

VOLKSWAGEN FINANCIAL SERVICES

THE KEY TO MOBILITY

GENDER PAY GAP 2017



INTRODUCTION

At VWFS, we're committed to creating a fair and equal environment for all – a workplace where we recruit our people based on their capability and merit, not on characteristics.

We take diversity, equality and respect in our workplace extremely seriously. Fairness and respect is part of our core belief as a business. It is woven throughout our values, policies and practices through to our fair and transparent approach to pay and bonuses.

We recognise the importance our employees place on managing their out-of-work commitments alongside their job-based obligations. We go above and beyond our statutory requirements to ensure our staff are able to balance their priorities and contribute to the success of our business. In addition to promoting flexible working, we are actively endorsing a more agile working approach to allow staff to take ownership of how and where they choose to work.

VWFS was ranked 8th in the Great Place to Work® survey as one of the UK's Best Workplaces in the Large employer category (500+ employees). The award recognises the strength of our business and the range of innovative, creative and effective policies we have which creates the unique VWFS workplace culture.

WHAT IS THE GENDER PAY REPORT ABOUT?

This year for the first time, 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.



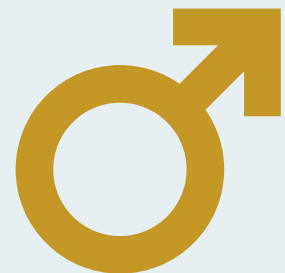
David Maloney, Chief Executive Officer

A handwritten signature in black ink, appearing to read 'DM', written over a light blue background.



Julie Stayte, Chief HR Officer

A handwritten signature in black ink, reading 'Julie Stayte', written over a light blue background.



ORDINARY PAY GAP*

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

The indicative average gender pay gap for the financial services sector is 34%, at 24% our mean gender pay gap is considerably lower than our industry peers.

OUR MEAN (AVERAGE)
ORDINARY PAY GAP IS

24%

OUR MEDIAN (MIDDLE)
ORDINARY PAY GAP IS

32.6%

RATIO
44:56

TOTAL FEMALE
562

TOTAL MALE
437

BONUSES**

The information shows our overall mean and median gender pay gap based on employees who received a bonus in 2017

OUR MEAN (AVERAGE)
BONUS GAP IS

36.4%

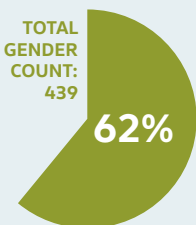
OUR MEDIAN (MIDDLE)
BONUS GAP IS

34.4%

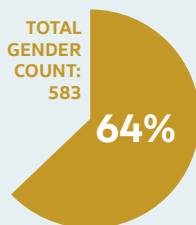
RATIO
42:58

TOTAL FEMALE
376

TOTAL MALE
274



MALE



FEMALE

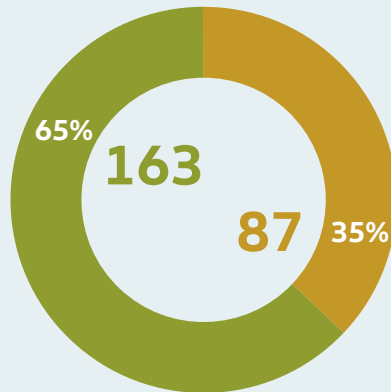
The percentages show the bonus proportions paid in 2017 by gender split

Unlike the gender pay gap, the bonus gap is not pro-rated for hours worked or length of service during the year. Almost 18% of our workforce chooses to work part-time of which 91.5% are female and this is reflected in our bonus gap.

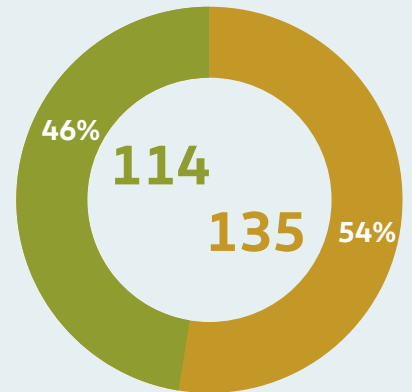
SALARY QUARTILES

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

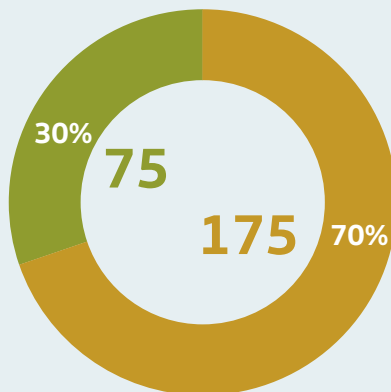
● MEN ● WOMEN



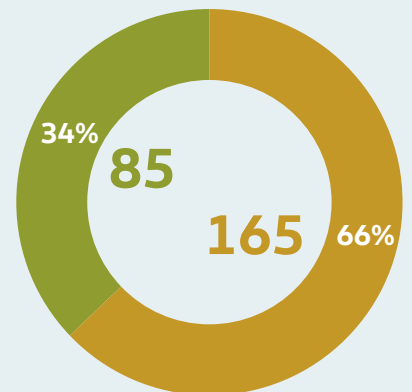
QUARTILE PAY
UPPER



QUARTILE PAY
UPPER MIDDLE



QUARTILE PAY
LOWER MIDDLE



QUARTILE PAY
LOWER

Our approach to pay is gender neutral by design and our analysis shows that our pay gap is driven by the structure of our workforce, put simply we have fewer males occupying more junior roles – it is this imbalance that results in the gender pay gap.

Much of this is driven by society, for example junior roles within our customer services teams typically attract twice as many applications from females, whereas our specialist roles particularly technology attract almost three times as many applications from males.

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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