

UK Pay Gap Report

2022



AVIVA

Contents

Click each heading to go to the relevant page

01

Foreword

02

Gender pay gap

03

Ethnicity pay gap

04

Our actions

Recruitment

Retention

Progression

05

Useful notes

Foreword

“ Aviva’s ambition for our workforce is to reflect the customers and communities we serve. A diverse, inclusive workplace allows colleagues to be themselves and give of their best. It allows us to serve our customers better, contributing to the success of our business. And it helps us contribute to a more equal society.

Achieving our ambition depends on analysing data to understand where we stand, and using that understanding to inform targeted, consistent actions to drive improvements. Pay gap data is a fundamental part of the picture.

It is important to reiterate that we don’t pay people differently based on their ethnicity or gender. The gender gap is caused by us having a lower proportion of females in senior leadership roles and a higher proportion in our lower paid roles. And the ethnicity gap is as a result of us having a lack of ethnically diverse colleagues across Aviva.

This year’s data shows further progress towards closing the gender pay gap, partly as a result of more women in senior leadership roles over the last 12 months. However, there’s clearly more to be done to address our ethnicity pay gap and progress overall is slower than we would like.

We recognise that overcoming the barriers standing in the way of a more equal workplace will take time and persistence. Nonetheless, I’m confident we have the right plan to drive this change now and over the long term, and remain committed to working towards a brilliantly diverse workforce at every level in Aviva. ”

Danny Harmer | Chief People Officer

I confirm the gender pay gap data contained in this report is accurate.



Gender pay gap

Our 2022 mean gender pay gap shows the largest improvement since we started reporting. Our median pay gap and mean bonus gap figures also improved. This progress demonstrates that our actions continue to move us in the right direction, with more females in senior positions and, as importantly, more gender balance in entry-level roles too. However, this progress is still slower than we would like.

Key points

- **We have a gender pay gap, and we know why**

It's fewer women in leadership roles and a higher proportion of women in entry level positions. While we have made particularly good progress at senior levels, we know it's equally important our actions take effect throughout the organisation. Only a more balanced distribution across Aviva will close the gap.

- **The pay gap has reduced**

Across Aviva group, the proportion of women at senior management level has increased to 37.3% (December 2022), up from 33.7% in December 2021. Women are starting to benefit from the policies, recruitment, and progression opportunities we offer.

- **The gender bonus gap is still high**

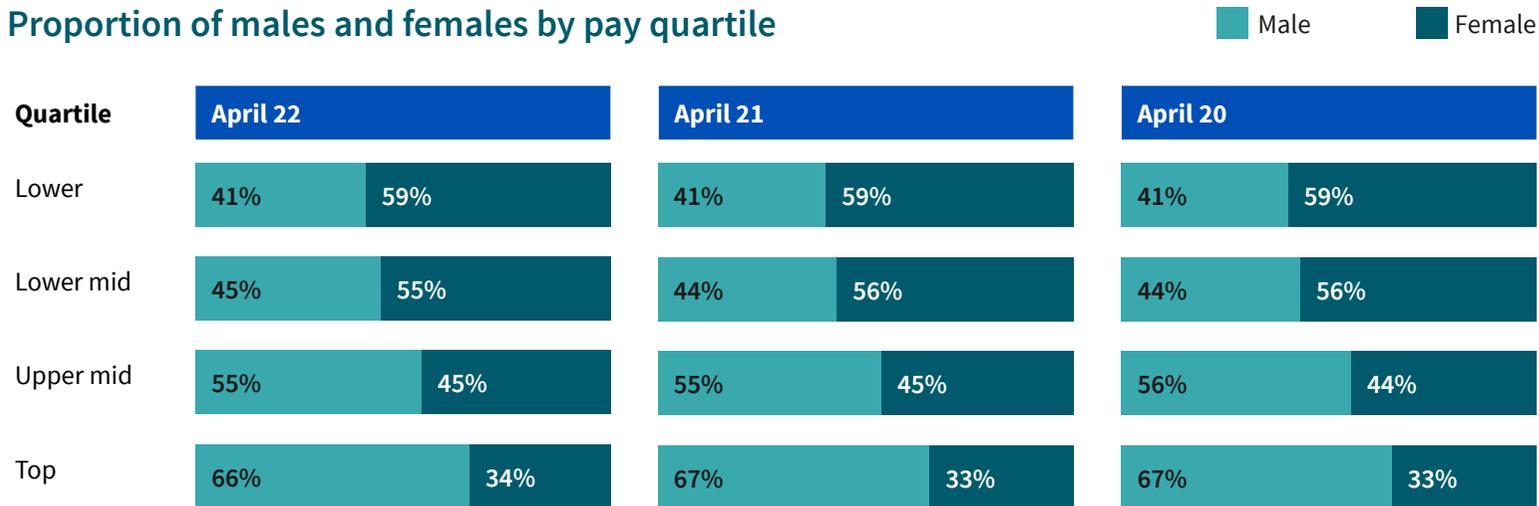
Our variable pay (bonus) is higher at more senior levels, and we have a higher proportion of male colleagues in senior roles. In addition, the bonus gap is exacerbated by the fact that bonuses are pro-rated for part-time workers – the majority of whom are women. Although part-time working can negatively impact the bonus gap, we actively support and encourage flexible working as part of our strategy to improve retention and progression, particularly for women.



Aviva's gender pay gap

	April 22	April 21	April 20	April 19	April 18
Gender pay gap					
Mean	24.3%	25.9%	26.0%	26.7%	27.2%
Median	25.1%	25.8%	26.7%	27.3%	27.8%
Bonus pay gap					
Mean	50.9%	51.1%	51.2%	51.4%	54.8%
Median	33.7%	33.4%	36.5%	39.0%	39.1%
% employees receiving a bonus					
Male	95.2%	98.2%	96.3%	95.2%	91.4%
Female	96.2%	98.4%	96.5%	94.9%	92.1%

Proportion of males and females by pay quartile



Gender split by level



Ethnicity pay gap

For the second year running we're voluntarily publishing our ethnicity pay gap. Analysing diversity data and being transparent about the diversity of our workforce is an important step in creating meaningful change towards a fairer, more inclusive workplace. As founder members of CBI's Change the Race Ratio and signatories of Business in the Community's Race at Work Charter, Aviva actively supports the campaign for mandatory ethnicity pay gap reporting.

Our pay gap figures are based on the 86% of our UK workforce who have told us their ethnicity. We'll continue to encourage our colleagues to increase this disclosure rate to give us an even better understanding of the gaps and focus areas.

Key points

- **We have negative ethnicity pay and bonus gaps**
This means ethnically diverse colleagues are paid more on average than white colleagues.
- **Our ethnically diverse population is small**
Of those who disclosed their ethnicity, approximately 1,100 employees are from an ethnically diverse background, accounting for just 9% of our Aviva UK colleagues.
- **Ethnicity distribution is different across grades**
We have a greater proportion of white colleagues in junior grades.
- **More of our ethnically diverse colleagues are London based**
41% of all Aviva's ethnically diverse colleagues are based in London (where pay tends to be higher). If we had a more ethnically balanced population across all locations, the gap would be narrower.



Aviva's ethnicity pay gap

	April 22	April 21
Ethnicity pay gap		
Mean	-20.1%	-18.8%
Median	-24.8%	-24.6%
Bonus pay gap		
Mean	-26.5%	-33.9%
Median	-10.5%	-21.1%
% employees receiving a bonus		
White	96.2%	98.1%
Ethnically diverse	91.3%	95.1%

Proportion of white and ethnically diverse by pay quartile

White Ethnically diverse

Quartile	April 22	April 21
Lower	93.4% White, 6.6% Ethnically diverse	93.7% White, 6.3% Ethnically diverse
Lower mid	93.2% White, 6.8% Ethnically diverse	94.2% White, 5.8% Ethnically diverse
Upper mid	91.1% White, 8.9% Ethnically diverse	91.7% White, 8.3% Ethnically diverse
Top	87.4% White, 12.6% Ethnically diverse	88.3% White, 11.7% Ethnically diverse

Ethnicity split by level



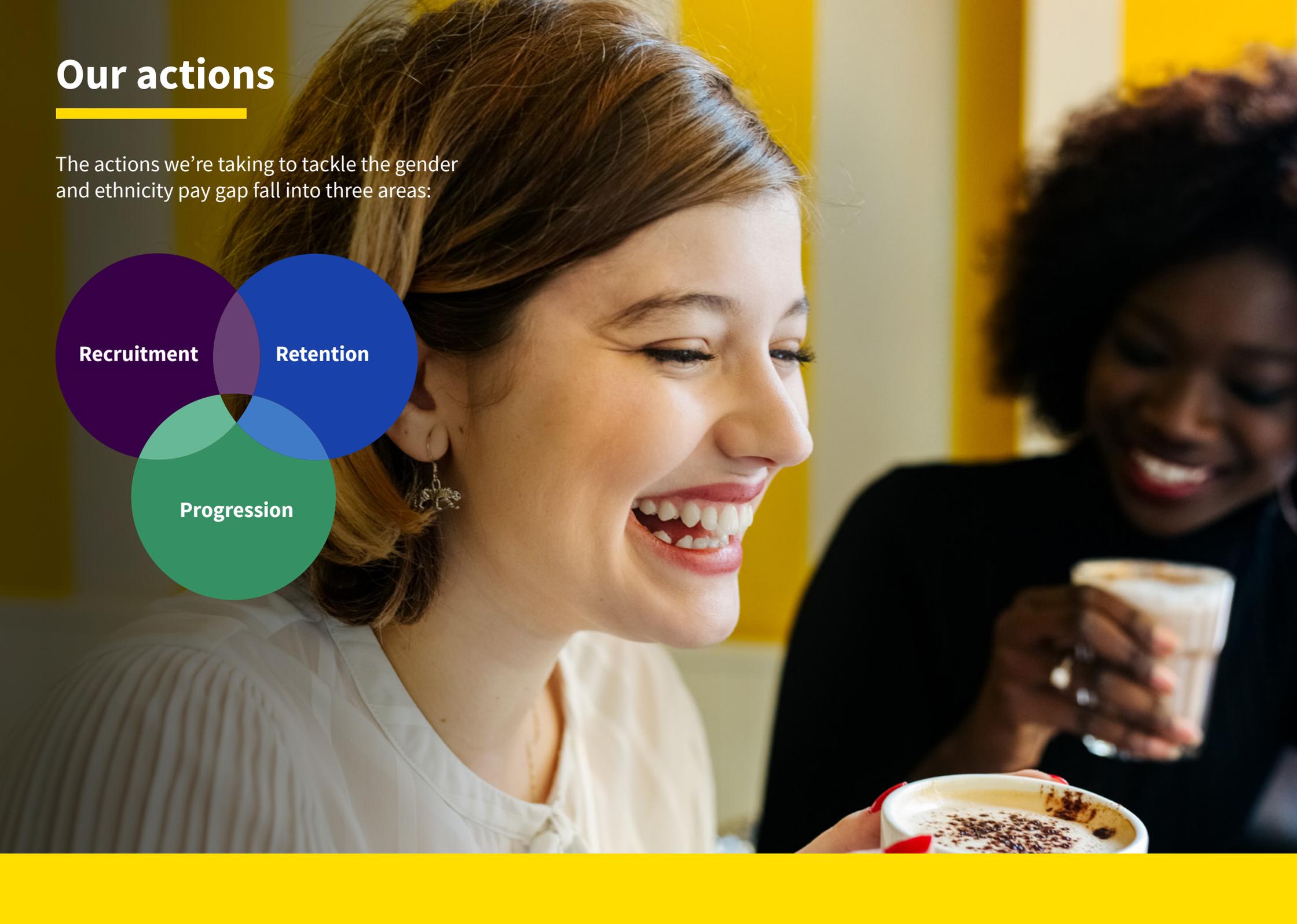
Our actions

The actions we're taking to tackle the gender and ethnicity pay gap fall into three areas:

Recruitment

Retention

Progression



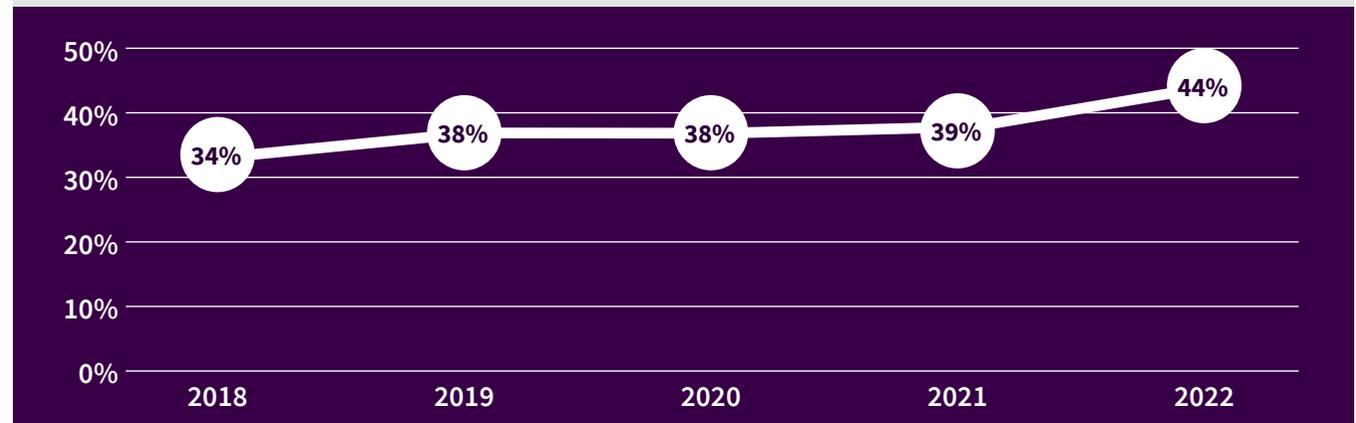
Recruitment

We continue to increase the proportion of diverse hires (internal and external) into senior roles (the most senior 5% of employees).

General

- Our Executive Long Term Incentive plan includes targets for the proportion of senior women and ethnically diverse colleagues.
- All roles are advertised internally to widen the pool of candidates (exceptions approved by the Chief People Officer).
- Diverse (including gender and ethnicity) shortlists for all senior internal and external hiring.
- Inclusive recruitment training (Licence to Hire) for all leaders, reducing bias in recruitment and interviews.
- From April 2022 all job adverts have published salary bands and no more than five requirements.
- Our graduate programme has a good gender and ethnicity balance. In 2022 42% of our intake were female, and 34% of the intake were ethnically diverse.
- Our apprenticeship programmes, which attract new talent and develop existing colleagues, are also diverse – 46% were female, and 23% ethnically diverse.
- Our intern programme is now in its fifth year. We have had 69 interns go through the programme which focuses on gender, ethnicity, and social mobility.

In the last five years female hire rates in this population are as shown on the chart below:



Gender specific

- Using specialist software, Textio, to create gender neutral vacancy marketing, reducing gender bias in our talent attraction.
- Encouraging the next generation of female talent across our business through networks such as Women in Tech, Commercial Lines Women's Network and our Aviva Balance Community, an employee resource group which focuses on gender parity. We are also recognised as a Times Top 50 Employer for Women.

- Aviva Investors continues its "Return to Work" programme supporting individuals returning to the workplace after a break in their career of 18 months or more. Since launch in 2019 an average of 71% of participants have taken permanent roles. This programme helps build a pipeline of talent. We have now extended this programme into the wider business.

Ethnicity specific

- We advertise roles on specialist job sites VERCIDA and BMEJobs.com to reach ethnically diverse candidates.

Retention

It's just as important to retain female and ethnically diverse colleagues at all levels of our business as it is to recruit.



General

- We're helping Aviva colleagues be aware of, understand and develop inclusive behaviours.
- We're providing inclusion training for leaders and we're working to create a culture where any concerns can be raised freely.
- Our equal parental leave policy gives UK employees up to 12 months leave, of which six months is fully paid.
- All employees are entitled to 35 hours of paid carers leave a year, and an additional 35 hours paid leave for urgent dependants' care.
- Removal of some location specific roles has helped enable promotion and movement between roles.
- Flexible, job share and part-time working is available to everyone, though we recognise we need more senior role modelling to encourage take-up.

- We have introduced a new **Inclusive Behaviours training module.**



Gender specific

- Our female leaders act as role models for future talent, sharing their insights and experiences. Aviva executives have been named in the HEROes Women Role Models for the last 6 years.
- Our Aviva Balance Community works with other communities to promote intersectionality and consider experiences of different women. There are business specific women's groups to help support, promote and retain women in Commercial Lines and in the fields of science, technology, engineering and maths.
- We are active members of Moving Ahead (formerly 30% Club) and the Women in Finance Charter. Our CEO, Amanda Blanc, is HM Treasury's Women in Finance Champion to spearhead efforts to boost gender diversity across UK financial services.
- In 2022 Amanda launched the Women in Finance Blueprint to help organisations improve gender representation.
- For the last eight years, we are proud to have sponsored the Women of the Future event, highlighting internally and externally our support for diverse female talent.

Ethnicity specific

- Our reverse mentoring programme partners senior leaders with ethnically diverse colleagues.
- This year, our Board, Group Executive and top 1,200 leaders have received bespoke anti racism training.
- Our Origins Community focuses on race and ethnicity, faith and belief, and social mobility. The group promotes personal and professional development and empowers members at all stages of their career. It also works with other communities to promote intersectionality.
 - The Black Professional Network, a subgroup of Origins, empowers and supports Aviva's Black employees from a professional and personal perspective.
 - The Aviva South Asian Professionals Network (ASAP) a subgroup of Origins, empowers and supports Aviva's South Asian employees from a professional and personal perspective.
- We encourage ethnically diverse talent across our business through networks such as iCAN, the Insurance Cultural Awareness Network.
- We are Founder Members of CBI's Change the Race Ratio and signatory to the Race Equality Charter.

Progression

To increase the number of female and ethnically diverse colleagues in senior leadership roles, we are taking the following actions.



General

- We're using data insights to track progress of embedding inclusion into our culture. Our People dashboard includes diversity metrics and we have developed machine learning to identify progression trends correlating with part-time working, geographical location and other diversity characteristics.

Gender specific

- We are working towards an ambition of 40% senior female leaders by 2024. As at 31 December 2022 we are at 37.3%, a significant increase from 2020 when we were at 31.9%.
- We have a Women's Sponsorship Programme to accelerate the pipeline of women into senior leadership roles.

Ethnicity specific

- We are working towards a target of 13% ethnically diverse leadership by 2024. As at 31 December 2022 we are at 10.9% (based on 88% ethnicity self-disclosure) up from 6% in 2020 (based on 63% ethnicity self-disclosure).
- We have a Group-wide Ethnically Diverse Leadership Programme (EDLP) focussing on ethnically diverse colleagues, which launched in 2020. Since launch, 58% of those on the programme have had a promotion or a lateral move to build their career.

Useful notes

Pay gap vs equal pay

A pay gap is a measure of the difference between the average earnings between two groups. For gender this means between men and women employees and for ethnicity between ethnically diverse and white employees (irrespective of roles or seniority).

Equal pay is our legal obligation as an employer to give equal pay for equal work. Our pay gap is not a result of equal pay issues, as we have a gender and ethnicity neutral approach to pay across all levels of the organisation. We regularly monitor this to make sure we meet this legal and moral obligation.

Mean and median explained

The mean pay gap is the difference in the arithmetic average hourly pay for one group compared to the other, within our organisation (men compared to women or ethnically diverse compared to white).

The median represents the middle point of a population. If you lined up all our women and all our men in order of the hourly rate at which they are paid, the median pay gap is the difference between the hourly rate for the middle woman compared to that of the middle man. Or similarly between ethnically diverse or white employees. The mean and median are important metrics and need to be looked at together. However, the mean can be skewed by fewer individuals earning more in the upper ranges.

Reminder of the legislative requirements

Gender pay gap legislation requires employers in the United Kingdom with 250 employees or more to calculate and publish on an annual basis gender pay gap data. This must be based on figures taken on the 5th of April each year. The specific information we are required to publish needs to include:

- Mean and median gender pay gap (based on an hourly rate of pay on 5 April 2022).
- Mean and median bonus gender pay gap (considers bonus pay received in the 12 months leading up to 5 April 2022).
- Proportion of men and women receiving a bonus payment.
- Proportion of men and women in each quartile pay band (looking at the proportion in 4 pay bands when we divide our workforce into four equal parts).
- The gender pay gap is expressed as a percentage of male earnings (e.g. women earn x% less than men).

Defining the ethnicity pay gap

There are no legal requirements to publish an ethnicity pay gap, we do this voluntarily.

The ethnicity pay gap shows the difference between the average pay for all Aviva UK employees who have told us they are of an ethnically diverse background and all employees who have told us they are of a white background. Our ethnically diverse population includes all employees who have shared that they are within the following ethnic groups: Black, Asian, Mixed/Multiple Ethnicity and Other. The white population includes all employees who have shared that they are from a White ethnic group.

We have disaggregated our ethnically diverse data set and calculated pay and bonus gaps in relation to the following ethnic groups: Black, Asian, Mixed/Multiple Ethnicity and Other. However, due to the small population size we have aggregated the data for reporting purpose.

Although there is no formal guidance on calculation method, our ethnicity pay gaps have been calculated using the government regulations for calculating gender pay gaps. The data outlined in this report reflects figures taken on the 5 April 2022.

