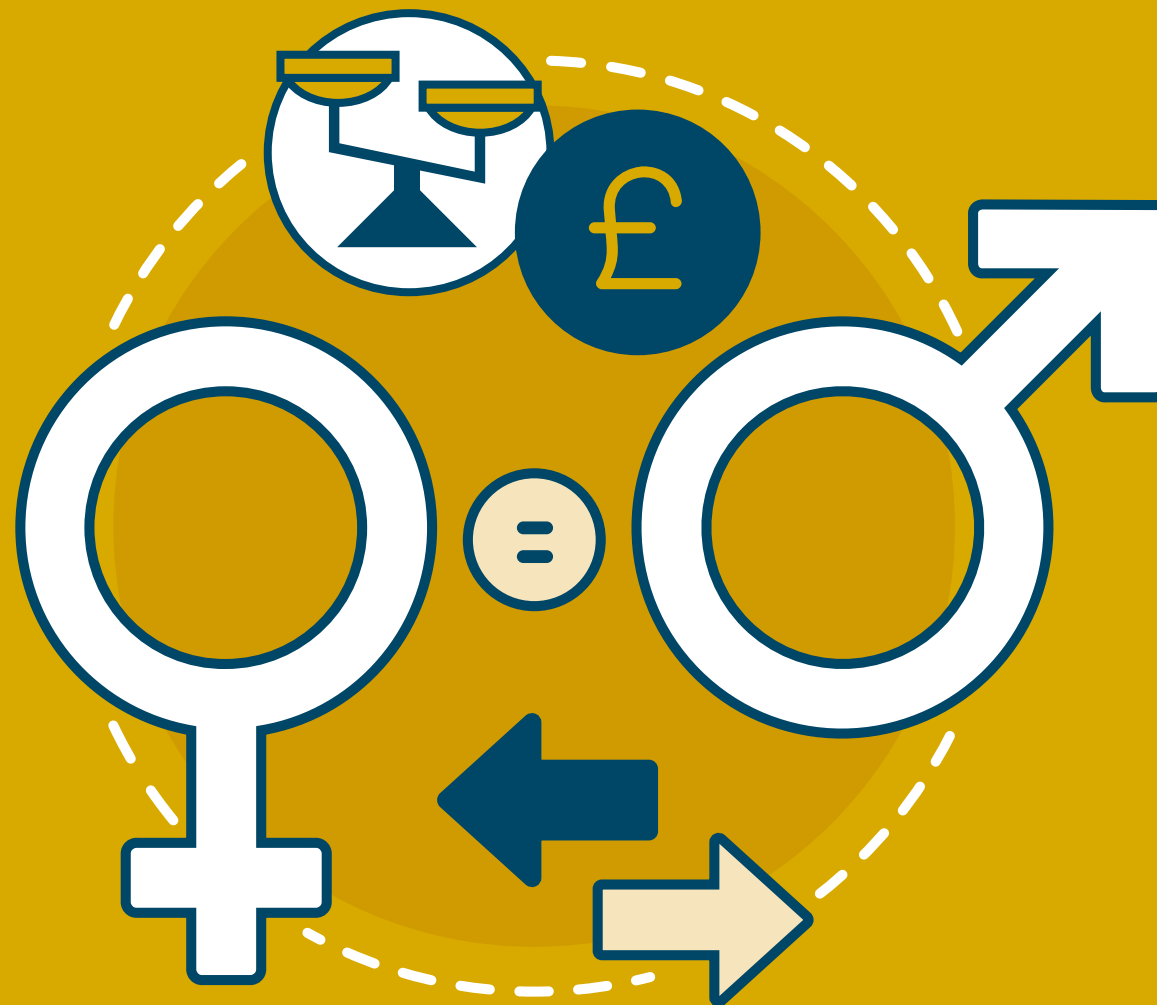




VOLKSWAGEN GROUP UNITED KINGDOM LIMITED

GENDER PAY GAP REPORT | 2020

Driving diversity and inclusion

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

We're committed to building a diverse team and celebrating the creativity, innovation and vibrant culture that makes such a difference to our success.

This is our fourth annual Gender Pay Gap Report and we're delighted that our strategic focus on achieving a gender-balanced employee base is delivering a lasting and positive effect.

It's all about having the right person in the right role at every level, and with an agenda to broaden employee diversity across the board, supporting women in our workplace remains of paramount importance. We set ourselves the goal of filling 30 per cent of leadership positions with women by the end of 2021, and we're doing everything we can to drive towards this.



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 is often there 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.



HOW WE MEASURE UP

Volkswagen Group results for 2020

Gender pay gap

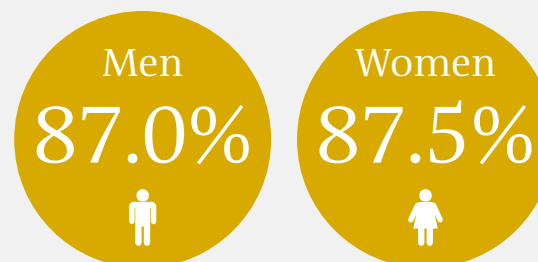
(the difference between the pay of men and women in our organisation)

	Mean (Average)	Median (Middle)
Hourly pay gap	21.3%	14.4%
Bonus pay gap	45.4%	27.9%

Snapshot date 5 April 2020

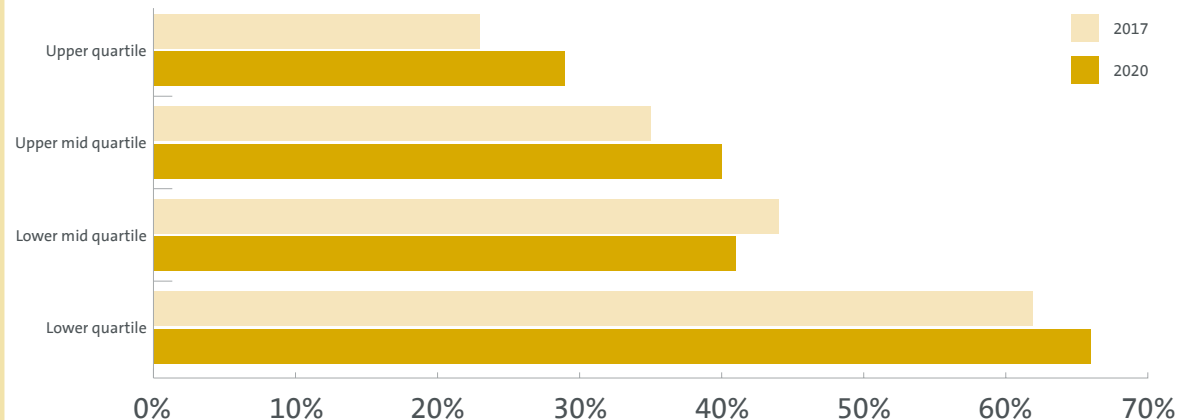
Proportion of employees who received a bonus

(in the 12 months up to April 2020)



Gender Balance by Pay Quartiles: Four-year trend

The chart and table below illustrate the changes in Volkswagen Group UK's **female population distribution** over the past four years, split into four equal-sized pay quartiles.



	2017	2020
Upper quartile	23%	29%
Upper mid quartile	35%	40%
Lower mid quartile	44%	41%
Lower quartile	62%	66%



Our results in focus

Our gender pay gap is driven by the fact that although 45 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 have been paid, they have been 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.

Our long-term commitment to diversity and inclusion

We're seeing the benefits of a long-term commitment to gender balance. It's become embedded in our culture, changing the shape of the business and helping us to put diversity and inclusion on a sustainable footing.

More women are progressing into senior roles and gender pay gaps are reducing.

A number of initiatives and activities have driven this shift. These have included extending our mentoring and senior sponsorship programmes to female middle managers, and aligning our talent programmes to ensure there's a gender balance. We run regular career panels and networking events to increase awareness and access to people performing different roles.

Four dynamic Employee Network Groups actively promote diversity across Volkswagen Group UK. They are spearheaded by our Driven Women team, and each group has a member of the senior leadership team as sponsor. Each of our brands and functions has its own D&I plan which includes a focus on achieving gender equality.

Our INSPIRE programme, meanwhile, works with young people in schools and colleges, sharing the excitement of working in the automotive sector and the rich career opportunities available.

Our focus on diversity and inclusion continues.

We recently put ourselves forward for accreditation with Inclusive Employers, an organisation which helps businesses focus on making their workplaces more inclusive.

And we're proud that female members of our team are receiving the recognition they deserve across the industry. Three were spotlighted as game-changing role models at the 2020 Automotive 30% Club's Inspiring Automotive Women Awards, while five Volkswagen Group employees made Autocar's top 100 Great Women in the British Car Industry.



“I joined Volkswagen Group in 2014, and from the moment I walked into the office I knew I was working with people who would help me be the best I could be.

“I’ve been helped by mentors and senior sponsorship. John Newton, Group Finance Director, is one of my mentors, and Carl zu Dohna, my Director when I was with Volkswagen Commercial Vehicles, also saw potential and encouraged my development.

“I’m a full-time working mum now, but I spent 18 months working part-time to fit around family life. It’s vital to be able to work flexibly and Volkswagen Group supports me in this. It’s important for me to have the self-confidence and personal resilience to log off at the end of the day and be ‘mum’, sure in the knowledge that my managers know I can take care of my workload and that my output speaks for itself.



“My next career goal? I’d love the challenge of a Head of Business role in the future.”

Katie Benson,
Group Business Lead, Electric Vehicles

The 30% Club

Volkswagen Group 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 the end of 2021.

Achieving gender balance

Committed
Member of
**Inclusive
Employers**

We recently became part of Inclusive Employers,

the leading membership organisation for businesses wanting to build more inclusive workplaces. Our involvement will help us continue to focus on creating an environment where everyone feels valued and can freely contribute their skills and ideas.

