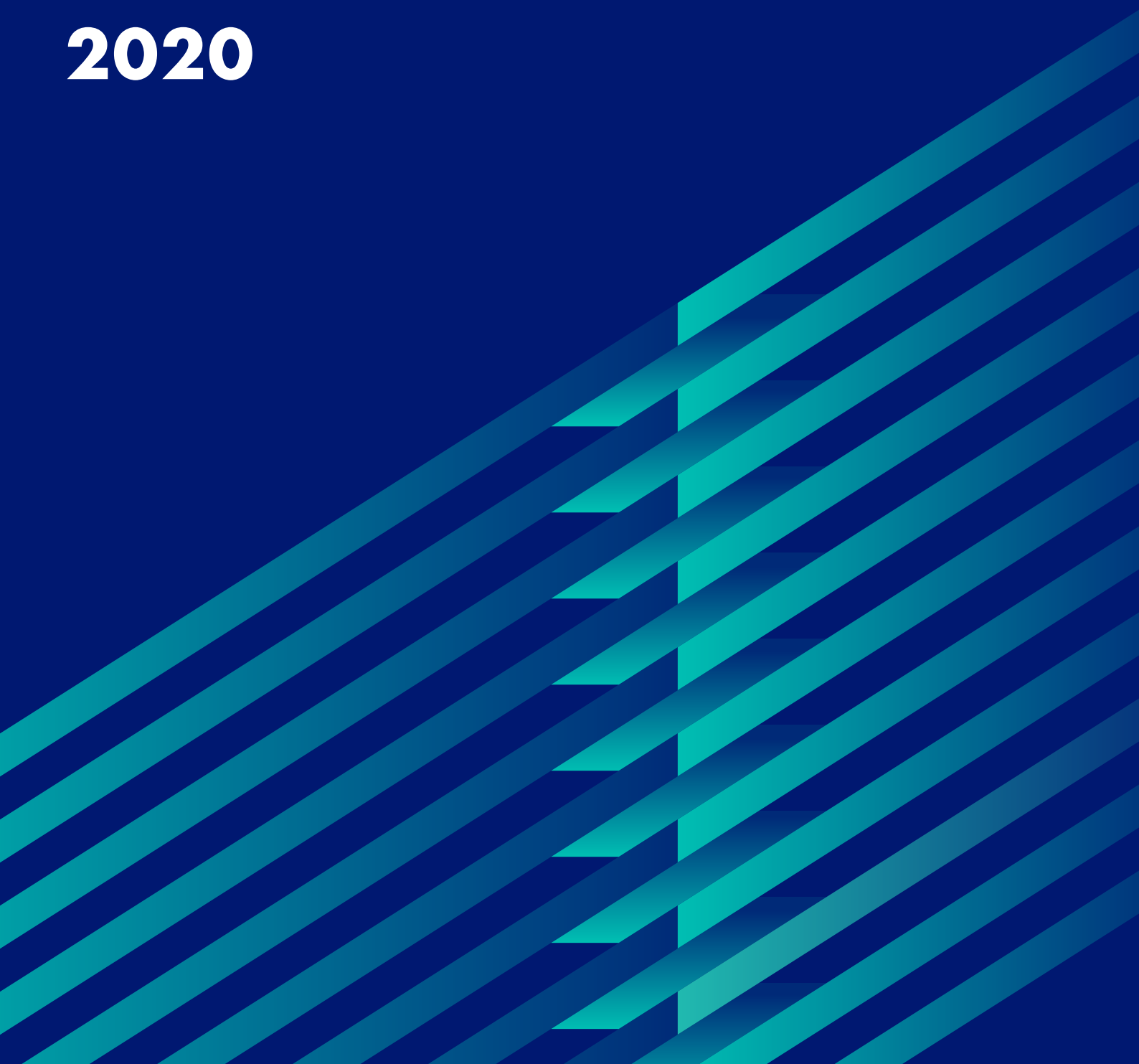




UK Gender Pay Gap **2020**





AIG is committed to fostering diversity, equity and inclusion for all its employees. We are working to reduce our gender pay gap and to achieve gender parity in our leadership pipeline.

AIG encourages a diverse and inclusive workforce and supports the advancement of women across its footprint. To see Gender Pay Gap analysis of AIG's other UK entities, click [here](#) for AIG Life and [here](#) for Talbot.

Despite an improving trend since reporting began in 2017, our 2020 Gender Pay Gap analysis shows a slight increase in the mean average salary pay gap as well as in the bonus gap upon the numbers presented last year for every quartile. This is because of a small decline in the number of women in more senior roles due to personnel moves.

Note: Legal entity changes mean that the numbers for 2017 and 2018 are not directly comparable to numbers for 2019 and 2020 (see box to the right).

Our Pay Strategy

AIG is confident that men and women are paid equally for doing equivalent jobs across our business. We will continue to ensure our policies and processes are fair and equitable to all employees. This includes an annual review of our remuneration policy by our Remuneration Committee. We employ tools and practices that enable us to benchmark our total remuneration against our chosen markets/peer group to ensure that our package is fair and competitive in the market.

We continue to recognise, develop and reward the contribution of all our employees. In an ever-competitive market for talent, we strive to attract highly motivated people, keep them engaged and help them achieve their career aspirations.

Recruitment, Promotion and Succession Activity

We appoint people to roles based entirely on talent and merit, regardless of age, race, gender, marital status, sexual orientation, disability, gender identity, or religion and belief. However, we do recognise that some groups are under-represented in our business and we are diligently focused on reviewing, identifying and removing any barriers to create equitable access to opportunity. The language and activities we adopt in our recruitment process are reflective of our inclusive culture.

We continue to work with external agencies and partnerships to ensure that our candidate pools are as diverse as possible. We have measured goals to ensure that candidate pools for both early careers and senior appointments have gender balance. We also measure gender balance for appointments and succession planning for key roles. Through these efforts, we continue to have a good gender balance in our pipeline for senior leadership.

In December 2018, AIG Europe Limited was restructured and its employees were transferred to be jointly employed by either AIG Europe S.A. (UK Branch) & American International Group UK Limited OR AIG Europe S.A. (UK Service Branch) & American International Group UK. The split of employees between these joint employing entities is based on the structure of the organisation and the focus of activities between front office and business support services. For illustration purposes with previous years, the numbers provided for 2019 and 2020 represent an amalgamation of these two joint employment legal entities that employ the majority of our people in the UK. The figures for each entity can be found on the gender pay gap website.

Diversity & Inclusion

Through our diversity, equity and inclusion (DEI) framework, BeingYou@AIG, we are creating a workplace that nurtures inclusivity, where everyone feels they belong and can bring their whole selves to work. We are proud to be at the forefront of the industry.

As we continue to follow a strategic roadmap towards greater inclusivity, our initiatives are therefore focused on all aspects of diversity, rather than solely on gender balance. BeingYou@AIG activities include:

Education and Awareness

We continued to promote opportunities for our managers and employees to increase their inclusive awareness through our monthly DEI focused communications. We launched our 7th employee resource group (ERG) virtually and an ambitious 250+ events were run by our ERGs. In 2020, all our Executives and HR team received training on Racial Sensitivity and Inclusive leadership with personal commitments made on what action they were going to take. People management training was made mandatory for seven modules, with a focus on completing Decisive & Inclusive Hiring and Anti-bullying and Harassment modules as a priority in 2020. As a founding firm of Balance, which aims to involve men as change agents across the insurance industry to address gender imbalance, we continue to be involved in rolling out a gender balance toolkit through events sharing practical ideas. We sponsored a number of DEI initiatives across the insurance industry.

Development and Mentoring

We continued to provide development for high potential senior women through the global Women's Executive Leadership Initiative programme. At the mid-level, members of our Accelerated Leadership Development programme graduated, and another cohort, focused on both women and Black, Asian and Minority Ethnic talent, started the programme. We continued our partnership with Everywoman, to provide online development for women through leadership-focused webinars, podcasts, workbooks and articles and the Insurance Supper Club (ISC) to provide high potential senior, mid and emerging women leaders with development and mentoring opportunities.

Parental support

Our parental toolkit continued to provide our employees and managers with online support for parents before, during and after parental leave and was additionally supported with bi-monthly information webinars. We continued to promote agile and flexible working and run focused manager training. Our Working Families and Carers ERG ran supportive events for parents and carers, including a buddy scheme to support the different stages of parenting and to connect carers, and launched virtual coffees and round tables to raise awareness and support different parental and caring situations.

What is Gender Pay Gap?

UK government legislation requires employers with 250 staff or more to publish statistics outlining the difference between the average pay of male and female employees. The analysis is based on data as at April 5 every year.

Companies must disclose the gender pay gap and the gender bonus gap based on mean and median averages, the proportion of men and women that receive a bonus, and the proportion of men and women in each quartile.

This is different to Equal Pay, which legislates that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010. It is unlawful to pay men and women differently for performing the same job. Bonus pay for the purpose of gender pay gap reporting includes any rewards related to profit-sharing productivity, performance, incentive or commission.

UK 2020 Gender Pay Gap Report

Pay Gap

The percentage difference in pay between men and women

	Mean				Median			
	2020 ¹	2019 ¹	2018 ²	2017 ²	2020 ¹	2019 ¹	2018 ²	2017 ²
Hourly fixed pay	26%	25%	27%	29%	32%	23%	32%	34%
Bonus paid	50%	48%	51%	57%	51%	39%	58%	50%

Despite an improving trend since reporting began in 2017, our 2020 Gender Pay Gap analysis shows a slight increase the mean average salary pay gap as well as in the bonus gap upon the numbers presented last year for every quartile.

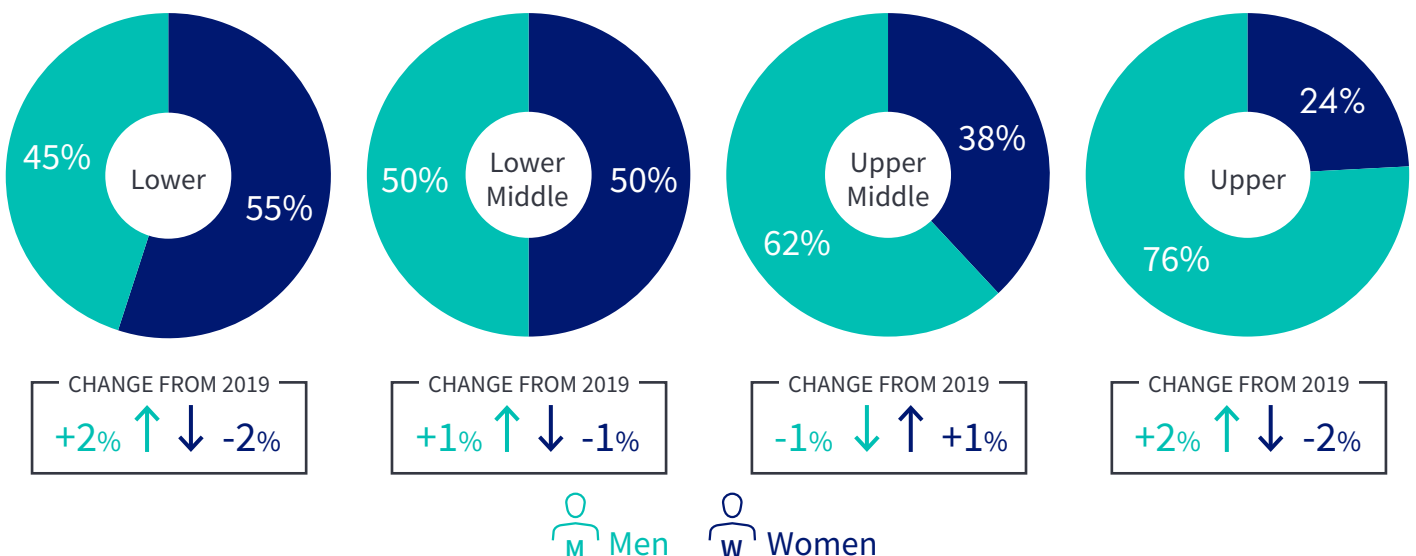
Employees Awarded a Bonus¹



Last year 97% of men and 96% of women received a bonus. This year, more employees overall received a bonus.

Pay Quartiles¹

Quartiles are calculated by ranking hourly pay for each employee from highest to lowest. The list is then divided into 4 equal sized groups of men and women. The graphs below show the percentage of men and women in each group. This data shows that we have more senior men than women in higher paying roles.



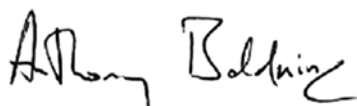
Note: Legal entity changes means that the numbers for 2017 and 2018 are not directly comparable to numbers for 2019 and 2020 (see box on page 3)

What we are doing to address this:

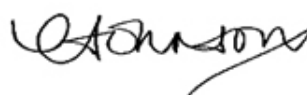
- Maintain our focus on having a diverse slate of candidates when hiring and monitor the impact on the gender balance of early careers, pipeline, and senior leaders.
- Build on our under-represented group development programmes and promote development opportunities available to employees related to gender balance.
- Continue to promote our inclusion training and tools available to employees.
- Sustain our mandatory people manager training for managers with a focus on promoting flexible/agile working topics with an update to hybrid working going forward.
- Continue to encourage flexible/agile working and provide support for those returning to work after a career break and work to promote our parental leave policies.
- Maintain support and promote our ERGs and the valuable contribution they make to our inclusive culture.
- Continue to be involved and invest in the wider promotion of inclusion and gender balance in the insurance industry, for example through our commitment to the Chartered Insurance Institute's Insuring Women's Futures, the ABI Talent & Diversity Network, the Insurance Inclusion and Diversity Forum, and *Balance*.
- Further develop our support of women's golf via the title sponsorship of the AIG Women's Open, standing as an ally to women in sport, in business and beyond.
- Build on our improvements in our recruitment, promotion and succession planning process and practices to reduce bias.

At AIG we are confident that men and women are paid equally for doing equivalent jobs. There remains an opportunity for further significant improvement and we are committed to investing in activities that will enable more women to reach senior positions, and to ensure that we encourage diversity at all levels of the organisation. We continue to build on the great work achieved through our award-winning BeingYou@AIG framework to increase inclusion in our workplace and are proud of the investment made to ensure a more diverse leadership team in the future.

We confirm that the information in this report is accurate.



Anthony Baldwin
Chief Executive Officer, AIG UK



Trudi Johnson
Director of HR, AIG UK

Notes:

¹ 2020 and 2019 numbers are provided for the combined entities of:

- (i) AIG Europe S.A. (UK Branch) & American International Group UK Limited; and
- (ii) AIG Europe S.A. (UK Service Branch) & American International Group UK Limited.

² AIG Europe Limited Gender Pay Gap Data provided for 2017 and 2018, while not directly comparable is for illustrations purposes only.

