

Unum UK 2023 Diversity Pay Report

At Unum, we are purpose driven. We don't just understand our values; we live them. We strive to make a positive difference to our customers, our communities, and our people — every day.

We are proud of our culture, and one of our greatest achievements is the feedback we receive from our own people. In our most recent Employee Engagement Survey, 93% agreed that Unum is committed to providing equal opportunity for employees from all backgrounds, 95% felt that their manager treats people fairly, and 91% felt that diverse perspectives are valued and encouraged. But we don't take anything, or anyone, for granted.



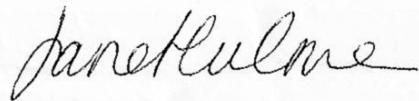
In 2023, we've been focusing on our leaders to further increase their understanding of the drivers behind our pay gap data and help them become more involved in making change. In creating a team of Inclusion Business Champions we're encouraging our leaders to take ownership of the inclusion landscape, understand the bigger picture, and put in place local action plans. In addition, we already have well-established and active employee-led networks which successfully create communities, raise awareness, and encourage engagement. This structure of Inclusion Business Champions and employee networks means that we can continually evolve our Inclusion & Diversity plans.

This is our fourth year of voluntarily publishing our Ethnicity Pay Gap, which continues to show a negative gap. We remain dedicated to the Race at Work Charter, and we've embraced the charter's wider scope to focus on our recruitment practices, whilst also further supporting those who wish to act as allies in the workplace.

We are pleased that both our mean and median gender pay gaps have reduced since our last report, reflecting our continued focus on increasing the number of women in leadership, who will provide strong role models in our executive and leadership community.

We believe that what we do for our customers is good for society, but that isn't enough. Leading with purpose, creating a sense of belonging and encouraging diversity of thought within Unum is for everyone's benefit.

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 (average) gender pay gap, at the snapshot date of 5 April 2023.

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. For example, we don't have as many women in higher-paid senior, technical and sales roles. To achieve a more diverse talent pool, our Talent Acquisition team is collaborating with our Inclusion & Diversity (I&D) team on an intentional outreach strategy. We are providing our hiring managers with additional I&D training so they understand how unconscious bias may be affecting their recruitment decision making.

The bonus gap calculation is based on all bonus payments paid between 6 April 2022 and 5 April 2023. In 2023 our bonus gap has widened compared to 2022. This is driven by a record pay out of bonuses in 2023, due to excellent company performance. As we have more men in senior positions, on higher salaries, they receive a relatively higher proportion of this payout, as individual bonuses are based on a percentage of salary. Adding to this is the Sales Incentive Bonus (which also paid out well due to strong performance) because there are relatively more men in our sales teams.

Our proportion of women and men receiving a bonus has increased this year; new joiners who were not eligible last year to receive a performance-based bonus (as they joined us in October) became eligible this year. We are confident that women and men in our organisation receive equal pay for equivalent jobs.

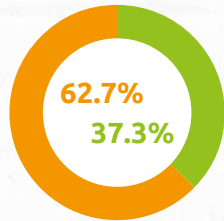
| | Gender pay gap | | Gender bonus gap | | Proportion of women and men receiving a bonus* | |
|-------------|----------------|--------------|------------------|--------------|--|--------------|
| | Median | Mean | Median | Mean | Women | Men |
| 2023 | 14.9% | 19.9% | 32.5% | 51.1% | 90.2% | 90.8% |
| 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 | 15.0% | 21.9% | 36.8% | 56.4% | 92.2% | 89.7% |
| 2019 | 13.6% | 24.8% | 28.4% | 61.4% | 87.7% | 88.9% |

*New starters hired after 30 September 2022 were not eligible for a performance-based bonus.

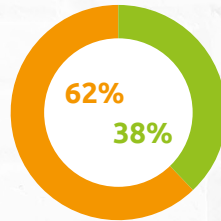
Gender pay gap results

PAY QUARTILES

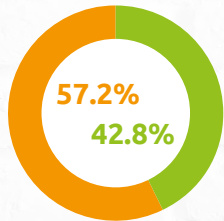
The figures below illustrate the proportion of women and men in each of the four pay quartiles.



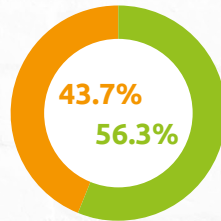
Lower quartile
(2022 61% 39%)



Lower middle quartile
(2022 60.3% 39.7%)



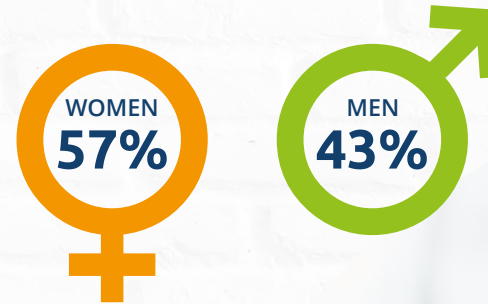
Upper middle quartile
(2022 56.4% 43.6%)



Top quartile
(2022 42.8% 57.2%)

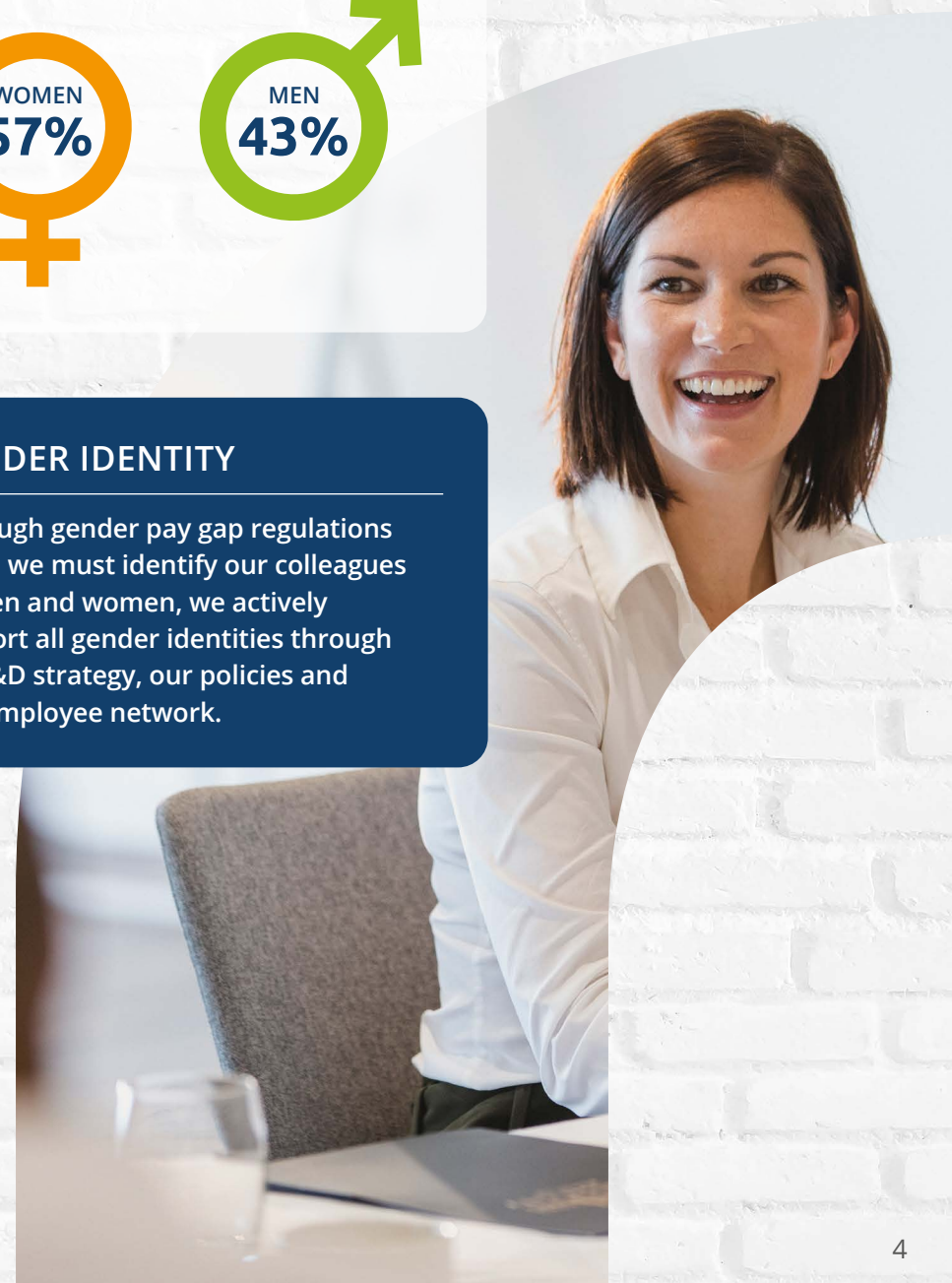
WOMEN ■
MEN ■

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 (average) ethnicity pay gaps, at the snapshot date of 5 April 2023.

This is based on information from the 92.5% of our people who voluntarily shared their ethnicity data with us. The fact that these are negative figures shows that we do not have a pay gap that is detrimental to our ethnically-diverse colleagues.

The bonus gap calculation is based on bonus payments paid between 6 April 2022 and 5 April 2023. Analysis of our data shows that a higher proportion of those who have voluntarily self-identified as ethnically diverse are in higher-paid roles.

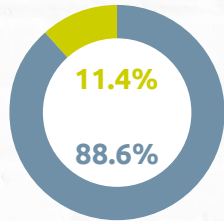
| | Ethnicity pay gap | | Ethnicity bonus gap | | Proportion receiving a bonus* | |
|-------------|-------------------|--------------|---------------------|------------|-------------------------------|------------------------|
| | Median | Mean | Median | Mean | Ethnically diverse | Non-ethnically diverse |
| 2023 | -19.9% | -7.2% | -17.3% | -8% | 85.6% | 90.7% |
| 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 2022 were not eligible to receive a performance-based bonus.

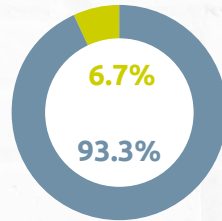
Ethnicity pay gap results

PAY QUANTILES

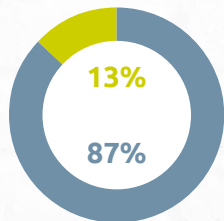
The charts below illustrate the proportion of ethnically-diverse and non-ethnically-diverse employees in each of the four pay quartiles.



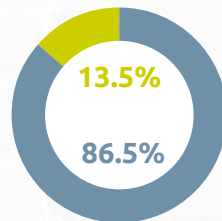
Lower quartile
(2022 15% 85%)



Lower middle quartile
(2022 6.4% 93.6%)



Upper middle quartile
(2022 10.2% 89.8%)



Top quartile
(2022 12.8% 87.2%)

ETHNICALLY DIVERSE ■
NON-ETHNICALLY DIVERSE ■

OUR I&D STRATEGY

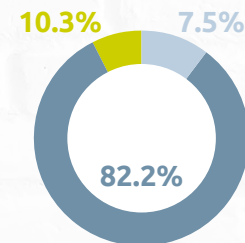
The pillars of our strategy enable us to achieve diversity of thought across Unum, which will:

- 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.



VOLUNTARY 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 even though we have been focusing on reducing this and making good progress in leadership, we still 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 voluntarily self-identified as ethnically-diverse being in higher paid roles.

The following sections show how we are continuing to work towards closing the gap:

LEADING BY EXAMPLE

- We remain committed to the HM Treasury Women in Finance Charter and have already achieved our 2026 target, achieving 43% female representation on our leadership team. Our priority now is to embed this position and look to sustainably improve further. As a relatively small organisation in the UK, a change in a single role can impact this percentage and we are anticipating further such change over the coming years. We continue to monitor and adjust to these changes as necessary.
- This year, with the support of the leadership of our Executive Team, we created the role of Inclusion Business Champions. These senior leaders take responsibility for the implementation of the I&D strategy in their functional areas. Empowering our champions to take a forensic look at their immediate area of responsibility has helped them to create bespoke action plans which have a targeted I&D impact.
- Every member of our Leadership Team has non-financial objectives as part of their bonus calculation. This includes an element related to the Inclusion Index in our Employee Engagement Survey.
- Members of our Executive Team act as sponsors to each of our five employee networks, providing guidance and support on three key tracks: to build community; to act as an advocacy group; and to promote awareness.
- Our Board of Directors plays an active role too: members challenge our gender and ethnicity data, and our Inclusion & Diversity strategy. They have also recently taken part in Inclusion & Diversity training.



Making a difference in our workplace

USING OUR INSIGHTS

- This year we have increased our pay gap analysis, using data both at an organisational level and by functional area. The more in-depth insights are shared with our Executive Team to support their understanding of the impact their function has on our overall pay gap and how they can personally influence it. This feeds into functional action plans owned by our Inclusion Business Champions, who are leaders in each business function.
- Inclusion and Belonging are two key indicators in our biannual Engagement Survey — 89% of our employees responded to our latest survey in July 2023. Our overall Inclusion Index currently sits at 92% (an increase of 2% on the previous year) and our Belonging Index is 89% (an increase of 1% since last year). We are proud that our people are telling us that this is an area of strength for us. According to external benchmarks (provided by Qualtrics) this puts us firmly in the 90th percentile of UK benchmarks.
- When we look at our employee data, we can track the number of new hires and promotions by gender and ethnicity. For the period of this report: 56.6% of new hires (who declared their data) and 63.6% of internal promotions were female, compared with our organisation having 57% female workforce. 17% of new hires (who declared their data) and 8% of internal promotions were from an ethnically-diverse background; this compares to 10.3% of people from an ethnically-diverse background in our organisation.
- We are proud that so many of our people feel able to voluntarily self-identify, with over 90% sharing their ethnicity.

OUR PEOPLE

- Our gender equality employee network continues to actively create community and engagement. The team hosted award-winning speaker Jaz Ampaw-Farr on International Women's Day and has published a series of 'Day in the life' articles, which share the lived experiences of our own people. The network also holds Menopause Cafés, which provide a safe space to share experiences, offer support and educate one another.
- In addition, we offer all employees access to our Menopause Plan. This provides access to specialist doctors and support on how to alleviate any symptoms. In the past year, 23 of our employees used this service.
- Our ethnicity employee network is also keen to create awareness. Every year the network celebrates Black History Month with a campaign of stories, quotes and recommendations of ways to learn more. Culturally our Core Values set the tone, as we ask our employees to have a caring spirit with an appreciation for differences.
- To ensure everyone has the same level of understanding, we rolled out comprehensive Inclusion & Diversity training to all leaders, managers and employees; 93.5% of our people completed the training. Feedback via our Employee Engagement Survey data showed that 64% of our employees felt their work behaviours have been influenced positively by this training.



Making a difference in our workplace

IN OUR COMMUNITIES

- Through our ongoing educational volunteering programme, our people mentor and coach students from disadvantaged backgrounds at two local secondary schools. One of these schools accommodates 15 different languages, nine 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.
- We also have volunteer mentors who support primary-age children whose literacy levels have fallen behind due to the pandemic. We partner with Chapter One to provide weekly virtual reading buddy support in two London schools. Across both schools an average of 63% of students being tutored come from an ethnically-diverse background (of the 90% who disclosed their data).
- For the past seven years we have partnered with Birkbeck, University of London to widen access to education and develop talent among diverse communities. We have awarded the Unum Widening Access to University Bursary to 60 students who face significant barriers to higher education. In 2021, we expanded our partnership by funding a full scholarship for a female student from a minority ethnic background to study MSc Data Science. We continued this support in 2022 by providing another full scholarship for a male student from an ethnically-diverse background to study MSc Computer Science.
- With food poverty disproportionately impacting ethnically-diverse communities (source: <https://fareshare.org.uk/news-media/news/diversity-and-equality-statement/>), our annual 'Heroes for Hunger' Food Drive supported those most impacted by the cost-of-living crisis through financial donations to charitable food distributor FareShare, and physical donations to two local Trussell Trust foodbanks.