

UK GENDER PAY REPORT *2018*

Mercedes-Benz



At Mercedes-Benz Financial Services UK Ltd, we are so much more than a financial services company. We are committed to providing an extraordinary service to our internal and external customers, and to making this a great place to work. Being 'good' isn't good enough. Standing still isn't an option. Our customers come first and our culture is second to none.

In 2018, we were ranked 35th in the large UK employers UK Best Workplaces listings – a testament to the focus we have on our inclusive, diverse and innovative company.

Our colleagues are the basis of this success. Because great results come from great people.

Our culture is underpinned by five core values: Inspired, empowered and diverse people; Innovation and commitment to excellence; Customer focus; Financial & social responsibility; Integrity, openness and respect.

PAY DIFFERENCE BETWEEN WOMEN AND MEN



Gender Pay Gap figures show a snapshot of average hourly pay levels, by gender, for all colleagues during a standard time period, irrespective of position held and/or grade.

The graphic above shows the average differences between

the earnings of males in comparison to females, expressed as a percentage.

This figure is distinct from Equal Pay, which considers the pay for men and women undertaking the same work, or comparable roles. We are confident that we pay

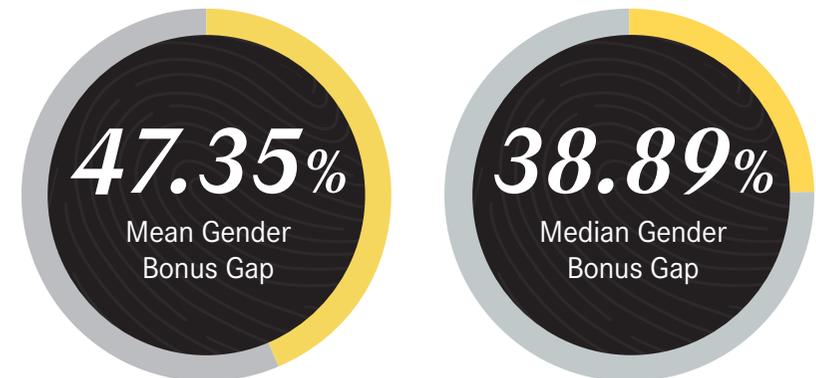
equitably for all colleagues who carry out the same, or comparable, roles within our business.

As a business, we have a number of mechanisms in place to drive consistency in our approach to pay for all colleagues, to ensure that it is fair. These measures include a role grading system, a normalisation process for performance appraisals and a consistent methodology for job evaluation – all of which are designed to be free of gender bias.

BONUS DIFFERENCE BETWEEN WOMEN AND MEN

Our annual bonus and incentive rewards are based on a structured set of criteria to promote consistency. Our bonus opportunities are the same for all colleagues and, regardless of gender, all colleagues have equal access to benefits relevant to their role.

The figure on the right shows our Bonus Pay Gap averages. The difference in mean and median bonus pay is calculated using the total bonuses paid over the



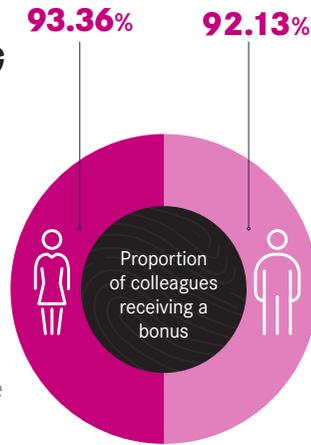
preceding 12-month period, and is not adjusted for pro-rated bonuses paid to our part-time colleagues. Part-time colleagues make up 10%

of our overall team (91% of this being our female colleagues).

PROPORTION OF COLLEAGUES RECEIVING A BONUS

As a business, we have a number of bonus opportunities available to our colleagues. These opportunities are available regardless of gender.

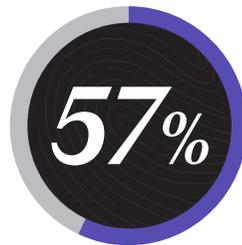
The figure on the right shows the percentage of male relevant colleagues and the percentage of female relevant colleagues who received a bonus over the preceding 12 months.



PAY QUANTILES ACROSS MERCEDES-BENZ FINANCIAL SERVICES UK LTD

The pay quartiles below show four equal hourly paid quartiles and the percentage gender distribution across each.

The chart below represents a snapshot of our pay quartiles. It shows a pay disparity in the upper quartile as a result of the period that the data was captured.



of our colleagues are female

Gap Quartile	Female	Male
Upper	38%	62%
Upper Middle	54%	46%
Lower Middle	70%	30%
Lower	66%	34%
Total	57%	43%

OUR CULTURE

At **Mercedes-Benz Financial Services UK Ltd**, we promote a culture with people at its core. We invest in our future talent by offering a fair and transparent recruitment process, as well as ensuring our recruitment panels have a diverse mix of people, each bringing a different perspective to the selection process.

When colleagues join us, they are invited to an inspiring and thought-provoking company induction that is designed to offer an insight into our culture. We also have an active colleague forum that consistently looks at new ways to improve our approach to effective working, giving and receiving feedback, and making this a fun place to work. As part of this approach, we are proud to support flexibility within our teams, with 10% of our colleagues working part-time. We also promote inclusivity across our business and continually look at ways to ensure that all of our colleagues feel part of our business and are able to perform at their very best. As a business, we work directly with a local community centre and also actively encourage colleagues to engage in CSR activity they feel passionate about.

It's crucial for our colleagues to be the best they can be at work and at home, and that's why you will also hear us talking about our wellbeing programme, Top Form – an initiative that covers four main areas of wellbeing: financial, nutritional, emotional and physical.

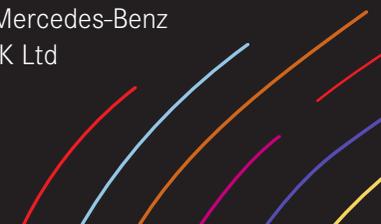
We work hard to ensure all colleagues have access to development opportunities regardless of their gender, background or any other characteristic. Our local talent entry programmes include our Degree Apprenticeship programme, which we launched in 2017, and a number of internal development programmes, such as leaderFIT – a series of bite-sized development programmes exclusively for our people leaders.

The majority of our colleagues are female, and we regularly monitor equal pay across our business. This has not revealed any pay inequalities, and we are confident that our colleagues are paid equally and fairly when working in similar roles.

I confirm the gender pay gap results contained in this report are accurate.

Christian Peters

Managing Director, Mercedes-Benz Financial Services UK Ltd



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