

2025

Gender, Ethnicity & Disability Pay Gap Report

An abstract graphic consisting of several curved, parallel lines in white and yellow, flowing from the right side of the page towards the left, creating a sense of movement and depth.

VOLKSWAGEN GROUP
UNITED KINGDOM

Executive summary

At Volkswagen Group UK, we bring together colleagues from diverse backgrounds with different experiences and perspectives. Their differences are one of our greatest strengths, enabling us to unlock better ideas and build stronger collaboration, creating a smarter, more successful, and more sustainable organisation. That's why we invest not only in their talent and skills, but also in nurturing a workplace where everyone can feel that they belong. Our Diversity, Equity, Inclusion and Belonging (DEIB) programme sits at the heart of this commitment and is a powerful force for guiding ongoing action.

In short, we put belonging at the core of our business. We believe that inclusion goes beyond representation, and is felt in everyday moments, decisions and interactions. It underpins an outstanding colleague experience where everyone can thrive and contribute at their best.

Our culture would not be what it is if we weren't open and transparent about what we do. This is central to our progress.

Since 2017, we have reported on our gender pay gap and we have since then also voluntarily published our ethnicity and disability pay gaps.

By sharing our data, we reinforce accountability and continue to build trust. And most importantly, we create the insight needed to deliver sustainable, long-term progress – empowering potential and building a brighter future for all.

We confirm the data reported is accurate and in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Key highlights from this year's report

Overview

We've made genuine progress on gender and disability pay gaps. At the same time, our ethnicity pay gaps have widened.

The reasons are varied, and we break them down in more detail throughout the report. But it's important to note that in being transparent and open, it's from data like this we can continue to learn and evolve.

Gender pay gap

Since our previous report, we've continued to make progress in reducing our gender pay gap. The proportion of women in the upper pay quarter has remained steady at 35.7 per cent. While representation in the upper-mid pay quarter has decreased, the longer-term trend remains positive. Over the past five years, our gender pay gap has reduced by 6.4 percentage points in the mean and 5.7 percentage points in the median, reflecting sustained progress towards greater balance across pay quarters.

Ethnicity pay gap

Our ethnicity pay gap has widened this year, with the mean gap increasing by 0.7 percentage points and the median gap increasing by 4.0 percentage points. This change is largely driven by a higher disclosure and representation of ethnically diverse colleagues in the lower pay quarters, alongside limited movement in the upper pay quarter. Over the past five years, representation of ethnically diverse colleagues has increased in the lower pay quarter, strengthening our future talent pipeline but impacting current pay gap figures.

Disability pay gap

In our second year of reporting, we've seen an improvement in our disability pay gap, with reductions in both the mean and median gaps, resulting in a mean disability pay gap of zero and median gap reduced to 6.7 per cent (down 0.6 percentage points). This reflects strong representation of colleagues with a declared disability in senior roles, which helps to balance overall outcomes.

Our commitment

By being open with our pay gap data, we are clear about where we are, where we need to improve and how we'll continue to measure progress.

We remain focused on closing pay gaps in a sustainable way, and unlocking growth that lasts, supporting every colleague to develop, progress and reach their full potential. By embedding fairness, inclusion and belonging into how we lead, hire and develop talent, we are building a stronger business for the future. A business where opportunity is accessible, talent is recognised and success is shared, regardless of gender, ethnicity or disability.



Damien O'Sullivan
Managing Director



Clare Booth
People Director

Volkswagen Group United Kingdom Ltd is a wholly owned subsidiary of Volkswagen Group, and the importer of Audi, SEAT, CUPRA and Škoda cars as well as Volkswagen Passenger Cars and Volkswagen Commercial Vehicles. We directly employ more than 850 people in the UK, while a further 25,000 people work indirectly for the Group, employed by its associated businesses, including retail networks, logistics, customer services and financial services.

What is a pay gap?

When discussing a pay gap, it's important to define what we're looking at.

Mean pay gap

The mean pay gap shows the difference in the average hourly rate of pay between two groups of people in a company. For example, between men and women. We calculate the mean by adding up the total pay of colleagues in each group and dividing that total by the number of colleagues. This is done separately for each group, and we then compare the means to understand the gap between them. As with the median pay gap, the mean pay gap often exists because there are more of a particular group in senior roles in the company.

Median pay gap

Imagine if we split our colleagues into two lines, dividing them according to the characteristic by which we are measuring the pay gap. For example, gender, ethnically diverse or declared disability. Each line is then ordered according to total annual salaries from lowest to highest. The median is the salary of the person in the middle of the lines, and the best view of 'typical' pay. We then compare the medians and the difference between them is the gap.

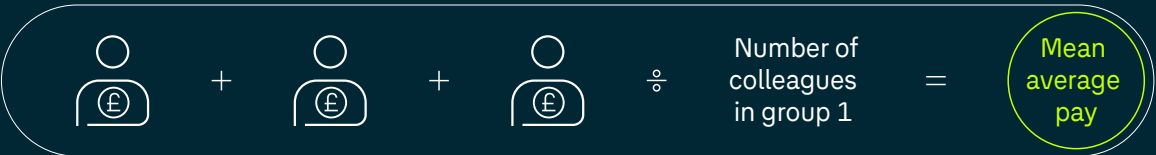
Bonus gap

We also carry out these mean and median calculations when comparing bonuses paid over a 12-month period.

Equal pay

Both mean and median pay gaps are different from 'equal pay', which is the difference in annual salaries between two groups of people doing the same, similar or equivalent jobs – i.e. equal pay for equal jobs. We work hard to maintain equal pay for equivalent jobs through our annual pay parity review, applying our pay principles, and performing regular checks to ensure our policies and practices are fair for all.

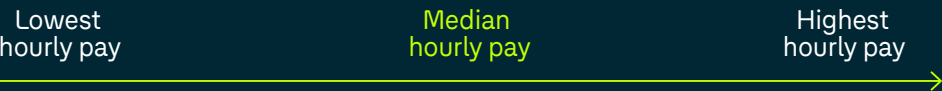
Mean pay gap



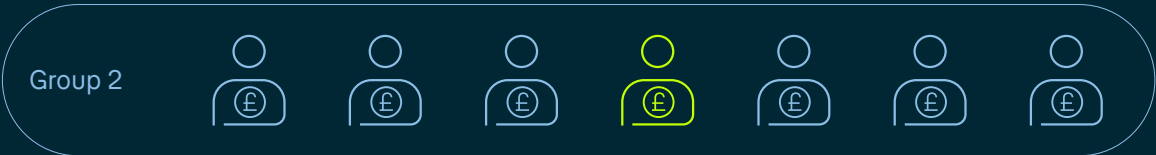
DIFFERENCE = MEAN HOURLY PAY GAP



Median pay gap



DIFFERENCE = MEDIAN HOURLY PAY GAP



Gender pay gap

Our 2024–2025 data shows continued progress toward a more gender-balanced organisation. The mean gender pay gap has fallen to 13.8 per cent (-1.6 percentage points) and median has decreased to 9.3 per cent (-0.2 percentage points). These improvements reflect greater bonus eligibility (largely due to time in role), fewer new starters and stability in female representation at senior levels.

These improvements are driven by:

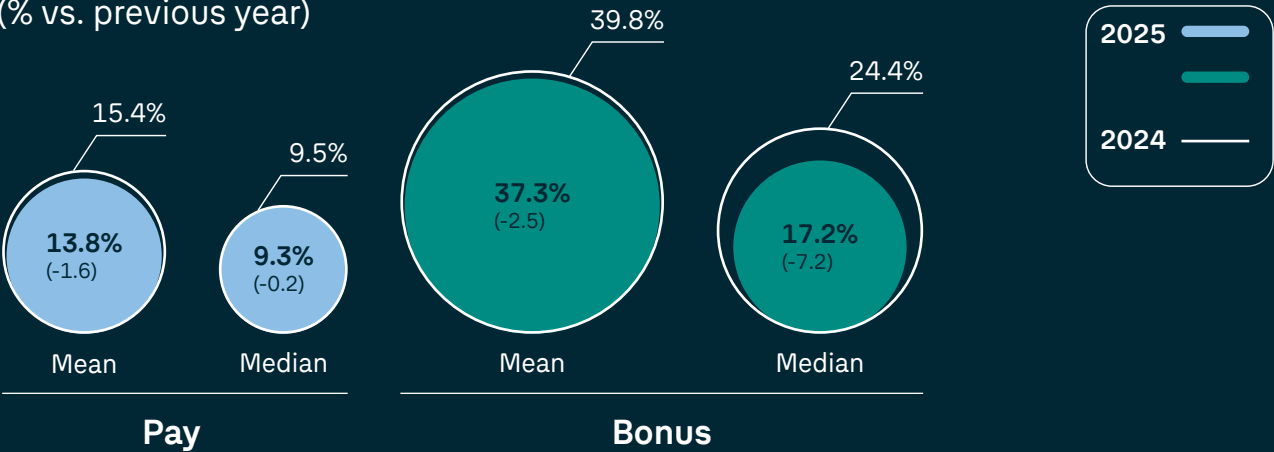
- stability in female representation in the upper pay quarter at 35.7%, supporting long-term senior leadership representation.
- sustained long-term progress, with a 6.4 percentage point reduction in the mean gap and 5.7 percentage point reduction in the median gap over five years.

Bonus eligibility has increased, with 87 per cent of male colleagues and 89 per cent of female colleagues receiving a bonus, rises of 4.0 and 8.0 percentage points respectively. This has contributed to further reductions in the mean and median gender bonus gaps. Factors such as part-time working continue to influence pay gap calculations, as more women work part-time. This has an impact because the gap is calculated on annual totals, not prorated. However, our continued focus on equity in progression and development supports our ambition to close the gap further over time.

Results in focus

Gender pay gaps

(% vs. previous year)



Proportion of colleagues receiving a bonus

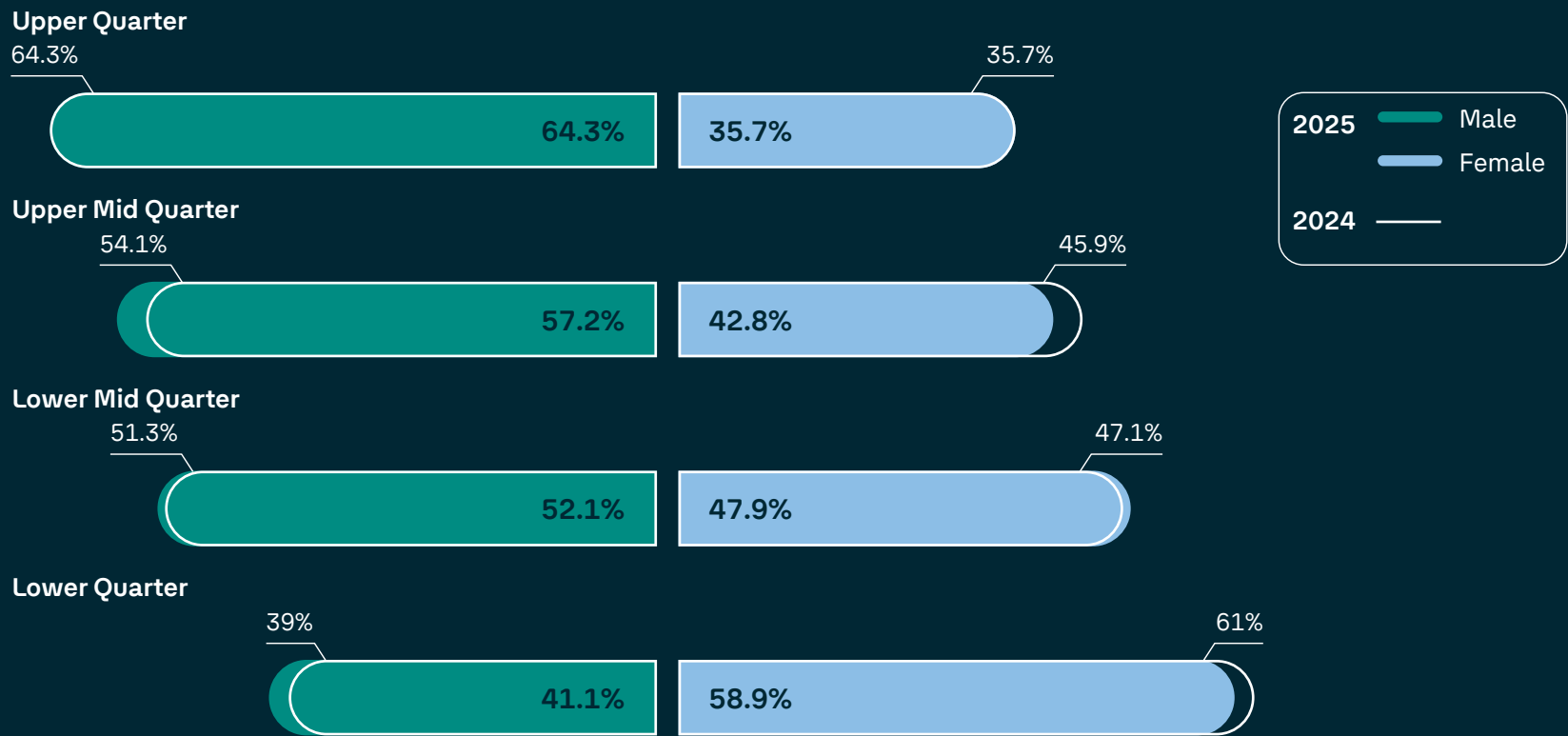
(% vs. previous year)



Gender pay gap results in focus (continued)

Proportion of colleagues by pay quarter

(% vs. previous year)



Ethnicity pay gap

Our ethnicity pay gap reflects the distribution of ethnically diverse colleagues across the business. In 2024–2025, the mean ethnicity pay gap increased to 15.0 per cent (+0.7 percentage points) and the median widened to 10.0 per cent (+4.0 percentage points).

These changes are driven by:

- higher disclosure, increasing to 98%.
- increase in ethnically diverse colleagues in the two lower pay quarters.
- limited movement in the upper pay quarter (-0.3 percentage points), low senior leadership representation continues to influence the gap.

As in previous years, results are influenced by low representation of ethnically diverse colleagues in senior roles and small sample sizes, meaning minor shifts can have a significant effect.

Bonus eligibility among ethnically diverse colleagues increased to 74 per cent (+2 percentage points). However, because a larger proportion of ethnically diverse colleagues are in lower pay quarters, where bonus values tend to be lower, the mean ethnicity bonus gap has risen by 12 percentage points and median has risen by 15.4 percentage points.

It's important to note that we remain focused on long-term improvement. In 2024, we held independently facilitated listening and feedback sessions to better understand the lived experiences of our ethnically diverse colleagues. The insights we gathered from these sessions helped inform a Board-supported action plan to improve representation, culture and equity.

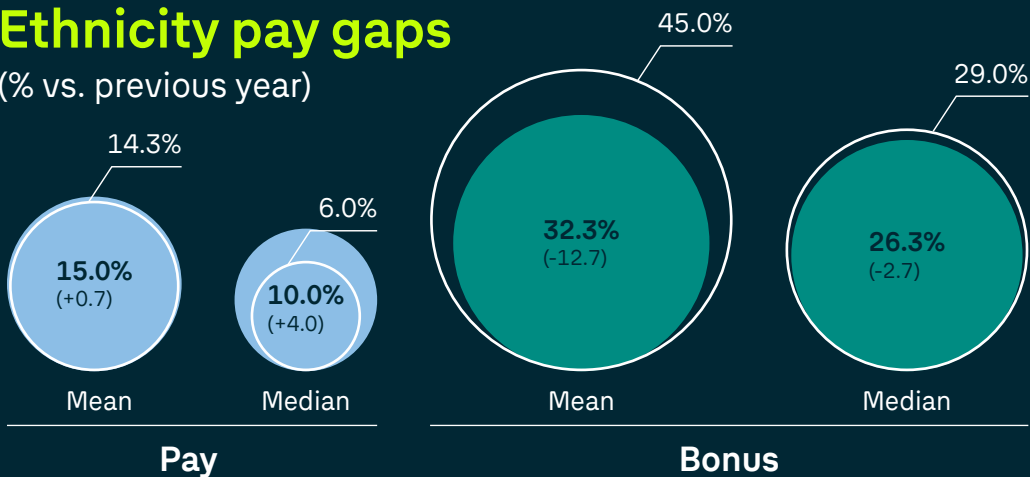
Achieving a more balanced distribution, where ethnically diverse colleagues are equally represented across all pay bands, would help reduce the gap.

Results in focus



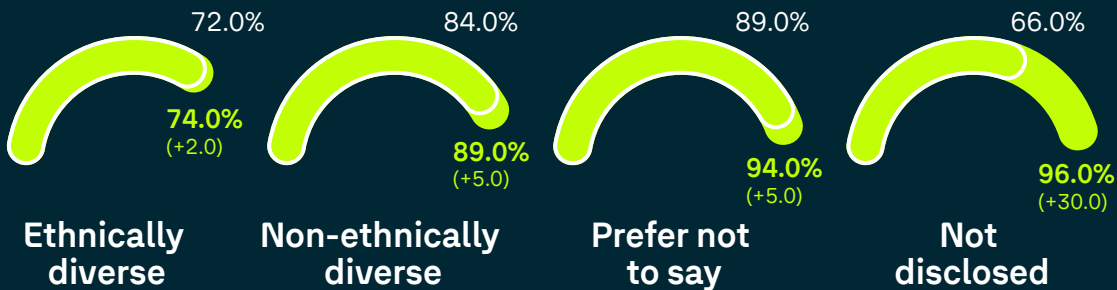
Ethnicity pay gaps

(% vs. previous year)



Proportion of colleagues receiving a bonus

(% vs. previous year)



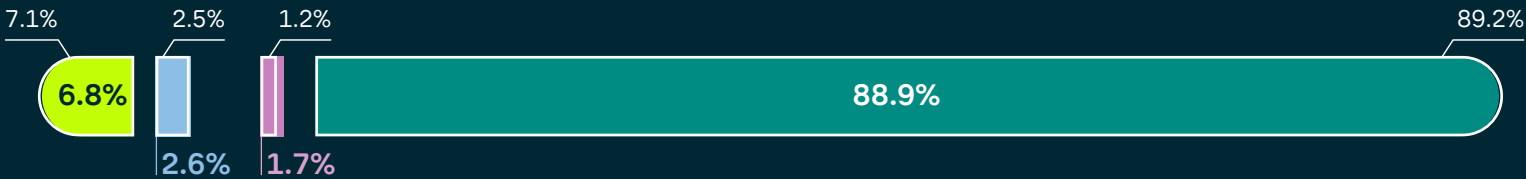
* For this report, 'non-ethnically diverse' refers to individuals who have self-identified as being from a white background, including both white British and white other. 'Ethnically diverse' encompasses all racially and ethnically diverse individuals, excluding those who have chosen not to disclose their ethnicity. This high-level categorisation has been used to protect individual privacy, as further breakdowns could risk identifying individuals. This approach aligns with the recommendations of the Office for National Statistics.

Ethnicity pay gap results in focus (continued)

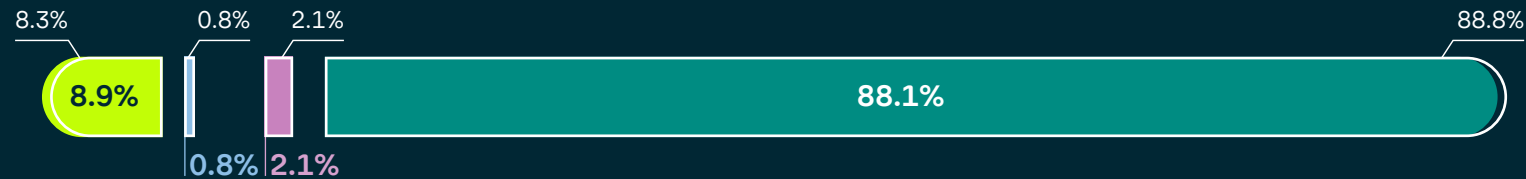
Proportion of colleagues by pay quarter

(% vs. previous year)

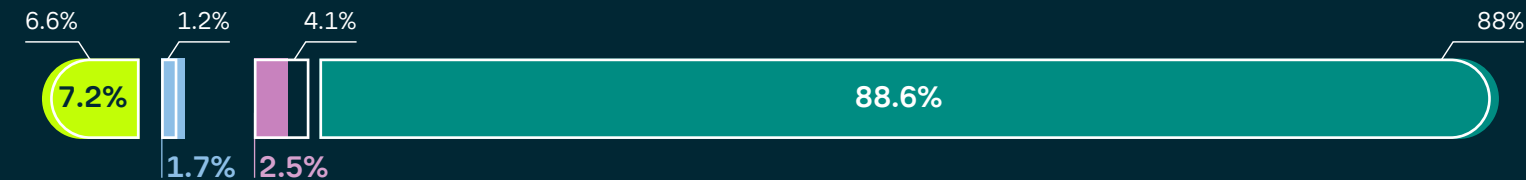
Upper Quarter



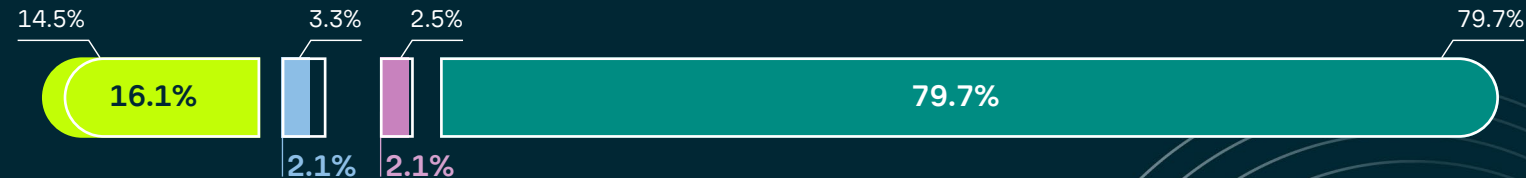
Upper Mid Quarter



Lower Mid Quarter



Lower Quarter



2025

Ethnically diverse

Prefer not to say

Not disclosed

Non-ethnically diverse

2024

Disability pay gap

In our second year of reporting, the disability pay gap shows further improvement. The mean disability pay gap has closed to 0.0 per cent (-2.2 percentage points) and median has decreased to 6.7 per cent (-0.6 percentage points).

These improvements are driven by:

- strong representation of colleagues with a declared disability in the upper pay quarter at 11.5%.
- improved distribution across pay quarters, helping to balanced outcomes overall.
- increased disclosure rates, now at 88% (+2 percentage points), supporting more accurate and transparent reporting.

Bonus outcomes continue to show positive trends. The mean disability bonus pay gap is -5.9 per cent, meaning colleagues with a declared disability received, on average, a higher bonus than those without. The median bonus gap is 6.0 per cent, reflecting differences across role levels and pay bands.

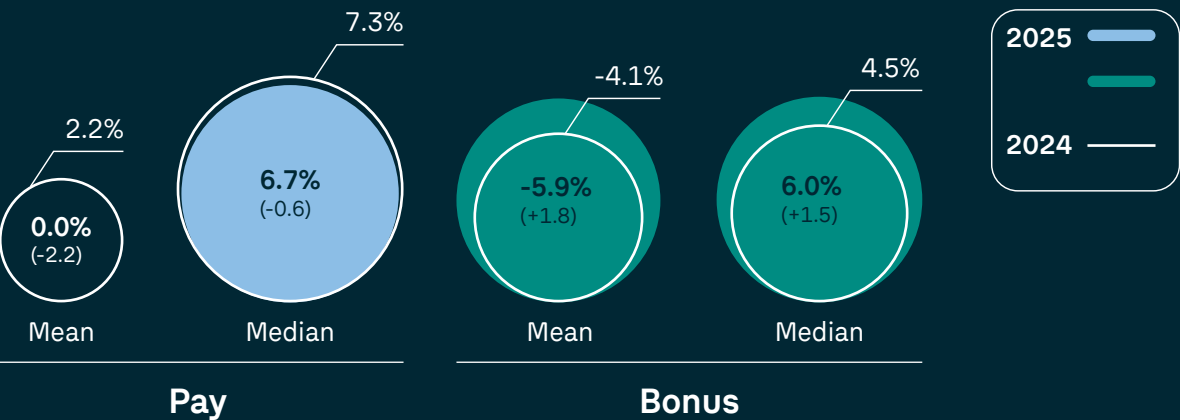
Reporting our disability pay gap demonstrates our commitment to taking meaningful and ongoing action through our Diversity, Equity, Inclusion and Belonging (DEIB) programme, and supports our journey to support the UK's Disability Confident scheme. It reflects our focus to ensure colleagues with disabilities are supported, valued and able to progress across the organisation.

This includes strengthening inclusive recruitment practices, providing workplace adjustments, and continually improving our physical working environment to ensure it is accessible, inclusive and enables everyone to thrive.

Results in focus

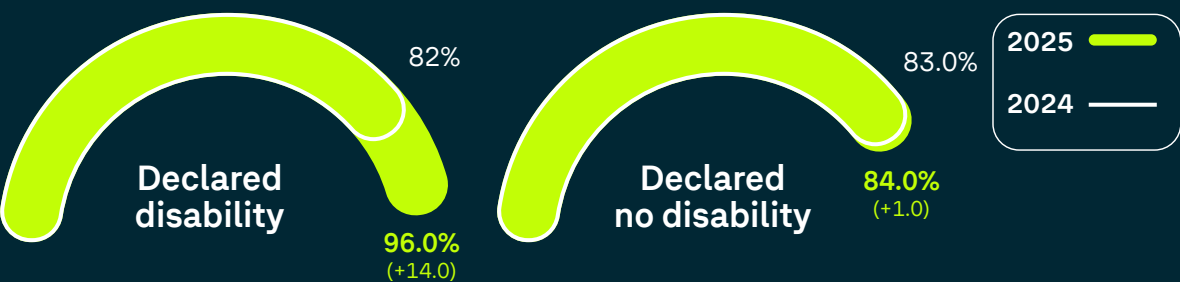
Disability pay gaps

(% vs. previous year)



Proportion of colleagues receiving a bonus

(% vs. previous year)



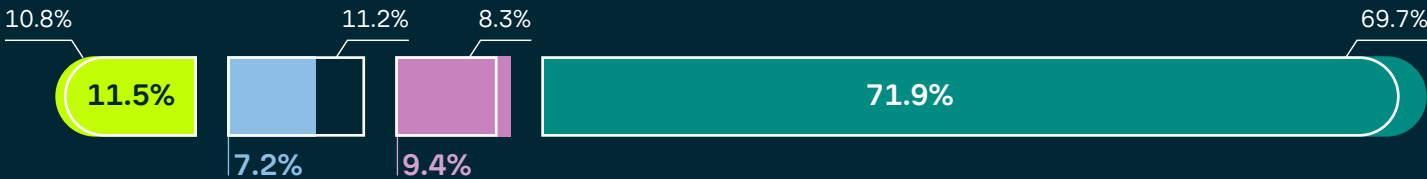
* For this report, 'no disability' refers to individuals who have not declared a disability, while 'declared disabled' includes those who have self-identified as having a mental or physical disability. This high-level categorisation ensures individual privacy, as further breakdowns could risk identifying individuals. Our approach aligns with best practices for disability pay gap reporting, ensuring consistency and transparency in our analysis.

Disability pay gap results in focus (continued)

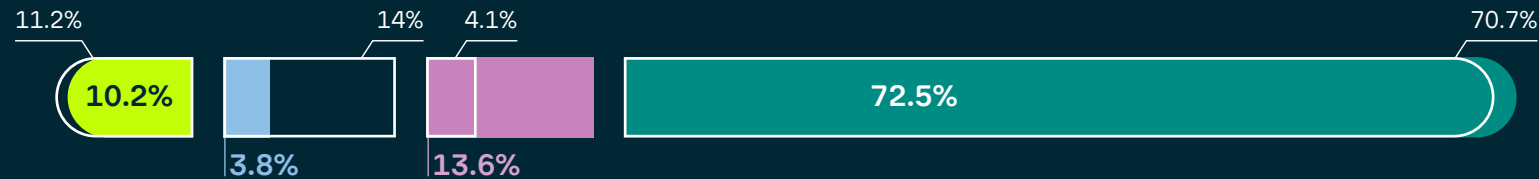
Proportion of colleagues by pay quarter

(% vs. previous year)

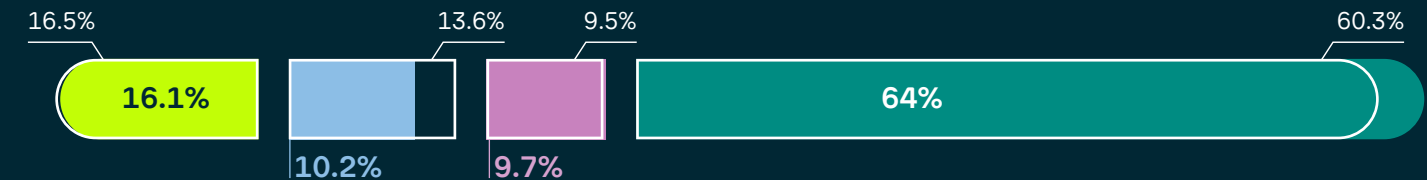
Upper Quarter



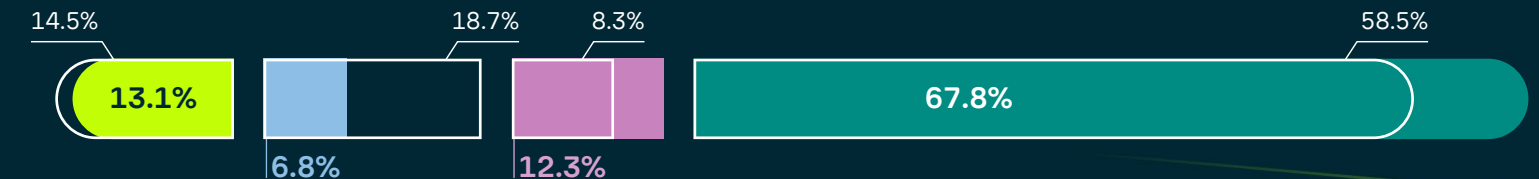
Upper Mid Quarter



Lower Mid Quarter



Lower Quarter



2025

Declared disability

Prefer not to say

Not disclosed

No declared disability

2024

Knowledge Is Power

Building an inclusive culture starts with equipping colleagues and leaders with the confidence, skills and understanding to make fair, informed decisions. During 2025, we invested in a comprehensive programme of DEIB learning designed to strengthen capability throughout the colleague journey – from how we hire and develop talent to how we lead and shape culture.

Investing in inclusive decision-making

We launched a refreshed suite of learning modules, including updated DEIB e-learning covering belonging, micro-aggressions, psychological safety, and sexual harassment awareness. These modules set clear expectations, reinforce shared standards of behaviour, and provide supportive routes for raising concerns – helping embed respect and safety into everyday working life.

Building capability through targeted workshops

Key interventions included:

- Inclusive Hiring training to reduce bias and support fairer recruitment outcomes.
- Disability and Neurodiversity Awareness training for all line managers, providing practical tools to support colleagues effectively.
- Listening and feedback sessions with colleagues; independently facilitated sessions with ethnically diverse colleagues to understand their lived experiences. These result in anonymised outputs shared through workshops with leaders to support reflection and embed allyship into day-to-day decision-making.

Learning through lived experience

We continued a powerful programme of guest speakers who helped normalise honest conversations about identity and wellbeing:

- **Elliott Rae MBE** explored modern fatherhood, allyship and men's mental health.
- **Stephen Manderson** (aka Professor Green) spoke candidly about ADHD, autism and becoming a first-time father, weaving together advice on mental health, alcohol and even ice baths.

These sessions reached hundreds of colleagues and sparked conversations that continue to drive change long after the events.



Why this matters

Strengthening capability and inclusive leadership directly supports long-term progress on pay gaps. By improving how we hire, assess, develop and retain talent, we ensure opportunity and progression are shaped by fairness and transparency, unlocking future talent across our business.

Intersectionality in Action

Inclusion is strongest when we recognise that identity isn't one dimensional. Throughout 2025 we brought intersectionality to life through events, shared conversations and community moments that help colleagues see inclusion from multiple perspectives – and feel a deeper sense of belonging.

A week to remember – celebrating our diverse communities

National Inclusion Week once again brought our Employee Network Groups together to share stories and lived experiences across gender, culture, disability, LGBTQ+, faith and caring roles. We also marked our fifth year sponsoring Milton Keynes Pride, with colleagues describing it as “the best Pride yet” and a visible celebration of community, allyship and inclusion.

We closed National Inclusion Week on a high at the National Diversity Awards, where Volkswagen Group UK was named Diverse Company of the Year in recognition of our inclusive culture and how that's felt by colleagues.

Inclusion Games: learning by doing

Our first ever Inclusion Games, held over five days during National Inclusion Week, saw more than 260 colleagues across 44 teams take on challenges designed to build knowledge, empathy and connection in a fun and engaging way. The closing ceremony captured it perfectly: energy, compassion and genuine cross team bonds.

International Men's Day: starting conversations, sustaining support

To mark International Men's Day, we hosted a fireside chat on men's mental health and launched our new Men's Talking Group, a confidential space that meets monthly and encourages open conversation, peer support and signposting to help. No invitation needed; just turn up and talk.

Peer to Peer Support: connection when it matters

We established a framework for colleagues to share their experiences and advice on life-changing events and conditions, creating safe informal networks to build understanding and community. This continues to grow, with colleagues making themselves available to talk about anything from brain tumours and endometriosis to ADHD and caring responsibilities.



Why it's important

These moments build psychological safety and empathy, helping colleagues feel seen and heard. They also strengthen the culture that underpins long-term progress, which in turn will positively impact our gender, ethnicity and disability pay gaps.

Opening Pathways for Future Talent

Creating equity and a true culture of belonging means creating new routes into our business and making sure opportunities are accessible to people from all backgrounds. Over 2025, we've made progress in introducing new career pathways, development programmes and early-talent commitments.

New routes into the sector

In 2025, we launched a number of new head office apprenticeship roles in Data, IT, Business and Finance, offering pathways to grow talent in key skill areas. These sit alongside our Gold accredited membership of The 5% Club, reinforcing our commitment to earn-and-learn roles and helping us play a part in tackling national skills inequality.

Fair and inclusive hiring practices

We continue to reshape our hiring processes to ensure fairness at every stage:

- A fully accessible careers website using Recite Me technology.
- Broader advertising channels to reach more diverse communities.
- Guaranteed reasonable adjustments for all candidates who need them, plus reimbursement of travel expenses for Early Careers candidates, removing potential barriers to entry.
- Post-interview review sessions with hiring managers to challenge bias and improve decision-making.

Supporting progression from day one

Apprentices benefit from personalised coaching, mentoring, and career planning, as well as access to our Reverse Mentoring programme, which gives leaders direct insight into lived experience and helps accelerate meaningful change. We also bring apprentice cohorts together regularly to foster a sense of belonging and connection.



Why this matters

When more people from different backgrounds can join, grow and progress in our organisation, we create a stronger and more diverse workforce. Over time, this helps us tackle gender, ethnicity and disability pay gaps in a meaningful and sustainable way.

2025

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