

UK GENDER PAY REPORT 2017

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.

We were ranked in the top 50 medium UK employers in the 2016 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

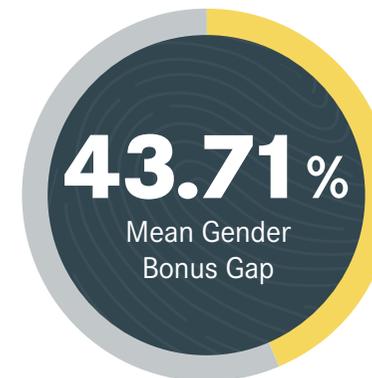
equitably for all colleagues who carry out the same or comparable roles within our business.

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.

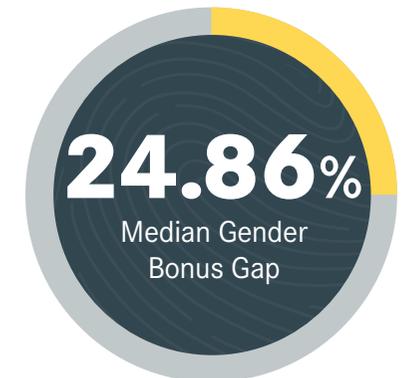
BONUS DIFFERENCE BETWEEN WOMEN AND MEN

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 (96% 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 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

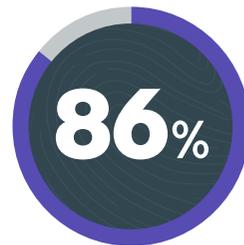
The pay quartiles below show four equal hourly paid quartiles and the percentage gender distribution across each.

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.

Gap Quartile	Female	Male
Upper	37%	63%
Upper Middle	58%	42%
Lower Middle	73%	27%
Lower	70%	30%
Total	59%	41%



of our colleagues are female



of respondents in the Great Place to Work survey agreed that "People here are treated fairly regardless of their sex"

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 inspiring 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 effective 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 recently hosted the Daimler Financial Services international diversity dialogue. In addition, our colleagues are encouraged to get involved with our annual 'day of caring' where we tackle a CSR project and offer ongoing support throughout the year.

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, including Elevate, a residential development programme for high potential leaders. We also offer international development opportunities across the wider Daimler group.

The majority of our colleagues are female and we recently carried out an equal pay audit across our business which did not reveal any pay inequalities and confirmed 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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