

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 2023 compared to 2022 is as follows:

	2023		2022	
	MEAN	MEDIAN	MEAN	MEDIAN
Ordinary Pay Gap	13.0%	15.5%	10.2%	9.0%
Bonus Pay Gap	32.4%	18.6%	35.3%	24.6%

The proportion of employees receiving a bonus during this reporting period is 92.7% for males versus 90.3% for females.

The mean represents the average of the data set, whilst the median is the 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 in 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	54.0%	54.7%	66.7%	70.1%
Female	46.0%	45.3%	33.3%	29.9%

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 inclusive hiring training for leaders. We continue to build leaders' acumen in DEI through targeted learning experiences.

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.

One of the ways Vanguard fosters an inclusive culture where all our crew feel they belong is through our resource groups. Our resource groups celebrate our crew's unique identities and provide supportive spaces for group members to form meaningful connections and pursue personal and professional growth. One such group is the Women's Initiative for Leadership Success (WILS) which focuses on:

Equip: WILS members by providing experiences, information, and programming that promote development.

Engage: WILS members by promoting strong sense of belonging with a focus on intersectionality.

Empower: WILS members by being change agents that advocate and promote equity at Vanguard and beyond.

The crew resource groups are open to all crew, with participation and engagement from the community of supportive male allies who serve as ambassadors. This crew resource group is led and sponsored by our executive team and supported by our human resources team to embed and integrate DEI practices into the talent strategies.

In 2021, we launched "Equity: Building Common Language and Understanding." The course helps crew understand the fundamentals of equity and explores ways in which each of us plays a part in advancing equity in the workplace. To broaden this training, we designed an in-house equity workshop for leaders in 2022. The sessions centered on the importance of creating equitable workplace experiences. This includes developing policies and practices that support diversity, equity, and inclusion, especially in the hiring and development arena. Since the launch of the learning experience, leaders have reported a better understanding of equity and feeling better prepared to discuss equity in a workplace setting.

Development

We continue to prioritise strengthening our pipeline of female leaders through development and engagement. Our *Managing Inclusive Partnerships* (MIP) programme is a global developmental-based experience designed to equip women crew and their managers with the strategies and tools needed to achieve breakthrough personal and professional development.

Enhancing the capabilities of our people leaders has been a major focus of our Learning & Development work in 2023, via a programme called Leadership Excellence. One of the modules we have delivered is Inclusive Leadership, which saw our leaders engage in workshops and a discussion group.

Next steps

Our journey continues with our enduring commitment. We are confident that these measures will continue to increase female representation in senior roles, which should further reduce our gender pay gap.

However, we recognise that there is still more work to do to create the conditions for all crew and the future talent of tomorrow to thrive at Vanguard.

I confirm that this data is accurate.



Sean Hagerty
Head of Europe