

MIND THE GAP

Closing the gap

2023 Pay Gaps – Our progress report



At Zurich, we're creating a brighter future together.

This means:



Our people should reflect the breadth and diversity of our customers, suppliers, business partners, communities and investors across the UK.



We aim to create a workplace where all employees can thrive, and an environment where everyone is treated as equally important.

"I'm incredibly proud of the progress we are making to improve diversity and belonging at Zurich. In the last year we have increased employee declaration and representation across all of our reported groups, indicating that our employees and prospective employees see us as an inclusive and safe organisation. This is reinforced by our recent employee experience survey, in which we scored 81% for DEIB* (against an external benchmark of 71%), recognition as an Insurance Post 5-Star Best Employer 2022 and 2023, and a 5-Star DE&I rating for 2022 and 2023 from Insurance Business.

We still have work to do, in particular in balancing our success in attraction and recruitment with internal mobility to ensure we improve diversity at every level of our organisation. We continue to listen to our employees and seek opportunities to support them through different life and career stages. This includes investing in skills and development at all levels to help future proof the careers of our people."

Tim Bailey
CEO of Zurich UK

*DEIB is 'Diversity, Equity, Inclusion and Belonging', and includes so much more than just D&I. Read more about our commitment at Zurich.co.uk



What are we doing to make a difference overall?



Focus Areas

- We have embedded a data-led approach, using dashboards to support decision making, providing insight at a function, location and grade level.
- Targeted action plans and interventions are in place to support ethnicity and gender representation at every level of our business.
- New KPIs have been introduced to support sustainable delivery of our gender and ethnicity goals.
- We have introduced new partnerships and initiatives through the Centre for Aging Better Older Workers Pledge, the Fertility Workplace Pledge, our social mobility partnership with Progress Together, and neurodiversity partnerships with GAIN, Auticon and Ambitious about Autism, helping to strengthen our network and drive our thinking across a range of topics.
- We invested in a campaign amongst our employees this year to highlight the importance of sharing their D&I data, with a £5 charity donation for each new declaration. This resulted in over 7,000 new datapoints collected with input from over 1,000 individuals.
- We have invested in a Diversity & Inclusion learning channel, which brings together all our e-learning, videos, e-books and audio-books into one easily accessible library.



Our Successes

- We ranked 22nd in the Stonewall UK Workplace Equality Index (compared to 96th last year). We have also again achieved a Gold award and recognition for our Pride network.
- We won four awards at the 2023 FT Adviser Diversity in Finance Awards, including the Trailblazer award.
- 654 managers have completed the Inclusive Hiring at Zurich programme.
- We were awarded a 5-Star Diversity, Equity, and Inclusion award by Insurance Business UK in 2022 and 2023.
- Insurance Post magazine's Best Insurance Employers Award 2023 gave Zurich a five-star rating for place to work and second place in the best Large Employer Category.
- We have launched policies to support employees affected by mental health, menopause and abusive relationships.



Our Plans

- We are increasing the use of analytics and modelling to help inform our activity and maximise impact.
- We are exploring the use of goals for LGBTQ+, disability, social mobility and age to help drive sustainable change in these areas, considering intersectionality between the topics.
- We have a continued focus on the promotion and retention of minority groups, building on our success in recruitment and attraction.
- We will maximise internal mobility and upskilling opportunities through apprenticeships, leadership and talent development programmes and robust succession planning, whilst ensuring diverse intakes.
- We will continue to build a flexible and supportive culture, informed by employee feedback, the work of our four Employee Resource Groups, and external best practice.



As our population evolves, we continue to seek new ways to ensure we are meeting the needs of our people and helping them to thrive at Zurich.

Our UK population has grown significantly over the last year. We've welcomed over 500 individuals into brand new roles across our business, with increases in representation across all of our reported groups. Investments such as our new sustainable Swindon office, talent opportunities, including over 200 apprenticeships, and initiatives such as our IVF and menopause policies mean we have been recognised by organisations such as Insurance Post Magazine as a top employer, helping to attract new and diverse talent to our business.

Steve Collinson
Chief HR Officer



Visit Zurich.co.uk to read more about our commitment to diversity, equity, inclusion and belonging

Who works at Zurich in the UK?



Declare a disability



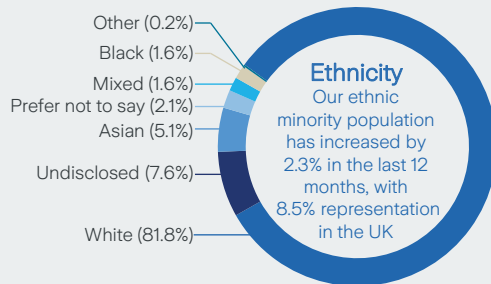
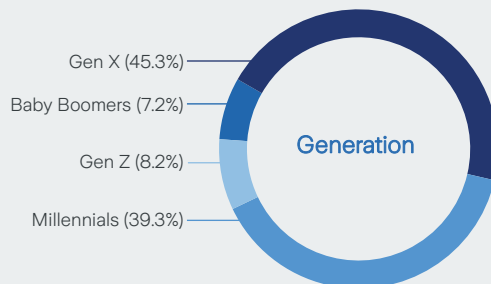
Declare they identify as LGBTQ+



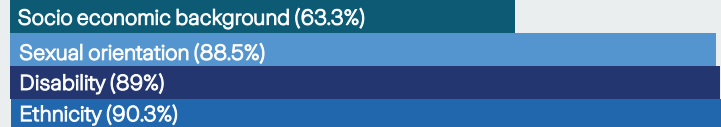
Identify as ethnic minority



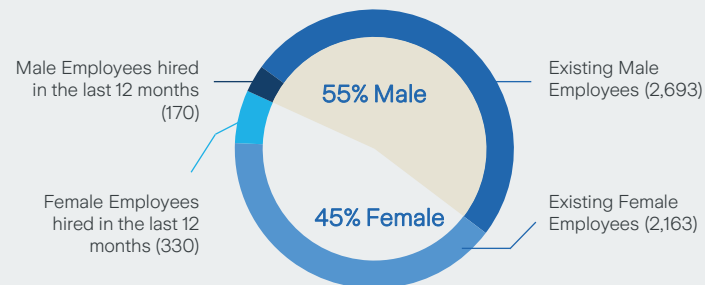
Female (sex at birth)



Our declaration rates



We've seen a 0.8% increase in the LGBTQ+ population in the last 12 months and a 1.3% increase in employees declaring a disability



We've seen a 10% increase in people in the last 12 months, 66% of whom were women, resulting in improved female representation across all career levels.

Employee numbers are for all those eligible to be included in the pay gap analysis based on UK government guidelines. This is all permanent and directly employed temporary staff active on 5 April, providing they are not on a form of longer term absence, including maternity leave, adoption, ill health long-term absence and career breaks.

What is a pay gap and why do we report it?

It's important to understand that the pay gap is not a measure for equal pay

This report presents a single view of all UK employees and is the measure we use internally. Additionally, we report our pay gaps for our two UK employing entities to the government to meet legislative requirements:

Zurich Employment Services (ZES)

This represents those who started with what used to be the Life business.

Zurich UK General Services Ltd (ZUGS)

This represents those who started with what used to be the General Insurance business.

This report covers the period from April 2022 to April 2023, using a snapshot date for the pay gaps of 5 April 2023. Bonuses are annualised based on April 2022 to March 2023.

A note on the terms used in this report:

We know that mandatory gender pay gap reporting does not represent our trans and non-binary colleagues, so we are taking steps to understand whether a pay gap exists. However, as we would not want to put anyone at risk of identification or exposure, we have taken the decision not to report our trans and non binary pay gap at this time.

In 2017 legislation came into force in the UK requiring any organisation employing 250 or more employees to calculate and publicise their gender pay gap (based on sex at birth). Zurich has chosen to voluntarily publish additional pay gaps, including those for ethnicity, disability and sexual orientation.

The purpose of the pay gap reports is not to monitor equal pay (i.e. the same pay for the same work) but a measure of representation throughout the different levels of an organisation. We measure pay gaps on a **mean** and **median** basis, as well as dividing employees into **quartiles** to help us measure and understand our pay gaps. Here's a brief explanation of what each of these terms mean.



Mean

The difference in average rate of pay between groups (e.g. male and female) calculated by adding all the individual hourly pay of employees in a group and dividing by the number of employees.

Although this measure includes all the employees that qualify for inclusion, the result can be easily impacted by single individuals such as high earning employees.



Median

The difference in average rate of pay of the middle person of each group compared to one another. The employees in each group (e.g. male and female) are put in order of earnings and the one in the middle represents a real person.

This figure will never be impacted by a single high earner like the mean, but it does not illustrate the range of pay for the two groups. Measuring and comparing both mean and median can help us build a more complete picture.



Quartiles

We split employees into quartiles: four equal sections based on their earnings. Each quartile is then divided into groups (e.g. male and female) to measure the representation at that level.

Quartiles help to illustrate the key drivers behind a pay gap. A greater representation of a particular group in the top or bottom quartile will affect the pay gap.

A photograph of two women sitting at a dark wooden table in a modern office setting. The woman on the left has long, straight white hair and is wearing a dark blue button-down shirt. The woman on the right has dark, wavy hair and is wearing glasses, an orange turtleneck, and a black leather jacket. They are both looking at a document held by the woman on the right, who is also pointing at it with her left hand. A laptop is open on the table to the right, displaying a document. The background shows large windows with a view of a city.

Our Gender Gap

2023 Pay Gaps – Our progress report

Our numbers at a glance – Gender Pay Gap



Over the last 12 months, our employee numbers increased by 10%, with two thirds of these roles filled by women. The majority of these new positions have been created from insourcing roles previously managed by third party suppliers. For our male workforce, we have seen an increase in those in technical and first line manager roles. For our female workforce, we have seen an increase in population across all career levels, although the majority were in more junior roles.

Additionally, we have promoted a number of female employees to executive and senior roles, supported by robust talent development and succession planning. This has helped to partially offset the increase in junior roles, resulting in a marginal improvement to our gender pay gap.

If the employee population in 2022 had remained unchanged (other than leavers) the pay gaps would have been 17.1% mean or 14.3% median.



We are now focused on reinforcing our talent and succession activity, helping to ensure that our new and existing female talent has equal access to progression and promotion opportunities to help reduce our gender pay gap.

Our headline pay gap figures

	Mean 	Median 
2023	18.2%	17.4%
2022	18.4%	17.7%

Our bonus figures

Calculated using overall amounts, not an hourly rate – so do not take into account part-time working

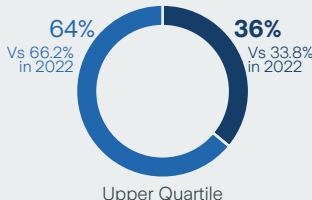
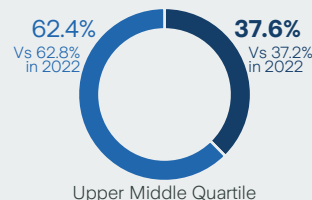
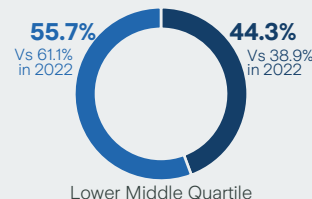
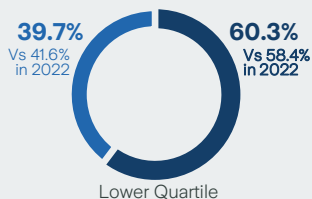
	Mean 	Median 
2023	45.1%	18.8%
2022	50.0%	15.0%

Percentage of employees receiving a bonus

	Men	Women
2023	95.8%	94.8%
2022	93.2%	92.8%

Proportion of employees in each pay quartile

● Men ● Women



Measurement of the gender pay gap is not the same as equal pay, at Zurich we are confident that we have equal pay for the same or similar work.

As executive sponsors of the Women's Innovation Network at Zurich we continue to see progress in closing the gender pay gap.

Our gender balance at executive level has made notable progress in the last two years. Across the organisation we continue to focus on how we can help direct better gender diversity in middle and senior level management roles, which is the main cause of our gender pay gap, and to change corporate culture to be more inclusive to women at all levels.

Anita Fernqvist
Anita Fernqvist
Chief Operating Officer

Ed Bridge
Ed Bridge
UK General Counsel

What are we doing to reduce our Gender Pay Gap?



Activity Delivered

- We continue to facilitate targeted talent activity such as individual Insurance Supper Club memberships and Executive Sponsorship, alongside a global development programme for women to support career progression.
- Our 1,100 strong Women's Innovation Network continues to grow, hosting a full programme of events and networking opportunities.
- We host training for parents and are refreshing the support we give to parents after they return from maternity or parental leave.
- Fertility Awareness training has been rolled out to employees and managers, encompassing a broad range of topics, including LGBTQ+ paths to parenthood, baby loss and childlessness.
- Interest-free loans of up to £500 are available for employees alongside our online GP and private healthcare offerings to access menopause support.
- A Domestic Abuse policy was launched in 2022, which includes access to specialist support for those affected, as well as provisions such as emergency leave or loans.



Our Successes

- FT Adviser Diversity in Finance Awards 2023 - Championing Gender Inclusivity, Championing Women's Equality and Diversity Marketing or Recruitment Initiative of the Year.
- Mortgage Solutions British Mortgage Awards 2023 - Louise Colley, Business Leader, Protection.
- Cover Magazine Women in Protection and Health Awards 2023 - Louise Colley - Inspirational Leader of the Year.
- Insurance Post Magazine's Claims Apprentice 2023 Winner - Safa Saeed.
- DataIQ 100 Most Influential People in Data finalists - Client side, Alex Sidgreaves, Brand, Hannah Lee -Next Generation.
- 50 over fifty Women in Insurance 2022 finalists - Pauline White and Alison Slater.
- Women in Protection and Health Awards 2022 - Nicky Bray, Unsung Hero.



Our Plans

- We are focused on supporting career progression at three key life stages:
 - Stepping into a leadership role.
 - Returning from parental leave.
 - Menopause.
- We are exploring additional career support for part-time workers, with an analytics project and ongoing monitoring to help understand challenges and identify interventions to pilot.
- We continue to drive employee awareness around fertility, domestic abuse and menopause through training and employee engagement activities.
- We are refreshing our Early Retirement guidance and are developing a communications plan to improve employee awareness.



Our LGBTQ+ Gap



2023 Pay Gaps – Our progress report

Our numbers at a glance – LGBTQ+ Pay Gap

Historically the LGBTQ+ population has been the smallest community measured at Zurich, based on declarations. Since 2022 there has been an increase in our 'entry level' population, which covers junior and non-management roles, including apprenticeships, resulting in an increase in population of 0.8%. This increase in our lower quartile populations, along with movements among senior colleagues in the upper quartile, has led to an increase in our pay gaps this year.



By monitoring our LGBTQ+ data, we are able to identify opportunities to improve inclusion for our employees by increasing our understanding of the barriers faced. Recent improvements informed by our data include our transitioning at work policy and guidance, and sanitary bins in all bathrooms irrespective of gender.

Our headline pay gap figures

	Mean 	Median 
2023	12.4%	20.6%
2022	7.6%	18.3%

Our bonus figures

Calculated using overall amounts, not an hourly rate – so do not take into account part-time working

	Mean 	Median 
2023	-9.7%	15.7%
2022	-68.1%	14.1%

Percentage of employees receiving a bonus

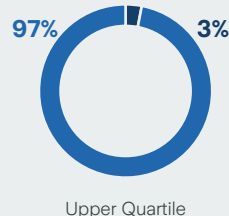
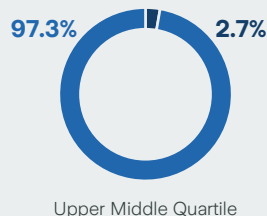
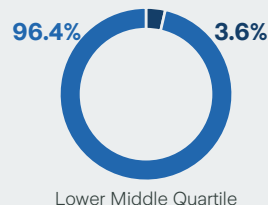
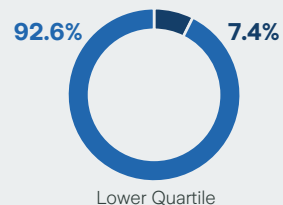
	LGBTQ+	Straight
2023	92.5%	94.9%
2022	87.8%	93.1%

Employees identifying as LGBTQ+ over time

2.4%	2.6%	3.4%
2021	2022	2023

Proportion of employees in each pay quartile

● Straight ● LGBTQ+



Representation of colleagues from the LGBTQ+ community continues to increase – increasing to 3.4% of our workforce in 2023. Our Pride UK employee network continues to be at the heart of activity to ensure Zurich is a safe place for LGBTQ+ colleagues to be themselves.

Over the last year the Pride UK employee network has introduced education modules on key LGBTQ+ topics, ensured fantastic representation at three UK Pride parades (Birmingham, Cardiff and Glasgow) and continued to advocate for colleagues. As sponsors of the Pride network, we couldn't be more proud that Zurich UK improved by a huge 74 places, to rank 22nd in the Stonewall index, where we once again received a Gold award, and that our Pride network was Highly Commended for its work too.

The LGBTQ+ pay gap is particularly sensitive to employee movements and changes, as it's based on a relatively small sample of employees. Changes in the demographic make up of colleagues identifying as LGBTQ+, including an increase in representation at the junior levels of our organisation, account for the movement in this year's pay gap.

Steve Collinson
Chief HR Officer

John Keppel
Chief Sustainability Officer

What are we doing to reduce our LGBTQ+ Pay Gap?



Activity Delivered

- Our Pride Network introduced three new training modules, delivered by Pride Regional Advocates, to improve awareness and support on key LGBTQ+ topics.
- This year Zurich had an official presence at three Pride marches across the UK, with local groups also attending events on a social basis.
- A series of virtual and in-person events have been hosted on a variety of topics, such as a panel discussion on 'Rethinking Masculinity'.
- We have aligned terminology and definitions internally to ensure that our self-declaration questions follow external best practice, allowing LGBTQ+ individuals to clearly identify themselves.



Our Successes

- Zurich ranked 22nd in the Stonewall Index this year (compared to 96th in 2022). We achieved an additional Gold award, with our LGBTQ+ network receiving a Highly Commended Group award.
- In our Stonewall staff feedback survey, LGBTQ+ participants gave Zurich a score of 86% in response to the statement "I feel able to be myself in the workplace".
- Winner of FT Adviser Diversity in Finance Awards 2023 - Championing Gender Inclusivity for our work on Trans and Non-binary inclusion.



Our Plans

- We are planning to introduce goals for LGBTQ+ to monitor progress.
- Continued support and awareness activity for LGBTQ+ topics through a calendar of events delivered by Zurich UK's Pride network.
- Based on feedback from our Stonewall staff feedback survey results, we will bring additional focus to intersectional identities within the LGBTQ+ community such as disability and race.
- We will continue to review employee benefits, training, support and policies to ensure we're following best practice, ensuring a safe and inclusive environment for our colleagues.



Our Ethnicity Gap



2023 Pay Gaps – Our progress report

Our numbers at a glance – Ethnicity Pay Gap

Our overall ethnic minority population has increased in 2023. This growth has been driven by successful early in careers campaigns to attract a more diverse applicant pool. This growth in our lower quartile population has resulted in an overall increase to our pay gap.



By monitoring our ethnicity representation data, we are able to identify opportunities to improve inclusion for our employees by increasing our understanding of the barriers faced. Recent improvements informed by our data include the implementation of strengths-based assessments for early in careers applicants, and reverse mentoring for our senior leaders to help improve awareness and engagement.

Our headline pay gap figures

	Mean 	Median 
2023	8.7%	8.2%
2022	7.1%	5.6%

Our bonus figures

Calculated using overall amounts, not an hourly rate – so do not take into account part-time working

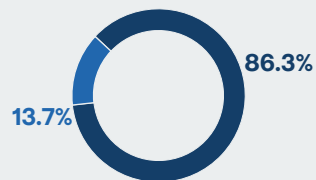
	Mean 	Median 
2023	36.7%	12.8%
2022	37.8%	3.9%

Percentage of employees receiving a bonus

	Ethnic Minority	White
2023	94.3%	95.8%
2022	89.2%	94.1%

Proportion of employees in each pay quartile

● White ● Ethnic Minority



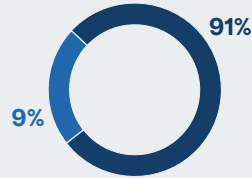
Lower Quartile



Lower Middle Quartile



Upper Middle Quartile



Upper Quartile



As sponsors of the Cultural Awareness Network, we're pleased to have seen some great progress in recruitment at entry level roles, increasing representation of ethnic minority colleagues from 7.2% to 8.5%. However, this has contributed to an increase in our pay gap.

We are therefore committed to ensuring there are equitable opportunities for progression at all levels of the organisation. We are using our declaration data to understand how experiences differ across ethnic communities, in order to identify any specific barriers and take targeted action to remove them.

Creating an environment where people feel welcome and know their talents are valued remains a key priority.



Amy Brettell
MD Zurich Municipal



Caroline Dunn
Chief Underwriting Officer

Employees declaring as ethnic minority over time

7%
2021

7.2%
2022

8.5%
2023

A detailed look at our Ethnicity Pay Gap numbers

We have carried out detailed analysis to understand the ethnicity of our business by function, location and seniority. In particular, we've identified that:

- Black ethnic employees have the greatest proportion of entry level roles and the least senior roles.
- Ethnic Groups other than Asian are reasonably spread across the spectrum of job families.
- Asian ethnic employees are more concentrated in Underwriting, Digital and Technology and Claims.

By monitoring our ethnicity data in this detail, we have been able to identify areas where we have recruitment, promotion or retention challenges, allowing us to take targeted interventions to help improve the diversity of our employees.

👤 Ethnicity Mean Pay Gap by ethnic group

'Other' is excluded from this breakdown due to population size

	Number of people	White	Asian	Black	Mixed
White	3971		-9.5%	-24.9%	-0.8%
Asian	248	8.7%		-14.1%	8.0%
Black	79	19.9%	12.3%		19.3%
Mixed	79	0.7%	-8.7%	-24.0%	

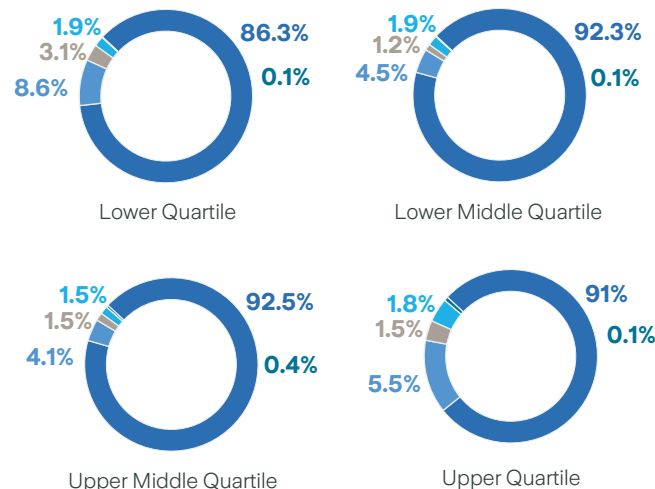
Ethnic group representation over time

	2021	2022	2023
Asian	4.1%	4%	5.1%
Black	1.3%	1.4%	1.6%
Mixed	1.4%	1.6%	1.6%



Proportion of employees in each pay quartile

● White ● Asian ● Black ● Mixed ● Other



What are we doing to reduce our Ethnicity Pay Gap?



Activity Delivered

- 47% of our leaders have shared a measurable D&I commitment with respect to race, as part of our 'Big Promise' and Leadership engagement activity – many of whom are participating in reverse mentoring to improve awareness and engagement.
- After a successful pilot of our Kick Start Mentors programme, we are now working with five UK schools, where 80 pupils will be mentored by 24 Zurich future leaders from across the business.
- We are piloting flexible Bank Holidays, allowing employees to swap Bank Holidays for another date of cultural or religious significance.
- We support career progression and personal development for high potential ethnic minority colleagues via Executive sponsorship.
- Our new strengths-based assessment process for early career recruitment removes bias by allowing candidates to be assessed purely on strengths.
- Our graduate programme hired 17% more ethnic minority colleagues than the previous year (36% of our graduate hires).



Our Successes

- iCAN Role Models 2023 – Kumu Kumar and Kevin Anang.
- Winner of FT Advisor Diversity in Finance Awards 2022 - Championing Race Equality, Highly Commended.



Our Plans

- We are focused on retaining and supporting the promotion of ethnic minority colleagues and are undertaking detailed data and feedback analysis to identify proactive interventions.
- We will expand our school engagement, offering a new work experience proposition able to reach students from a wider range of communities.
- We will reshape our Black Intern programme to build on the success of working with '10k Black Interns' and the conversion of those interns onto our graduate programme.
- We are working with small groups of new starters who are first generation corporate professionals to accelerate their sense of belonging and build their professional network.
- We will offer our career development programme to all members of our Employee Resource Groups, including access to an internal coach.

A man with grey hair, wearing a grey hoodie and blue shorts, is sitting in a blue wheelchair on an outdoor basketball court. He is holding an orange basketball with his right hand. The background shows a blue safety net, a basketball hoop, and a city skyline.

Our Disability Gap

2023 Pay Gaps – Our progress report



Our numbers at a glance – Disability Pay Gap

We have seen an increase in the number of employees with a declared disability. In particular, we have had success amongst our junior and non-management roles, with a number of apprentices in data and customer relationship roles declaring a disability. As these roles sit towards the top of the lower quartile, this has helped to improve our pay gap.

Our analysis shows that disabled employees have a greater propensity to stay with the organisation, which, combined with our successful recruitment, is helping to grow our representation. To reduce the pay gap further, we are now focused on improving representation amongst our more senior levels.



Monitoring our disability declaration data can help us better understand the barriers people with disabilities face. Recent improvements include a review of our application process to support neurodiverse candidates and the implementation of a dedicated IT support line for assistive technology.

Our headline pay gap figures

	Mean 	Median 
2023	14.8%	15.5%
2022	15.2%	20.6%

Our bonus figures

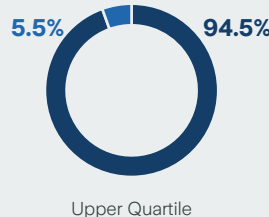
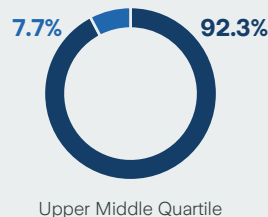
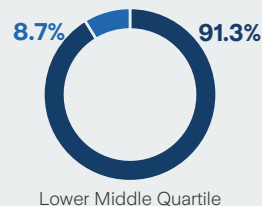
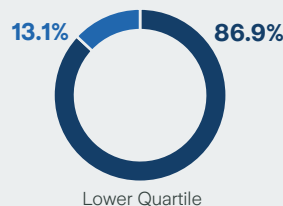
Calculated using overall amounts, not an hourly rate – so do not take into account part-time working

	Mean 	Median 
2023	50.6%	20.5%
2022	45.9%	29.2%

Percentage of employees receiving a bonus

	Disability	No disability
2023	93.8%	94.7%
2022	88%	93.1%

Proportion of employees in each pay quartile ● Disability ● No disability



It's wonderful to see more colleagues feel safe to declare a disability this year. The more people who complete the declaration, the more accurate our picture of the experience of our UK employees, and the more we can tailor our actions in response.

As sponsors of our Accessibility and Inclusion Network, we are pleased the Disability Pay Gap has continued to reduce. While we have much more to do to support all our disabled colleagues throughout their careers with us, at all levels and in all teams and locations, we are hopeful that we are building on a positive experience – disabled colleagues have an even greater propensity to stay with us than our overall UK employee population.


Richard Peden
Chief Risk Officer


Alex Koslowski
Head of Life

Employees declaring a disability over time

6.2%
2021

6.1%
2022

7.4%
2023

What are we doing to reduce our Disability Pay Gap?



Activity Delivered

- We are the first insurer to become a GAIN 'Industry Transformer' (GAIN is an industry network focusing on creating an environment where neurodiverse colleagues can thrive). As part of this partnership, we have undertaken a benchmarking exercise to help us understand where we need to focus our future activity.
- This year we have announced a three-year partnership with Ambitious about Autism (via Z Zurich Foundation) to develop a national programme supporting the mental health of autistic pupils in mainstream secondary school.
- We have an ongoing partnership with Auticon (via the Zurich Group), who have delivered a number of training sessions for managers and employees this year.
- In 2022 we launched a new Mental Health Policy, which focuses on our commitment to mental wellbeing. We have delivered refresher training for 72 Mental Health First Aiders, with 26 additional individuals accredited in the last 12 months.



Our Successes

- Winner of FT Advisor Diversity in Finance Awards 2022 - Championing Disability Inclusion.
- DWP - Disability Confident Leader status.
- Government Disability and Access Ambassador for the Insurance Sector – Peter Hamilton.
- Our public disability advocacy has influenced a number of other firms to reach the first stages of Disability Confident accreditation in 2022..



Our Plans

- We are planning to introduce KPIs for disability to monitor progress.
- We will continue our programme of awareness activity for neurodiversity.
- We are undertaking the renewal of our Disability Confident Leader status.
- We will continue to evaluate our recruitment practices to ensure they are accessible to all.
- We're working with Purple as the lead Insurance partner for Purple Tuesday, a global social movement for improving the customer experience for disabled people and their families.