



VAUXHALL
Finance

Vauxhall Finance

2021 Gender Pay Gap Report



1. Opening Statement from Simon Kington (Managing Director) and Sue Gunning (HR Director)

Simon Kington



Gender equality is incredibly important to us at Vauxhall Finance and we are sincere in our commitment that men and women are paid equally for doing the same job.

The automotive financial services sector continues to be male dominated, our employees are 58% male, 42% female, which is typical of these industries, but we work hard to avoid gender bias within our business and in all our recruitment strategies. To encourage a more diverse and representative workforce, we actively promote flexible working, regardless of gender, allowing employees to take ownership of where and when they work and we are proud to have an active 'women in business' employee resource group, which supports women to develop their skills and grow their careers within our business. This is reflected in a 2% increase of our senior leadership positions held by women – which now stands at 24%.

At Vauxhall Finance, we live our values of Customer Focus, Agility, Collaboration, Accountability and Integrity, with Customer Excellence at the heart of everything we do to ensure we create a truly inclusive workforce.

Sue Gunning



This is our fourth annual gender pay report and we are pleased to be able to share news that as a business we continue to move in the right direction with our gender bonus gap. We are disappointed that there has been a slight increase in our mean and median gender pay gap. This is partly due to high number of female senior managers leaving the business during the reporting period, however we continue to see a significant positive shift in our internal grading metrics.

We are committed to equal opportunities for all our employees and a key focus for Vauxhall Finance is to continue to develop talent internally, driven by our commitment to offering the best possible career opportunities and encouraging internal mobility. We recognise the importance of work life balance and provide a wide range of flexible and agile working options. We live our Values of Customer Focus, Agility, Collaboration, Accountability and Integrity through our internal mobility and career development initiatives, Service Excellence programme, Women's Inspiration Network as well as our Employee Wellbeing programme.

2. Foreword

Our business is the captive finance company of Vauxhall and we support the brand, their Retailers and customers across the UK, putting the customer at the centre of everything we do.

We recognise the Gender Pay Gap reporting is an important step in terms of progression and transparency to encourage greater equality of opportunity for women in work. Whilst our Gender Pay Gap Report suggests that we have areas where we can do more to support gender equality, we are confident that men and women are paid equally for doing equivalent jobs across our business.

We continue to ensure our HR policies encourage and support flexible working within the organisation. Our HR team actively supports our diversity message across the organisation by positively influencing and challenging our hiring managers to ensure they recognise how their individual behaviours and actions impact our overall ability to create an open, fair and inclusive workplace culture.



3. Gender Pay Gap

Since our 2019 report, we have seen a slight increase in the mean Gender Pay Gap of 3.05% to 27.66% favouring males and a median Gender Pay Gap change of 1.29% to 29.15% favouring males. In analysing the report data further and

deeper, there are a number of things we have identified which helps explain this shift in our figures. There was a higher proportion of women on maternity leave at the time this report was generated (six employees) so in accordance with the report requirements, their salary data is not included. Analysing the turnover, there were seven senior female managers who left the business which has raised both the mean and median totals. Whilst fewer females overall left the company during this period, their average salaries were greater than the average salaries of males leaving in the same period.

Analysing the data across our internal grading structure, at a senior level we witnessed the most significant narrowing of the pay gender gap year-on-year in both the mean and median differences and with none of the bands having a pay gap of greater than 11.85%. Within our non-management employees, we note that the pay gap is even narrower, with a positive pay gender gap of less than 1% for median and less than 2% for the mean.

We recognise that we have higher proportion of males at senior levels than women and an over representation of women at lower grades as well as an under representation of women at higher grades. As a result, we have focused our approach on developing our internal talent pipeline and during the reporting period we have seen a gradual increase in females moving into senior director positions.

In the previous reporting period female employees accounted for 42% of Vauxhall finance overall workforce, with 22% of our senior leadership positions held by women. In this reporting period female employees accounted for 42% of Vauxhall finance of the overall workforce, however we saw a 2% increase of our senior leadership positions held by women – which now stands at 24%.

Difference in mean hourly rate of pay

27.66%

Difference in median hourly rate of pay

29.15%

Bonus Pay Gap

Since our 2019 report we are reporting an increase in the mean bonus gap this year, up from 23.30% to 33.55%, and a slight decrease in the median bonus gap from 26.91% to 25.84%. This may be

due to high number of senior female managers who left the business during the reporting period. A slight decrease in our median bonus gap down by 1.07% which is a more representative measure of the bonus gap because it is not affected by a few individuals at the top or bottom of the range.

Difference in mean bonus pay paid

33.55%

Difference in median bonus pay paid

25.84%

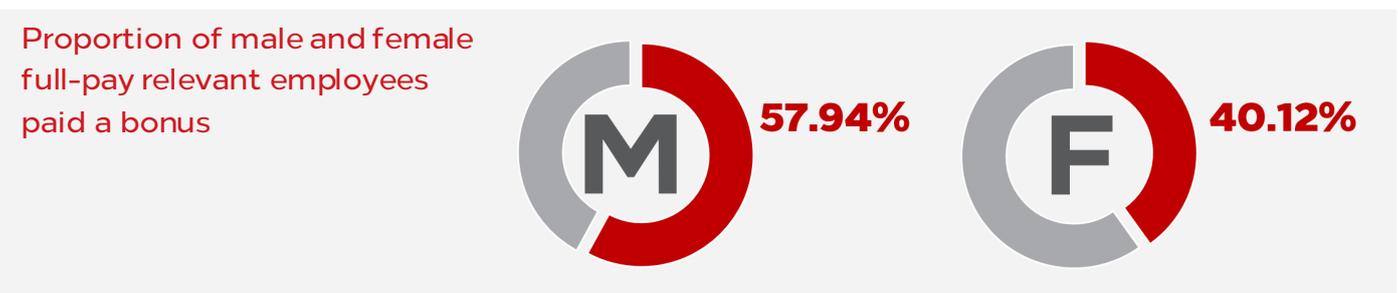
This difference is likely to be driven by the higher proportion of males in senior roles (77.55% in the upper quartile and 61.22% in the mid to upper quartile) receiving a bonus. Another contributing factor was that in 2020 we saw the expansion of bonus to all band 3F employees, where a larger proportion of employees are male, especially in our I.T. function where at 3F there is 31% females vs 69% males.

We acknowledge we have a predominance of highly-skilled male technology specialists and a lack of female representation in I.T. roles which continues to contribute to the higher number of males receiving a bonus in the given period. In the reporting period 13 females who were eligible for a bonus left the business.

There was a higher number of males who received a spot award or lump sum than females compared to the previous reporting period, however the average cash value awarded to women was higher than the average cash value awarded to men.

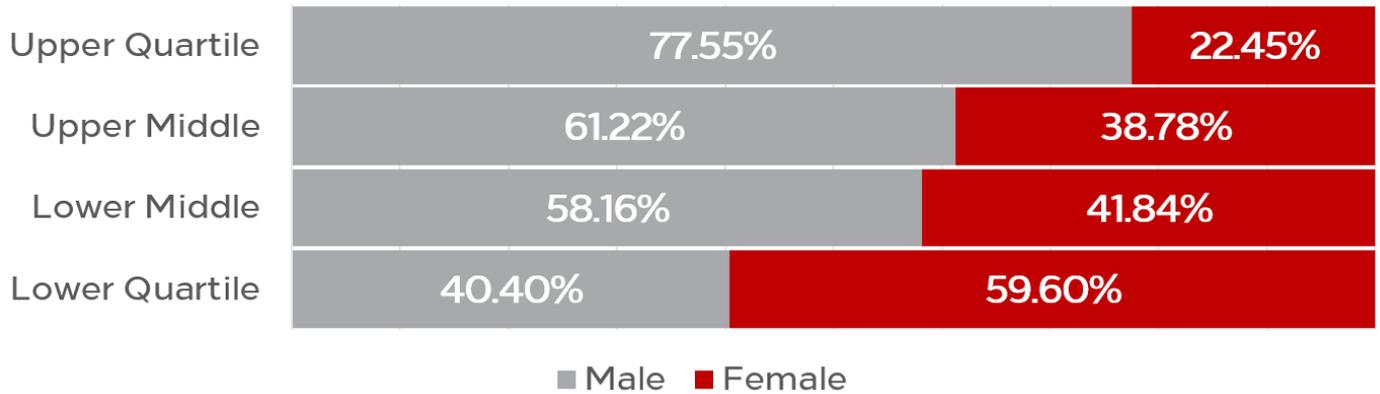
Proportion of Employees Receiving a Bonus

Whilst we have seen an increase in our mean bonus gap we have also seen an increase in the proportion of both male and female employees receiving a bonus. The decrease in the bonus pay gap would align to the positive pay gap for women at senior level which reflects the structure of our bonus arrangements, where bonus potential is set as a percentage of salary. We acknowledge we have a predominance of highly-skilled male technology specialists and a lack of female representation in I.T. roles which is contributing to the higher number of males receiving a bonus in the given period. When considering the reasons for the gender bonus pay gap it is important to note that the payments in this category are not solely related to bonus pay. The category also captures sales incentive commission, lump sum awards, legacy contractual payments and the executive long term incentive plan payments.



Pay Quartiles

Female representation continues to be positive in our lower quartile, and we have seen year-on-year improvement in the mean pay gap in the upper and lower middle quartiles. When comparing the data over the 12 months, there continues to be a positive pay gap in lower quartile distribution up from 58.88% in 2020 to 59.60%.



Internal Grading Structure

When we look at our internal structure, we recognise we are more aligned with industry standards.

Analysing the data across our internal grading structure within the eight bands, at senior level we witnessed the most significant narrowing of the pay gender gap over the 12 months. The pay gap is generally low with only one pay band with a pay gap greater than 10%. Within our non-management employees, we note that the pay gap is even narrower, with a positive mean pay gap in four of our pay bands and a positive median pay gap in four pay bands.

We take pride in offering our employees flexible working patterns, we also support part time and flexible working hours and welcome applications for shared parental leave. We are focused on encouraging both men and women to make the most of the flexible working opportunities offered.

Taking all these factors into account, we are confident that men and women are paid equally for doing equivalent jobs.



4. Our Company

Compensation at Vauxhall Finance

The compensation philosophy at Vauxhall Finance is to ensure our pay is internally equitable, externally competitive and reflective of an individual's performance towards the company's success. We ensure roles are internally graded based on a job profile and externally benchmarked, enabling us to obtain accurate market rates for each role. We acknowledge pay differentials may still remain in certain cases due to factors such as length of service, seniority and performance but we ensure that every effort is made to bridge these gaps.

Women in Business at Vauxhall Finance



Our Women's Inspiration Network (WIN) established in 2017 is an employee driven empowerment group, which seeks to support the recruitment, retention and development of talented women across the organisation and to create a fair, balanced work environment, with equal opportunity and respect for all.

WIN has had many accomplishments over the last year and it continues to support the development of women across the business, with mentoring and coaching, plus a suite of training packages including cognitive bias, speaking out with spirit and the continuation of the personal impact program, focusing on encouraging a growth mindset, resilience and coaching skills. To promote recognition and employee development WIN established the first Inspiration Awards, recognising exceptional employees driving forward areas such as diversity, mentorship and commitment to professional development.

To celebrate International Women's Day WIN hosted a training session on Confidence & Imposter Syndrome and International Men's Day was marked with a panel discussion with the UK Managing Director on how to support your children to overcome unconscious bias.

In 2020, Opel Vauxhall Finance and WIN continued its commitment to gender equality by sponsoring Wales' main gender equality event, Womenspire in the Leader category award, which recognises the remarkable achievements of inspirational women. Our commitment to WIN continues and aligns with our vision, values and strategic priorities.

Career Opportunities at Vauxhall Finance

Vauxhall Finance Talent Management policy ensures we have a robust, effective and fair process, integral to building and sustaining the future success for our business. Our integrated Talent Management practices enable us to take a consistent approach in attracting, developing and retaining the best people. We undertake regular reviews to ensure succession planning, performance management and talent management all support a culture of increased diversity and inclusion.

WELLBEING AT VAUXHALL FINANCE



At Vauxhall Finance, we want our employees to take a proactive approach to their health and wellbeing. The new Wellbeing programme covers five areas of life which all have an impact on the way our employees feel, think and behave. These are: Connect, Take Notice, Keep Learning, Be Active and Give. A full Wellbeing programme is now available to Cardiff employees, including yoga, badminton, meditation, photography and a book club, with a wider rollout planned for our High Wycombe and field-based employees in 2020.

LEARNING AND DEVELOPMENT AT VAUXHALL FINANCE

LEARNING & DEVELOPMENT

Vauxhall Finance is firmly committed to employee development and believes every employee should be encouraged and given the opportunity to learn and grow. Learning resources are available to all employees through e-learning platforms such as LinkedIn Learning and getAbstract (available remotely 24/7, 365 days per year, whenever they need it). Our programmes support our Strategic plan as well as individual and team development. Together we are creating a cohesive learning culture supported by line managers, leadership, HR and employees.

'When we inspire and empower each other to develop, collectively we win'



5. Closing remarks

This is our fourth Gender Pay Gap report and while there are some improvements to our pay gap this year and over the last four years, we still have some work to do. We are pleased that there has been a narrowing in the mean bonus pay gap. Whilst there is a slight increase in our mean and median pay gap, analysis against our internal grading has shown an improvement on internal metrics compared to 2017 and 2018 disclosures. At senior level we witnessed the most significant narrowing of the pay gender gap year-on-year in both the mean and median differences with none of our senior pay bands having a pay gap of greater than 9%.

A key focus for Vauxhall Finance is to continue to develop talent internally through our internal mobility initiatives, promoting career opportunities and career paths and through our annual Careers Expo so that all employees are able to progress, regardless of gender and where they work. Whilst promoting our values of Customer Focus, Agility, Collaboration, Accountability and Integrity, we will continue to work with all of our employees, and regardless of ethnicity, gender, age, disability, religion or sexual orientation, provide them with opportunities to build their confidence and help them reach their full potential.

We continue to actively create an environment where everyone is motivated to develop and progress and while we continue to make real strides in this area, we recognise that we need to actively ensure our hiring managers reflect our strategic approach to diversity and inclusion with equal opportunities for all to become a truly diverse workforce.

We remain confident as a business that we do not have any processes or practices in place that see people conducting the same role, being paid differently to do so. We remain absolutely committed to closing the pay gender gap, and we are encouraged by the changes we have seen in some areas over the last four years.

Signed



Sue Gunning
HR Director

I confirm that the gender pay gap data reported is accurate, in accordance with the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Signed



Martin Page
Chief Financial Officer