



2018 Gender Pay Gap Report

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At Aegon UK, we are determined to embrace diversity in all its forms and to create a workplace where every employee can fulfil their potential.

Our gender pay gap demonstrates we need to do more to encourage and enable female representation in senior, higher paid roles in our company; it does not demonstrate an equal pay concern.

We've seen both increases and decreases across our gender pay gap figures from last year's report, and we recognise that addressing the gender pay gap is a long term goal that requires sustained effort at all levels in our company.

Since publishing our first Gender Pay Gap Report last year, we've taken several steps to improve the gender balance in our company:

- Established a formal overarching Inclusion and Diversity Programme with executive sponsorship, to help deliver our strategy and drive employee engagement, including a specific work-stream focused on gender equality
- Partnered with inclusion and diversity consultants Brook Graham, to undertake a qualitative and quantitative study to understand the key drivers of our gender pay gap and to shape our Inclusion and Diversity strategy
- Enhanced our shared parental leave policy to bring enhanced shared parental pay into line with our enhanced maternity pay, and also enhanced our

paternity pay to better support the equal sharing of child caring responsibilities

- Partnered with leading providers to offer leadership development programmes to a number of female senior leaders across our business
- Signed the Women in Finance Charter and committed to achieving a target of 33% female representation in our CEO-2 population¹ by the end of 2021
- Embedded Inclusion and Diversity and our targets into executive objectives to drive progress and create a link between our targets and executive pay

We are committed to creating an inclusive culture, ensuring equal opportunities in our workplace and firmly believe we are more likely to be sustainable and successful as a company if we help everyone to be the best they can be.

I confirm the data reported is accurate.



Gill Scott
HR Director



¹ This refers to the number of levels down the organisation starting from the Aegon UK CEO, e.g. CEO-1 population means the CEO and their direct reports, CEO-2 population means CEO, their direct reports and their direct reports.

Aegon UK's commitment to the HM Treasury Women in Finance Charter



Aegon UK is proud to have signed the [Women in Finance Charter](#) in February 2019. The Charter requires signatory organisations to make four public commitments:

1

To appoint a member of the senior executive team to be responsible and accountable for gender diversity and inclusion.

We have appointed Mark Till, Managing Director, Digital Solutions as Executive Sponsor for Inclusion and Diversity.

2

To set internal targets for gender diversity in senior management.

We have set a target to achieve 33% female representation in our CEO-2 population by the end of 2021.

We've set this target following the approach advocated by the Hampton-Alexander Review. We believe that focusing on this population alone, however is too narrow and prone to significant variance from small changes in turnover; as such we are focusing on a mix of complementary targets, including a target for all candidate shortlists for appointments to the CEO-2 population to contain at least 33% female and 33% male candidates.

These are aspirational targets, not hard quotas. We will take positive action towards achieving them, however Aegon UK will always appoint candidates on merit.

3

To publish progress against these targets.

At the time of setting these targets, 30% of our CEO-2 population and 50% of our CEO-3 population were female.

We shall publish our progress against these targets in early 2020 and annually thereafter. We are confident in achieving our targets with our structured and targeted approach.

4

To have an intention to ensure that the pay of the senior executive team is linked to delivery against these gender diversity targets.

We've now implemented a link between these targets and executive pay for 2019 onwards.

We've created this link through each of our senior executives having a personal performance objective to promote inclusion and diversity, including actions towards achieving our gender diversity targets. Their performance against these objectives in 2019 will influence their variable pay award for 2019.

The gender pay gap key data

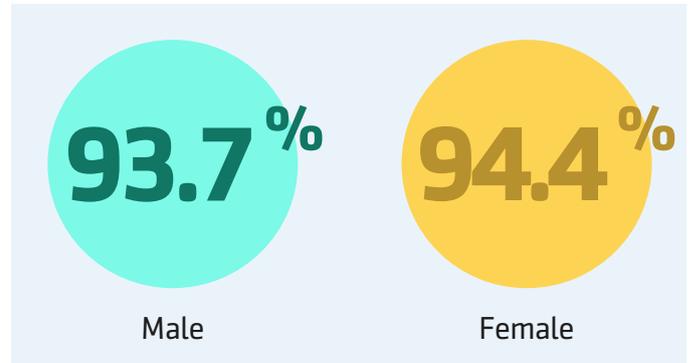
- Aegon UK Corporate Services Limited

Mean and median gender pay and bonus gap

Item	Mean	Median
Pay gap	35.0%	26.0%
Bonus gap	62.4%	33.1%

The table shows the mean and median gender pay gap based on hourly rates of pay at 5 April 2018; and the mean and median gender bonus gap, based on bonuses paid in the 12 months leading up to 5 April 2018.

Proportion of males and females receiving a bonus



Proportion of males and females by quartile pay band

Illustrates the gender distribution across four equally sized quartiles



	Male %	Female %
Upper Quartile	68.3%	31.7%
Upper Middle Quartile	50.4%	49.6%
Lower Middle Quartile	41.2%	58.8%
Lower Quartile	42.7%	57.3%



Gender pay explained

The gender pay gap is a measure of the difference between males' and females' average earnings across a population, regardless of the nature of the work of the individual, expressed as a percentage of males' earnings.

The gender pay gap is separate and distinct from equal pay which involves a direct comparison of the earnings of males and females carrying out the same, similar, or equivalent work for an employer.

Aegon UK's gender pay gap does not represent a problem with equal pay, as our pay review process is gender neutral by design, rather, as with other companies in financial services, our gender pay gap can be attributed to the current lower levels of female representation in senior management roles, and the proportion of females working part time.



Females represent 49% of our workforce, however we have fewer numbers of females than males in senior, higher paid roles, and greater numbers of females than males in our less senior, lower paid roles. This is reflected in our pay quartile data, where only 32% of employees in the highest paid roles were female. This affects not only the pay gap, but also the bonus gap, as our bonus arrangements are primarily based on a percentage of salary.



Females represent 93% of our part time workforce, however the bonus pay gap calculation is based on the actual bonus received, rather than the pro-rated bonus. This means that the bonus pay gap does not account for part time employees.

Appendix: Key data

- Aegon UK group (excluding Kames and AGT)

Aegon UK Corporate Services Limited (AUKCS Ltd) employs more than 250 employees, and these employees are seconded to other companies within the Aegon NV Group who operate in the UK, including Kames Capital and Aegon Global Technology (AGT). Government regulations require us to report our gender pay gap for AUKCS Ltd as the employing entity,

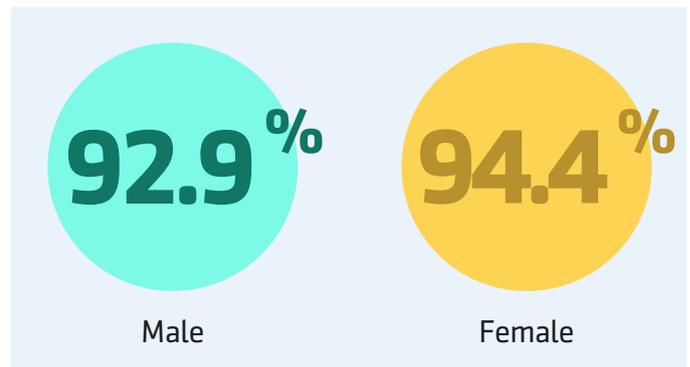
however we have also considered the gender pay gap that operates for employees working day to day in the separate Aegon NV Group companies. The gender pay gap for AUKCS Ltd employees in the Aegon UK Group (excluding Kames and AGT) is included below and the gender pay gap for AUKCS Ltd employees in Kames Capital will be available on the Kames website.

Mean and median gender pay and bonus gap

Item	Mean	Median
Pay gap	28.8%	18.1%
Bonus gap	52.9%	28.0%

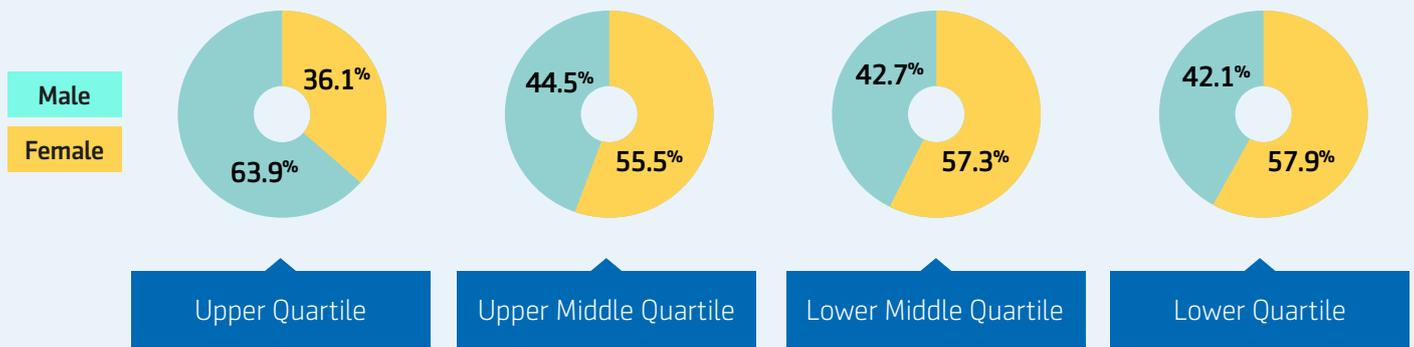
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Mean pay gap per quartile

19%

2.9%

0.2%

-1.4%

	Male %	Female %
Upper Quartile	63.9%	36.1%
Upper Middle Quartile	44.5%	55.5%
Lower Middle Quartile	42.7%	57.3%
Lower Quartile	42.1%	57.9%

