

VOLKSWAGEN GROUP UNITED KINGDOM LIMITED

GENDER PAY GAP REPORT | 2019

Driving diversity and inclusion

At Volkswagen Group UK we believe in providing job opportunities for everyone, and are passionate about creating an environment in which everyone can flourish and meet their full potential.

We're committed to building a diverse team and celebrating all the creativity, innovation and bright ideas this brings. It's so important to us that it's one of our global strategic objectives.

It's all about having the right person in the right role at every level, and over recent years we've worked particularly hard to drive a more gender-balanced workforce throughout our organisation. That relentless focus continues.

With an agenda to broaden employee diversity across the board, supporting women in our workplace continues to be of paramount importance. We've set ourselves the goal of filling 30 per cent of leadership positions with women by 2021, and we're determined to achieve it.



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

Alex Smith, Managing Director

Penny Weatherup, HR Director

DEFINITION

What is the gender pay gap?

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

Median pay gap

Imagine we split our employees by gender, arranging men and women in two lines in order of pay from highest to lowest. The median gender pay gap compares the hourly pay of the woman in the middle of the female line with the hourly pay of the man in the middle of the male line.

The most common reason for a gap is that there are more men in senior roles than women. Seniority and hierarchy drive the difference.

Mean pay gap

The mean gender pay gap, on the other hand, shows the difference in the average hourly rate of pay between men and women in a company.

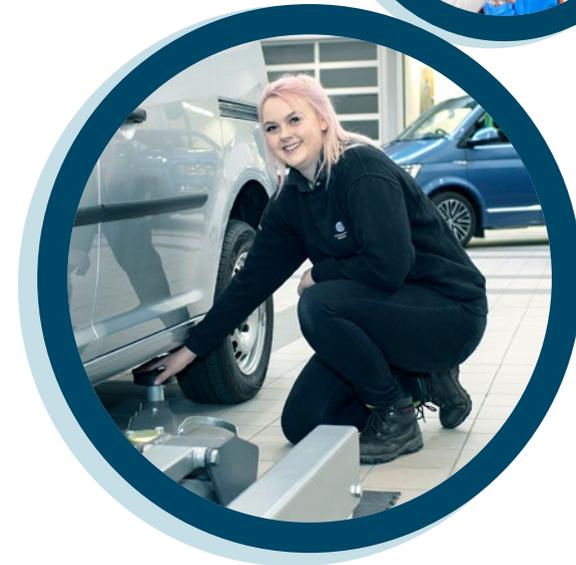
As with the median gender pay gap, the mean pay gap exists because there are more men than women in senior roles in the company.

Bonus gap

These median and mean calculations are also carried out when comparing bonuses paid over a 12-month period.

Equal pay

Both median and mean pay gaps are different from 'equal pay', which is the difference in pay between men and women doing the same or similar jobs – 'i.e. equal pay for equal jobs'. The gender pay gap measures the difference in pay regardless of role and can be influenced by the different number of men and women in the organisation across all roles. An equal pay analysis on the other hand considers two employees or groups of employees carrying out the same, similar or equivalent roles.

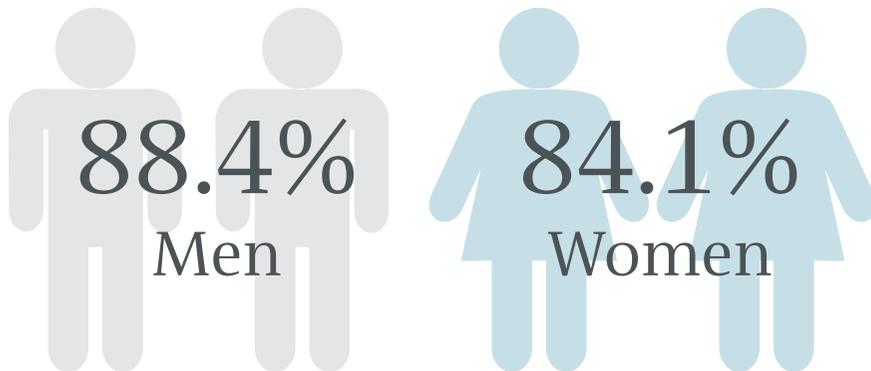


Volkswagen Group UK results for 2019

Gender pay gap (the difference between the pay of men and women in our organisation)	Mean (Average)	Median (Middle)
Hourly pay gap	25.6%	16.8%
Bonus pay gap	48.5%	24.8%

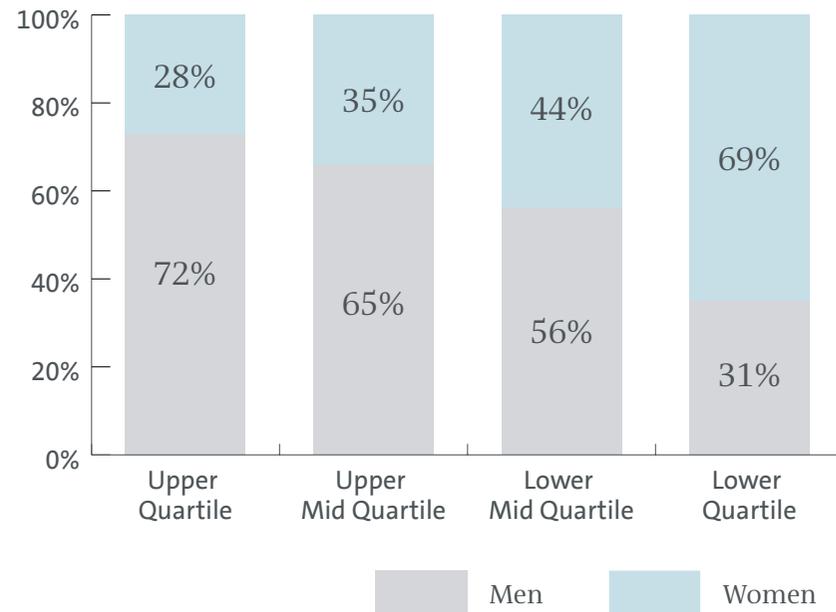
Snapshot date 5 April 2019

Proportion of employees who received a bonus (in the 12 months up to April 2019)



Gender mix by pay quartile

The chart below illustrates the gender distribution of Volkswagen Group UK's male and female employees, split into four equal-sized pay quartiles.





Our results in focus

Our gender pay gap is driven by the fact that although 44 per cent of employees in our organisation are women, we have more men in more senior roles.

In contrast, our own internal analysis shows that our equal pay gap is less than one per cent.

We work hard to maintain pay equality for equivalent jobs – following strict processes like our annual pay review and pay principles, and performing regular checks to ensure our policies and practices are fair to all.

Where bonuses are paid, they are based on several factors, including grade, and personal and company performance.

The bonus pay gap is influenced in a similar way to the median pay gap. The gap exists because we have more men than women in higher grade roles.

Maintaining our focus

We know that when organisations have a truly diverse workforce, they are more creative, innovative and more aligned to customer needs and, ultimately, they are more successful.

In the traditionally male-dominated automotive industry, we're working hard to shift the needle towards a more gender-balanced and broadly inclusive employee base at Volkswagen Group UK.

For example, last year this included introducing a gender-specific sponsorship initiative and gender-balanced shortlisting and interview panels for all new vacancies. And we're interviewing and hiring more women as a result. Through the consistent focus and determination of our wide-ranging Diversity Programme, we're continuing to extend our activities to drive an even more inclusive agenda.

Our programme aims to inspire young women from schools and colleges, and through apprenticeships, to consider a career in our industry. Our initiatives seek to enrich our working environment so our employees feel supported, encouraged and developed to take on more senior roles. And our refreshing recruitment approach ensures we always focus on hiring the best person for the job, regardless of their gender, background or anything else.

Together, it's helping us to develop a more attractive and inclusive culture – and we're seeing our people thrive as a result. Last year, we were delighted that 13 influential women from across Volkswagen Group UK were listed in the top 100 Autocar 2019 Great British Women in the Car Industry Rising Star awards, which celebrate the sector's pipeline talent.





Heidi Cartledge,
Head of Strategy Development

“I’ve worked for Volkswagen Group UK since 2003, and have been able to take advantage of the wide variety of roles and brands available here.

“I feel fortunate to have been supported during that time by managers and teams

who have understood my desire to combine work and family life. I’m currently a senior manager working part-time in the ŠKODA brand, and have worked with my colleagues to come up with practical, workable solutions which benefit the organisation as well as my personal situation.

“In 2016, I was also able to take a seven-month sabbatical – another example of the Group’s drive to enable the development and retention of female talent. Through experiences like this, I hope I’ve blazed a trail for other women to follow.”

The 30% Club

Volkswagen Group UK is an active member of the UK Automotive 30% Club, a voluntary group of progressive motor industry CEOs and MDs who are working to achieve a better gender balance in their organisations.

The club has an aspirational aim to fill 30 per cent of key leadership positions with women by 2030.

We’ve gone further than that, with a target of 30 per cent female representation in senior management by 2021.

Achieving gender balance

30
by 21

“30 by 21” is a key objective that supports our global

ambition to increase diversity, integrity, appreciation and respect.

