

# UK Gender Pay Gap Report 2017

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# Foreword

“At Aviva, we want talent to be the only criteria for success. We value difference and are committed to building an inclusive culture where everyone can be themselves and do their best work. This commitment is not only central to our values, it is also critical to our business. Difference drives innovative thinking and we can only serve our current and future customers well if we understand their diverse needs.”

**Sarah Morris**  
Chief People Officer

We welcome the introduction of gender pay gap reporting and what it sets out to achieve. Transparency makes change happen and this is a great opportunity to better understand the challenges we face, and accelerate the pace of change as part of our broader ambition for inclusivity across our Group.

Our employee engagement survey tells us that the vast majority of our colleagues believe they can be themselves at work without fear of judgement or discrimination and that people from diverse backgrounds can succeed at Aviva. However, our gender pay gap data shows that we need to do more to create opportunities for women to progress.

We understand the reasons why we have a gender pay gap and this gives us the best possible chance of doing more to fix it. We have a significant challenge ahead of us but, at Aviva, this is about progression and not equal pay.

We are not proud of the position as it stands, but are committed to changing things and have already laid strong foundations that will make a positive difference. We must look at this systemically – at each stage of an individual's career with Aviva. Although we know there are no quick fixes, we are determined to do what it takes to make the progress we need to see.

## About Aviva

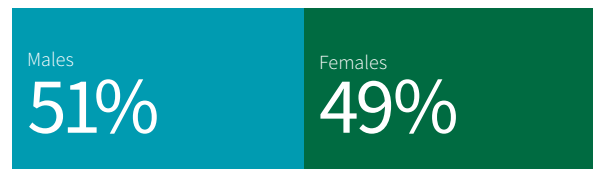
**30,000**

Aviva colleagues internationally

**16,000**

People in the UK, our home market, employed across all business areas

## Gender split of Aviva UK employees



## What is the gender pay gap?

The **gender pay gap** is a measure of the difference between the average earnings of men and women across an organisation. The gender pay gap is not the same as equal pay. **Equal pay** relates to men and women being paid equally for equal work. This is a legal requirement in the UK and an important matter of principle that Aviva is committed to and abides by.

## Legislative requirements

- All UK companies with 250 or more employees on 5 April 2017 are required to publish specific gender pay information:
  - Mean and median gender pay gap
  - Mean and median gender bonus gap
  - Proportion of males and females receiving a bonus
  - Proportion of males and females by quartile pay band
- Figures for each legal entity with at least 250 employees on the snapshot date must be calculated and reported separately
- The mean and median gender pay gap is based on hourly rates of pay as at 5 April 2017
- The mean and median gender bonus gap considers bonus pay received in the 12 months leading up to 5 April 2017
- Pay quartiles look at the proportion of men and women in four pay bands when we divide our workforce into four equal parts

# What is our gender pay gap at Aviva?

“As a woman in financial services, I'm not proud of our gender pay gap figures. We're already doing a lot to increase the number of women in our senior roles but it's clearly not enough.

This report sets out what we're going to focus on to make the biggest difference and encourage diversity of all kinds, across all of Aviva. We all have a role to play in this, every single day.”

**Angela Darlington**  
Group Chief Risk Officer

## Methodology

Within Aviva, we had two employing entities in the UK as at 5 April 2017, both with more than 250 employees. The data we are required to report for each separate entity is detailed on page 7.

Since 1 July 2017 however, these entities have been combined. To reflect this impending change to how we will report, and to provide what we feel is the most representative view of our whole UK business, we have chosen to review data for the combined population, in addition to the separate entities.

As per the regulations, the calculation of the mean and median gender bonus gap excludes anyone who did not receive any bonus pay in the 12 months leading up to the snapshot date of 5 April 2017 and does not take account of individual circumstances, which may have impacted the actual bonus payment an individual received (including whether an individual was working part-time).

## Key data

Information presented below relates to the combined population of Aviva Employment Services Limited (AESL) and Aviva Investors Employment Services Limited (AIESL).

### Mean and median gender pay gap

The mean gender pay gap is the difference in average hourly rates of pay that male and female employees receive. This gives an overall indication of the gender pay gap by taking all hourly rates of pay and dividing by the total number of people in scope.

The median gender pay gap shows the difference in the midpoints of the ranges of hourly rates of pay for men and women by ordering individual rates of pay from lowest to highest and comparing the middle value.

Mean

**28.5%**

National: 17.4%\*  
Financial and insurance activities sector: 35.1%\*

Median

**27.6%**

National: 18.4%\*  
Financial and insurance activities sector: 35.6%\*

### Mean and median gender bonus gap

The mean gender bonus gap is the difference in average bonus pay that male and female employees receive.

The median gender bonus gap shows the difference in the midpoints of the ranges of bonus pay received by men and women.

Mean

**57.2%**

Median

**40.5%**

### Proportion of males and females receiving a bonus

This is the percentage of men and women who received bonus pay in the 12 months leading up to the snapshot date of 5 April 2017.

Males

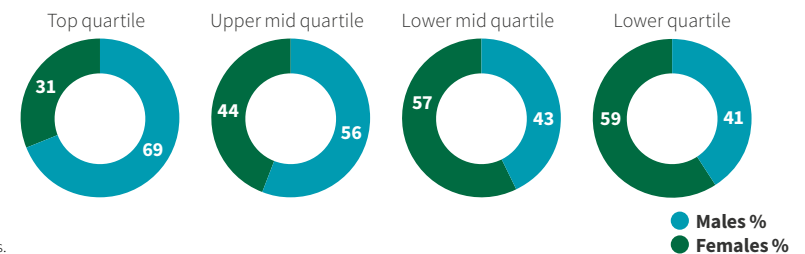
**91.3%**

Females

**93.0%**

### Proportion of males and females by pay quartile

This is the percentage of male and female employees in four quartile pay bands, (dividing our workforce into four equal parts).



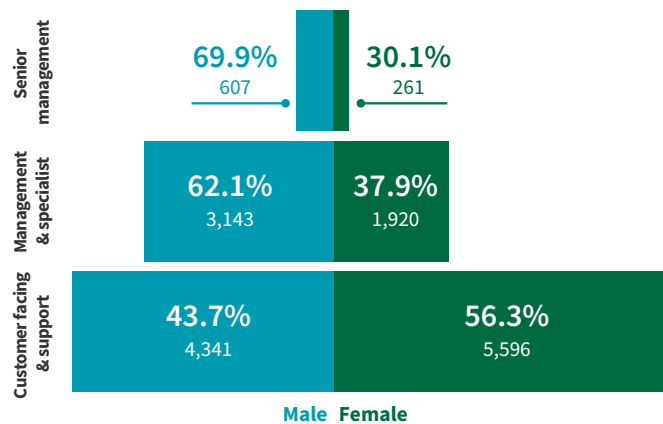
\*Source: 2017 Annual Survey of Hours and Earnings, Office for National Statistics.

# Why do we have a gender pay gap at Aviva?

The most significant challenges we face in addressing our gender pay gap are:

- A higher proportion of women than men in our more junior roles
- Fewer women than men in our senior and management roles

## Gender split by level



This indicates that our talent policies and practices have not done enough yet to buck the trend within Financial Services of more men progressing to senior leadership roles than women. However, it does not deter us nor change our intent. It simply emphasises the importance of meaningful action and highlights the need for a systemic approach.

Additionally, we have reviewed the mean gender pay gap by pay quartile band. As the gender pay gap in each quartile is much lower than the figure for the overall population, this confirms that the main driver of our gender pay gap at Aviva is the unequal distribution of men and women.

If we continue to focus our efforts on ensuring men and women are represented equally at all levels in our business, the gender pay gap will close.

## Mean gender pay gap by pay quartile

Top quartile	Upper mid quartile	Lower mid quartile	Lower quartile
9.40%	1.85%	1.05%	-0.88%

## Gender bonus gap

Overall, we have significantly higher mean and median bonus gaps than our mean and median gender pay gaps based on hourly rates of pay.

This is because:

- Our most senior roles (which have more men than women occupying them) have a larger overall bonus opportunity.
- We have more men in sales and distribution roles, which typically attract higher bonus opportunities.
- 16% of our people work on a part-time basis and 91% of these are women. Where we have paid bonuses to part-time colleagues, they are prorated to reflect the reduced hours – however, the bonus pay gap calculation does not recognise that individuals may be working part-time.

We will continue to encourage flexible ways of working that suit the lifestyles of our people. This will continue to include part-time working, even if that contributes in part to the bonus gap.



## Difference between equal pay and the gender pay gap

A company can have a gender pay gap without breaching equal pay provisions.

Our gender pay gap at Aviva is not as a result of equal pay issues. We have a gender-neutral approach to determining pay for our roles at all levels and we regularly monitor this to ensure we continue to meet legal and moral obligations.

## Equal pay

Equal pay is the legal obligation for employers to give men and women equal pay for equal work.

## Gender pay gap

The gender pay gap is a broader measure of the difference between the average earnings of men and women (irrespective of roles and seniority) – it looks across all jobs at all levels within an organisation.

# Our commitment to closing the gap

At Aviva, we believe that our gender balance will change as we address all aspects of diversity.

We are impatient to see change but appreciate that no single action can eliminate the gender pay gap and recognise that making a significant difference to the status quo will take time.

However, our Group Executive team is championing commitment to this issue and has set a range of targets to address all aspects of diversity, including gender. We have already made some bold changes to make inclusion a reality at Aviva.

“As leaders in the organisation, it's down to us to take this challenge on and to focus on how we create the right environment within the Aviva Group so we do get a higher proportion of women in senior roles.”

**Andy Briggs**  
CEO UK Insurance

To galvanise change within our business, we are focusing on three areas that cover how we engage employees, how we make the most of progression opportunities and how we retain the best talent within Aviva.

## Recruitment

It is important we have a pool of the best candidates from all backgrounds to apply for roles at all levels in Aviva, and that we take into account all perspectives in order to get the best person for the job.

- › We will continue to scrutinise our recruiting processes to eliminate bias, and support leaders to consider inclusion in the decisions they make.
- › We will continue to use software to help us ensure our job adverts are gender-neutral.
- › We will keep encouraging recognition of the value of diverse perspectives in building and developing teams. We already require diverse shortlists for senior roles and plan for this to form part of our global recruitment process at all levels within Aviva to ensure proportionate representation.
- › We will build partnerships to encourage talented women back into the industry, targeting highly skilled women who have been out of work for up to six years and ensuring that we provide full support for their return. This is part of our commitment to playing a role in empowering more women to join/rejoin, remain and progress within our industry.



### Leading the way

Mark Wilson was the first FTSE 100 CEO to sign up to the 30% Club ambition of reaching a minimum of 30% women on Executive Committees of FTSE 100 companies by 2020. We have already met this target for our Group Executive team.

We have since become a proud signatory of the Women in Finance Charter. Signing the Charter formalises our commitment to addressing gender imbalance.

In addition to our commitment to maintaining at least 30% women in our Group Executive team, we have launched and invested in our Group-wide women in leadership programme as a key initiative for developing a pipeline of female talent within Aviva.





## New parental leave policy

In November 2017, we announced our new parental leave policy, offering equal parental leave to men and women.

Regardless of gender, sexual orientation or how an individual becomes a parent (birth, adoption or surrogacy), parents will be eligible for the same amount of paid and unpaid time off when a new child arrives.

The policy has been implemented already in the UK, Ireland, France, Singapore and Canada. We are working with our other international markets to extend this to all other Aviva businesses during 2018. The amount of time off and pay is determined by each local business.

In the UK, this means that each parent employed by Aviva is entitled to up to 52 weeks of leave, of which 26 weeks will be paid at full basic pay. There are no eligibility criteria connected to a parent's average earnings or their position within the company.

We also support parents upon their return to work with additional paid time off during their first 12 weeks back at work.

Offering equal paid and unpaid time off for men and women further reduces the opportunity for bias to occur in recruiting and promoting talent and will contribute to reducing the gender pay gap.

## Training, development and progression

Ensuring our talented people have every opportunity to succeed and progress the careers they want will allow them to fulfil their potential and help close the gender pay gap.

- › We will continue to invest in talent development within Aviva – an example is the rapid expansion of our Group-wide women in leadership programme.

Launched in 2016, we have already had 83 high potential women participate in the scheme at various levels within our business. 29 have taken on bigger or broader roles as a result. The aim is career progression (not just development) and making sure we have a higher number of women in senior roles.

- › We will continue to recruit and develop high potential women through our global graduate programme. We had 55% female representation in our last intake, compared to 29% the previous year. This is the result of our efforts to remove bias from the attraction, selection and placement processes and ensure a more gender-neutral approach.
- › We will continue to provide unconscious bias training as part of our Aviva Accelerator development programme.
- › We will continue to collaborate with Women Ahead, who partner the 30% Club, to provide a cross-company, cross-industry mentoring programme. The aim is to develop a broader pipeline of women to all career levels.
- › We will keep supporting our leaders to develop diverse succession plans. We encourage an inclusive approach to succession management too, challenging the possibility of unconscious bias in career discussions.

## Retention

We live in a world where it is increasingly difficult for people to balance home and work commitments. Providing support to retain the people and skills we need in our business is fundamental to our success.

- › We will keep exploring smarter and flexible ways of working to meet the needs of our colleagues, customers and shareholders.
- › We have already introduced some policy changes in the UK – for example, our approach to parental leave and support for working carers. We will continue to support our leaders and colleagues to eliminate bias from our processes.
- › We are working hard to change attitudes to potential and performance by raising consciousness about inclusion.
- › We will focus on retaining our maternity and paternity returners.

# Summary of gender pay gap data

	Number of employees <sup>†</sup> as at 5 April 2017	Mean gender pay gap (%)	Median gender pay gap (%)	Mean gender bonus gap (%)	Median gender bonus gap (%)	Proportion of males receiving a bonus (%)	Proportion of females receiving a bonus (%)	Proportion of males and females by pay quartile (%)							
								Top quartile		Upper mid quartile		Lower mid quartile		Lower quartile	
								Males	Females	Males	Females	Males	Females	Males	Females
<b>Combined Aviva Employment Services Limited (AESL) and Aviva Investors Employment Services Limited (AIESL)</b>	15,868	28.5	27.6	57.2	40.5	91.3	93.0	69	31	56	44	43	57	41	59
<b>Aviva Employment Services Limited (AESL)</b>	14,924	27.0	26.4	55.6	38.6	91.5	93.2	67	33	55	45	43	57	41	59
<b>Aviva Investors Employment Services Limited (AIESL)</b>	944	23.8	21.0	46.4	55.6	88.7	88.1	76	24	71	29	62	38	45	55

<sup>†</sup> Relevant employees as defined within the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The mean and median average hourly rate of pay is higher for AIESL than for AESL. This, combined with the greater proportion of males in AIESL compared to AESL results in a higher mean and median gender pay gap and higher mean gender bonus gap than for the two as separate entities.

## What next?

At Aviva, we are continually striving to create an inclusive culture that fosters collaboration and encourages different perspectives to be valued.

Whether appointing new joiners, helping our colleagues move around our business, or supporting progression, our focus must continue to be on talent and potential, to find the best candidates from a diverse talent pool. Addressing any imbalance is pivotal to our success.

Change in an organisation can only happen when its people think and act differently. Therefore everyone has a role to play.

## Aviva Communities

We must include our people in our efforts towards creating a better workplace.

**Aviva Communities** are our evolving Group-wide employee resource groups to support inclusivity. The groups will promote change and help make sure our policies and approaches are consistent globally.

In addition to **Aviva Pride**, our existing Lesbian, Gay, Bisexual, Trans and allies (LGBT+) network, we are excited to introduce:

- > **Aviva Origins**  
Celebrating cultural difference
- > **Aviva Balance**  
Supporting gender parity
- > **AvivAbility**  
Developing a disability smart workplace
- > **Aviva Carers**  
Supporting carers and parents
- > **Aviva Generations**  
Supporting an intergenerational workplace

Anyone can join. We are actively encouraging men and women to get involved with Aviva Balance.

I confirm the gender pay gap data contained in this report is accurate.

**Sarah Morris**  
Chief People Officer