



# Gender Pay Gap Report 2017

**Standard Life**  **Aberdeen**

## Reporting our gender pay gap

### Introduction

Gender diversity has been a key priority for Standard Life plc and Aberdeen Asset Management plc over the last few years. Both have strong foundations in place with actions supporting women at all career levels (early, mid, senior). In August 2017, we merged and became Standard Life Aberdeen, and have recommitted to improve gender diversity for our new organisation, setting new targets to accelerate this.

Carrying out the gender pay gap analysis and understanding the reasons behind this has been critical for us. We know our pay gap is primarily driven by the fact that we have more men than women in senior roles and certain parts of our business. We know that we have more to do to create opportunities for women to progress and to attract more women to or back to the industry. And while we know this is something that many in our industry also experience, with an overall financial services gender pay gap of 35%<sup>1</sup>, we are determined to influence this across our company and industry.

We are firmly committed to building on the work that we have already begun and accelerating the progress that we have made. Achieving a more balanced workforce and so reducing our pay gap will take enduring commitment and focus. We know we have more to do, and will continue to report regularly and transparently against these commitments.

### Methodology

Under the gender pay reporting regulations we are required to report data at a snapshot date of 5 April 2017 for each employing entity where we have more than 250 people. For us, this means five separate employing entities (you can find these on page 11). At the snapshot date, Standard Life plc and Aberdeen Asset Management were two separate companies. We believe it is more meaningful to provide combined gender pay and bonus information for the reportable populations of Aberdeen Asset Management (Aberdeen Asset Management PLC and Aberdeen Asset Managers Ltd) and combined information for the reportable populations of the Standard Life Group (Standard Life Employee Services Ltd, Standard Life Investments Ltd and Elevate Portfolio Services Ltd). Our next gender pay report will provide a combined set of data for Standard Life Aberdeen, in this same way, reflecting our new company and continuing our commitment to transparency.

**Under new legislation, UK companies with more than 250 employees have to report on their gender pay gap – the difference between the average amount that women and men are paid across the whole workforce. The gender pay gap is not about equal pay for men and women doing the same job. It’s a broad measure of gender equality in the workplace, or industry, or society. The gender pay gap can have many causes, such as low representation of women at senior levels or in certain roles. We believe increasing transparency is vital to start to close the gender pay gap and we welcome this legislation as a catalyst for change.**

## Reporting our gender pay gap

	Aberdeen Asset Management employing entities <small>(Aberdeen Asset Management PLC and Aberdeen Asset Managers Ltd)</small>		Standard Life employing entities <small>(Standard Life Employee Services Ltd, Standard Life Investments Ltd, Elevate Portfolio Services Ltd)</small>	
	Median	Mean	Median	Mean
Gender pay gap	31%	34%	31%	42%
Gender bonus gap	59%	70%	53%	70%
The proportion of women and men receiving bonus payment	Female	Male	Female	Male
	92%	90%	94%	93%

This means that as at April 2017, men were paid on average 34% more than women at Aberdeen and on average 42% more than women in the Standard Life group.

Quartile	Proportion of women and men in each quartile band*					
	Women	Men	Gender pay gap	Women	Men	Gender pay gap
Upper	22%	78%	17%	28%	72%	26%
Upper middle	35%	65%	3%	45%	55%	2%
Lower middle	51%	49%	3%	52%	48%	2%
Lower	52%	48%	2%	64%	36%	-2%

This highlights that our overall gender pay gap is driven mainly from the highest pay quartile, which is heavily male-dominated. Whereas in the other quartiles, which are more evenly gender balanced, pay gaps are 3% or less, or in favour of women. The unequal distribution of men and women through our business is the main driver of our gender pay gap.

# Understanding our gender pay gap

## 1

### Our industry

The Financial Services industry has the largest pay gap across all the UK's industry sectors at 35%. There is a significant lack of women progressing through to senior roles which has a considerable impact on the gender pay gap for the industry. To achieve a balanced workforce at all levels in Financial Services and recognising the economic gains in closing the financial services gap, HM Treasury launched the Women in Finance Charter in 2016. At Standard Life Aberdeen we are committed to a better balanced workforce and believe in working across our industry to support actions that will address this. We were delighted to be among the first signatories to the Charter in 2016, pledging to increase gender balance in our senior management populations with specific targets, and so help reduce the gender pay gap across our company and industry.



**Read more about our Women in Finance Charter commitments**

## 2

### Our analysis

We are confident our gender pay gap is not the result of a systemic equal pay issue, because our pay practices and design include regular gender checks and balances. We have carried out analysis to better understand the causes of our pay gap and inform the actions we take to tackle it. Our analysis of pay and bonus suggests any pay gap at different levels is predominantly driven by the structure of our workforce. There are a number of things which influence our gender pay gap:

- ▶ a higher proportion of men in our senior roles and in certain parts of our business which attract higher market value
- ▶ a higher proportion of women than men in our more junior roles

We have pay gaps of 3% or less at the lower three pay quartiles, with larger gaps of 17 and 26 percent at the upper (highest paid) quartile. As these more granular pay gaps are much lower than the overall pay gap, we know that the unequal distribution of men and women is the main driver for our gender pay gap.

While we have 47% women across our total UK population, our representation at different levels decreases further up the organisation, and we have 27% women in our senior leadership roles.

We have had targets in place for the representation of women in senior roles since 2016. However our CEOs have now recommitted to new targets for Standard Life Aberdeen to accelerate our progress and focus.

# Understanding our gender pay gap

### Gender bonus gap

Our mean and median bonus gaps are higher than our gender pay gaps. The structure of our workforce is also influencing our bonus gaps. The gap is affected by:

- ▶ our senior level roles or specific parts of our business have larger bonus opportunities, and these roles are mainly held by men
- ▶ the way the legislation sets out bonus pay gap calculations does not take into account the fact that we pro-rate bonus for our people who work reduced hours, the majority of whom are female

**We have committed to increasing our representation of women at different levels, by June 2020.**



<sup>1</sup> People employed in roles across the two leadership levels below CEO, excluding admin employees  
<sup>2</sup> Target has a tolerance of 3%



## Tackling our gender pay gap

Achieving a better gender balance at all levels (and therefore improving our gender pay gap), is a priority for our organisation. We believe this drives sustainable progress, and while this approach takes time, it is equitable and supports our commitment to long term careers. This is about really understanding how organisational culture, expectations and practices in our sector impact on women and men. And it's also about having the right actions in place to address this from different aspects, and holding our senior leaders to account to accelerate progress. For this reason, our CEOs own our gender diversity action plan, and our Nomination and Governance Committee formally oversee progress every 6 months.

**Our actions are making a difference. Our strong gender balanced pipeline continues to grow; 44% of those in our talent pool who are considered capable of operating at Executive Committee level in the next three to five years are female and our 2017 graduate intake is 54% female and from a broad range of universities.**

**In addition to Martin Gilbert and Keith Skeoch being executive sponsors of our Women In Finance Charter targets, they have signed up to the 30% Club pledge for FTSE 100 and 250 CEOs and have already set a higher than recommended target of 33% female representation in senior leadership by 2020.**

## Tackling our gender pay gap

The gender pay gap is a complex issue with a variety of overlapping causes, and so it's unlikely to be successfully tackled by one initiative or activity. We know this isn't straightforward, and it won't happen overnight, but we're committed to keep pushing for change and championing this at all levels in our business. Our CEO-owned actions are focused on addressing our gender balance from three different aspects.

### Our culture

understanding and removing the barriers for women reaching senior management or which result in many leaving the industry altogether

#### Inclusion Strategy

Leaders at all levels across our business created our inclusion strategy, which is supported by a toolkit to drive inclusion conversations, building on our unconscious bias training

#### Gender diversity action plan

We carried out in-depth analysis to take stock of where we are now and understand how we continue to accelerate women's progression. This informs our action plan, which is owned by our CEOs

#### Key talent interventions

Including gender decoding in role profiles, hiring manager sessions, diversity focus in talent conversations with the Executive Team

### Our industry

opening routes to entry for women, addressing industry-wide practices and influencing across our sector

#### Opened routes to entry

We provide 'returner' programmes supporting women who have had a career break back into the workplace, and we support the SEO London Flagship Female Leadership programme 'HerCapital' - aimed at attracting more women graduates into our industry

#### Influenced industry-wide

We joined the Diversity Project and the Association of British Insurers (ABI) Diversity Network to collaborate and make progress across the investment and savings industry

We hosted 14 external events, reaching 994 attendees with our D&I story, and we hosted the Ladies Scottish Open Leadership Forum as part of our overall Open sponsorship

### Our people

providing every opportunity for our people to reach their potential, levelling the playing field to achieve equality

#### Challenged gender stereotypes

Including a campaign promoting Shared Parental Leave featuring our men and women who have benefitted from sharing responsibility for childcare

#### Specific development interventions for women at early career, mid career, and senior levels

Including a parent coaching programme for colleagues and their line managers, mid-career mentoring, bespoke development offerings for senior leaders and an External Appointments Development Curriculum, through which women at all levels have access to external appointments to help prepare for future roles





**Standard Life Aberdeen has an ambition of a fully inclusive future for our people, clients, customers and communities across our global markets.**



## Our inclusion vision

Our aim is that all our people are able to reach their potential and build long-term careers in a workplace which values everything they bring. We do this by building and sustaining a diverse pipeline of talent in an inclusive workplace. And we believe this provides our customers and clients with the diversity of thought and creativity necessary to build long term value and develop products and services to best support their needs.

We have a strategy which leads with inclusion. Our people bring this to life across our organisation, as we all have a role in creating an inclusive environment. And we consider diversity in the broadest sense - in our backgrounds, experiences, strengths and thinking.

Our vision for an inclusive future is guiding our efforts for the next three to five years.



**Read more about Our Vision for an Inclusive Future**

We know we have more to do. We will continue to build a sustainable gender balanced pipeline towards our most senior leadership roles, build an inclusive culture, and influence and encourage our industry to do the same. And consistent with our principles of transparency, commitment to inclusion and business-led actions, we have already published our next steps, in our Women in Finance Charter update. We'll report regularly against these commitments as we deliver our vision of an inclusive future for our people, clients, customers and communities.

### Transparency

We are open about where we are now, where we need to be and the actions we are taking

### Commitment to inclusion

It's not a box ticking exercise; it's about valuing our people for everything that they bring

### Business led

Our commitment is embedded in everything we do and brings value to our business

## Statutory disclosures

Under the regulations we are required to report our gender pay gap for each of our legal employing entities with more than 250 employees, as at the snap shot date of 5th April 2017. At the snap shot date, Standard Life and Aberdeen Asset Management were two separate companies, merging on 14 August 2017. We are therefore required to disclose data for three legal entities for Standard Life, and two legal entities for Aberdeen Asset Management:

	Aberdeen Asset Management PLC		Aberdeen Asset Managers Ltd		Standard Life Employee Services Ltd		Standard Life Investments Ltd		Elevate Portfolio Services Ltd	
	Median	Mean	Median	Mean	Median	Mean	Median	Mean	Median	Mean
Gender pay gap	20%	28%	37%	37%	29%	35%	37%	47%	25%	27%
Gender bonus gap	42%	72%	68%	67%	35%	64%	68%	69%	38%	56%
Pay quartiles	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Q4 (upper)	29%	71%	18%	82%	32%	68%	18%	82%	30%	70%
Q3 (upper middle)	43%	57%	27%	73%	46%	54%	38%	62%	37%	63%
Q2 (lower middle)	57%	43%	44%	56%	55%	45%	51%	49%	64%	36%
Q1 (lower)	49%	51%	54%	46%	64%	36%	60%	40%	57%	43%
Proportion receiving a bonus	93%	85%	91%	95%	93%	92%	95%	95%	96%	97%

**We confirm that the gender pay calculations are accurate and meet the requirements of the Equality Act 2010 (Gender Pay Gap information) Regulations 2017. The calculations, data and assertions in this document have been assured by Standard Life Aberdeen.**

Martin Gilbert  
Director, Aberdeen Asset Management PLC

Mandy Pike  
Director, Aberdeen Asset Managers Ltd

Keith Skeoch  
Director, Standard Life Employees Services Ltd and Standard Life Investments

Barry O'Dwyer  
Director, Elevate Portfolio Services Ltd

