

Gender Pay Gap 2022



Introduction

At Volkswagen Financial Services, we're passionately committed to creating a fair and equal environment for all. Our workplace is one where our colleagues have secured their roles through merit, and our recruitment approach embraces capabilities, not characteristics.

We're passionate about diversity, equality and respect in our workplace. In fact, fairness, respect and integrity are at the heart of our core 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 listens, educates and makes lasting sustainable changes. Since 2020, we've been compiling and openly sharing our diversity profile information with colleagues. However, for us, diversity and inclusion isn't about numbers, we encourage everyone to bring their 100% true authentic selves to work and celebrate differences as something that helps our people to be at their best at work, and at home.

We go beyond our statutory requirements, 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. The introduction of hybrid working was a landmark change for us, and one that we are very proud of. Following a successful trial period, we adopted a completely hybrid working model, giving our colleagues the autonomy to find a way of working that works best for them; without compromising the needs of our customers, our shareholders and their own teams.

We have seen a further positive shift in our gender pay gap figures during 2022, which is largely due to a change in our company demographics.

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 or termination of employment or pay in lieu of annual leave.



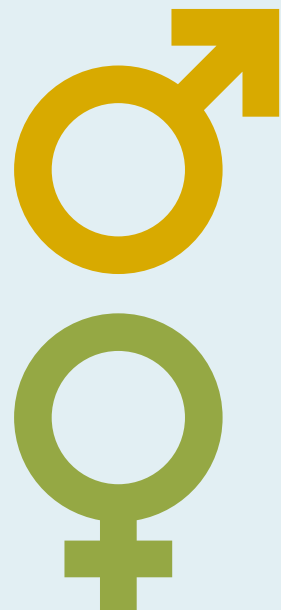
Mike Todd, Chief Executive Officer

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 2022 was approximately 24.9%. At 22.1% our mean gender pay gap remains lower than our industry peers.

Our mean (average) ordinary pay gap is

22.1%

Our median (middle) ordinary pay gap is

29.7%

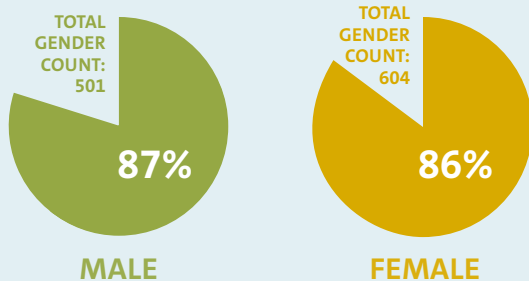
RATIO
46:54

TOTAL MALE
492

TOTAL FEMALE
572

Bonuses**

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



The percentages show the bonus proportions paid within the relevant period by gender split.

Our mean (average) bonus gap is

39.7%

Our median (middle) bonus gap is

33.8%

RATIO
46:54

TOTAL MALE
435

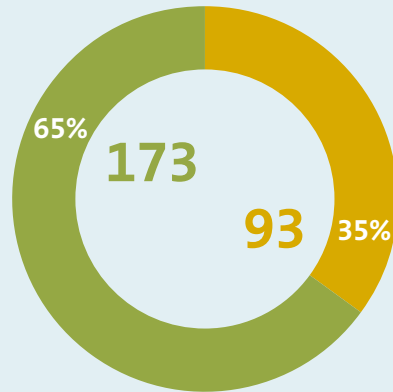
TOTAL FEMALE
521

Unlike the gender pay gap, the bonus gap is not pro-rated for hours worked or length of service during the year. Above 18% of our workforce chooses to work part-time of which 91% are female and this is reflected in our bonus gap.

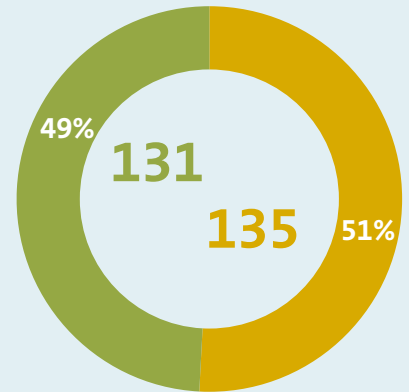
Employee Demographics

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

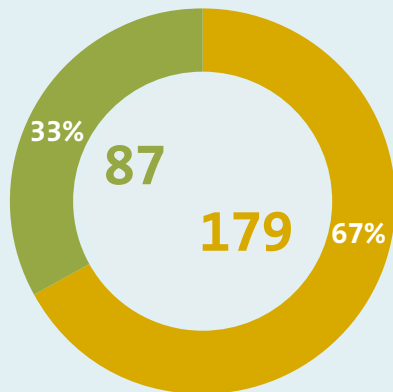
● MEN ● WOMEN



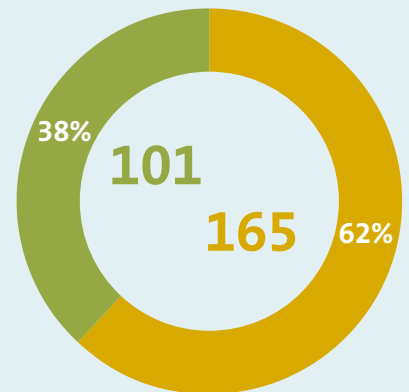
QUARTILE PAY
UPPER



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

We have seen an increase in the number of males applying for and being successful in securing our more junior roles which has positively impacted our gender pay gap, although those males hired still only make up around a third of junior roles within our customer services teams. Much of this is driven by society, the recruitment data we collect supports this analysis and shows we typically attract twice as many applications from males for more senior and specialist roles although this gender differential reduces when it comes to those hired.

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. We also share a bias checklist document with hiring managers with the aim to minimise bias 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 VWFS UK, 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.

