

Gender Pay Gap 2024



Introduction

At Volkswagen Financial Services (UK) Ltd, we continue to make 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.

We've really focussed on progressing diversity, equity and inclusion this year 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 as mentioned, this year we have really accelerated our DE&I agenda, which now sees a robust strategy and a multi-faceted communication and engagement plan. That said, for us, diversity, equity and inclusion isn't about numbers, it's about how our people feel working for us, encouraging everyone to embrace difference as something that helps our people to be at their best.

We continue to look to go beyond statutory obligations, helping to make sure colleagues can balance their priorities and contribute to the success of our business and continue to make VWFS UK a great place to work. As part of our 100% Us DEI strategy, 2024 saw the launch of our Employee Resource Groups (ERGs). With a focus on Race & Ethnicity, Disability & Neurodiversity, Parents & Carers and LGBTQ+, our 4 ERGs are driving activity across the business supporting our DE&I agenda. We also launched an inclusive leadership development programme for our senior leaders in 2024, extended to all people managers in 2025. This is in addition to our regular "Inclusion live" guest speaker series and podcast.

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 slight narrowing of our gender pay gap figures during 2024, which is largely due to a change in our company demographics at the upper quartile – namely seeing more senior females paid in the upper and upper middle quartiles of salary bands.



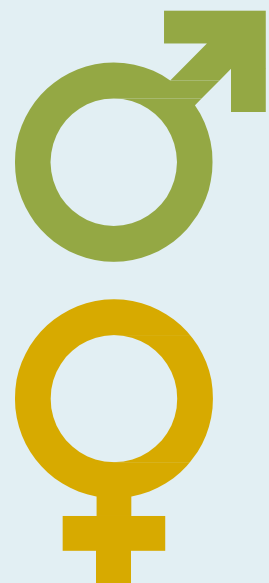
Mike Todd, Chief Executive Officer

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 2024 was approximately 30.5%. At 20% our mean gender pay gap remains lower than our industry peers.

Our mean (average) ordinary pay gap is:

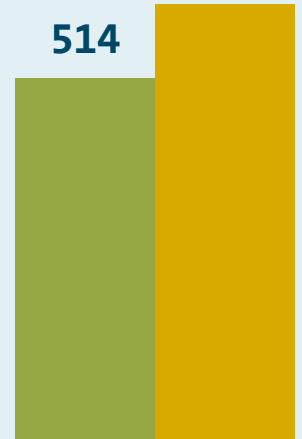
20.0%

Ratio:

45:55

620

514



Our median (middle) ordinary pay gap is:

26.4%

■ Total Male

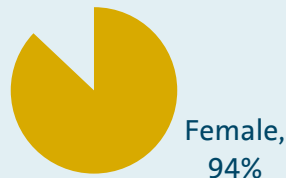
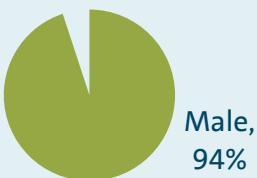
■ Total Female

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: 439

Total Female: 580



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

Our mean (average) bonus pay gap is:

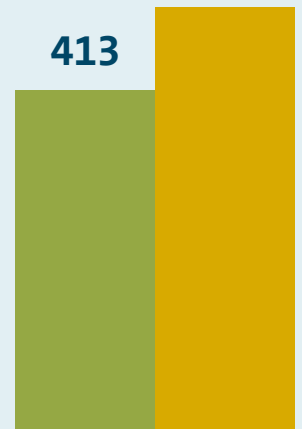
40.3%

Ratio:

43:57

548

413



Our median (middle) ordinary pay gap is:

37.4%

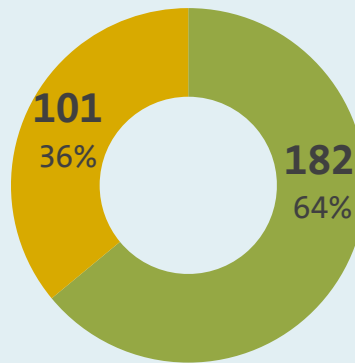
■ Total Male

■ Total Female

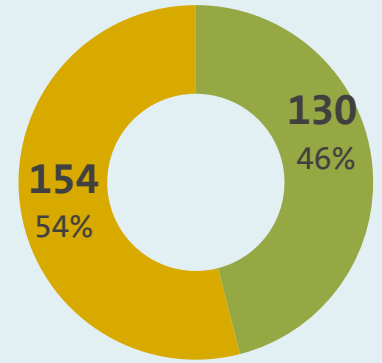
Unlike the gender pay gap, the bonus gap is not pro-rated for hours worked or length of service during the year. 18% of our workforce chooses to work part-time of which 92% are female and this is reflected in our bonus gap.

Employee Demographics

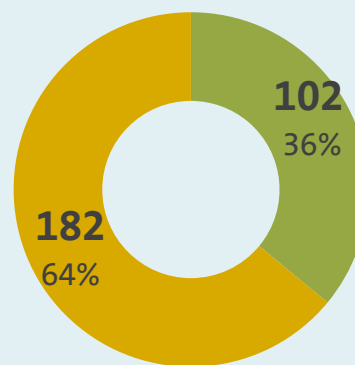
Proportion of male and female employees split into four equal quartiles in order of hourly pay from highest to lowest.



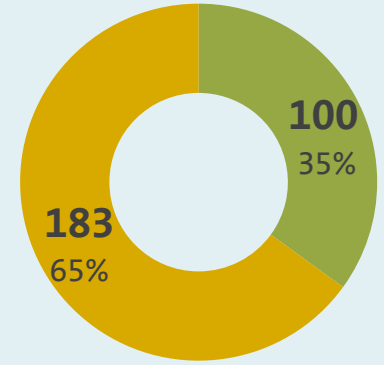
QUARTILE PAY
UPPER



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 slight narrowing in our gender pay gap that reflects changes to our employee demographics.

The narrowing of the gap can be explained by the percentage of females that sit within the upper (+2%) and upper middle (+1%) pay quartiles +3% vs 2023 a direct result of the hiring of females into senior positions. This coupled with limited change to the overall make up of the lower middle and lower pay quartiles has contributed to the shift in the overall average pay position. This will also explain the bonus differentiators, as with more females in senior roles, their bonus earnings were higher, thus narrowing the gap to male colleagues.

We continue to develop tools to support our recruitment process 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 provide hiring managers with bias checklists, training and support them in making fair decisions throughout the selection process including 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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