

Gender Pay Gap report

In accordance with UK legislation, Vanguard has calculated the below gender pay gap data to show the difference in average pay and bonuses between all men and women in our UK workforce.

Our data

At Vanguard, our aspiration is to create an inclusive and equitable work environment that reflects a diverse community of talents and drives our mission to provide investors with the best chance for investment success. We strive to integrate the three components of diversity, equity and inclusion (DEI) as we create the conditions for all employees to thrive.

The Gender Pay Gap measures the difference in average pay between men and women's pay expressed relative to men's pay. This is not the same as equal pay which refers to men and women being paid equal pay for equal work or comparable work. It is possible to have a gender pay gap without having an equal pay gap.

At Vanguard, we are confident we have equal pay between men and women when comparing like roles across our business at the same grade levels with similar impact, scope, complexity and knowledge.

Since we published our first report in 2017, we have made progress on our gender pay gap. Our ordinary mean pay gap then was 30.1% and the median pay gap was 23.9%. However, we acknowledge that we are not yet where we would like and should be. Our UK data as of 5 April 2022 compared to 2021 is as follows:

	2022		2021	
	MEAN	MEDIAN	MEAN	MEDIAN
Ordinary Pay Gap	10.2%	9.0%	10.2%	12.3%
Bonus Pay Gap	35.3%	24.6%	26.3%	15.1%

The proportion of employees receiving a bonus during this reporting period is 81.1% for males versus 84.4% for females.

The mean represents the average of the data set, whilst the median is middle value of the data set when arranged in ascending order.

The proportion of women and men across four equally sized pay quartiles is outlined below. These quartiles are calculated by ranking hourly ordinary pay for each employee across Vanguard UK from the highest to the lowest, irrespective of role, seniority, or business unit. The list is then divided into four equal sized groups of women and men.

As shown, we have a larger proportion of women in the lowest pay quartile and fewer women at the senior level and other higher paid roles. This is the key driver of our gender pay and bonus gaps.

PAY QUARTILE	LOWER QUARTILE	LOWER MIDDLE QUARTILE	UPPER MIDDLE QUARTILE	UPPER QUARTILE
Male	53.6%	56.0%	61.0%	66.7%
Female	46.4%	44.0%	39.0%	33.3%

What are we doing to address this?

Our aspiration is to continue making progress, and to achieve more balanced gender representation throughout Vanguard. Below are some of the initiatives that are enabling us to drive our enduring strategy.

Recruitment

Our inclusive hiring best practices are deployed with leaders to drive accountability and include required inclusive hiring training for leaders. We continue to build leaders' acumen in DEI through targeted learning experiences as well as dialogues aimed at understanding equity and managing unconscious bias through the talent lifecycle.

DE & I embedded in how we do business

Being a truly inclusive organization requires leadership accountability. DEI integration and penetration are critical elements of our approach. Our DEI team partners with leaders across Vanguard's human capital function to embed and integrate DEI practices into their crew lifecycle and talent strategies, driving accountability through metrics and key results. Our team also works with business leaders across the enterprise to ensure that each division's plan includes a strategy for ensuring DEI acumen-building and accountability.

Development

We continue to focus on formal and informal learning opportunities as well as crew resource groups such as the Women's Initiative for Leadership Success, which focuses on gender mobility and aiding the career progression of women through training and mentoring. Furthermore, we continue to prioritise strengthening our pipeline of female leaders through development and engagement. In 2022, we deployed a new development programme for talented mid-career women. Following the programme, the participants reported significantly higher confidence on measures including career progression, personal vision and clarity regarding their ambition.

Next steps

Our journey continues with our enduring commitment, and we are pleased with both the progress and impact of our DEI advancement programmes and initiatives. We are confident that these measures will continue to increase female representation in senior roles and in areas such as investments, which have historically been male dominated. This should further reduce our gender pay gap.

However, we recognise that there is still more work to do to ensure all crew and the future talent of tomorrow have the resources to succeed at Vanguard.

I confirm that this data is accurate.

A handwritten signature in black ink, appearing to read 'Sean Hagerty', written in a cursive style.

Sean Hagerty
Head of Europe