

VOLVO FINANCIAL SERVICES GENDER PAY GAP REPORT



VOLVO FINANCIAL SERVICES GENDER PAY GAP REPORT

The UK government has introduced a requirement for all businesses with 250 or more employees to publish annually updated information about their Gender Pay Gap.

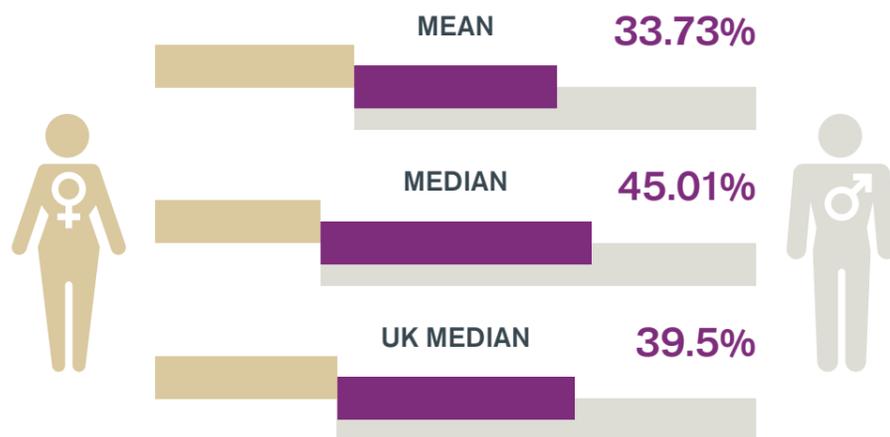
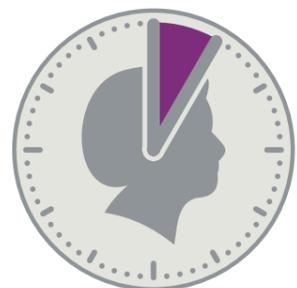
Although Volvo Financial Services employs less than 250 employees in the UK, a decision has been made to publish the data in order to be transparent, alongside other legal entities within Volvo Group in the UK. The first set of data must be published by April 2018.

It should be noted that the **Gender Pay Gap is not about Equal Pay**. The Gender Pay Gap calculation takes the average hourly rate for all women across the organisation and compares it to the average hourly rate for all men across the organisation, whereas Equal Pay is about ensuring men and women doing the same job are paid at equivalent rates. Where an organisation has a Gender Pay Gap this does not show that men and women are paid differently for carrying out similar roles.

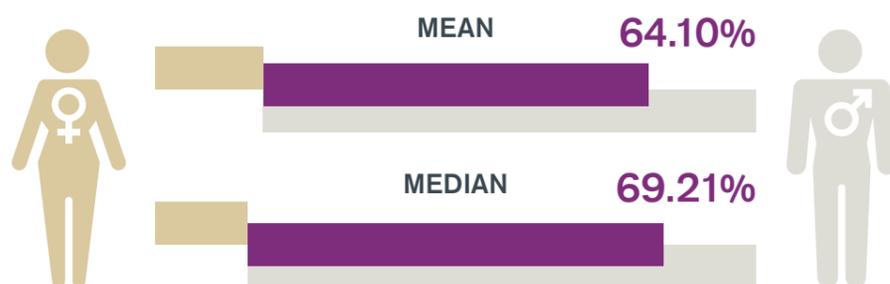
According to ONS, the median Gender Pay Gap for 2016 across the whole of financial services is 39.5%. **This means that the Gender Pay Gap for Volvo Financial Services is slightly worse than that of the financial services sector as a whole.**

GENDER PAY GAP

HOURLY PAY



BONUS PAY

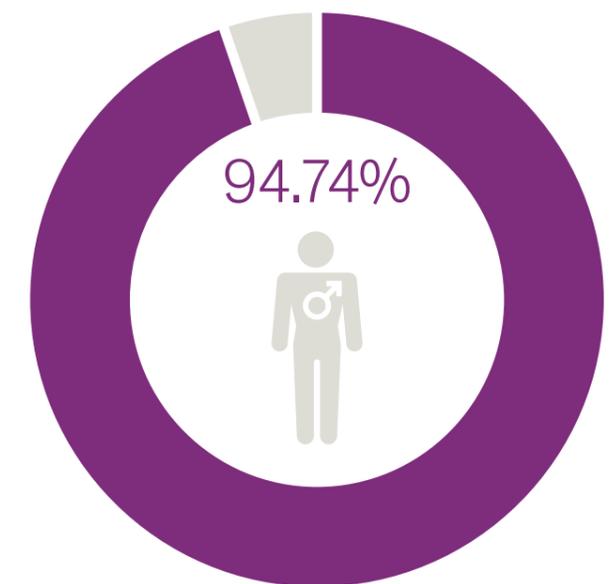


BONUSES PAID

PROPORTION OF WOMEN RECEIVING A BONUS



PROPORTION OF MEN RECEIVING A BONUS



QUARTILES



UNDERSTANDING THE VFS GENDER PAY GAP

Volvo Financial Services has a median gender pay gap of 45.01%. Although this is only slightly higher than that of the Financial Services sector as a whole, we recognise that there is more to do to close this gap. The gender pay gap can be influenced by a range of socio-economic factors – for example women returning to work part-time following career breaks for childcare reasons. There is a preponderance of male employees in the most highly paid roles within VFS. While VFS has been able to attract and retain female employees at the lower end of the pay spectrum, with a good balance of male and female employees, we recognise that there is work to do to ensure a greater diversity in the more senior roles.

Whilst the lack of diversity in the more senior roles also goes some way to explain the bonus pay gap, the statistics also show that all employees are generally eligible to participate in the VFS bonus programme. The difference in the proportion of males and females actually receiving a bonus is mostly due to start dates, where individuals have not been in post long enough to have received a bonus in the previous year.

WHAT IS VFS DOING?

VFS is a welcoming environment and diversity is seen as a positive driver for success. We are committed to being an **equal opportunities employer**.

We ensure our managers are fully trained in interview techniques to recognise the importance of making non-biased recruitment decisions. We've also recently appointed Resourcing Specialists in our Warwick Head Office, who will be proactively managing our recruitment strategy to ensure we are attracting a diverse workforce.

We operate a core hours system, recognising that many employees want to use this flexibility to manage their outside work commitments. And we are working to ensure that we have development pathways for all employees to enhance their skills and knowledge and progress through the organisation. We have a high proportion of females in supervisory positions and this will help us to ensure they are able to realise their full potential. Our mentoring programme is open to all and we also aim to publicise role models who have progressed their career through VFS.

I confirm the data to be accurate:



Tabitha Carpenter
Managing Director
VFS UK & Ireland

VOLVO

Volvo Group UK
www.volvogroup.com