

Gender Pay Gap 2023



Introduction

At Volkswagen Financial Services (UK) Ltd, we're progressing against our cultural agenda and a key part of that is 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're passionate about diversity, equity, inclusion and respect. In fact, 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.

We strive to be a workplace that embraces change, listens and values ideas, educates and makes lasting sustainable changes for our organisation. Since 2020, we've been compiling and openly sharing our diversity profile information with colleagues and over the last year have 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 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 a great place to work. We have launched our "Inclusion Live" series, which sees regular external speakers from all personal experiences and backgrounds talk to us about their stories and share learnings. We have also launched a podcast "Can I say that?", which sees internal colleagues sharing their perspectives on key topics relating to DE&I, raising awareness and prompting wider thought and debate.

We have seen a slight widening of our gender pay gap figures during 2023, which is largely due to a change in our company demographics, with no underlying trends that are of concern.

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.



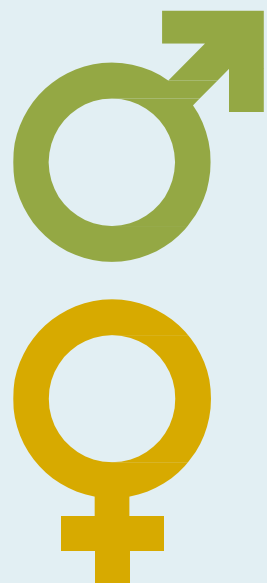
Mike Todd, Chief Executive Officer

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 2023 was approximately 24.7%. At 23% our mean gender pay gap remains lower than our industry peers.

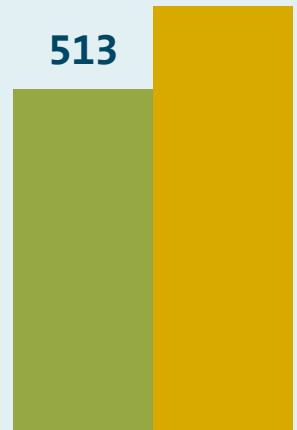
Our mean (average) ordinary pay gap is:

23.0%

Ratio:

46:54

600



Our median (middle) ordinary pay gap is:

27.7%

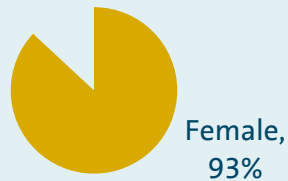
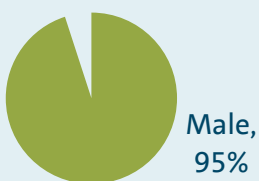
■ Total Male ■ Total Female

Bonuses**

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

Total gender count: 439

Total gender count: 559



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

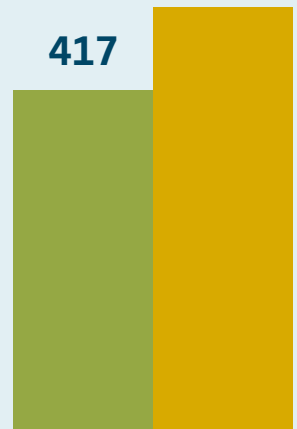
Our mean (average) bonus pay gap is:

46.0%

Ratio:

44:56

518



Our median (middle) ordinary pay gap is:

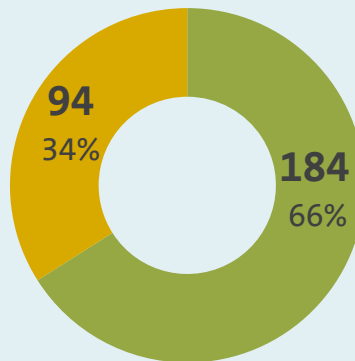
38.6%

■ Total Male ■ Total Female

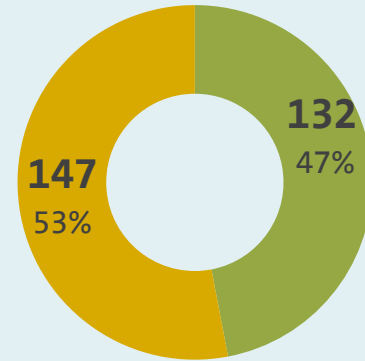
Unlike the gender pay gap, the bonus gap is not pro-rated for hours worked or length of service during the year. 17% of our workforce chooses to work part-time of which 92% are female and this is reflected in our bonus gap.

Employee Demographics

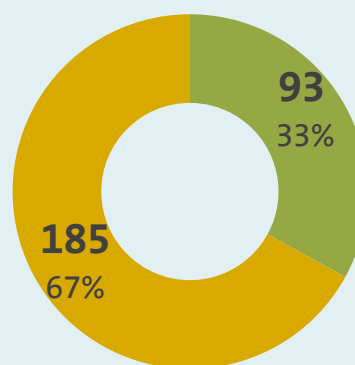
Proportion of male and female employees split into four equal quartiles in order of hourly pay from highest to lowest.



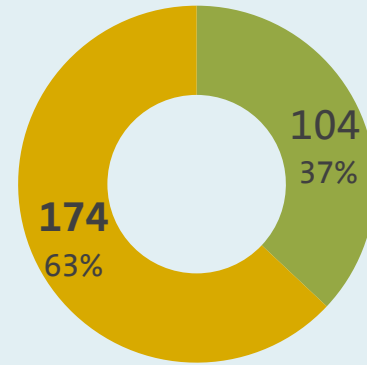
QUARTILE PAY
UPPER



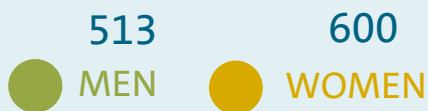
QUARTILE PAY
UPPER MIDDLE



QUARTILE PAY
LOWER MIDDLE



QUARTILE PAY
LOWER



Employee Demographics

Our approach to pay is gender neutral by design. Our analysis this year shows there has been a slight widening in our gender pay gap that reflects changes to our employee demographics.

This is predominantly due to the number of males that have been recruited into senior roles, that have a salary which falls within the top quartile of the calculations. This is coupled with little movement in the number of females within this quartile year on year. In addition, we have seen an increase of females recruited into more junior roles and falling in the lower two quartiles. These factors have contributed to the shift in the overall average pay position. This will also explain the bonus differentiators, as with more males in senior roles, their bonus earnings were higher, thus skewing the average in males' favour.

We continue to use 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. 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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