



TOYOTA FINANCIAL SERVICES (UK) PLC  
**GENDER PAY GAP**  
REPORT

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2023

PEOPLE &  
CULTURE  
STRONGER TOGETHER

October 2023

# WE ARE ON A MISSION

In an era marked by progress and increasing awareness of gender equality, the pursuit of fairness and diversity within the workplace is not just a goal—it's a commitment that shapes the very fabric of our society. As part of this evolving landscape, Toyota Financial Services acknowledges the importance of transparency and accountability in addressing the gender pay gap within the UK financial services market.

The financial sector, while undeniably essential to the global economy, has faced persistent challenges in achieving gender equality. With a complex mix of historical factors, industry dynamics, and cultural norms, the financial services sector has regrettably gained a reputation as one of the worst performers in terms of gender pay equality within the United Kingdom.

Acknowledging this uncomfortable truth, Toyota Financial Services steps forward to confront this issue head-on, recognising the collective responsibility to catalyse change.

As we embark on this journey of introspection and transformation, we understand the significance of our role within the larger narrative. This report serves as a testament to our unwavering commitment to fostering an inclusive and diverse workplace. It serves not just as an exposition of data, but as a pledge to actively engage in initiatives that dismantle gender-based disparities and create pathways for equitable growth.

This information is a fair and accurate representation of Toyota Financial Services' Gender Pay Gap.



**Dena Bond**  
Director | People & Culture  
Toyota Financial Services (UK) PLC



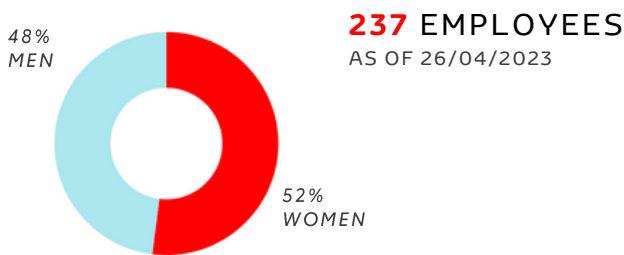
At Toyota Financial Services (TFS), we ensure equal pay for colleagues in same or similar roles, irrespective of gender. However, the main factor contributing to our gender pay gap is the distribution of genders across quartiles, with more women in the lower quartiles and more men in the upper two. Additionally, our organisation has numerous customer-facing roles, predominantly held by women and often at junior levels.

Data snapshot 26/04/2023

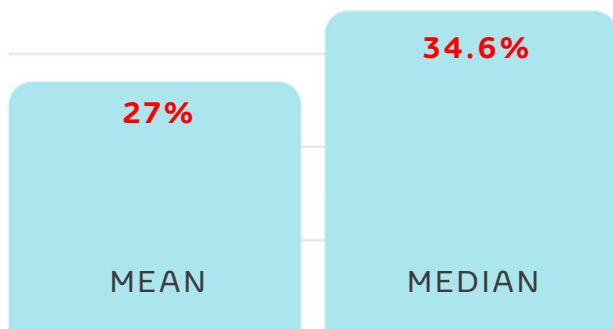
### MEAN GPG COMPARISON



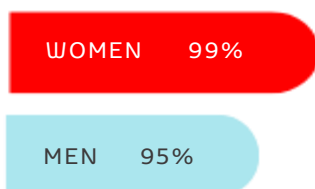
### TOTAL FULL PAY RELEVANT EMPLOYEES



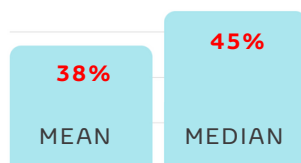
### HOURLY PAY GAP



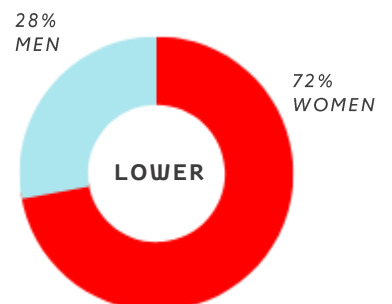
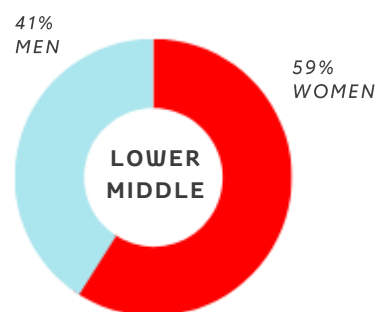
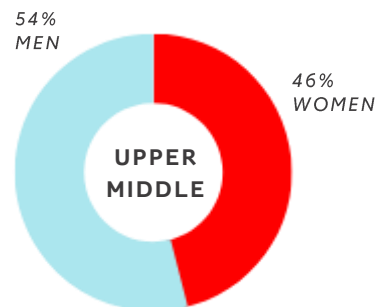
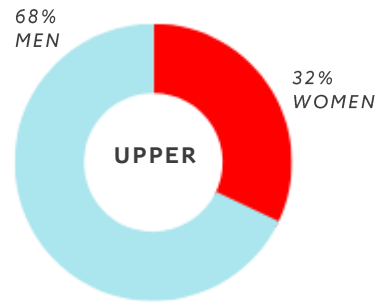
### BONUS AWARDED



### BONUS PAY GAP



### QUARTILE PAY BAND PERCENTAGE



## WHERE WE ARE TODAY

While this year signifies our inaugural introduction of official Gender Pay Gap reporting, our commitment to fostering gender diversity and inclusivity has been ingrained within our business long before. We have proactively pursued a variety of initiatives to bolster our capacity to attract, engage, and support women within our organisation.

We recognise that the Gender Pay Gap is a complex issue. Hence, we firmly advocate not just for the implementation of targeted policies aimed at reducing the gap, but also broader organisational changes that facilitate flexible work arrangements and a culture of acceptance, development and growth, enabling our employees to thrive as their authentic selves irrespective of their gender.

The best place to start is by recognising some of the persistent factors affecting Gender Pay Gap in the broader UK market, the financial sector, as well as challenges unique to our company.

## PERSISTENT CHALLENGES

While progress is being made and the overall Gender Pay Gap in the UK has been reducing steadily over the last decades, it remains above 14%. The gap persists due to a combination of historical inequalities, occupational segregation, and cultural biases. Region, industry, pay grading structures and age of the workforce also play a major role.

In the UK, the financial sector has the highest Gender Pay Gap of all sectors. Women continue to earn significantly less than men, primarily due to under-representation in senior leadership roles, a prevalence of male-dominated high-paying positions, and disparities in bonuses. In addition, the automotive sector, within which we also operate, is also traditionally a male-dominated industry. In line with industry-wide trends, our analysis shows that the under-representation of women in the senior management roles (upper quartile) significantly affects our pay gap.

While recognising the historical roots of these issues, we actively implement initiatives to accelerate change. Over the next five to ten years, we anticipate significant results from our policies and initiatives promoting workplace flexibility, revised recruitment practices, pay banding adjustments, and talent development, aimed at closing this gap.

## OUR 4 KEY FOCUS AREAS

### Talent development



Developing our talent and allowing seamless progress into senior roles

### Flexibility



Increasing flexibility and options when it comes to how and where we work

### Family support



Supporting diverse family structures by going beyond maternity leave

### Recruitment



Optimising recruitment and removing industry jargon

## WHAT WE'RE DOING TO ELIMINATE OUR GENDER PAY GAP

### Work-life Integration

We are committed to addressing the gender pay gap through a range of progressive policies designed to enhance work-life integration and promote gender equity. We've implemented a hybrid working policy, allowing employees to balance office and remote work to accommodate personal needs. Our flexible working policy enables all employees to request an adjustment to their working pattern from the first day of employment, providing a work environment that suits individual circumstances and we're happy to 'talk flexible working' at the front end of our recruitment process. Additionally, our flexi hours scheme allows employees to stagger start and finish times whenever business requirements allow.

We recognise the importance of care-giving responsibilities, which is why we offer sabbatical leave, allowing employees to take extended breaks while retaining job security. Our robust enhanced maternity and paternity policies ensure that parents can take the time they need to care for their children without compromising their career progression. We also offer premature baby leave and pay.

By prioritising work-life integration and supporting diverse family structures, we're taking concrete steps to create a more equitable workplace where gender pay disparities are actively addressed and minimised and women are not being penalised for taking time off for care-giving responsibilities.



### Optimising our Recruitment

It all starts with recruitment and through its optimisation, we can ensure every individual has an equal opportunity at TFS.

We have revamped our job advertisements, eliminating automotive and finance jargon to make our positions more accessible to a wider and more diverse talent pool. This ensures that candidates from various backgrounds can understand and apply for roles with confidence, mitigating any unintentional barriers to entry. The same goes for our careers page, which is now being revamped to attract more diverse candidates.

Furthermore, during the interview process, we actively accommodate special requests, recognising that different candidates may have unique needs or preferences. By fostering a more inclusive and gender-neutral recruiting environment, we aim to attract, retain, and promote talent based on merit, skills, and potential, thus contributing to a more equitable workplace and reducing future gender pay disparities.



## Learning & Development

Due to a historical imbalance in the financial and automotive sectors, the most significant factor contributing to our current Gender Pay Gap is the high representation of men in senior roles. To address this issue, we are investing considerable time and resources in learning and development initiatives aimed at fostering talent across our organisation.

Our flagship initiative is our emerging talent "Accelerate" program, which targets the personal and professional growth of colleagues in the early stages of their careers, enabling them to progress swiftly into senior positions. This program includes workshops led by top-tier providers, projects, and tasks designed to maximise potential, nurture future leadership capabilities, and enhance individual and organisational performance. We anticipate that the program will significantly improve the gender balance in our pay quartiles. It's important to note that the Accelerate programme is purely merit-based, but it's worth highlighting that all participants from last year's cohort were female, underscoring the abundance of female talent within our organisation.

Furthermore, we support both personal and professional growth through multiple initiatives including:

- LinkedIn learning platform accessible by all employees
- Experience for Life fund (annual contribution of £250 towards learning a new skill, work-related or not)
- Further education sponsorship options
- Dedicated learning & development sessions
- Management & Leadership programmes
- Learning hour – paid hour each month to spend on learning any subject
- PReview – frequent, less formal feedback sessions focused on growth & development instead of traditional annual performance review





## Wellbeing

In our company, wellbeing initiatives are not just about nurturing a happier and healthier workforce; they are the bridges to a more equitable future. By prioritising the wellbeing of all employees, we break down the barriers that perpetuate the gender pay gap. We believe that a balanced, thriving workforce is the key to unlocking a future where pay gaps are but a distant memory.

- **Wellbeing Hour:** We provide dedicated time each month for employees to focus on their wellbeing, enhancing their physical and mental health, while boosting job satisfaction and productivity.
- **Wellbeing Café:** We offer 90-minute sessions covering topics like menopause awareness, resilience, remote work strategies, and mindfulness to address issues that can also impact women's career progression. Additional resources are available on our internal platform.
- **Menopause-specific resources:** Menopause is widely recognised as a barrier for women's progression, and it is particularly significant because it usually manifests during the time when women can enter some of the most senior roles. We recognise this fact and have specific resources in place to increase awareness of this issue.
- **Private Medical Insurance:** Comprehensive coverage is extended to employees, their partners, and dependent children, providing additional healthcare support.
- **Mental Health First Aiders:** Trained professionals within our company provide support for mental health challenges, fostering a supportive environment.
- **Income Protection Scheme:** We offer financial security during difficult times, reducing stress and supporting overall wellbeing.
- **Wellbeing & Inclusion Passport:** A confidential channel to encourage open and honest conversations to support what our employees need at work to achieve their full potential.
- **Digital GP:** Convenient remote healthcare consultations ensure prompt attention to health needs.

## New Reward Structure

We are dedicated to increasing transparency of our reward mechanism and reducing the impact of subjective judgements when it comes to salaries.

In January 2023, we introduced a new reward structure with updated grading. The grades are specific and based on descriptors, such as impact, influence and decision-making level. We now have a starting salary for each grade, to ensure consistency across our population.

This initiative's goal is to proactively promote reduction of reward-based discrimination.





## Diversity, Equity & Inclusion (DE&I)

DE&I is truly embraced across TFS. We aim to attract the best talent, irrespective of gender or ethnicity. With dedicated resources and specific roles within the company actively supporting DE&I initiatives, we work hard to identify and rectify any remaining systemic biases and create a more harmonious and equitable workplace.

To set us on the right path, we engaged a specialist consultancy to complete an audit of how we are currently managing this crucial aspect of our business. The audit included a review of all our policies that have a link to DE&I, analysis of available demographic and survey data, focus groups to seek feedback and a review of our recruitment & careers page.

The takeaways from the audit were following:

### What we do well:

- Open discussion is encouraged
- Zero bullying & harassment policy is embedded and practiced
- We look after our people
- Great balance via hybrid working
- Initial steps taken in highlighting DE&I and encourage staff to be themselves

### What we can improve:

- Attract talent from a more diverse pool
- Education & awareness of cultural differences
- More female leaders in senior positions & management board
- Initiatives driven less by the HR team and more by management teams

In response to the audit results, many actions have already been completed and more activities are under way across the DE&I space.

### Completed:

- Membership of Inclusive Employers
- Establishing DE&I Steering Group
- Policy updates implemented
- Level 2 Disability Confident Employer
- Piloted Neurodiversity training
- Inclusion Calendar 2023
- "Accelerate" programme to progress internal talent into senior roles

### Underway:

- Careers Page Revamp
- Supporting disability in the workplace through a dedicated Workplace Experience programme
- Recruitment Strategy Review
- Level 3 Disability Confident Employer
- Belonging & Impact Survey to obtain management information & track our DE&I impact

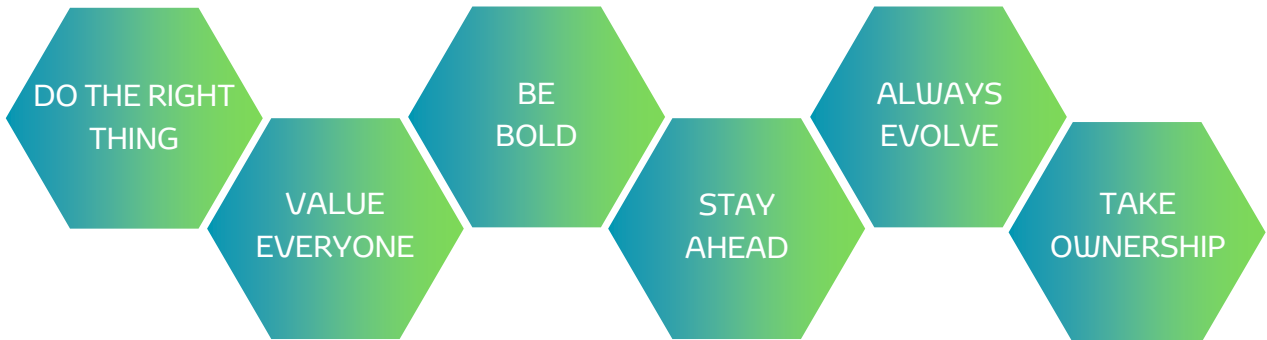
**To demonstrate our commitment to diversity, equity & inclusion, TFS has achieved accreditation in the following initiatives:**





**WE'VE COME A LONG WAY BUT WE HAVE A LONG WAY TO GO!**

As this report demonstrates, we have taken a number of steps towards eliminating our gender pay gap. The gap, however, cannot disappear overnight. We expect that our current and near-future initiatives outlined previously will result in a significant pay gap reduction over the next 2 years but in the spirit of Toyota, we believe in continuous improvement and development. Gender Pay reduction remains one of our top priorities!



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