

Unum UK 2022 Diversity pay report

At Unum, we believe that what we do is good for society. We are a responsible business and we feel passionate about looking after our people, our customers and our communities. Throughout 2022 we've put even more emphasis on the importance of valuing everyone's unique perspective, experience and background.

We want to foster a culture of belonging and inclusion by removing unconscious bias and unintentional barriers. To do this we launched a new Inclusion & Diversity (I&D) strategy. Its goal is to support innovation through a workforce that is representative of the working world and foster an inclusive culture that harnesses diversity of thought, enables people to bring their full selves to work and to reach their future potential.



To help bring this to life, we have introduced additional I&D training, with more in-depth modules for our people. This is designed to inspire self-reflection and explore deep understanding of the day-to-day actions needed to achieve our goals.

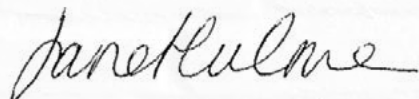
We are pleased that our mean gender pay gap and gender bonus gap has reduced since last year. We have met our HM Treasury Women in Finance Charter commitments of 40% female representation on our leadership team and extended this target to 43% by 2026. To support this commitment, we will continue our focus on talent development and internal progression. Although we are seeing incremental progress, we'll continue to review and set aspirational goals that will challenge ourselves moving forwards.

This is our third year of voluntarily publishing our Ethnicity Pay Gap, which reflects our continued dedication to the Race at Work Charter. We've embraced the Charter's new wider scope to further support those who wish to be allies in the workplace and to widen our supply chains to ensure we have Black-owned businesses and enterprises as part of them. A member of our Executive Committee also sits on one of Business in the Community's (BITC's) regional Leadership Boards.

Although our data doesn't significantly change year on year, we know that our people are feeling good about our progress. We ask for feedback in a biannual Engagement Survey, with our July 2022 overall inclusion score hitting 90%, up from 87% since the full survey in January 2022. As part of this, 90% of employees said that they can be themselves at work and 95% shared that their manager treats people fairly. We take our people's feedback seriously and we are proud of how engaged they feel.

We understand the value of creating a culture where all our people can thrive and bring their true selves to work. By keeping the conversation flowing and actively listening to what all our stakeholders tell us, we will continue to drive positive change.

I confirm that the data in this report is accurate.



Jane Hulme
Human Resources Director



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 2022.

Analysis of our data shows that our gender pay gap is driven by some structural factors that impact us and the industry in which we operate. It also indicates that we don't have enough women in higher-paid senior, technical and sales roles. To achieve a more diverse talent pool, we are providing our hiring managers with new I&D training so they understand how unconscious bias can affect decision making.

The bonus gap calculation is based on all bonus payments paid between 6 April 2021 and 5 April 2022. As mentioned, we have fewer women in our sales teams, where bonus levels are a larger proportion of total pay than in other roles, which contributes to our bonus gap. We also support flexible working, and 23.5% of our female workforce are part-time as of 5 April 2022. However, this further contributes to our gender bonus gap because our people who work reduced hours receive pro rata bonuses, something not reflected in the bonus gap calculation methodology. Our proportion of women and men receiving a bonus has fallen overall this year as we have grown, as new starters hired after 30 September 2021 were not eligible to receive a performance-based bonus in the reporting period.

We are confident that women and men in our organisation receive equal pay for equivalent jobs.

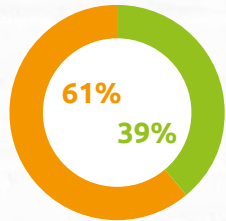
	Gender pay gap		Gender bonus gap		Proportion of women and men receiving a bonus*	
	Median	Mean	Median	Mean	Women	Men
2022	15.5%	22.6%	29.8%	51.9%	87.4%	87.9%
2021	14.8%	22.7%	35%	56.9%	93.4%	92.1%
2020	15%	21.9%	36.8%	56.4%	92.2%	89.7%
2019	13.6%	24.8%	28.4%	61.4%	87.7%	88.9%
2018	15.8%	27%	32.4%	62.5%	92.5%	91.7%

*New starters hired after 30 September 2021 were not eligible to receive a performance-based bonus

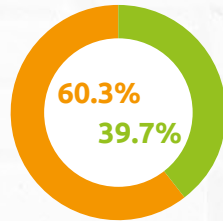
Gender pay gap results

PAY QUANTILES

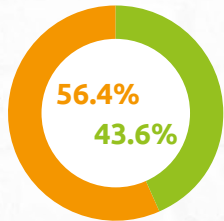
Below illustrates the proportion of women and men in each of the four pay quartiles.



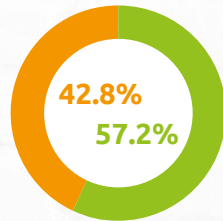
Lower quartile
(2021 63.1% 36.9%)



Lower middle quartile
(2021 57.3% 42.7%)



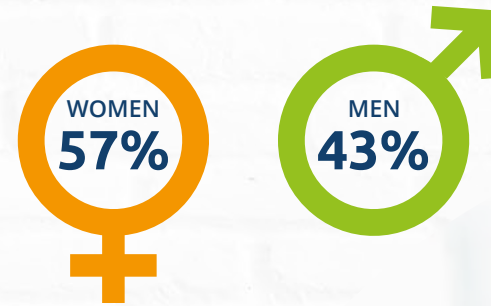
Upper middle quartile
(2021 55.9% 44.1%)



Top quartile
(2021 42.7% 57.3%)

WOMEN ■
MEN ■

WORKFORCE DIVERSITY



GENDER IDENTITY

Although Gender Pay Gap regulations mean we must identify our colleagues as men and women, we actively support all gender identities through our I&D strategy, our policies and our employee network.

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 2022.

This is based on 91% of our people who voluntarily shared their ethnicity data with us. The fact that it is negative indicates that we do not have an ethnicity pay gap that adversely impacts our ethnically diverse colleagues.

The bonus gap calculation is based on bonus payments paid between 6 April 2021 and 5 April 2022. Analysis of our data shows that a higher proportion of those who have self-identified as ethnically diverse are in higher-paid roles.

Our proportion of ethnically diverse colleagues receiving a bonus has fallen overall this year as we have grown, with a rise in the proportion of new starters from an ethnic minority background compared to our current team and new starters hired after 30 September 2021 being ineligible for a performance-based bonus.

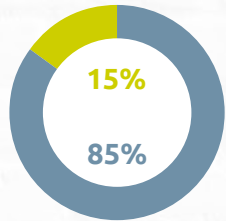
	Ethnicity pay gap		Ethnicity bonus gap		Proportion receiving a bonus*	
	Median	Mean	Median	Mean	Ethnically diverse	Non-ethnically diverse
2022	-15.9%	-4%	-20.1%	-4.2%	79.5%	88.1%
2021	-17.3%	-4.9%	-12.5%	-14.9%	88.5%	92.5%
2020	-23.5%	-10.5%	-6.6%	-0.7%	83.9%	90.5%

*New starters hired after 30 September 2021 were not eligible to receive a performance-based bonus.

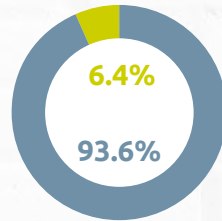
Ethnicity pay gap results

PAY QUARTILES

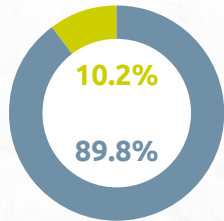
The charts below illustrate the proportion of ethnically diverse and non-ethnically diverse employees in each of the four pay quartiles.



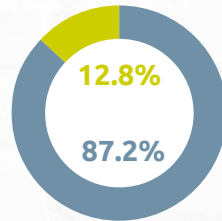
Lower quartile
(2021 9.3% 90.7%)



Lower middle quartile
(2021 5% 95%)



Upper middle quartile
(2021 11.8% 88.2%)



Top quartile
(2021 10.6% 89.4%)

ETHNICALLY DIVERSE ■
NON-ETHNICALLY DIVERSE ■

OUR I&D STRATEGY

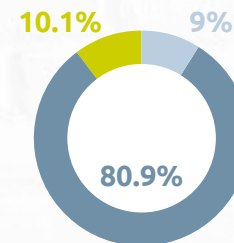
The pillars of our strategy enable us to achieve diversity of thought across Unum, which will:

- Increase innovation and our ability to better serve our customers
- Improve decision making
- Mitigate unforeseen risks

Our I&D structure is centred around Employee Networks, where employees with similar life experiences support new employees, identify opportunities for community engagement and champion inclusion and diversity.



SELF-IDENTIFICATION



Our ethnicity pay gap is based on those who have voluntarily self-identified and doesn't include those who prefer not to say/unknown

ETHNICALLY DIVERSE ■
NON-ETHNICALLY DIVERSE ■
PREFER NOT TO SAY / UNKNOWN ■

Making a difference in our workplace



Our gender pay gap shows that whilst we have been focusing on this and making good progress in leadership, we have still 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 continuing to work towards closing the gap:

LEADING BY EXAMPLE

- Signing up to the HM Treasury Women in Finance Charter in 2016 displays our commitment to building an inclusive culture to benefit us both now and in the future. We've achieved 40% female representation on our leadership team and extended this goal to 43% by 2026. We're proud that we've exceeded and hit our goals, through both career development and recruitment, as 50% of our hires into our leadership team have been female.
- Our executive team are sponsors for each of our five employee networks, providing guidance and support on three agreed key tracks:
 1. To build community
 2. To act as an advocacy group
 3. To promote awareness.
- We want our leaders to take accountability and ownership for ensuring that we are a responsible business. In 2022 we launched non-financial objectives for our Leadership Team as part of their annual bonus calculation, which includes an element related to our inclusion and belonging index in our Employee Engagement Survey.
- All our people managers take part in I&D training. It is designed to inspire self-reflection and explore deep understanding of the day-to-day actions needed to ensure everyone can be their true selves at work.

Making a difference in our workplace

USING OUR INSIGHTS

- Inclusion and belonging are two key indicators in our biannual Engagement survey — 86% of our employees responded to our latest survey in July 2022. Our overall Inclusion index currently sits at 90%, which has increased 2% since January 2022. 90% of respondents shared that they can be themselves at work, 90% felt part of a team, and 95% felt that their manager treats them fairly. The Belonging Index is currently 88%, with 89% of respondents sharing that their diverse perspectives are valued and encouraged in their team.
- When we select our recruitment suppliers, we continue to rate them on how they demonstrate the ability to provide us with diverse and balanced shortlists.
- We are increasing the use of our employee data. This includes tracking the number of new hires and promotions split by gender and ethnicity. In 2021/2022:
 - 56% of new hires (who declared their gender) and 59.4% of internal promotions were female, compared with our organisation having a 57% female workforce.
 - 15.3% of new hires (who declared their ethnicity) and 8.8% of promotions were people who are ethnically diverse; this compares to 10.1% of people from an ethnic minority in our organisation.
- Through partnering with expert organisations, such as Women Returners, we have been able to hire female career returners into under-represented areas of our business.
- We're proud of the fact that so many of our people feel able to voluntarily self identify, with over 90% sharing their ethnicity.

OUR PEOPLE

- We continue to highlight the importance of our I&D strategy to all new starters by hosting a session that shares our goals, structure and how they can get involved.
- We recognise that menopause can have an impact on the wellbeing of women in middle age in the workplace. To show our commitment, we've signed up to the Menopause Workplace Pledge. Our gender equality employee network now hosts regular Menopause Cafés to provide a safe space for women to share their experiences and offer support. We also provide access to the Bupa Menopause Plan service for anyone with female reproductive organs, which gives our staff access to specialist doctors and lots of support and advice on how to alleviate symptoms they may be experiencing.
- Building upon our existing suite of family friendly policies, we recently launched a new Reproductive Health Policy to help normalise female health and de-stigmatise health and wellness. Covering fertility, menstruation and menopause, the policy supports those dealing with symptoms at work and encourages open and respectful wellbeing conversations.



Making a difference in our workplace

IN OUR COMMUNITIES

- Through our ongoing educational volunteering program, our people mentor and coach secondary school students from disadvantaged backgrounds at a school that has 15 different languages, 9 different religions and 13 different ethnic backgrounds in its community. Our volunteers help equip students with the skills and confidence they need as they approach working life. And to support primary-aged children whose literacy levels have fallen behind due to the pandemic, we have partnered with TutorMate to provide virtual weekly virtual reading buddy support in two schools. Across both schools an average of 63% of students at the schools being tutored by Unum volunteers are ethnically diverse (of the 90% who disclosed their data).
- For the last 6 years, we have partnered with Birkbeck, University of London, to widen access to education and develop talent among diverse communities. We have awarded bursaries to 52 students who face significant barriers through the Unum Widening Access to University Bursary. This supports with living costs such as travel, study costs, food and housing. In 2021, we expanded our partnership further by funding a full scholarship to a female student from a minority ethnic background participating in Birkbeck's MSc programme in Data Science, and we will be funding another postgraduate scholarship in the 2022/23 academic year.
- We continue to tackle hygiene poverty through our partnership with The Hygiene Bank by donating both products and funding for essential toiletries and personal care items.