows:

The gender pay gap data for Alphabet (GB) Limited in 2020/21 is as follows:

Mean and median pay and bonus gap		
	MEAN (Average)	MEDIAN (Middle)
Gender Pay Gap	15.4%	8.3%
Gender Bonus Gap	46.1%	17%

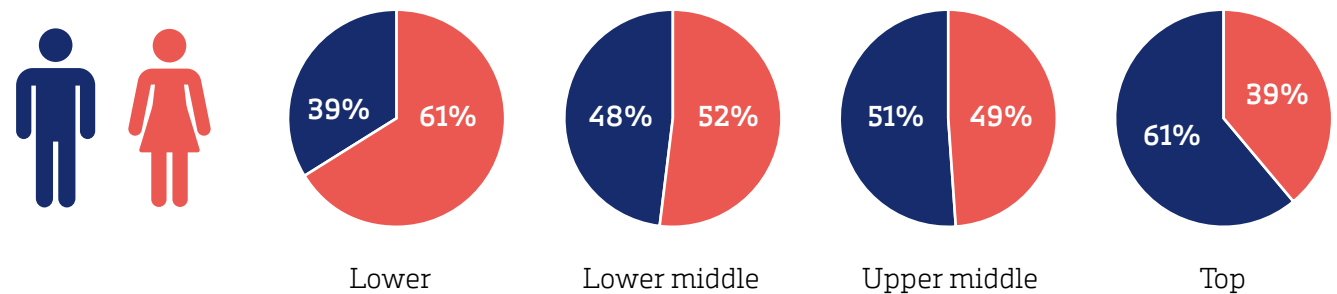
Proportion of employees who received a bonus:



The Company offers bonus programmes for employees on all levels, which accounts for the high inclusion rate.

Salary quartiles

The proportion of males and females in each quartile pay band is as follows:



Closing the gap

We are committed to delivering existing and new initiatives to improve our ability to attract, engage and develop women and to achieve a gender balance at all levels of our business. We are confident that achieving this balance will reduce our gender pay gap. We have now made a change in our bonus structure, moving away from the Percentage of Base Pay approach, to a new Equal Value Bonus approach for all employees.

As part of our wider Responsibility Programme, our strong Diversity and Inclusion strategy continues to support individual managers and departments in making increased diversity a priority across our Group of companies.

Network Groups are well-established and run by our employees to raise awareness and implement change, covering areas like LGBTQ+, Working Parents and Mental Health, and in 2021 we identified the need for a new group specifically targeting gender diversity in the workplace. With the ongoing challenges we face in a global pandemic, these groups have played a crucial role in supporting our employees more than ever before.

Many employees based at our Farnborough headquarters previously benefitted from a

flexible working environment. As a business, we were, therefore, able to quickly adapt when faced with the challenges brought on by COVID-19, allowing employees to work from home in most cases. This kept our employees safe and enabled them to have a better work-life balance by allowing greater flexibility in managing their time and commitments, particularly for those with caring or parental responsibilities. In 2021 we formally launched our Blended Working principles, giving all our employees the flexibility to work where they are most impactful.

We have continued to invest in our People Leaders throughout 2021, specifically around resilience and well-being training. This is set to continue into 2022, along with specific leadership training on identifying and supporting mental ill health in the workplace.

We are also providing further leadership training and Global Leadership programmes. Recently we have undertaken a full review of our recruitment processes to ensure that they are as inclusive as possible. We are also proud to be recognised as a Disability Confident Employer, to allow us to take action to improve how we recruit, retain and develop people with disabilities.



"At Alphabet there is strong belief in the power of authentic and diverse teams at every level. In my role as a member of the Alphabet management team and during my career with other BMW Group UK companies, I've

been in a position to take on a wide range of exciting leadership opportunities including leading the start of the electric journey in the UK a decade ago.

I've also been given space to encourage the many talented females in our organisations to believe in themselves, grow and succeed, in turn becoming role models for others. I am committed to nurturing and mentoring talent to support the diversity of our future leaders as well as being a voice in how our working culture and practices positively contribute to this aim."

Suzanne Gray
Head, Marketing and Business Development

Closing the Gap (cont.)

Diversity & Inclusion Network Groups

Over the last year, our six core Diversity and Inclusion Network Groups, PRIDE (LGBTQ+), Timewise (Working parents and Part time working), Embrace (Culture, ethnicity and faith), Ability & Beyond (Visible and nonvisible disabilities), Minds Matter (Mental and emotional well-being) and ConnectONE (all demographic networking and mentoring), have continued to grow and work tirelessly to promote a culture that is both Diverse and Inclusive. In 2021, we identified the need for a new group focused entirely on gender diversity which will formally launch in 2022. The reach of these groups have significantly grown both internally and externally in the last year, working closely with other companies to help grow and diversify the support they provide.

We are exceptionally proud to have had two of our employees shortlisted on the winning list for the Autocar Great Women: Rising Stars 2021 award, for their contribution to Diversity & Inclusion in the workplace.

We have continued our membership with the Employers Network for Equality and Inclusion (enei), taking part in TIDE (Talent Inclusion Diversity Evaluation). Down to the incredible efforts of our D&I Network Groups, sponsors and stakeholders, we were delighted to improve our standing once again in 2021, and to achieve the Bronze Standard for the second year in a row.



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