

Unum 2020 Diversity pay report



At Unum our purpose is to be a responsible business; a place where people aspire to work, and everyone can contribute to be their best and succeed. We're committed to having a diverse workforce to better meet the needs of our customers, and we understand the importance of fostering an inclusive culture to truly realise the value of diversity.

For the first time, in addition to our Gender Pay Gap, we are voluntarily publishing our Ethnicity Pay Gap, reflecting our dedication to the Race at Work Charter. By being transparent about our data and our people, we can monitor our progress and improve the representation of ethnically diverse people across our workforce.

In our fourth year of reporting our gender pay gap data, we're proud of the progress we have made to ensure everyone can bring their true self to work. Our mean pay gap has reduced marginally year-on-year since 2017, and, as at date of publication, we have exceeded our Women in Finance Charter targets; with 41% female representation on our leadership team and 50% female representation on our Executive Committee. Although we are seeing incremental progression, we will continue to review and set aspirational targets to continue to challenge ourselves.

We recognise that there is more work to be done to ensure our people thrive and have the opportunities available to develop and progress. The pandemic has undoubtedly changed the way we work, and we have learnt much about inclusion from supporting the different needs of our workforce during this challenging time. As we look to the future, we will continue to take a listen and learn approach, remaining focused on driving positive change and leading by example.

I confirm that the data in this report is accurate.

A handwritten signature in black ink, which appears to read "Natalie Rogers", is located below the confirmation text. The signature is fluid and cursive.

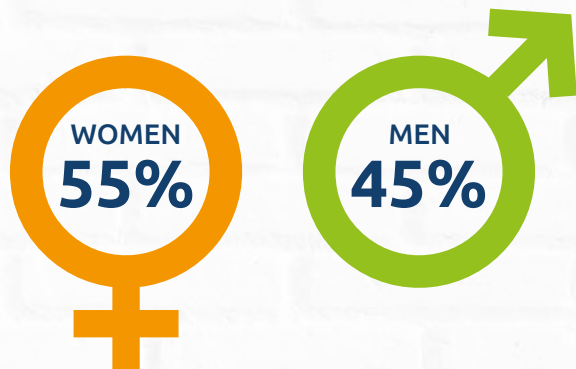
Natalie Rogers
Chief People Officer



Gender pay gap results

The table below shows our overall median (middle figure) and mean (or average) gender pay gap, at the snapshot date of 5 April 2020. The bonus gap calculation is based on all bonus payments paid between 6 April 2019 and 5 April 2020. New employees hired after 30 September 2019 were not eligible to receive a performance based bonus. We are confident that women and men in our organisation receive equal pay for equivalent jobs.

WORKFORCE DIVERSITY



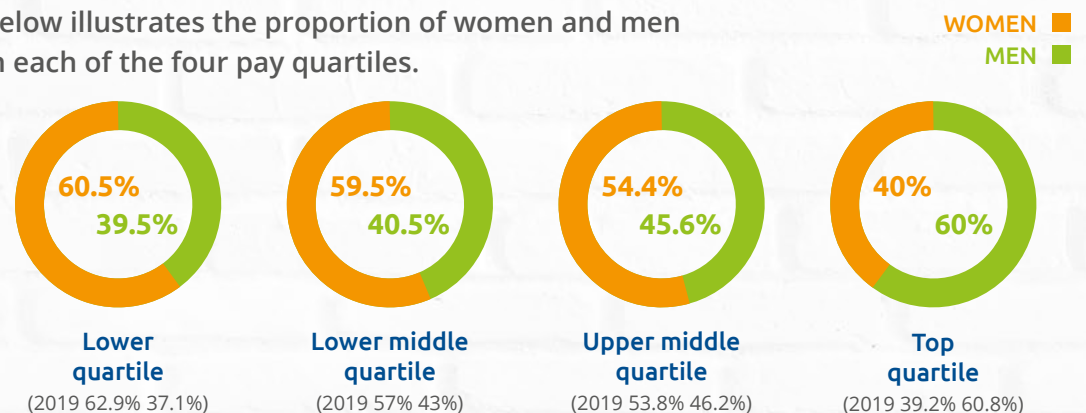
	Gender pay gap		Gender bonus gap		Proportion of women and men receiving a bonus	
	Median	Mean	Median	Mean	Women	Men
2020	15%	21.9%	36.8%	56.4%	92.2%	89.7%
2019	13.6%	24.8%	28.4%	61.4%	87.7%	88.9%
2018	15.8%	27%	32.4%	62.5%	92.5%	91.7%

GENDER IDENTITY

As an inclusive employer, we take our responsibility seriously towards our non-binary and gender-fluid colleagues. Although Gender Pay Gap regulations mean we have to identify our colleagues as men and women, we actively support our colleagues of all gender identities through our robust inclusion strategy, our LGBTQ+ Employee Resource Group and the introduction of a new Transitioning at Work policy in 2020.

PAY QUANTILES

Below illustrates the proportion of women and men in each of the four pay quartiles.

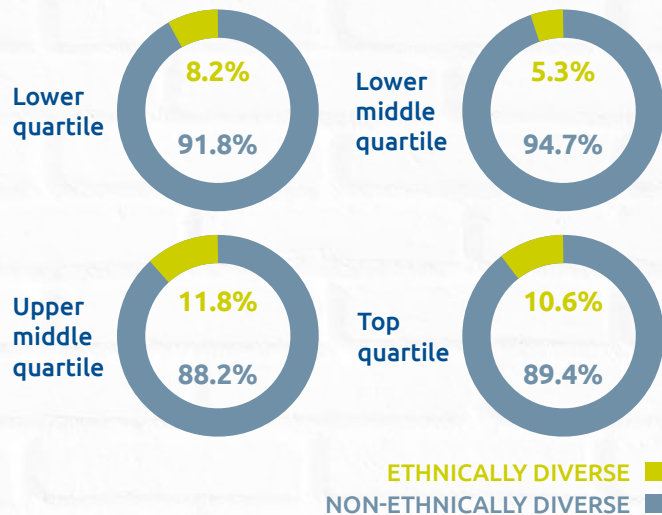


Ethnicity pay gap results

The table below shows our overall median (middle figure) and mean (or average) ethnicity pay gap, at the snapshot date of 5 April 2020 – this is based on 87.2% of employees who shared their ethnicity data with us. The bonus gap calculation is based on bonus payments paid between 6 April 2019 and 5 April 2020. New employees hired after 30 September 2019 were not eligible to receive a performance based bonus. We have used the same methodology as we use in our gender pay gap reporting.

PAY QUANTILES

The charts below illustrate the proportion of ethnically diverse and non-ethnically diverse employees in each of the four pay quartiles.



SELF-IDENTIFICATION



	Ethnicity pay gap		Ethnicity bonus gap		Proportion receiving a bonus	
	Median	Mean	Median	Mean	Ethnically diverse	Non-ethnically diverse
2020	- 23.5%	- 10.5%	- 6.6%	- 0.7%	83.9%	90.5%

WE'RE PROUD TO VOLUNTARILY SHARE OUR ETHNICITY PAY GAP RESULTS FOR THE FIRST TIME.

Self-identification

It isn't mandatory for our employees to declare their ethnicity in the way it is for gender. However, we encourage our people to feel safe and comfortable to share their data with us.

Roadmap to 2022

In 2020 we launched our Roadmap which focusses on three major milestones; each one representing a pledge to action. They build on the work we've already started and ensure we continue to make progress:

Increased diverse representation:

Increase the representation of ethnically diverse employees in management roles

An even more inclusive culture:

Increase or maintain an inclusion index score of 85%, targeting significant improvement in our lower scoring segments

Accountability for people leaders:

Establish and realise the expectation that all our people leaders embed inclusion and diversity into their performance goals

Making a difference in our workplace

Our gender pay gap shows that we have more work to do to increase the number of female employees in higher-paid senior, technical and sales roles. Our negative ethnicity pay gap is driven by a higher proportion of those who have self-identified as ethnically diverse being in higher-paid roles.

The following sections illustrate how we are working towards closing the gap but we realise this will take time.

LEADING BY EXAMPLE

- As well as signing the Race at Work Charter, we have exceeded our **HM Treasury Women in Finance Charter** targets, with 50% female representation (target 35%) within our Executive Committee (ExCo) and 41% female representation (target 40%) within our wider senior leadership team. These figures are correct at date of publication.
- Our Board and ExCo continue to champion inclusion and diversity, and every member has now participated in allyship training. ExCo members also support each of our Employee Resource Groups as Executive Sponsors.
- We focus on having gender equality in our succession plans, and we continue to invest in developing our diverse talent.
- Unum's Accelerated Leadership Programme had over two thirds female representation in 2020, and two out of three of Unum's Professional Development Graduate Programme participants were also female. A new Multicultural Leadership Development Programme for ethnically diverse employees is being piloted.
- We are proud to be accredited as a **Disability Confident Leader**. We have been partnering with Business Disability Forum and our Ability Employee Resource Group to embed the key recommendations and to empower employees to tell us if they are living with a disability or long-term health condition.

OUR PEOPLE

- Our gender equality and race and ethnicity Employee Resource Groups host induction sessions for all new starters within their first three months at Unum and a range of awareness and networking events for all employees. Examples include the delivery of workshops on allyship, challenging gender stereotypes, safe-space conversations, and the development of a new toolkit on conversations about race.
- Our Reverse Mentoring programme pairs early-career employees with senior leaders to mentor them on various topics of strategic and cultural relevance.
- We provide a range of family-friendly policies, plus flexible working and a Parent Buddy programme to encourage inclusive conversations in supporting people back into the workplace.
- Throughout the pandemic, we have continued to provide regular health and wellbeing support to our employees, including resources to support those most vulnerable, working parents and those with caring responsibilities.



Making a difference in our workplace

USING OUR INSIGHTS

- We encourage our employees to feel comfortable to share their diversity data, and in late 2020 we ran a voluntary self-identification campaign. This has increased the number of people disclosing to 92% as of April 2021.
- Our 2020 employee engagement survey saw a 5% increase in our overall inclusion score, with 89% of our employees telling us they feel that our company is committed to providing equal opportunity for employees of all backgrounds, and 86% of employees saying they can be their true selves at work (up 6% on our 2019 score).
- In 2020 we participated in **the Top Employers for Working Families Benchmark** to measure all aspects of work-life policies and practice. We will use our insights to support our plans for the future of work, with a particular focus on increased flexible working post-pandemic and support for parents and carers.
- We have reviewed all our HR policies to ensure they align with our inclusion & diversity culture and use gender-neutral language, seeking best practice from external organisations.
- We have commenced work on finding new external recruitment partnerships to attract more diverse talent and have updated our job descriptions to further promote inclusion and diversity, and flexible working.

IN OUR COMMUNITIES

- In 2020, we launched a new Unum Social Justice Fund to provide targeted support to charities seeking to tackle racial injustice, discrimination and bias. As part of this we formed a charity partnership with **Aleto Foundation**, a social mobility charity.
- We continue to partner with several education charities focussing on supporting young people from disadvantaged or underrepresented communities. This includes a Unum Access to University Fund bursary scheme with Birkbeck, University of London that supports ten students from low income households.
- Through our educational volunteering programme, our employees continue to mentor and coach students from disadvantaged backgrounds, helping to equip them with the skills and confidence as they approach working life.
- We continue to tackle hygiene poverty in our local communities through our growing partnership with The Hygiene Bank by donating both products and funding for essential toiletries and personal care items.

