

The background of the entire page is an aerial photograph of a large, green park. Numerous people are scattered across the grass, some sitting on blankets, some standing in small groups, and some walking. The scene is bright and sunny, with the green of the grass being the dominant color. The title text is overlaid on the left side of this image.

UK Gender Pay Gap Report 2018



Foreword

“To make a real and sustainable difference, we need to continue to encourage changing mindsets. Inclusion is about the behaviours that welcome and embrace diversity. Our commitment to creating an inclusive culture at Aviva remains central to our values and imperative to our business.”

We welcomed the introduction of gender pay gap reporting last year. Publishing this information encourages business to take gender equality seriously. Data can highlight the scale of the challenge and show the direction of travel, yet the headline figures are only part of the picture. Ultimately, we need to understand and then deal with the reasons behind the numbers.

At Aviva the way we think about our gender pay gap is part of our commitment to ensure everyone can reach their full potential.

Regardless of gender, race and ethnicity, sexual orientation, age, religion, disability or caring responsibilities, we want everyone to have the same opportunity to progress and be fulfilled at work.

To achieve our goal of a genuinely diverse and inclusive workplace we must remove barriers that have been part of business – and wider society – for centuries. This means tackling systemic biases and contributing to a wider debate about the sort of society we all wish to see. Diverse and inclusive organisations are more representative of their customers, are better placed to develop innovative products and services, are more attractive to prospective employees and have a greater opportunity to maximise the potential of their people.

Inevitably, this sort of cultural change takes time. This report sets out what we have been doing, including setting up inclusive networks for employees through “Aviva Communities” and our groundbreaking policy of offering equal parental leave to both men and women. We are making progress but we are impatient for change and ambitious to move faster.

About Aviva

We help our 33 million customers look to the future with confidence. We offer a wide range of insurance and savings products to help people protect what’s important to them and save for a comfortable future. We help them to defy uncertainty.

30,000

Aviva employees internationally

16,500*

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

Gender split of Aviva UK employees



Reminder of legislative requirements

Gender pay gap legislation requires employers in the United Kingdom with 250 employees or more to calculate and publish gender pay gap data every year. The information needs to include:

- Mean and median gender pay gap (based on an hourly rate of pay at 5 April 2018)
- Mean and median bonus gender pay gap (considers bonus pay received in the 12 months leading up to 5 April 2018)
- Proportion of men and women receiving a bonus payment
- Proportion of men and women in each quartile pay band (looking at the proportion in four pay bands when we divide our workforce into four equal parts)

The gender pay gap is expressed as a percentage of male earnings (e.g. “women earn x% less than men”).

<https://www.gov.uk/guidance/gender-pay-gap-reporting-overview>

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

Caroline Prendergast
Interim Chief People Officer

* Approximate employee numbers are as at 5 April 2018

What is our gender pay gap at Aviva?

We are far from satisfied with the status quo and not complacent, yet it may take a few years before we can realistically expect an improvement in the pace of change and a tangible shift in the data. The slight reduction in our mean gender pay gap and in the mean and median bonus gap may be a sign our efforts are having an effect. Yet the change is small and we would like to see a sustained, more significant improvement before drawing firm conclusions.

As with many organisations, the primary reasons for the gap are that we have more women than men in junior roles while more men than women are in senior roles. This is seen across the financial services sector. The 2017 Annual Review of HM Treasury's Women in Finance Charter shows that the average proportion of senior management roles held by women in our sector is 27.9%. This shows up in the sector's average gender pay gap of 29.6%, which is above the national mean of 14.3% across all sectors*.

The bonus gap is largely a result of greater variable pay at more senior levels (primarily occupied by men). It is also affected by the bonus calculation (set out in the requirements) not taking into account that bonuses for part-time workers (who are mainly women) are pro-rated.

In last year's report we disclosed the gender split by level, which describes the unequal distribution of men and women in Aviva. This year's figures have not moved much.

We recognise that our numbers have not changed significantly and in some cases are showing a slight decline, but we are confident our actions will help us create an inclusive culture at Aviva, which in turn should reduce our gender pay gap.

The underlying causes of our gender pay gap are long-standing and complex. Financial services have operated for hundreds of years with a particularly male-dominated workplace. Women have only started working in senior roles in the last few decades and until recently opportunities for development were restricted. This means we need to remove barriers to career progression and give women the chance to develop at all stages of their careers.

While it is frustrating that we are not moving faster, we recognise that to make a real difference we need to change the culture and the mindsets that have held women back. As we made clear in last year's report, in a company the size of Aviva we would expect such a cultural shift to take time.

* House of Commons, Briefing Paper on the Gender Pay Gap, November 2018

Methodology

The calculation of the gender bonus gap does not take into account individual employee circumstances, so part-time working impacts the figures. As an organisation we encourage flexible working to ensure a diverse workforce and retain the best employees. We remain committed to flexible working even while we recognise it will have a negative effect on our bonus gap figures.

Gender pay gap 2018[†] vs 2017 data

Gender pay gap	Gender bonus gap	Proportion of men and women receiving a bonus	
Mean 27.2% (28.5% 2017)	Mean 54.8% (57.2% 2017)	Men 91.4% (91.3% 2017)	● Men ● Women
Median 27.8% (27.6% 2017)	Median 39.1% (40.5% 2017)	Women 92.1% (93.0% 2017)	

Proportion of men and women by pay quartile

Top quartile	Upper mid quartile	Lower mid quartile	Lower quartile
68% (69% 2017)	55% (56% 2017)	44% (43% 2017)	41% (41% 2017)
32% (31% 2017)	45% (44% 2017)	56% (57% 2017)	59% (59% 2017)

Gender split by level 2018 vs 2017 percentage/number

Level	Year	Men	Women
Customer facing & support	2018	44.5% (4,460)	55.5% (5,569)
	2017	43.7% (4,341)	56.3% (5,596)
Management & specialist	2018	63.0% (3,281)	37.0% (1,927)
	2017	62.1% (3,143)	37.9% (1,920)
Senior management	2018	69.7% (606)	30.3% (263)
	2017	69.9% (607)	30.1% (261)

[†] Figures relate to UK employees as at 5 April 2018



Difference between equal pay and the gender pay gap

The gender pay gap is a measure of the difference between the average earnings of men and women (irrespective of roles or seniority). Equal pay is our legal obligation as an employer to give men and women equal pay for equal work.

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

Our gender pay gap is not a result of equal pay issues. We have a gender-neutral approach to pay across all levels of the organisation and we regularly monitor this to make sure we meet this legal and moral obligation.

Our commitment to close the gap

At Aviva, we believe that having a diverse, inclusive workplace is not only the right thing to do, it also makes sound business sense. It is widely accepted that companies with diverse boards and balanced senior leadership teams are proven to have better business results than their peers with male-dominated senior leadership.

Our customers come from all walks of life, so if we are to understand them and meet their needs, our workforce should reflect the diversity of the people we are here to serve. To attract a broad range of talent, we want to be an organisation where people can make choices that are right for them.

Our aim is therefore to create a workplace where all employees can thrive to achieve their goals – whether to progress through the organisation or excel at their current level, at the same time as maintaining their work-life balance. We are not just focusing on addressing gender imbalance across our senior management. By doing the right thing for all our people, whatever stage in their career, we will develop the culture we aspire to and in turn would expect the gender pay gap to close.

We also hope that by playing our part as a diverse employer, we can help contribute to the wider societal change that will help more women to progress more quickly into senior roles. We therefore have a systematic approach so that inclusion is part of all stages of employment: recruitment, career development and retention. We consider all women's professional needs and are inclusive of race and ethnicity, sexual orientation, disability, age, religion and caring responsibilities.

“To truly serve our customers, we must understand their diverse needs. We can only achieve this if our workforce reflects who they are and the challenges they face.”

Lindsey Rix – Managing Director, Savings & Retirement

Recruitment

We are making progress on gender diversity – but want to go faster:

- › Since 2015 we have required balanced candidate shortlists for our more senior level positions, as well as balanced interview panels to provide diverse feedback. This goes beyond gender and encompasses other aspects of diversity. We have seen an increase in the proportion of women hired into senior roles during this period.
- › We continue to use recruitment software, ensuring that the language used for advertising is gender-neutral.
- › We are committed to a high level of transparency on internal advertising of roles to enable all interested candidates to apply. We advertise the vast majority of senior roles internally. The few exceptions are planned career development moves.
- › 34% of senior appointments (through external hires or internal promotions) in 2018 have been women. Although this shows a small improvement over the past three years (vs 32% in 2016), we need to improve this ratio considerably if we want to see progress in narrowing the gender pay gap.
- › From 2019 we will be reporting our male:female hire ratio for senior roles to the Group Executive on a monthly basis to increase transparency and the opportunity to challenge.
- › We will focus on rehiring previous employees who have taken a career break. The Government Equalities Office recommends rehiring as an approach that has a positive effect on the gender pay gap. We are therefore in the process of setting up an alumni platform to encourage ex-employees to return or be ambassadors for Aviva within their networks. We will specifically contact alumni who left to have children, to reassure them that they can have both a family and a career at Aviva.
- › In Aviva Investors we are piloting a return to work programme, providing a paid six-month placement, starting in January 2019, directed at people looking to come back to the workplace following an extended career break taken for family reasons.
- › We changed our recruitment partner in September 2018 to an organisation with a strong commitment to diversity and identifying the most suitable candidates from diverse pools. Its refocused advertising process identifies unconscious bias and therefore helps produce inclusive job adverts.



Working with others to encourage future female leaders

We are proud to join forces with like-minded organisations who are dedicated to improving prospects for women in business.

In 2018 we were pleased to sponsor Cranfield University's **Female FTSE Board Report**. The annual report identifies the lack of women in executive roles on boards of the UK's leading companies. The latest edition found that amongst the FTSE 100, while the percentage of female non-executive directors is at an all-time high of 35.4%, female executive positions have flat-lined for a fourth consecutive year at 9.7%. So, while progress is being made, there is still much work to be done. 38% of Aviva's non-executive director roles and 30% of our executive positions are occupied by women.

We also recognise the importance of developing female talent from a young age. This is why Aviva is a repeat sponsor of the "**Women of the Future Awards**", which are devoted to identifying and

celebrating inspirational young businesswomen across a range of sectors in Britain.

Aviva is a proud signatory of the **Women in Finance Charter**, which is committed to gender balance across Financial Services. We also support the **30% Club**, which campaigns to get more women represented at senior and board levels in organisations.

We work together with **Business in the Community**, supporting its UK diversity and inclusion campaign focused on gender, race and age. Aviva Investors sponsors **The Diversity Project**, aiming to increase diversity in the asset management industry.

By supporting initiatives such as these, we can help to increase the pipeline of female leaders in the UK, creating a more balanced and more diverse workforce in the future.



Aviva Communities

Aviva has launched **six Communities**, or employee networks, covering gender, race/ethnicity, disability, sexual orientation, carers and employees from different generations. Our Communities are one of the ways we are working together to become more diverse and inclusive. Each Community is sponsored by a member of Aviva's Group Executive and is led by both male and female co-chairs. The power of this approach recognises that people's identities comprise of a number of factors, and this distinction ensures that gender diversity is also inclusive of ethnic minority women, disabled women, LGBT+ women, women of all ages and women with caring responsibilities.

The aim of **Aviva Balance** is to support gender parity to enable both women and men to achieve their full potential. It focuses specifically on women's recruitment, career progression and retention. The community works to give everyone a voice, using International Men's Day as an opportunity to engage more men. In the UK, more than 3,000 of our people – or 20% of the workforce – have signed up to these Communities. Globally, there are more than 5,000 of our people involved.

The Global Inclusion programme extends beyond the UK to also include Canada, Italy, France, Singapore, Vietnam, Poland and Ireland. Each market has established Communities and has developed statements of intent which show their gender and diversity aspirational targets, all of which are sponsored by their senior executives.



Women in technology

We have launched **Women in Technology** (the Evolution Programme) with the aim to achieve a balanced IT workforce. Specifically, it focuses on attracting more women into IT, supporting their careers, development and progression in IT and investing in a more diverse future workforce by inspiring younger generations to explore technology.

EVELUTION
supporting women in technology

Progression

We have a range of initiatives to support both women's progression and the development of future leaders. Some of these are directed at senior management, others towards supporting talented individuals from an early stage in their careers. One of the key features of a great leader in Aviva is that they value diversity and ensure an inclusive approach in the way they manage their teams:

- ▶ Our Group-wide Women in Leadership programme was launched in 2016. So far 37% of the women on the programme have taken on bigger or broader roles at Aviva. In 2018 we organised four events for participants focusing on their skills development and progression. The programme will continue to support our future female leaders.
- ▶ In September 2017 we started to develop our people's coaching skills. Since then 104 people have begun a six-month Aviva Coaching Programme to meet the International Coaching Federation qualification. 64 of them are women.
- ▶ We have designed a learning programme, Leading for Growth, for the next level of leaders in our organisation. The programme is aimed at more than 4,000 leaders globally and is focused on driving growth and helping our leaders to develop and understand what is expected of them in a wide range of business areas, including diversity and inclusion. To date around 1,000 leaders have participated. We have invited people from different communities to ensure we increase the diversity of the people on the programme.
- ▶ We launched the Emerging Leaders Programme, for which all employees can apply, and which has 68 people on the programme globally at any time, with a high proportion of women on the programme. It will give executive-level development to our most promising people, right at a time when they're creating their leadership identity. This will help us to continue to build the pipeline of future Aviva women leaders.
- ▶ In our Graduate Programme, we continue to remove bias from the attraction, selection and placement process by ensuring balanced numbers of men and women on the programme – 47% of the programme in 2018 were women.

Retention

We want a working environment that supports our people's health and wellbeing. Our initiatives to help people grow to achieve both their work and personal objectives include:

- › Smart working is thinking differently about how we work and where we work. It is crucial in turning Aviva into an inclusive workplace. We offer a generous set of benefits and employment policies that promote diversity, inclusion and work-life balance for all our people. We recognise that flexibility means different things to different people – there isn't a one size fits all approach. We want to find the right balance between the needs of our people, our customers and the business. Smart working is designed to help Aviva hire and retain the workforce of the future. Our flexible working policy supports both women and men to balance their family commitments and working lives.
- › Last year's report spoke of our determination to retain maternity and paternity returners. The number of our people not returning to work following their leave remains minimal (around 1%).
- › We continue with a range of initiatives based on four aspects of colleagues' wellbeing. 'Be Healthy' focuses on physical wellbeing, offering digital health checks and activity classes, while promoting good sleep and healthy eating. 'Be Secure' focuses on financial wellbeing. 'Be Mindful' supports mental health. 'Be Awesome' is about social and community connections and the impact of helping others on your own wellbeing. All this work is supported by over 300 wellbeing champions (called Health Heroes) who continue to deliver wellbeing activities tailored to our locations.



Equal parental leave

Last year's report mentioned our new policy for equal parental leave. Introduced in November 2017, we provide up to 12 months of leave, including six months at full pay for all employees – mums and dads – on the arrival of a child.

Between 19 November 2017 and 30 September 2018 we saw almost 500 individuals taking up parental leave in the UK, of which 46% were men. On average our male employees took 21 weeks away from work to spend time with their families.

Our employee policy team has been invited to advise other organisations on how they might introduce similar policies – a sign that Aviva is driving a wider change across the private sector. To hear more about individual stories please follow [this link](#).



Gender initiatives in our international markets

Shifting Aviva's culture to a diverse and inclusive one is a global aim. All of our markets have their specific diversity agendas. A few examples of their key initiatives and achievements are:

- › **Aviva France** conducted a gender pay review (with a different methodology to the UK) at the end of 2017. This initiative was promoted nationally and resulted in Aviva being recognised by the government as the first French company to do so.
- › **Aviva Asia** launched its Balance Community to promote gender diversity and highlight the role of men and women in gender equality. Its goal is to at least maintain 42% of women in senior management roles and 60% of women across total workforce. Aviva Asia also sponsored the inaugural Women of the Future Awards Southeast Asia to recognise exceptional talent.
- › **Aviva Italy's** Balance Community hosted a Gender Balance Summit in May 2018. This Community also received an award at the Legal Community Diversity Awards in July 2018.