

Gender Pay Gap 2025



Introduction

At Volkswagen Financial Services (UK) Ltd, we continue to make sustainable progress against our cultural agenda, a key part of that being about creating a fair and equitable environment for all. Our workplace is one where our colleagues can be their authentic selves, regardless of their characteristics, encouraging everyone to embrace difference as something that helps our people to be at their best.

We continue to focus on progressing diversity, equity and inclusion, and fairness, respect and integrity continue to be the cornerstones of our organisational beliefs and guiding principles. They're integral to our values, policies and practices, including the fair and transparent way we approach pay and bonuses.

Since 2020, we've been compiling and openly sharing our diversity profile information with colleagues and we continue to make tangible progress against our '100% Us' DE&I strategy. 18 months on and our Employee Resource Groups (ERGs) have gained traction and momentum throughout the organisation. With a focus on Race & Ethnicity, Disability & Neurodiversity, Parents & Carers and LGBTQ+, our 4 ERGs have driven some fantastic initiatives and are playing a central role in further developing an authentic culture of inclusivity with activities such as celebrating Black History month, supporting local MK Pride celebrations, and the sharing of personal stories. 2025 also saw the completion of our Inclusive Leadership development programme with over 90% of our people managers completing the programme.

What is the Gender Pay Gap Report about?

Legislation requires UK employers with 250 or more employees to publish their gender pay gap. The gender pay gap measures the difference in the average pay of men and women.

The gender pay gap shouldn't be confused with equal pay which addresses the difference in pay for men and women carrying out the same, similar or equivalent work.

Our Results

The statutory calculation of ordinary pay includes basic pay and allowances (for example first aider, fire warden and on-call allowances). It does not include pay related to overtime, redundancy, termination of employment, or pay in lieu of annual leave.

We have seen a significant narrowing of our gender pay gap figures during 2025 with our mean gap down to 15.7% vs 20% in 2024. This can be attributed to a combination of elements including a change in demographic split of our upper, and upper-middle quartiles and implementation of our Pay Integrity pay principle which seeks to balance pay equity with pay for performance across the organisation.



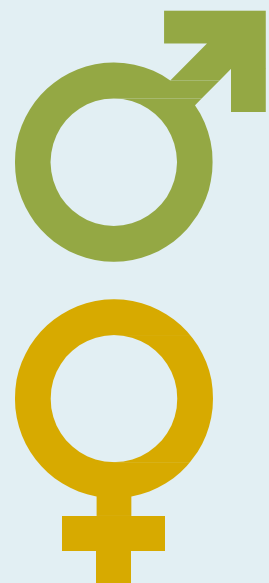
Mike Todd, Chief Executive Officer

A handwritten signature in black ink, appearing to read 'Mike Todd'.



Jean Smith, Chief Financial Officer

A handwritten signature in black ink, appearing to read 'Jean Smith'.



Ordinary Pay Gap*

This information shows our overall mean and median gender pay gap based on hourly rates of pay.

The indicative mean gender pay gap for the financial and insurance sector in the UK for 2025 was approximately 27.9%. At 15.7% our mean gender pay gap remains lower than our industry peers.

Source: ONS

Our mean (average) ordinary pay gap is:

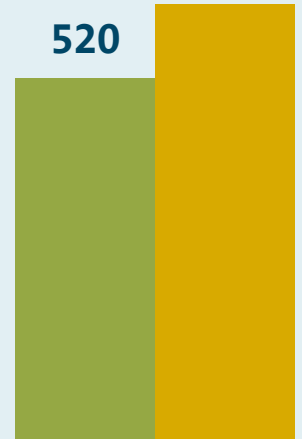
15.7%

Ratio:

46:54

599

520



Our median (middle) ordinary pay gap is:

26.6%

■ Total Male

■ Total Female

Bonuses**

The information shows our overall mean and median gender pay gap based on employees who received a bonus in the relevant period.

Total Male: 525

Total Female: 634



Male,
75%



Female,
83%

The values above show the percentage of people who received a bonus split by gender.

Our mean (average) bonus pay gap is:

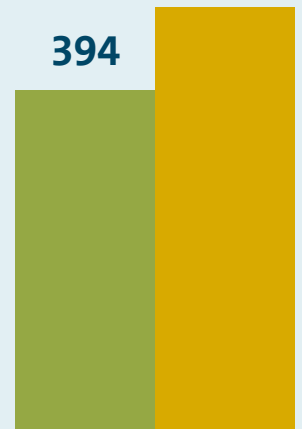
30.7%

Ratio:

45:55

525

394



Our median (middle) ordinary bonus pay gap is:

20.8%

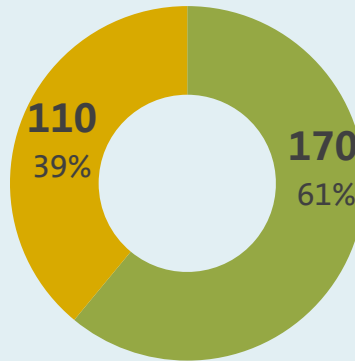
■ Total Male

■ Total Female

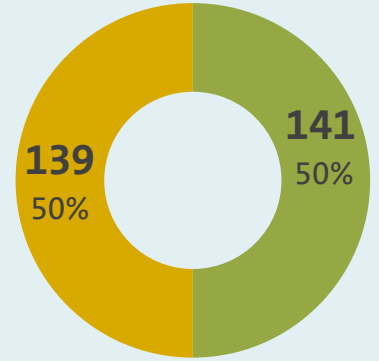
Unlike the gender pay gap, the bonus gap is not pro-rated for hours worked or length of service during the year. 17% of our workforce chooses to work part-time of which 88% are female and this is reflected in our bonus gap.

Employee Demographics

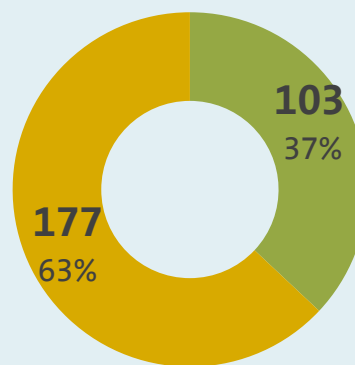
Proportion of male and female employees split into four equal quartiles in order of hourly pay from highest to lowest.



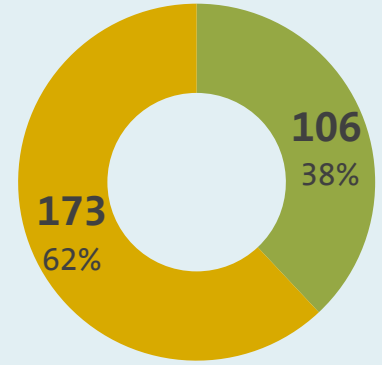
QUARTILE PAY
UPPER



QUARTILE PAY
UPPER MIDDLE



QUARTILE PAY
LOWER MIDDLE



QUARTILE PAY
LOWER



Employee Demographics

Our approach to pay is gender neutral by design focusing on a balance of pay equity and pay for performance to achieve pay integrity. Positively, our analysis this year shows there has been a significant narrowing in our gender pay gap that reflects changes to our employee demographics.

The narrowing of the gap can be explained by the increased percentage of females that sit within the upper pay quartile (+3%) vs 2024, a direct result of changes to our business structure and hiring behaviour. This coupled with a reduction in the percentage (-3%) of females in the lower pay quartile has contributed to the shift in the overall average pay position.

We continue to develop tools to support our recruitment processes which includes the use of a gender bias decoder tool to help ensure our adverts are gender neutral, inclusive and attractive to all prospective applicants. To minimise bias in the recruiting process, we have introduced blind application screening and continue to provide hiring managers with bias checklists, skills training and support them in making fair decisions throughout the selection process, including improving awareness and understanding from the roll-out of the Inclusive Leadership programme for all people managers. Typically, pay and bonus gaps are larger within the banking and financial services sector. However, here at Volkswagen Financial Services (UK) Ltd, we continue to come in below this average and our figures are consistent with other companies in the same sector.

We regularly review our pay by grade to ensure that men and women are treated equally, and we are comfortable with our position in that respect.

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