AVIVA

UK Pay gap report 2023

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01

Foreword

“

Aviva’s success as a business depends on our people and we want our workforce to reflect the customers and communities we are here to serve.

As ever, accurate data is a vital part of this journey. We need to understand, measure and track the things that matter, so that we can design and deliver the best approaches to narrow – and ultimately eliminate - pay gaps. This year’s numbers show that progress is possible. It is slow, but as I’ve written in previous years’ reports, change of this nature takes time. We remain committed to continuing to improve the balance of our workforce.”

Danny Harmer, Chief People Officer
I confirm the gender pay gap data and narrative contained in this report is accurate.

This year’s numbers show that

progress is possible.

02

Gender pay gap

Our 2023 gender pay and bonus gaps show the most significant reduction since we started reporting in 2017. This progress is welcome and demonstrates that our policies and actions are moving us in the right direction, noting our pay gap continues to be driven by our colleague demographic. Nevertheless, we recognise that we still have more to do, and we remain committed to further progress.

Key points

- **We have a gender pay gap, and we know why.**
  It is due to lower representation of women in leadership and fewer men in junior roles.

- **The pay gap has reduced.**
  Since 2020 our proportion of women in senior positions in the UK has increased from 31.9% to 40.4% (as at 31 December 2023). While we have increased the proportion of women leaders and also men in junior grades, a more balanced distribution is needed overall to narrow and eliminate the gap.

- **Our gender bonus gap is still high.**
  We have a higher proportion of men in senior roles and variable pay opportunity (bonus) is higher at senior levels. Additionally, the bonus gap does not account for pro-rated bonuses for part-time workers – the large majority of whom are women. Although part-time working exacerbates the bonus gap figures, we are determined to continue to support flexible working as part of our strategy to improve retention and progression.

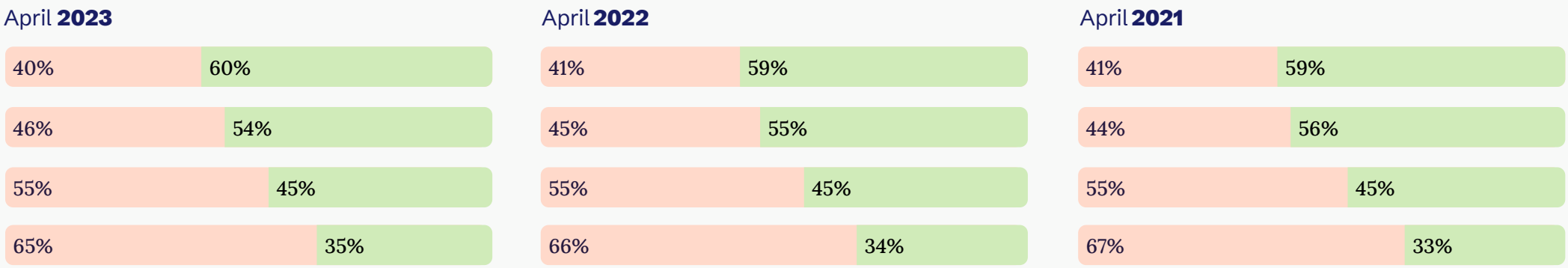
Aviva's gender pay gap

		April **2023**	April **2022**	April **2021**	April **2020**	April **2019**
Gender pay gap	Mean	21.3%	24.3%	25.9%	26.0%	26.7%
	Median	22.7%	25.1%	25.8%	26.7%	27.3%
Bonus pay gap	Mean	41.3%	50.9%	51.1%	51.2%	51.4%
	Median	28.0%	33.7%	33.4%	36.5%	39.0%
% employees receiving a bonus	Male	94.9%	95.2%	98.2%	96.3%	95.2%
	Female	95.2%	96.2%	98.4%	96.5%	94.9%

Gender split by level (as at 5 April 23)

	Male	Female
Senior Leaders	531	321
Management & specialist	3,589	2,476
Customer facing & support	3,933	5,000

Proportion of males & females by pay quartile



Key Male Female

03

Ethnicity pay gap

For the third year running we're voluntarily publishing our ethnicity pay gap. Analysing our data and being transparent about the diversity of our workforce is a key step in driving meaningful change and shaping a fairer, more inclusive workplace. As founding members of Change the Race Ratio and signatories of Business in the Community's Race at Work Charter, Aviva supports ethnicity pay gap reporting.

Our pay gap figures are based on our UK workforce who have disclosed their ethnicity. Based on current disclosure rates (92.6% as at 31 December 2023), 9.4% of our UK workforce is from an ethnically diverse background. We continue to encourage disclosure to improve understanding of the gaps and focus areas.

Analysis of ethnicity pay gaps remains challenging given the relatively low number of ethnically diverse colleagues compared to white colleagues. Small numbers cause the gaps to be volatile and make it more difficult to build narrative on trends and draw firm conclusions.

However, key points for this year are:

- **We have negative ethnicity pay gaps.**
  Overall, we have a relatively small population of ethnically diverse colleagues and they tend to be employed in roles where the pay is above the median for Aviva.

- **Our bonus gaps are marginal (close to 0%).**
  This means that there was little difference in how much bonus, on average, white and ethnically diverse colleagues were paid. This was also impacted by mid-year starters (eligible for pro-rated bonus only) and Q1'23 new joiners not reflected in the bonus calculations.

- **Our ethnically diverse population is relatively small.**
  Our ethnically diverse population accounted for circa 9% of those who disclosed their ethnicity and were in scope for pay gap calculations (as at 5 April 2023).

- **Ethnicity distribution is different across grades.**
  We have a higher proportion of white colleagues in junior grades and a higher proportion of ethnically diverse collegues in senior grades.

- **Location is an influencing factor.**
  A significantly higher proportion of ethnically diverse colleagues are based in London, where pay is typically higher.

Aviva's ethnicity pay gap

		April **2023**	April **2022**	April **2021**
Ethnicity pay gap	Mean	-13.7%	-20.1%	-18.8%
	Median	-22.2%	-24.8%	-24.6%
Bonus pay gap	Mean	-1.1%	-26.5%	-33.9%
	Median	1.5%	-10.5%	-21.1%
% employees receiving a bonus	White	95.8%	96.2%	98.1%
	Ethnically diverse	90.9%	91.3%	95.1%

Ethnicity split by level (as at 5 April 23)

	White	Ethnically diverse
Senior Leaders	686	81
Management & specialist	4,710	566
Customer facing & support	6,837	654

Proportion of colleagues' data by pay quartile

	April **2023**				April **2022**				April **2021**			
Quartile	White	Ethnically diverse	Prefer not to say	No data	White	Ethnically diverse	Prefer not to say	No data	White	Ethnically diverse	Prefer not to say	No data
Lower	75.5%	6.3%	2.4%	15.8%	73.8%	5.2%	2.4%	18.6%	62.9%	4.2%	1.9%	31.0%
Lower mid	79.2%	6.4%	3.3%	11.1%	77.2%	5.6%	3.4%	13.8%	68.4%	4.2%	2.6%	24.8%
Upper mid	79.2%	8.5%	4.9%	7.4%	77.8%	7.5%	5.2%	9.5%	71.2%	6.4%	4.5%	17.9%
Top	75.4%	11.6%	5.1%	7.9%	74.8%	10.7%	5.3%	9.2%	68.8%	9.1%	4.5%	17.6%

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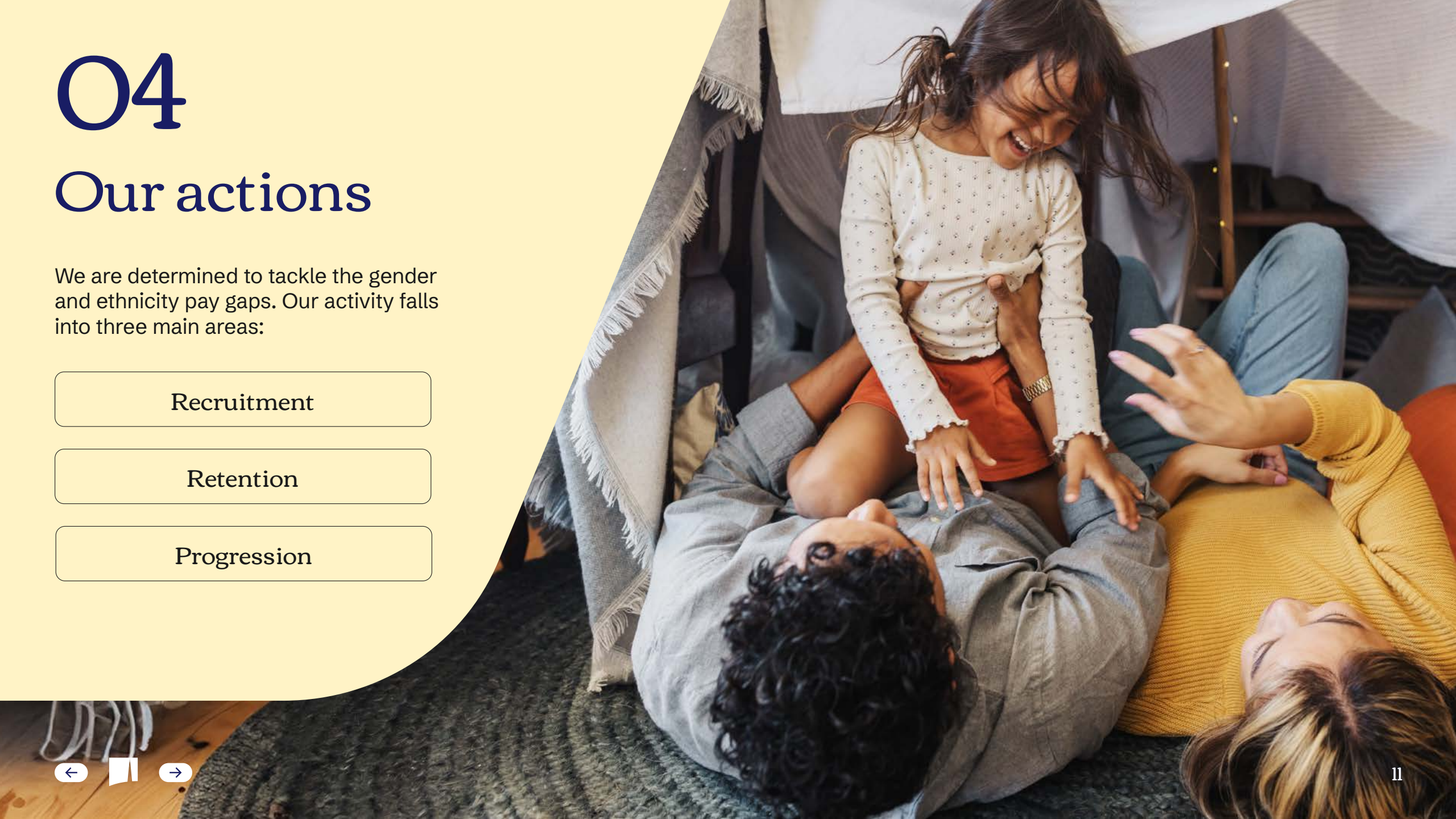
Our actions

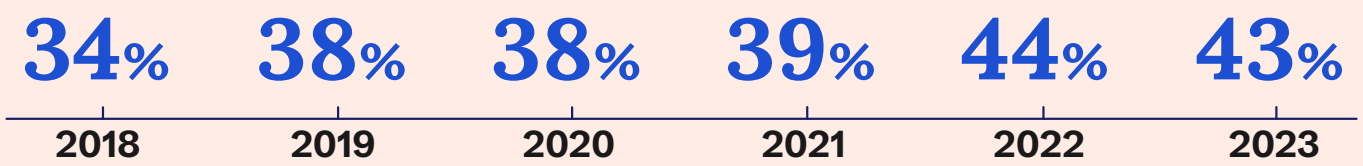
We are determined to tackle the gender and ethnicity pay gaps. Our activity falls into three main areas:

- 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).



Female hire rates

Attracting and recruiting diverse talent

- All roles are advertised internally to widen the pool of candidates (exceptions approved by the Chief People Officer).
- Diverse shortlists (including gender and ethnicity) for all senior internal and external hiring.
- Inclusive recruitment training (Licence to Hire) for all leaders, reducing bias in our recruitment and interview processes.
- From April 2022 all job adverts have no more than five requirements and salary bands are published for roles.
- We advertise roles on specialist job sites VERCIDA, iCAN jobs board and BMEJobs.com to reach ethnically diverse candidates.
- Our Aviva intern programme is now in its sixth year. We have had 61 interns go through the programme which focuses on balancing gender, ethnicity, and social mobility.

Our graduate programme – an important pool of future leaders – has a balance of genders and ethnicities. In 2023,

55% of our intake were female.

11% of the intake were ethnically diverse.

Our apprenticeship programmes, which help attract new talent and develop existing colleagues, are also diverse.

40% Female

12% Ethnically diverse

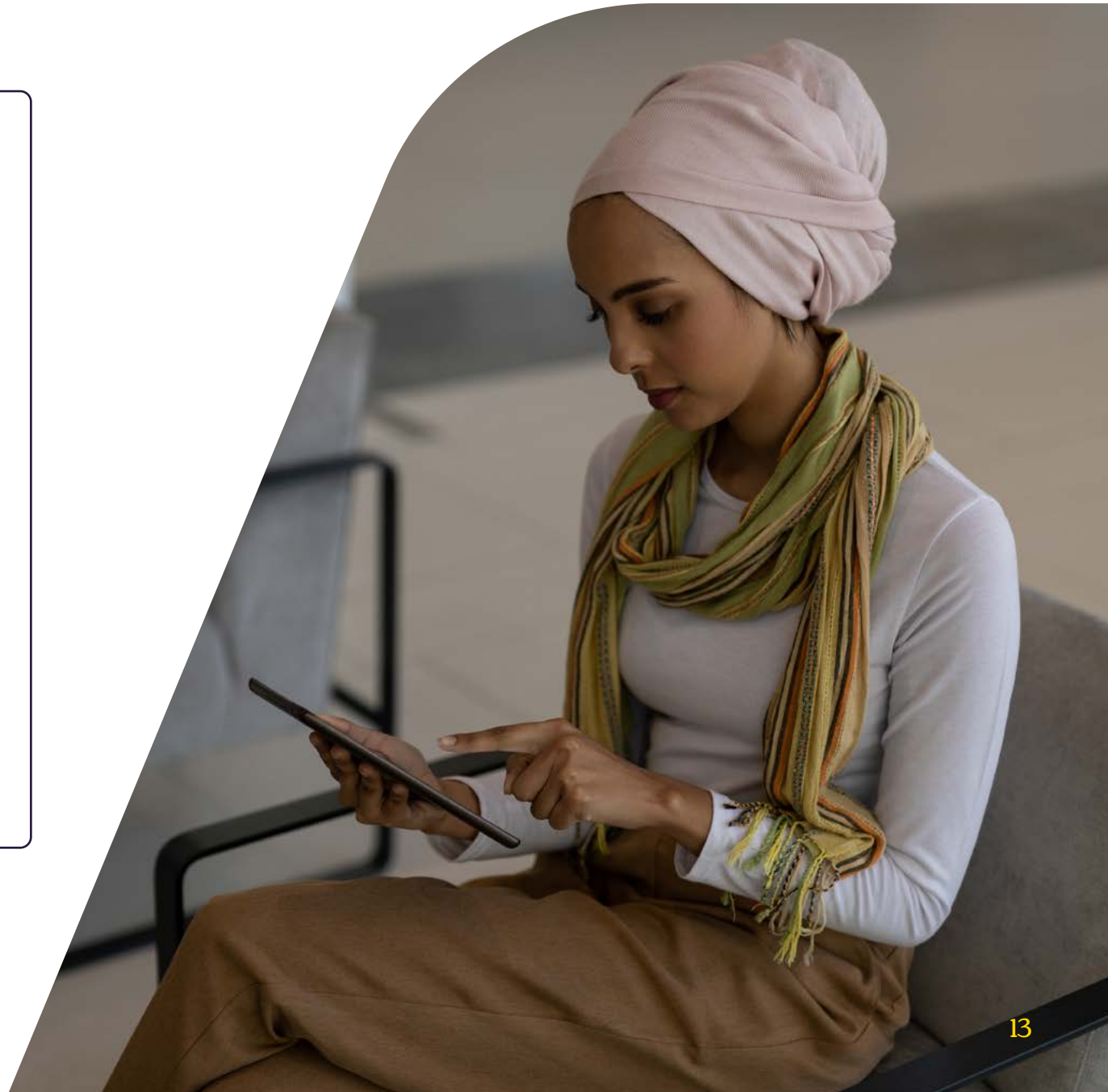
Bringing gender balance

- 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 Aviva Investors Women's Network, 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 career break of 18 months or more. The programme enables participants to refresh their knowledge and skills during a six-month work placement, supported by a range of networking and learning opportunities.

83% of participants took on permanent roles in our 2023 cohort, providing a pipeline of talent for the future.

We have now extended this programme into the wider business.



Retention

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

Retaining our diverse talent

- We're helping Aviva colleagues be aware of, understand and develop inclusive behaviours. We continue to provide leader training and we're working to create a culture where concerns can be raised to colleagues and leaders.

In our 2023 all colleague survey, Voice of Aviva,

87% of respondents answered favourably to the question 'it is safe for me to speak up and express my views/ opinions, without fear of negative consequences'.

97% of our global workforce has completed an Inclusive Behaviours training module.

- Our excellent equal parental leave policy gives all UK employees up to 12 months leave, of which six months is fully paid. The policy enables all parents to be actively involved in childcare.
- Flexible, job share, and part-time working is available to everyone, though we recognise we need more senior role modelling to encourage take-up.
- Advertising roles with flexible locations has helped enable career progression for colleagues who are less mobile.

All employees are entitled to

35hours of paid carers leave a year, and an additional 35 hours paid leave for urgent dependants' care.

Leveraging networks and partnerships

- 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.
  - Our Black Professional Network, East & South East Asian (ESEA) Network and Aviva South Asian Professionals Network (ASAP) are all subgroups of Origins, empowering and supporting our people 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 Change the Race Ratio and signatory to the Race Equality Charter.
- 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 seven years.
- Our Aviva Balance community actively 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 Aviva Investors, Commercial Lines, Finance 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 spearheading efforts to boost gender diversity across UK financial services.
- In 2022 Amanda launched the Women in Finance Blueprint to help organisations improve gender representation, which continues to inform our internal activity as well as that of the wider industry.
- For the last nine years, we are proud to have sponsored the Women of the Future event, highlighting internally and externally our support for diverse female talent.

Progression

To increase the number of females and ethnically diverse colleagues in senior leadership we have the following actions in place:

Supporting all our talent

- We're using data insights to track progress of embedding inclusion into our culture. We have developed machine learning to identify progression trends correlating with part-time working, parental leave absence, geographical location and other diversity characteristics.
- Our Sponsorship Programmes accelerate the pipeline of women and ethnically diverse talent into senior leadership roles.
- Alongside general succession planning, we undertake diverse talent sessions, spotlighting women and ethnically diverse colleagues who have the potential to progress.

Growing our female leaders

We have been working towards a Group ambition of **40%** senior female leaders by 2024, a target we have now met.

As at 31 December 2023, we are at **40.4%** female senior leaders in the UK - a significant increase from 31.9% in 2020.

- In 2023 we launched a coaching programme for parents returning from 6+ months of leave (primarily women), building confidence and support networks to reduce the progression gap.

Developing our ethnically diverse colleagues

We have been working towards a Group target of **13%** ethnically diverse leadership by 2024.

As at 31 December 2023 we are at **10.1%** ethnically diverse leadership in the UK (based on 92.6% 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, **52%** of those on the programme have had a promotion or a lateral move to build their career.

05
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 as equal pay is our 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 2023).
- Mean and median bonus gender pay gap (considers bonus pay received in the 12 months leading up to 5 April 2023).
- 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.

We have used the first published government guidance on Ethnicity Pay gap, which sets out a consistent approach to measuring pay differences and mirrors the approach set out in the guidance for gender pay gap reporting.

AVIVA