

Gender Pay Gap Report 2020

VIRGIN  MONEY UK

Introduction

At Virgin Money, we are passionate about creating a diverse and inclusive culture where everyone can reach their full potential. We want our colleagues to feel empowered to share their insights and ideas, which is fundamental to fulfilling our purpose of Making you Happier about Money.

This is an important moment for us as we publish our Gender Pay Gap report for the first time as a single, combined Group. I can confirm that our mean average is 30.6%, which has improved compared with our 2019 figure of 32.0%, and our median average is 34.7%, a slight increase of 0.9% compared with last year.

To provide some context, we pay our colleagues according to their role not their gender, so men and women are paid equally for doing the same or similar job. The biggest driver in our gender pay gap is the size and structure of our workforce.

Over the last year we have continued to make progress by increasing the representation of women in senior roles, and we are proud to have met our Women in Finance Charter target. However, we know there is still more to do to develop women into senior roles while also addressing the impact of having many more women in junior roles than men.

We are committed to closing the gap and we've continued to gather insight and experience from our workforce to understand what the barriers are and how we can tackle them. As a result, we have introduced a number of initiatives, which you'll be able to read more of in this report.

When we first started publishing our Gender Pay Gap report three years ago, I said at the time this wasn't the work of a moment. And this remains true today. We remain committed to improving our gender diversity across all levels in Virgin Money and will continue to create opportunities to allow our colleagues to grow, develop and progress within our organisation, irrespective of gender, ethnicity, race, religion, sexual orientation or disability.



Kate Guthrie

**Group Human Resources
Director**

Virgin Money Gender Pay Gap Report 2020

Our colleagues deliver for our customers when they can be themselves at work. So, it goes without saying that inclusion is at the heart of our culture. It is embedded in our values and is being driven through meaningful actions 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.

How the Gender Pay Gap is calculated

If all company employees were lined up in a female line and a male line, in order of pay from highest to lowest, the **median gender pay gap** compares the hourly pay of the woman in the middle of their line and the hourly pay of the middle man. 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 2020. Bonus pay gap calculations are based on employees who were paid a bonus in the 12 months to the snapshot date of 5 April 2020.

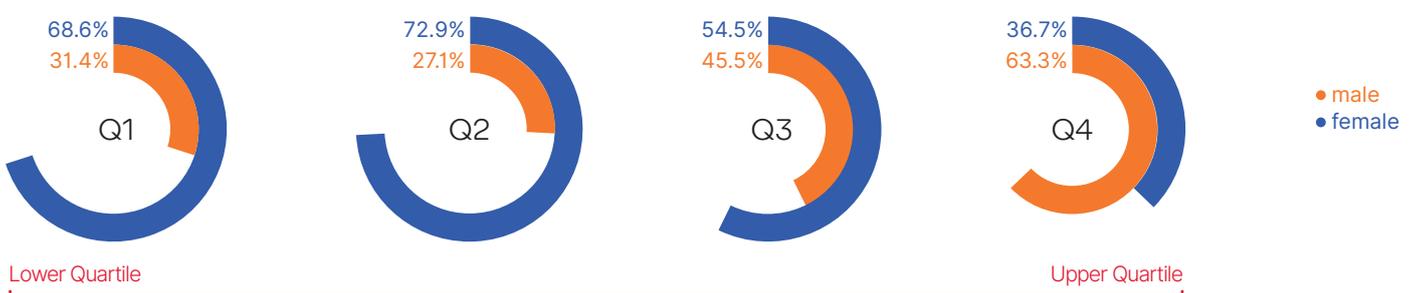
Our results

At Virgin Money men and women are paid equally for doing the same or similar jobs. The key drivers behind our pay gap is that overall, we still have more men than women in senior roles and more women than men in our customer facing roles, which are often more junior. While we continue to have a larger proportion of female colleagues in our lower quartiles, we have been working to improve gender balance in our upper and middle quartiles. This year we have seen all our upper quartiles shift in the right direction, moving towards gender parity and more closely representing the organisation that we aim to be.

Difference between men and women	Mean (average)	Median (middle)
Gender Pay Gap	30.6%	34.7%
Gender Pay Gap Bonus	51.3%	36.0%



Proportion of males and females in each pay quartile



Our story

Since signing up to the Women in Finance Charter, we've worked hard to make progress against the target we set ourselves of 40% women in senior management roles by 2020. We're proud to confirm that we have achieved the target we set out and now have 43% female representation at senior management level.

And while we are proud of the progress that we've already made, we will continue to remain committed in our efforts to not only drive actions that improve diversity but that also create a truly inclusive culture. To do this, we will build on the progress that we've made so far and continue to explore opportunities to enable this further.

We continue to have a large proportion of female colleagues, in particular in our customer service areas within stores and our customer service teams where we employ over 70% women. Our upper quartile roles are more gender balanced. A large proportion of our customer service roles are part-time and we have found that, throughout the organisation, the majority of part time roles are occupied by females, whereas full time roles are more gender balanced. We are working hard to narrow our gender imbalance across all areas of the organisation and will continue to create more opportunities for people to progress their career while working both part-time and flexibly.

	Female	Male
Board Members	3 (33%)	6 (67%)
Senior Management (including Executive Directors)	37 (43%)	49 (57%)
All Colleagues	5,591 (59%)	3,967 (41%)

Based on September 2020 WIFC Submission

Our plan

It is not only gender that we have taken action on via our inclusion strategy. Through the delivery of our inclusion strategy we aim to create a workforce to reflect the communities which we work in and an environment where all of our colleagues can be themselves and feel valued and respected for who they are. To deliver this we focus on four key pillars:

Our leaders

To create an inclusive environment, we are reliant on our people leaders which is why this year we have invested in their capabilities to ensure that they feel equipped to support and develop a diverse team. This includes:

Upskilled our leader of leaders	To support our leaders in having confident conversations around inclusion, this year we have rolled out a diversity and inclusion bespoke digital toolkit and app. This approach is targeted at building powerful habits of inclusion in daily routine, and creating a community of leaders that reflect, discuss and take action
Invested in hiring manager capability	We have done this through the design of a new people leader recruitment training with an aim of raising the standards of both internal and external recruitment, exploring in greater depth the impact of bias on the recruitment and selection process
Enhanced our people leader resources	This included the creation of new resources and toolkits including a refreshed inclusion toolkit to highlight the different ways our people leaders can support diverse teams and create a flexible working culture

Our people

This year we made a commitment to broaden the dialogue with our colleagues and ensure that their voices were heard, and the right action taken. This evidence-based approach allowed us to understand where we were getting it right and what we could do better, and introduce new initiatives for our colleagues, including:

Investing in our diverse talent pipeline	Through feedback directly from our employee network groups, we have launched our Springboard Programme to support our female colleagues and our Career Sponsorship Programme to accelerate career development for ethnic minority colleagues
Structured interview process	We continue to ensure structure through our interview process by using values-based hiring and ensuring that all candidates' interviews follow the same approach, ensuring that we make hiring decisions based on alignment to our company culture
Supported our returners	Introduced our Welcome Back programme to support colleagues who have been out of the organisation due to parental leave or long-term sickness
Reviewed our recruitment practises	We've undertaken a full review of our recruitment practise this year and made significant changes to our application, selection and onboarding approach to ensure we're driving inclusive recruitment practises, including promoting the use of diverse shortlists and interview panels
Educated our wider workforce on our D&I agenda	Been bolder in our messaging on inclusion and what our expectation of those who work with us are through our Inclusion Pledge, our new inclusion toolkit and our refreshed 'I Can be Me' diversity and inclusion e-learning

Our insights

Using our insights and better understanding it means we've been able to have evidence-led conversations with our organisation and take the appropriate actions. We've done this through:

Improved transparency on data	Driven accountability by creating an interactive diversity dashboard to better understand the make-up of our workforce allowing us to track progress and shape direction
Build an action plan on employee engagement	Reviewing our Employee Engagement survey results by diversity categories and working with Executive sponsors to agree an action plan for each
Opened up the dialogue	Broadened engagement with our networks utilising new technology to run surveys, online jams and webinars

Our role in society

Through our group inclusion strategy, we made a commitment to maximise our connections, understand the needs of our stakeholders and work together to explore new boundaries. We've done this by:

Supporting the diverse communities that we work in	This year we relaunched our Ambassadors programme with the support of our employee networks with an aim to support our local ethnic minority community groups and schools to run employability skills workshops
Benchmarking our progress	We have continued to participate in external benchmarking to understand what we are doing well and where we need to get better. This year through our Employers Network for Equality and Inclusion Benchmarking submission, we received a Silver Award to highlight the significant improvements made in creating an inclusive culture

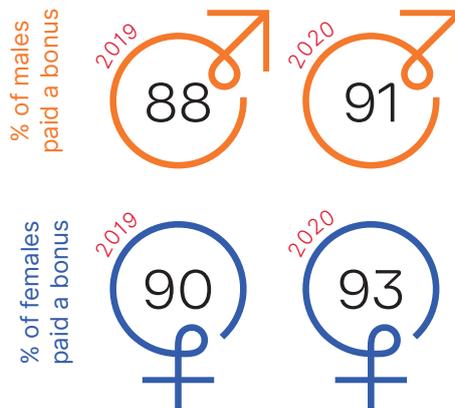
We are encouraged that the changes we are making are having an impact; we are proud that 89% of colleagues told us they can be themselves at work in the recent myVoice Employee Engagement survey. We recognise that we need to maintain our achievements and are committed to driving action to create a more diverse and inclusive culture at the Bank at all levels for all colleagues.

Appendix

2020 is the first official year of gender pay reporting for Virgin Money UK PLC. Last year, data across the combined Group (consisting of Clydesdale Bank PLC and Virgin Money PLC) was published on a voluntary basis alongside the reported data for each separate company. Following an alignment in methodology across the two heritage companies, minor amendments to the numbers reported in 2019 for Clydesdale Bank PLC, Virgin Money plc and the Combined Group have been made. The revised numbers for 2019 are included in this document and updated 2019 disclosures on our corporate website and the government portal.

Difference between men and women	Mean (average)		Median (middle)	
	2019	2020	2019	2020
Gender Pay Gap	32.0%	30.6%	33.8%	34.7%
Gender Pay Gap Bonus	56.6%	51.3%	41.5%	36.0%

Proportion of employees receiving a bonus



Pay Quartiles

