

Gender Pay Gap Report 2021

VIRGIN  MONEY UK

Virgin Money Gender Pay Gap Report 2021

We strongly believe our colleagues deliver their best for customers when they can be themselves at work. That's why we put inclusion at the heart of our culture. It's embedded in our values, our expectations of leaders and it's also being driven through everything across the business.

We are passionate about fairness, equality and inclusion, and we fully support the UK Government initiative to improve equality through collecting and reporting gender pay data. It's pushing us to work harder and to think more deeply about how we drive inclusion.

How the Gender Pay Gap is calculated

If all company employees were lined up in female and male lines - in order of pay from highest to lowest, the **median gender pay gap** compares the hourly pay of the woman in the middle and the hourly pay of the man in the same position. The **mean gender pay gap** shows the difference in the average hourly rate of pay between men and women in a company.

All figures are based on 5 April 2021. Bonus pay gap calculations are based on employees who were paid a bonus in the 12 months to the snapshot date of 5 April 2021.

It's time for the results...

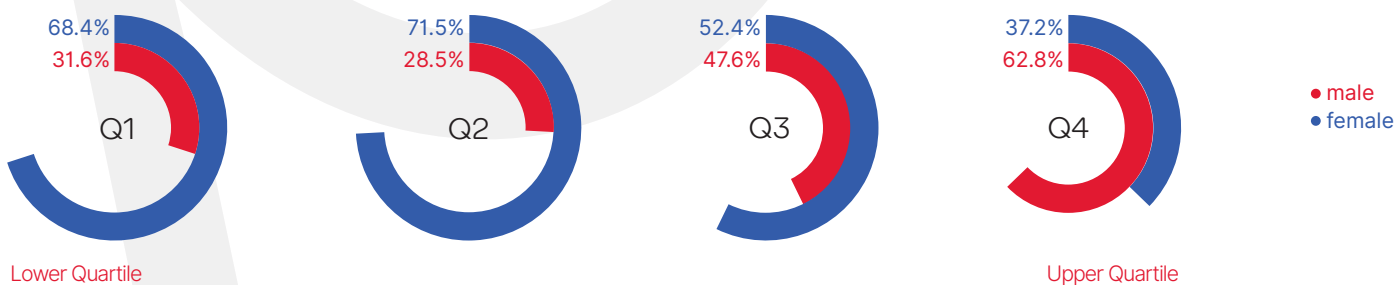
At Virgin Money, men and women are paid equally for doing the same or similar jobs. Across our business, 57.4% of our colleagues were women on 5th April 2021 (this is when we complete our gender pay gap analysis). We have a majority of women in three quartiles of the business. The key factor behind our pay gap is that overall, we still have more men than women in our upper quartile and significantly more women in customer facing roles (which are often more junior).

Difference between men and women	Mean (average)	Median (middle)
Gender Pay Gap	29.7%	34.9%
Gender Pay Gap Bonus	25.3%	0*%



* In 2020, all colleagues (excluding leadership and extended leadership teams) received a flat-rate special recognition award. As a result, the median bonus gap for 2021 is 0%.

Proportion of males and females in each pay quartile



Our story

We have built on our progress from 2020 by achieving our target of 40% of senior management roles filled by women. Today, it's 41% at this level (the data is from our WIFC submission as at 31/08/21). We are continuing to focus on this space by targeting gender balance as we look ahead. By this, we mean at least 45% men and 45% women amongst our senior leaders. This allows some flexibility to account for those who identify as non-binary.

We have improved our monitoring of recruitment approaches and the upskilling of hiring managers. This helps people leaders treat recruitment as a real leadership moment of truth, not only considering gender but all dimensions of diversity. We continue to extend how we attract good people,

build our inclusive culture in a post-pandemic landscape and use things like apprenticeships and returner programmes to help certain groups.

Our data shows us that we continue to have more women in our lower quartile roles, in particular in our Stores and customer service teams. In these areas, a lot of roles are part-time and we have found that throughout Virgin Money, most part-time roles are occupied by women. On the other hand, our upper quartile roles are more gender balanced. While some of this reflects trends in society, we are certainly not complacent. Our 'A Life More Virgin' approach (shown below) aims to get rid of inequalities and barriers for women.

	Female	Male
Board Members	3 (33%)	6 (66%)
Senior Management (including Executive Directors)	31 (41%)	45 (59%)
All Colleagues	4,677 (58.4%)	3,334 (41.6%)

Based on September 2021 WIFC Submission

Plan of action

The delivery of our inclusion strategy will improve gender balance, as well as increasing diversity across all protected characteristics. More importantly, we're working hard to create a truly inclusive culture, where all colleagues can be themselves and feel valued and respected for who they are.

We have clear ambitions for the short, medium and long-term, covering representation, development, career support and other aspects of working life. We work hard to examine practices that create structural barriers and then remove them. That means changing performance, talent and career practices, addressing ways of working and looking at approaches to job design. It also means providing bespoke support where colleagues need it.

Our future

As we move into a more stable way of working and living with COVID, we are encouraged that an important barrier – location - has been removed. We are opening up remote working opportunities that would have previously been in our key hub locations.

We recognise that for those at the beginning of their career, social contact, networking opportunities and the ability to collaborate is really important. So, we are working through plans to create a progressive and inclusive approach for colleagues and taking steps to improve our gender balance to positively impact the gender pay gap.

Our approach to post-Covid working, A Life More Virgin, has specifically been designed to support colleagues at different stages of their life and career. This is of particular benefit to women, who continue to have more responsibility for childcare. The approach also gives colleagues the opportunity to flex where, when and how they work so they can be at their best. Again, this is of particular benefit to women as they typically have more responsibilities outside their role with us.

Leading from the front

Being inclusive is at the heart of our leadership expectations. We're currently upskilling all 1200 people leaders in the context of new ways of working. These emphasise the need for people leaders to work flexibly with colleagues to set up their ideal working situation while continuing to meet customer needs. The expectations show the need for safety, trust and empathy and leadership reviews have been built into performance management and development. In the coming year, we will invest in the things people leaders need to perform in line with these expectations.

We are also supporting diverse talent at more senior levels to progress their careers within Virgin Money. This programme includes exposure to brilliant external leadership, internal career development and the opportunities to network and work with the senior leaders in the business.

Our people

We have continued to listen to our colleagues through feedback, engagement surveys and our colleague networks. This means we are acting on colleague insight and we can tailor our support to their needs, including:

Supporting colleague careers

- Based on colleague feedback, we have supported them with a range of workshops to help internal career development within Virgin Money.
- Working with partners, we have delivered our Springboard Programme to support female colleague development and our Career Sponsorship Programme for colleagues from ethnic minority backgrounds. We will run both of these again in 2022 and broaden our scope and scale of the Career Sponsorship Programme to support all colleague networks.

Being there for our returners

- We continue to deliver our Welcome Back Programme to support colleagues who have been away due to parental leave or long term sickness. We have adapted these sessions to make sure they reflect our new ways of working.
- We plan to partner with Women Returners in 2022 to support female talent returning to the workplace, having previously worked with them in 2018 and 2019.

Tackling the challenges of the menopause

- We know that for some, the menopause can be career impacting and, in some cases, limiting. So, we have partnered with Henpicked and worked with our leadership team to raise awareness of the impacts of the menopause and offer support to colleagues.
- In the autumn of 2021, we launched a menopause campaign across Virgin Money. There is new guidance designed to support colleagues and people leaders and provide a network to share experiences. This is in partnership with Henpicked, who are leading the way in this space, and we'll hugely benefit from access to their Menopause in the Workplace tools.

Parental leave

- We know parental leave can impact careers and our intent is to make sure we have a harmonised approach that supports colleagues taking parental leave. This will be a day one benefit and includes 20 weeks of full pay that is gender neutral and can be taken any time in the child's first two years.
- This approach is intended to create change in two ways:
 - Gender neutral benefits aim to encourage both parents to take leave, balancing responsibilities and career impact on couples.
 - From listening to colleagues, we know the delay in access to maternity rights can be a barrier to moving company (disproportionately affecting women). Day one rights give women the chance to change company with much greater confidence.
- The scale and flexibility of time also means people can plan around their life and work, rather than having to take all or nothing parental leave.

A Life More Virgin

A Life More Virgin is our approach to the future of work, driven by our goal of becoming a digital bank that's engaged, high performing and purpose led.

We are not adopting a simple hybrid 'three in, two out' model of work - we don't believe that one size fits all. Instead, we are disrupting our ways of working, norms and culture to create a work-life model where colleagues can live their best life. This way, we are all working in a more flexible and digital way and are happier and healthier. This approach brings several benefits, including:

- Giving colleagues a good balance of work locations so they have freedom in terms of where and when to work.
- A more diverse workforce.
- A larger talent pool as we no longer have to hire colleagues in specific geographic locations.
- Allowing colleagues to flex their work around their personal commitments, encouraging a good work-life balance.
- Streamlining how we work, such as focusing on specific activity like networking, collaboration and report writing.
- Supporting our sustainability strategy through reduced commuting time and helping to improve colleagues' mental health.
- In the design of A Life More Virgin, we've listened to colleagues and are aiming to create a truly inclusive approach. However, we know there will be some unintended consequences. We'll have a flexible approach and keep an eye on things to make sure we're guarding against any kind of discrimination.

Knowing our colleagues

We want everyone at Virgin Money to feel welcome, supported and able to succeed. To do that, we need to properly understand our colleagues. That's why we regularly ask them to update the diversity and inclusion section on our people system. The information helps us get a better understanding of who works with us, which groups are under-represented and whether everyone's needs are met.

We've already used the data to organise specific development programmes, update our policies and procedures and identify barriers and challenges faced by colleagues.

We've recently refreshed our diversity terms to make sure they capture who we ALL are at Virgin Money. 78% of colleagues (as of the end of October 2021) have shared at least one characteristic about themselves (their ethnicity or if they are part of the LGBT+ community, for example) - this has increased from 59%. We are working hard to make sure colleagues are telling us more about themselves as this means we'll be well placed to support them.

Our role in society

Our role in society is really important to us - we want to reflect our communities and we work hard building networks to do that.

Partnering and engaging

We have established a partnership with Kings Talk - a charity platform that champions men and provides a safe space to talk, learn and grow. The partnership supports the expansion of Kings Talk's activities to provide more help for the black community in London.

The aims of the partnership are to work together to develop and run a number of business and personal workshops and events designed to:

- Increase employability within the black community.
- Support & inspire black business owners and entrepreneurs.
- Uplift the black community.

Historically we have primarily been based in Glasgow and Newcastle, areas which have lower ethnic diversity than other parts of the UK. However, we want to make sure we are supporting people trying to make a difference and who may have greater influence than us. Working in London with King's Talk allows us to support a region where we're not heavily represented, and in a way that's difficult for banks to do usually. This means we can reach a talent pool and support the attraction of a more diverse candidate - as a result, this will positively impact our workforce representation at all levels.

STEM in the community

We continue our work in the STEM (Science, Technology, Engineering and Maths) area, engaging and inspiring young people to think about their future careers. We were thrilled to be nominated and successful in the 2021 North East STEM awards - an event that celebrates those who have enthused young people and their STEM teachers over the past year. In August 2021, we were awarded the 'Most Inspirational Maths Employer', with a particular mention to how our programmes inspired the next generation of STEM professionals in the North East.

Supporting veterans

Our Vets@Virgin network continues to work with Personnel Rehabilitation Centres (PRCs) through site visits and delivery of 'ready for work' programmes for people medically discharged from the forces. Over 250 service leavers have already benefited from 'ready for work' programmes supported by Virgin Money. The programme helps injured service personnel find employment in an industry of their choice. We have taken on more than 20 of those individuals since the programme started.

Developing careers

Last year, our Balance Colleague Survey gave us great insight into what female colleagues feel are barriers to career progression at Virgin Money. Based on the feedback, we built a bespoke development programme to target some of those themes. The Springboard Programme is designed for women from all backgrounds and all ages. It supports women to improve their skills and abilities and challenge power and equality while building confidence, assertiveness and a positive image. The programme provides time to reflect, share and, most importantly, set achievable goals for now and the future. Working with our Virgin Money Foundation, we secured opportunities for some of the Foundation's funded members to take part in the programme too. A second cohort of the programme commenced in November 2021 and we have again got space for Foundation funded members to take part.

Award-winning work

The ENEI is the UK's leading employer network, covering all aspects of equality and inclusion in the workplace. Their annual TIDE awards measures an organisation's approach and progress across eight areas - from leadership and accountability to training and development. Having achieved a silver award in 2020, we are proud that our progress has got us gold this year - only 12 of the 136 entries in 2021 achieved this level.





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