

## VFS GENDER PAY GAP REPORT

As business around the world continue to evolve, one key area of focus for VFS remains the representation of women and men in the workforce. The gender ratio across our company has become an increasingly important metric for assessing diversity, equity and inclusion across the organisation. We are proud to promote a diverse and inclusive global workforce comprising 151 nationalities with a balanced gender ratio of 55% women to 45% men.

This is our annual gender pay gap report for the snapshot date of **5 April 2024**. Due to the successful growth of the business, this is our first gender pay gap and we do not have previous statistics on which to draw comparison.

- Our mean gender pay gap is 27.54%
- Our median gender pay gap is 3.91 %.
- Our mean gender bonus gap is 70.94 %.
- Our median gender bonus gap is 45.01%.
- The proportion of male employees receiving a bonus is 84.80% and the proportion of female employees receiving a bonus is 85.71 %.

The mean is the average of all numbers, and the median is the middle number in a sequence of numbers.

### Table 1: Pay quartiles by gender

This table shows our workforce divided into four equal-sized groups based on hourly pay rate. Band A includes the lowest-paid 25% of employees (the lower quartile) and band D covers the highest-paid 25% (the upper quartile).

Band	Males	Females	What is included in this band?
A	49%	51%	All employees whose standard hourly rate is within the <b>lower</b> quartile
B	36%	64%	All employees whose standard hourly rate is more than the lower quartile but the same or less than the median
C	45%	55%	All employees whose standard hourly rate is more than the median but the same or less than the upper quartile
D	61%	39%	All employees whose standard hourly rate is within the <b>upper</b> quartile

Band	Males	Females	What is included in this band?
<p>A quartile is one of four equally sized groups created when you divide a selection of numbers that are in ascending order into four. The "lower quartile" is the lowest group. The "upper quartile" is the highest group.</p> <p>The figures in this table have been calculated using the standard methods used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.</p>			

### **Why do we have a gender pay gap?**

We are committed to equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. We have a clear policy of paying employees equally for the same or equivalent work, regardless of their sex (or anything else listed above). We want to ensure that everyone is rewarded fairly for their work and enjoys the same access to all opportunities.

The gender pay gap is an average figure. The statistics are based on the earnings of all relevant employees and include employees with differing work patterns and at all levels of seniority within the business. It is not the same as equal pay which means that men and women performing equal work, or work of equal value, must receive equal pay.

Our recruitment processes are crafted to attract the most qualified candidates, focusing on their skills and potential to excel in their roles (irrespective of gender). We ensure that our selection criteria are transparent and equitable, emphasising a fit that aligns with our organisational values and goals and ensures our business is accessing the broadest pool of talent. We also remain committed to promoting equality in the workplace. Our initiatives provide robust support and equal opportunities for diverse groups, empowering them to engage in meaningful, sustainable employment and internships. By championing diversity and inclusion, we create a vibrant workplace where everyone can contribute their unique perspectives and talents. We also place value on training and promotion within our existing workforce.

For VFS, the UK has long been at the forefront of championing gender equality in the workplace. With strong anti-discrimination policies in place, flexible working environment and initiatives to close the gender pay gap, VFS UK provides a foundation where women can thrive in their careers. In recent years, we have put a lot of focus in succession planning and women deployment covering senior management roles to other regions. Women who have taken on expatriates roles bring a distinct perspective to international teams with their UK training and experience often placing them in highly sought-after positions in countries looking to diversify leadership by driving organisation changes and lead strategic projects.

Our Diversity, Equity and Inclusion (DE&I) Policy is designed to establish and implement guidelines that promote equal opportunity in employment. It aims to create a work environment free from harassment and bullying, ensuring that everyone is treated with dignity and respect. At VFS we are committed to fostering an inclusive environment that values diversity in all its forms, and we continue to take steps toward improving gender representation across all levels of our organisation.

We:

- carry out regular pay and benefits audits;
- provide regular equal pay training for all managers and staff members who are involved in pay reviews; and
- evaluate job roles and pay grades to ensure fairness.

We are confident that our gender pay gap is not because we pay men and women differently for the same or equivalent work. Instead, our gender pay gap is because men and women work in different roles and those roles have different salaries.

The table above shows our workforce divided into four equal-sized groups based on hourly pay rate. Band A includes the lowest-paid 25% of employees (the lower quartile) and band D covers the highest-paid 25% (the upper quartile).

If we had no gender pay gap, there would be an equal ratio of men to women in each band. However, instead, 51% of the employees in band A are women and the remainder 49% men. The percentage of male employees increases throughout the remaining bands, from 36% in band B to 61% in band D.

The primary reason for the current gap between the bands can be attributed to a recent project where a larger than usual numbers of expatriates were brought in temporarily to support with a critical tender which has the potential to shape company's future. This project required specialised skill and expertise, and the nature of work demanded that professionals from outside the region be engaged to meet the project's specific needs. As a result, the major of the experts who joined the project were in senior technical or leadership roles and unfortunately for our D&I stats, most of them were male, which temporarily affected the overall bonus pay distribution. These expats typically received compensation packages that were aligned with international standards, which in some cases resulted in a higher pay scale compared to local employees, both male and female. It's important to note that this situation was specific to the project in question and does not reflect the general pay practice at our organisation.

### **How does our gender pay gap compare with that of others?**

The **mean** gender pay gap for the whole economy (according to the November 2023 Office for National Statistics (ONS) Annual Survey of Hours and Earnings (ASHE) figures) is 10.7%, while in Travel agency, tour operator and other reservation service and related activities is **18.6%**. At **27.54 %**, our mean gender pay gap is higher than the whole economy and our sector.

The **median** gender pay gap for the whole economy (according to the November 2023 ONS ASHE figures) is 7.7%, while in the Travel agency, tour operator and other reservation service and related activities sector it is **20.4 %**. At **3.91 %**, our median gender pay gap is much lower than the whole economy and our sector.

### **Table 2: Comparison with other organisations**

	<b>Our organisation</b>	<b>2023 ONS ASHE whole economy</b>	<b>2023 ONS ASHE Travel agency, tour operator and other reservation service</b>
Mean gender pay gap	<b>27.54%</b>	<b>10.7%</b>	18.8%
Median gender pay gap	<b>3.91%</b>	<b>7.7%</b>	20.4 %

### **Gender bonus pay gap**

Our mean and median gender **bonus** gaps are large: 70.94 % and 45.01 % respectively. This is to be attributed to the recent project for a global tender mentioned above, that unfortunately has had an impact on the overall bonus pay distribution in this specific year. If there had not been the imponent effect of this project, the gap in the mean bonus would have been reduced by 12 percentage points.

84.80% of men at our organisation received a bonus in the 12 months up to 5 April 2024. For women this was 85.71 %. This shows that the percentages of men and women being paid bonuses are very similar.

Our business does not operate one universal bonus scheme. There are various bonus schemes each linked to role and department as well as various eligibility criteria. VFS has more female employees in its Operations department (80%) rather than in Supporting functions. Our Operations department bonus structure is based on volume of sales and customer satisfaction survey results, and Supporting functions have bonus scheme linked to EBIT, as well as individual personal performance which is calculated as a % of the annual salary.

Further, for our technical personnel, a retention bonus is in place. It so happens that there are more males in the technical roles than women.

### **What are we doing to address our gender pay gap**

We are committed to doing everything we can to reduce the gap although we know that change will not happen overnight. We recognise that achieving gender equality in the workplace requires proactive efforts and we want to share the steps we are taking to address this important issue.

- **Creating an evidence base by having regular pay audits and transparency**

To better understand and address the gender pay gap, we conduct regular pay audits across the organisation in conjunction with the Compensation and Benefits team. These audits help us identify any disparities between male and female employees in terms of salary, bonuses and other forms of compensation. By regularly analysing this data, we ensure that we are taking the right steps to close any gaps that may exist. In addition to auditing pay internally, we are also monitoring:

- the number of men and women applying for jobs and being recruited;
  - the number of men and women applying for and getting promotions;
  - the number of men and women leaving our organisation and their reasons for leaving;
  - the number of men and women in each role and pay band;
  - the number of men and women working flexibly and their level within our organisation;
  - the number of men and women who return to their original job after maternity or other parental leave; and
  - the number of men and women still working a year after they took maternity or other parental leave.
- **Performance Development Plans** and specific training to provide more opportunities for women to fulfil roles in Supporting functions.

- **Revising the flexible working policy**

We understand work-life balance is an important factor in employee retention, particularly for new parents. To support our employees in managing their professional and personal responsibilities, in April 2024, we made big changes to our flexible working policy to make it clear that we will consider requests from **all** employees to work flexibly, regardless of their role and level of seniority, and emphasising that flexible working is not just part-time working. We strongly encourage a hybrid working model for our supporting functions. These initiatives help ensure that both women and men can thrive in their careers while also maintaining a healthy work-life balance.

- **Supporting parents:** We provided training to support parents coming back to work and help them settle back into the work environment

By themselves, none of these initiatives will remove the gender pay gap - and it may be several years before some have any impact at all. In the meantime, every year we will monitor and report what we're doing to reduce the gender pay gap and the progress that we're making.

Right now, we have plans to extend our evidence-gathering.

Over the next year, we will:

- review our policies on bonus and incentive payments;
- enforce the commitment from all heads of departments to champion females at senior management level;
- promote recruitment of gender diverse talent in leadership positions
- review family friendly policies and enhance both maternity and paternity pay by toping up to the level of usual pay
- introducing childcare financial support for employees in management roles
- tackling unconscious bias by rolling out mandatory training for all employees involved in decision-making including managers, recruiters and HR professionals. This training

helps individuals recognise and mitigate biases that could unintentionally affect gender equality in the workplace

- engage with external expertise in diversity and inclusion to continuously review and improve our policies and practices; this ensures that we remain up to date with best practices in gender equality and can implement the most effective strategies

Any further initiatives launched throughout the year will be reported on the company intranet called Myspace.

I, [name of person], [job title], confirm that the information in this statement is accurate.

Signed

[ ]

Date

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