

ALLIANZ UK GENDER PAY GAP REPORT 2017

At Allianz we're committed to having a diverse, inclusive workforce made up of employees from a wide range of backgrounds. This will give us a competitive advantage - helping us to drive innovation, challenge existing processes and deliver outstanding service. We've already made great progress, but there's still more work to be done.

To support equality we must have fair pay. We're confident men and women are paid equally for doing the same job at Allianz UK. However, we have fewer women in senior roles, which creates a gender pay gap. Equal pay and gender pay gap both deal with the levels of pay females get at work and are both very important, but they are two different measures.

PAY EQUALITY AT ALLIANZ UK

- We're committed to transparent, fair and equal pay for males and females at Allianz UK.
- We conduct annual Equal Pay Audits to ensure a fair treatment of males and females fulfilling the same roles and we ensure that our culture, processes and decision making continues to support this.
- The new Allianz Career Framework helps us to look at Job Family Roles more closely to ensure a consistent approach to pay.

WHAT IS A GENDER PAY GAP?

A gender pay gap measures the difference between male and female average hourly earnings across a whole organisation, irrespective of their role or seniority. It is expressed as a percentage of male pay.

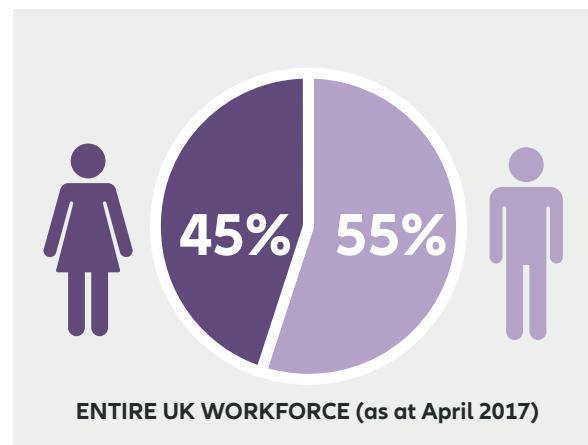
It does not look at 'like for like' role comparisons, so if an organisation has more men in senior roles and/or more women in junior roles, it will have a gender pay gap.

WHY REPORT ON GENDER PAY?

Gender Pay Reporting legislation came into force in April 2017. It requires employers with 250 or more employees to report annually on the six key measures on the right.

The purpose of this legislation is to put a spotlight on gender pay. It aims to encourage larger employers to put solutions in place to reduce the gap, whilst acknowledging the strategic importance of gender balance and equality for ongoing organisational success.

Closing a gender pay gap makes good business sense, supports women to fulfil their potential and is the right thing to do. It's essential organisations seize the opportunity to address the causes of any gender pay gap.



Gender pay gap - the six UK government measures

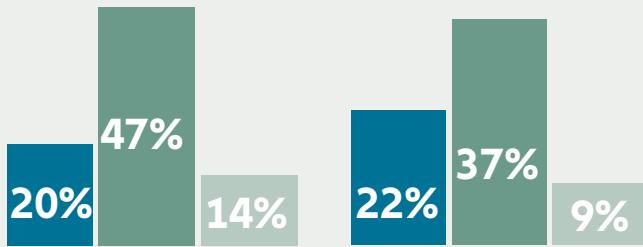
1. **Mean gender pay gap** – difference between average hourly earnings of men and women.
2. **Median gender pay gap** – difference between the midpoints in the ranges of hourly earnings of men and women, lines up all salaries in that sample in order from lowest to highest and picks the middle point.
3. **Quartile pay bands** – the proportions of males and females in the lower, lower middle, upper middle and upper pay ranges.
4. **Mean bonus gap** – as above, but looking at average bonuses paid rather than salary.
5. **Median bonus gap** – as above but for bonuses rather than salary.
6. **Bonus proportions** – percentage of men and women receiving a bonus (performance award) payment.

OUR 2017 GENDER PAY GAP FIGURES

These graphs shows our overall **mean and median gender pay gap** based on hourly rates of pay (as at 5 April 2017).

Having fewer women in senior roles in our business currently is reflected in the **20% overall mean figure**. Our commitment to achieve a minimum of **35% female representation** across our management population by 2020 will help us to close this gap.

■ Allianz UK ■ Industry¹ ■ National²



OVERALL MEAN

The difference between average hourly earnings of men and women.

OVERALL MEDIAN

The difference between the midpoints in the ranges of hourly earnings of men and women.

¹Total reward group. (2016) based on 17 insurance companies employing 12,327 people

²Office for National Statistics - Annual Survey of Hours and Earnings 2017



"Growing and attracting more females into our senior roles is a strategic priority for us." - **Stephanie Smith, COO**

BONUS PAY

The figures below show our mean and median bonus pay gap in the 12 months leading to 5 April 2017. There was a mean bonus pay gap of 44% favouring males. This is a result of proportionally more males in the quartile where the largest bonuses were paid.

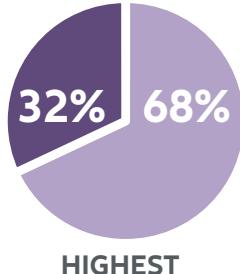
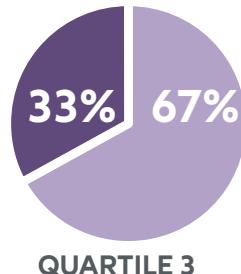
The median bonus gap was much smaller as it's less affected by the highest bonus payments in the top quartile.

The proportion of employees receiving a bonus was **95%** for both males and females



GENDER DISTRIBUTION BY PAY QUARTILE

If we take our total number of employees and divide them into four equal groups, with those earning the least in the lowest quartile and those earning the most in the highest quartile, you'll see that our gender pay gap is the result of having fewer females in senior level roles.



Each quartile contains 1,069 employees.

WHAT ARE WE DOING TO ADDRESS THE GAP?

It's essential for the ongoing success of our business that we do all we can to attract, develop and retain the best talent available. This means ensuring we're not only creating opportunities for careers to grow, but that we're consciously developing a diverse talent pool to make the most of these opportunities.

We're already committed to creating more opportunities for women to realise their full potential. These activities range from unconscious bias e-learning through to ensuring our recruitment process is open to the widest possible candidate list. The individual reward of our senior executive team is also already linked to achievements against our gender diversity targets.

KEY HIGHLIGHTS

- In October, we signed up to the **Women in Finance Charter**. We've committed to achieving a minimum of 35% female representation across our management population by 2020.
- Our **networking and development programmes**, such as Allianz Women in the City and the new JET Women's programme, connect leaders with rising talent and forums which actively support our people in achieving their full potential.
- The launch of **Allianz Career Returners** in 2017 and the gender balancing of recruitment and talent programme shortlisting will develop this further, as will our focus on return to work flexibility and activities.
- Our Diversity and Inclusion Steering Group is actively addressing issues of gender, age, disability, ethnicity and sexual orientation. Allianz believes that having a diverse and inclusive workforce is a major driving force behind the success of our global company.



"We'll continue to challenge our perceptions and assumptions about women in the workplace to ensure that the contribution and potential of our female talent is fully recognised, valued, developed and rewarded." - **Helen Bryant, Regional Manager**



We believe in creating a culture where people and performance matter and closing the gender pay gap is the right thing to do. We need to inspire women to enter industries like insurance and ensure that hard work pays off regardless of gender.

We are confident that males and females are paid equally for doing equivalent jobs across Allianz UK and we will continue to conduct Equal Pay Audits to ensure the fair treatment of people fulfilling the same roles.

A handwritten signature in black ink, appearing to read "Jon Dye".

Jon Dye, CEO