

ALLIANZ UK GENDER PAY GAP REPORT 2018

At Allianz we want everyone to bring the best of themselves to work. We are committed to an inclusive culture where everyone feels valued and our policies and processes reflect this. We are committed to increasing the number of females in Senior Management roles as we understand diversity and inclusion are imperative to business success.

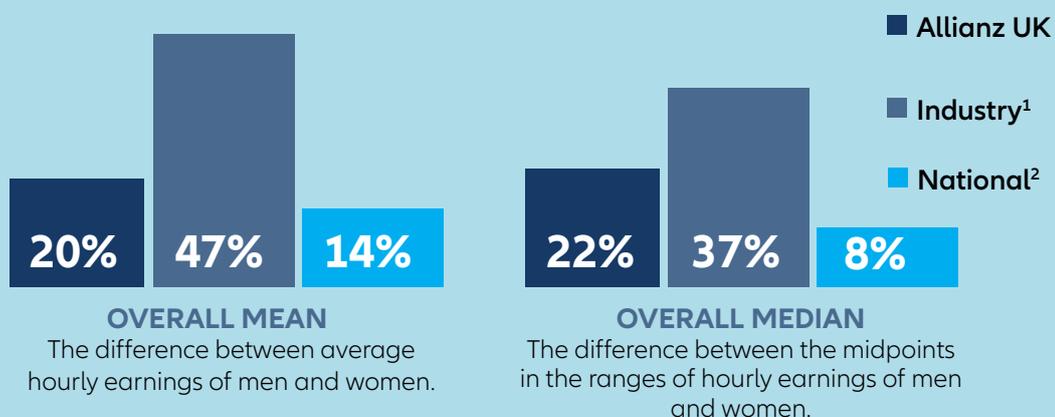
This will help engage the right talent for us in the communities around us and give us a competitive advantage by helping us to drive innovation, improving our capabilities and delivering outstanding customer service.

It is very important that organisations seize the opportunity to address the causes of any gender pay gap. We've already made great progress such as achieving **34.6% female representation** across our management population towards our Women in Finance Charter target of **35% by end of 2020**.

Below we share our Gender Pay Gap Report for 2018, based on six key measures – further details about Gender Pay Gap reporting is at the end.

These graphs shows our overall **mean and median gender pay gap** based on hourly rates of pay (as at 5 April 2018).

Having fewer women in senior roles in our business currently is reflected in the **20% overall mean figure** which remains unchanged from 2017. Our commitment to achieve a minimum of **35% female representation** across our management population by 2020 will help us to close this gap.



¹Total reward group. (2016) based on 17 insurance companies employing 12,327 people
²Office for National Statistics - Annual Survey of Hours and Earnings 2017

OUR 2018 GENDER PAY GAP FIGURES

BONUS PAY

The figures below show our mean and median bonus pay gap in the 12 months leading to 5 April 2018. There was a **mean bonus gap of 49% favouring males**, compared to a gap of **44% in 2017**. This is a result of proportionally more males in the quartile where the largest bonuses were paid.

The gap in our bonus figures has slightly increased largely as a result of a new bonus arrangement for senior managers where females are underrepresented. The new bonus scheme takes into consideration business performance, as well as an employee's behaviours and their individual performance associated with promoting a

collaborative and inclusive culture. This scheme will now be introduced for all our Manager population in 2019 and will improve the bonus gap in future years.

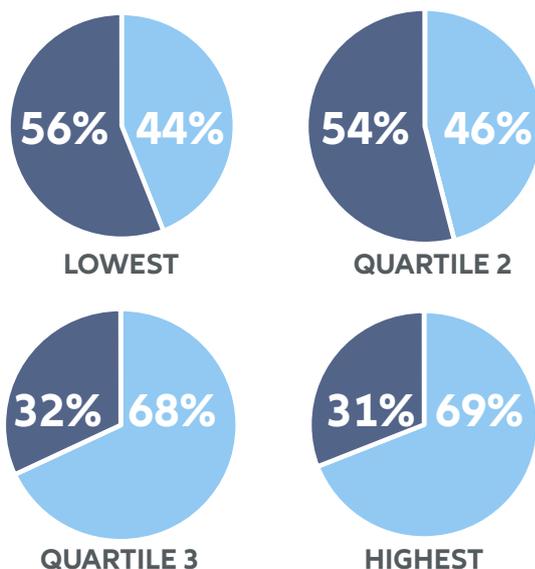
The median gap was much smaller and remains less affected by the highest bonus payments in the top quartile. The **proportion of employees receiving a bonus was 89% of males and 92% of females**.



GENDER DISTRIBUTION BY PAY QUARTILE

Our gender pay gap is the result of having fewer females in senior level roles.

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.



Each quartile contains 1,072 employees.



“What inspires me most is seeing my team achieve recognition for their work, which I actively support them in and also the support that I personally get from the really strong and inspiring women we have in IT.” –
Christine Bellenger – Women in IT Awards Finalist

WHAT ARE WE DOING TO ADDRESS THE GAP?

Allianz believes in an inclusive culture where People and Performance matter. Underpinning the success of our business is attracting, retaining and developing the best talent available. We're committed to 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've already taken positive steps to address this gap. These activities include career entry and development programmes with strong representation of both genders, benchmarking ourselves in diversity and inclusion-related

networks, as well as the launch of the Returners@allianz programme in 2017 which is already delivering great results.

The individual reward of our senior executive team is also already linked to achievements against our gender diversity targets. As a business we see this as a strategic priority for our organisation.

KEY ACTIONS AND HIGHLIGHTS

- We signed the Women in Finance Charter in 2017 and we're pursuing several initiatives to achieve our commitment of having a **minimum of 35% female representation across our management population by the end of 2020**. We're very proud to have already achieved 34.6% towards this target but we still have more to do to meet it.
- Our **talent and leadership development** programmes have a strong and balanced representation of male and female colleagues.
- We're encouraging **employee-led networks** that address different aspects of diversity and inclusion to further drive our agenda and culture. We have seven networks, including Allianz Women in the City and Allianz Pride, which are open to all employees and provide opportunities to connect with colleagues across the organisation to support professional development.
- Our promotion of **mentoring** enables colleagues within the Allianz Group to learn from each other and support career development. We've also run mentoring programmes in collaboration with other organisations, including the British Paralympic Association as part of our partnership.
- The **Returners@Allianz programme** continues to offer opportunities for individuals to re-enter the workplace after taking time off for a career break.
- In line with our corporate values, we joined the **CEO pledge** for inclusive behaviours in insurance in 2018.
- Launched a new initiative to make **'time for inclusion'** on both a local and global level. Our senior leaders are sharing their personal stories about how they've experienced inclusion in the workplace and what we need to do to achieve better inclusion and a more diverse workforce at Allianz. Colleagues across the business will be invited to share their experiences of inclusion as part of the campaign.
- A **global and a local steering group** sponsored by regional and local CEOs ensure that diversity and inclusion remain a high priority on our business agenda.



"We were given a great 'career returners' coach who helped us settle back into work and was a confidential sounding board for the first six months. We were enrolled in a comprehensive training programme which helped us to understand more about Allianz as well polish our skills."

Victoria Wieremiej – Returners@Allianz Programme

GENDER PAY GAP REPORTING – WHAT YOU NEED TO KNOW

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?

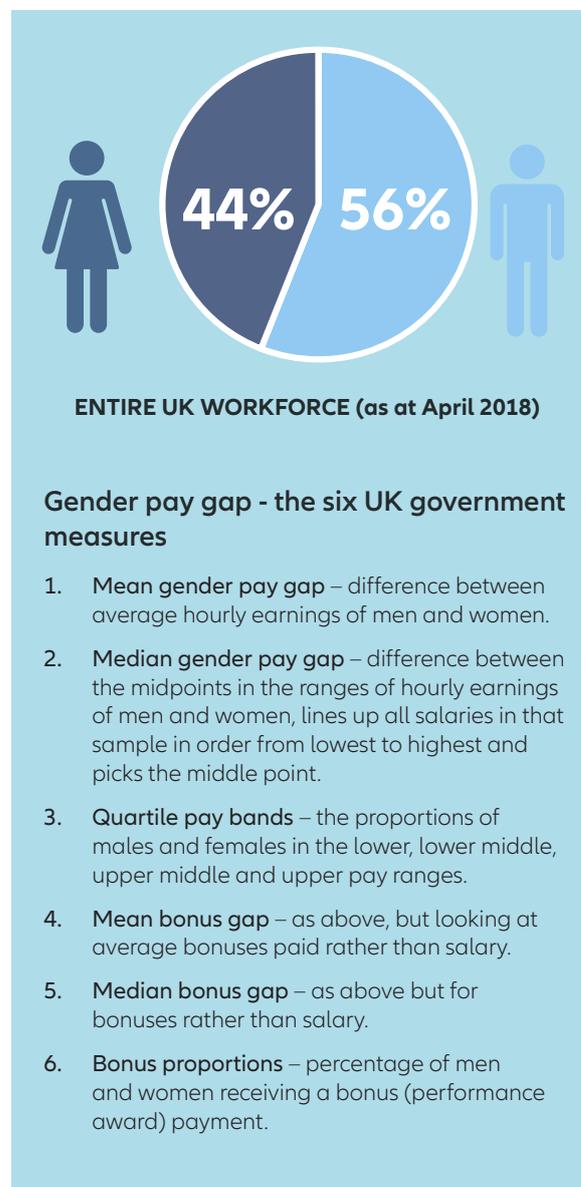
A gender pay gap measures the difference between male and female average hourly earnings across a whole organisation, irrespective of their role or seniority. It is expressed as a percentage of male pay.

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.



"At Allianz UK we believe that the difference in our people is what makes the difference to our business. We're committed to creating a diverse workforce and an environment where people can succeed regardless of race, gender, age, disability, religion, sexual orientation or ethnic background.

We're confident our focus on increasing our female representation across our management population will help us reduce our gender pay gap and we have a range of activities in place to help us achieve this important goal." Jon Dye, CEO