



Gender pay gap report 2020
30 September 2021



Diversity & Inclusion is a strategic focus

As the UK's largest long-term savings and retirement business, Phoenix Group makes a difference to the lives of millions of people. Having a diverse and inclusive organisation, where people with different experiences and perspectives can thrive, is better for our customers, our communities and our business. Inclusion is a core component of our business strategy and is fully aligned with our purpose to help people lead a life of possibilities.

One important measure we continue to focus on together is our gender pay gap. While we have made some progress in narrowing the gap in 2020, we are aware that there is more work to be done. As a leadership team, and alongside our peers and wider industry, we are committed to addressing our gender pay gap and bringing it in line with where we want it to be.

In 2020, we focused on working towards our published targets as part of the HM Treasury Women In Finance Charter. Our acquisition of ReAssure in July 2020 saw us double from 3,500 to more than 7,000 colleagues, enriching our talent pipeline and providing us with further opportunity to focus on gender balance, inclusion and diversity.

To focus our efforts on actions that will make a difference, we are continuing to gather and analyse data to understand our gender pay gap and to take evidence-based action. Like other Financial Services organisations, we see female representation in senior roles is the key to addressing the gap. We have implemented a robust approach to our leadership hiring, ensuring that we have gender diverse talent pools to enable us to hire the best person for the job. We are seeing the results of this in 2021 where 56% of the external business leadership hires are female, and an increase from 21 to 27 women in the Top 100 roles. We continue to review our female succession pipeline, our top 100 roles, and our gender pay gap regularly to identify and target specific and continued action.

We want to attract the very best talent to our business, and we support our colleagues through sponsorship, mentoring and development programmes. Our agenda is broad and in 2020, we participated in the 30% Club, a global campaign led by Chairs and CEOs taking action to increase gender diversity at board and senior management levels; delivered a mentoring programme to over 300 colleagues; provided leadership development opportunities; promoted our own talent into senior leadership roles and joined an inclusive returners programme. Phoenix has also joined the 10,000 Black Interns campaign and signed up to the Business In The Community's Race at Work Charter.

In 2020, we launched our Who We Are campaign to collect detailed diversity data about our colleagues to understand the experience of our people. We are proud that over 75% of our colleagues have responded to the campaign and we are using this data to build, shape and drive our D&I agenda.

2020 was a year of significant change for all of us as we responded to the Covid-19 pandemic. Phoenix was able to support all colleagues to work remotely and this has opened up more opportunities for flexible working in the future. We are proud to be working with the ABI to support the flexible working charter.

Although we have made progress, our gender pay gap remains above where we want to be, and we are fully committed to narrowing the gap through a clear course of action.

Andy Briggs
Group Chief Executive Office

What is the gender pay gap?

The gender pay gap is the difference in the total average earnings of males and females, regardless of the nature of their work, across an organisation. It does not compare pay on an individual level for males and females undertaking the same role.

How is this different to equal pay?

Equal pay refers to the legal requirement that male and female employees, who are engaged in equal or similar work, or work of equal value, must receive equal pay. Having reviewed our reward principles, we are confident that our gender pay gap and bonus pay gap are not caused by equal pay concerns.

Who is included in the calculations?

In July 2020, we acquired ReAssure and have chosen to include their 2020 data so that we can track and report on progress being made as a group.

For this reporting period (the payroll period covering 5 April 2020 and the reporting period covering 6 April 2021) we have included all three of Phoenix's 'employing entities'; Pearl Group Management Services (PGMS), Standard Life Assurance Employee Services Limited (SLAESL) and ReAssure (RUKSL).

How is the gender pay gap calculated?

We report on the following key figures:

- **Mean gender pay gap:**

Compares the average male salary from across the whole company and the average female salary across the company (calculated by adding up all the salaries for each gender and dividing by the number of colleagues).

- **Median gender pay gap:**

Calculated by looking at all the male salaries and all the female salaries, identifying the middle salary for each and then calculating the difference between these two figures.

- **Mean bonus pay gap:**

Compares the average male bonus payment from across the whole company and the average female bonus payment (calculated by adding up all the bonus payments for each gender and dividing by the number of colleagues).

- **Median bonus gap:**

Calculated by looking at all the male and female bonus payments, identifying the middle payment for both and then calculating the difference between these two figures.

- **Proportion of men and women in each pay quartile**

- **Proportion of men and women receiving a bonus**

The data and what it shows

- Across all three entities, Pearl Group (PGMS), Standard Life Assurance (SLASEL) and Reassure (RUKSL), the median gender pay gap, the primary focus of gender pay reporting, has decreased.
- The mean gender pay gap has reduced in SLASEL and RUKSL.

2020 Statutory Gender Pay Gap						
	PGMS		SLASEL		RUKSL	
Median Pay Gap	27.3% (-0.7%)		24.4% (-1.9%)		18.4% (-1.8%)	
Mean Pay Gap	26.2% (+0.2%)		20.4% (-1.1%)		27.1% (-1.2%)	
Median Bonus Gap	52.6% (-2.4%)		32.6% (+4.4%)		29.2% (+1.4%)	
Mean Bonus Gap	67.8% (-0.2%)		37.4% (+2.4%)		60.6% (+7.1%)	
Quartiles	Males	Females	Males	Females	Males	Females
Upper	75.7%	24.3% ▼	61.5%	38.5% ▲	64.4%	35.6% ▲
Upper Middle	64.8%	35.2% ▲	56.5%	43.5% ▼	48.6%	51.4% ▲
Lower Middle	54.1%	45.9% ▲	39.3%	60.7% ▲	39.5%	60.5% ▲
Lower	41.4%	58.6% ▼	42.2%	57.8% ▼	39.1%	60.9% ▲
% Received a Bonus	93.8%	94.7%	87.7%	89.7%	91.5%	90.5%

- Our lower and lower middle quartiles are more heavily represented by female employees across 2019 and 2020, although female representation in the lowest pay quartile has reduced.
- The upper quartile has seen increased female representation across SLASEL and RUKSL in 2020, but decreased across PGMS. Female representation in the upper and lower middle quartiles has increased in PGMS and RUKSL.
- Across two of the three entities, a higher proportion of women than men received a bonus.

Median pay gap

The median pay gap has reduced from:

- 28% in 2019 to 27.28% in 2020 in PGMS
- 26.37% to 24.45% in SLAESL
- 20.22% to 18.4% in RUKSL

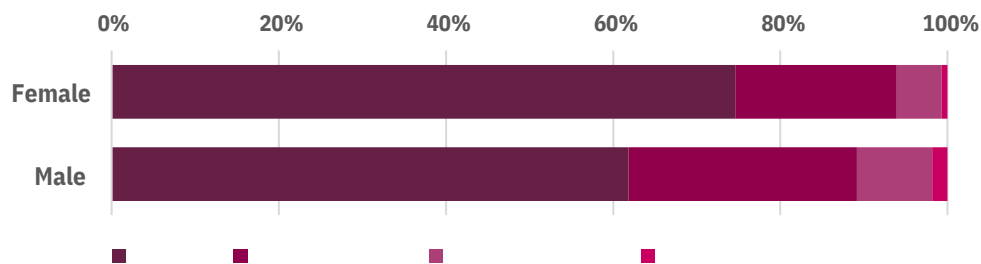
Mean pay gap

- The mean pay gap remains at 26% in PGMS
- It has slightly reduced from 22% to 20.44% in SLAESL
- It has reduced from 28.25% to 27.1% in RUKSL

Gender representation by pay quartile

Looking at the data by pay quartile, a much higher proportion of male colleagues are in the higher salary quartiles across each of the entities with more females in lower-paid roles in each.

Analysing our data



Gender representation in senior levels of our organisation is the primary reason for our gender pay gap. Increasing representation in senior roles is a key part of our diversity and inclusion strategy, and we have built a robust approach to senior hiring and development to enable us to attract, retain and develop the best talent.

With continued focus and rigour, we expect to see the impact of this strategy going forwards.

Building a culture of diversity and inclusion at the Phoenix Group

When Phoenix Group entered the FTSE top 50 in 2020, it didn't only mark a major milestone for our business; it also presented a significant opportunity. With the coming together of Phoenix, Standard Life and ReAssure in July 2020, we created strategic narrative and placed a focus on defining and embedding a consistent approach to culture which is underpinned by a common set of values.

Our D&I strategy is driven top-down and bottom-up, and it aims to attract the best talent who can thrive and be their best in an organisation where their skills and talents are valued.

Our values are central to our culture

Our five values of passion, growth, responsibility, courage and difference, define how we behave and set the tone for the inclusive organisation we want to be. The values form an important part of the way in which we measure and reward our colleagues' performance.

Gender equality

As one of the first signatories to HM Treasury's Women in Finance Charter, we have long championed women in the workplace. As well as our continued focus on meeting these targets, we have introduced and enhanced policies and practices to support parents and carers, including:

- Enhanced maternity and paternity, parental and shared parental leave policies
- Commencing a Returners hiring programme to offer opportunities for people looking to reignite their career after break of 2+ years, including breaks related to caring and maternity
- Coaching women on maternity leave
- Providing flexible working opportunities including offering senior leadership roles on a part time and job-share basis
- Development programmes targeted to build our own pipeline of diverse talent
- Support and sponsorship of women to participate in the 30% Club - We have sponsored 10 senior females per cohort over the past three years
- Access to the Everywoman Platform for all colleagues, providing high quality learning resources for career development
- Mandating a 50:50 gender-split in leadership candidate shortlists

Throughout the pandemic, we put the safety, health and wellbeing of our colleagues first, including:

- Extending family and caring leave by an additional 5 days to support home-schooling and caring responsibilities
- Introducing a scheme to enable parents to buy IT equipment to support home-schooling
- Increased the offering of wellbeing support, including a wide range of educational activities, access to Headspace and over 50 mental health first aiders
- Extended our carers leave policy across the Group
- Introduced a wide range of virtual learning and development activities on line to continue to build skills and knowledge

Our approach to closing the gap - the focus for 2021

Our aim at Phoenix is to attract the very best talent to our organisation, removing bias when hiring and promoting and offering a full range of flexible working options to create a more inclusive working environment. We are using the data from our Who We Are initiative to set clear and measurable plans and believe our data driven approach will improve gender diversity.

2021 Targets

- We will continue to use the HM Treasury Women in Finance targets to focus attention on our Top 100 roles, our gender pay gap, our representation in leadership and our succession plan

Hiring strategy

- Promote our flexible working options to better attract talent including offering job-shares and part-time working at the most senior levels
- For business leadership roles, all candidate pools will have a 50:50 gender split
- Gender neutral language in job descriptions and advertisements and the use of targeted jobs boards

Data & reporting

- We will gather Who We Are diversity data from 80% of colleagues to identify areas for action
- We will report regularly against the targets and the underlying processes that drive change including hiring, attrition, promotions and performance rating

Sponsorship & development

- All leadership development programmes target gender balance and diversity
- We will sponsor women to join the 30% Club
- We will expand our mentoring programme across the Group and include reverse mentoring

6 monthly reviews

- The individual members of the Executive Committee review the talent, capabilities, diversity and inclusion for their functions every 6 months and have personal objectives to meet

Early careers

- Expand entry level programmes to build long-term talent pipeline

Gender pay gap report

We confirm that the Phoenix Group Gender Pay Gap calculations are accurate:

Andy Briggs, Group CEO, Phoenix Group
Sara Thompson, Group HRD, Phoenix Group