



Aon Australia Gender Pay Gap

Employer Statement 2024



Introduction

At Aon we are committed to diversity and inclusion. Having a diverse workforce enables us to field best-in-class teams to serve our clients and create positive social impact for our communities. This in turn creates growth and development opportunities for our colleagues.

Aon has been on a continuous journey towards building a more inclusive and diverse workforce, with the implementation of our Inclusive People Leadership strategy over the past few years. We've embedded this commitment through all levels of our firm, and every Aon colleague is encouraged and empowered to practice inclusion and diversity on an individual level. We celebrate the strides we are making and are focused on continuous growth and evolution toward greater diversity in our business.

In March 2023, Parliament passed the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023, which amends the Workplace Gender Equality Act 2012 to, among other things, require the Workplace Gender Equality Agency (WGEA) to publish gender pay gap information of relevant employers for each reporting period. The reform aims to accelerate employer action to close the gender pay gap.

Aon is fully aligned with the Australian government's commitment to inclusion, diversity and fairness, which are embodied in our values. We welcome WGEA's publication of gender pay gap information, both as a means of creating greater transparency as well as reinforcing the importance of further action around gender equality.

This document outlines Aon's gender pay gap, the main factors influencing our gap and our action plan to address and reduce our gap.



Jennifer Richards
CEO, Aon Australia



Our vision is to create an inclusive working environment that recognises and values the unique qualities, experiences and contributions of all colleagues.

We are committed to providing a colleague experience where every individual feels more connected, more relevant and more valued.

We envision an environment where all colleagues, regardless of their identity, are empowered to reach their full professional potential.”

Aon Australia Gender Pay Gap Numbers

Aon Australia's gender pay gap is expressed as a median, based on the data included in our WGEA 2022-23 Gender Equality Reporting figures at 1 April 2022, which was our last reporting date. It is calculated on Total Remuneration (TR), which includes salary and superannuation contributions, and bonus earnings and at that time, we employed 1,545 people in Australia. All data is regardless of role in the organisation, length of service and any other differentiating factors.

Gender Pay Gap (median)
26.5%
 as at 1 April 2022

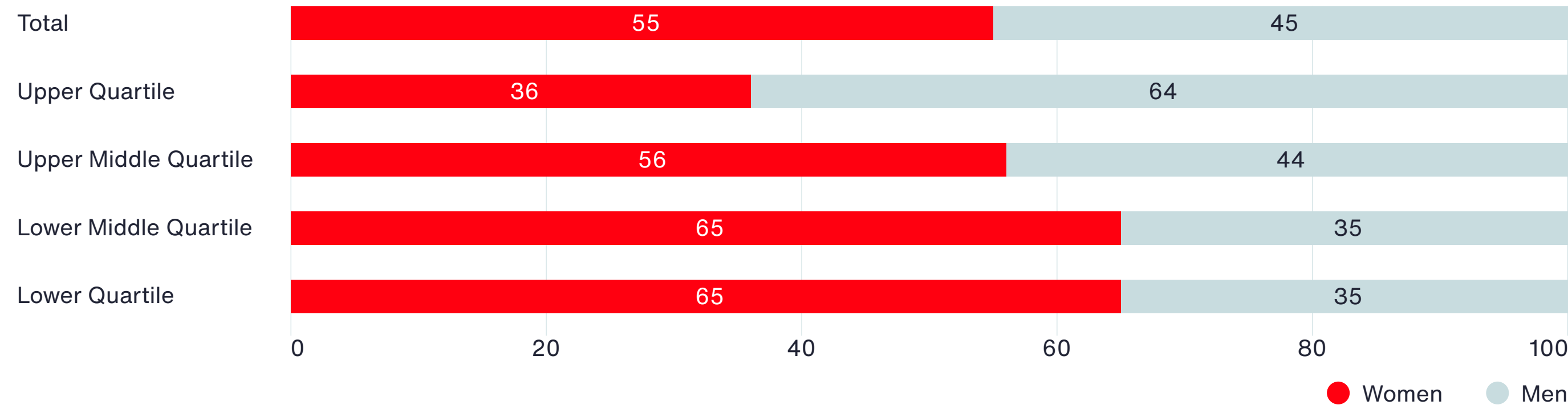
What is the Gender Pay Gap?

The gender pay gap is the difference in average or median earnings between women and men in the workforce, expressed as a percentage.

The gender pay gap is not the same as equal pay – which is where men and women are paid the same for performing the same role or different work of equal or comparable value. Equal pay has been a legal requirement in Australia since 1969.

At Aon, we have a job classification system that is linked to market competitive pay ranges. We regularly review and monitor our alignment to these bands to ensure we meet our obligations and mitigate the risk of discrimination.

2022 Proportion of Men and Women by Pay Quartile* %



Aon has reward frameworks and processes to control for equal pay, however as can be seen from the above graph, gender composition is the primary driver of the gender pay gap within our firm. The median earnings of women are comparatively lower than men due to the lower levels of representation in senior and higher paying roles.

Notes

*The pay quartiles have been determined by dividing our workforce into four equal parts by pay.

Gender Pay Gap in Context

Industry Comparison

Our comparison group comprises organisations in the Australian and New Zealand Standard Industries Classification (ANZSIC) industry class: Auxiliary Finance and Insurance Services. This includes organisations of a similar size and business operations to Aon.

Aon Australia’s gender pay gap is consistent with our industry comparison group, and we recognise that we have a role to play in addressing the gender pay gap.

Aon Australia is actively working with key industry bodies to advocate and influence better Inclusivity and Diversity outcomes for women and marginalised groups. Our CEO, Jennifer Richards, is a representative member for Aon of [Chief Executive Women](#), the pre-eminent organisation representing prominent and influential women leaders from the corporate, public service, academic and not-for-profit sectors.

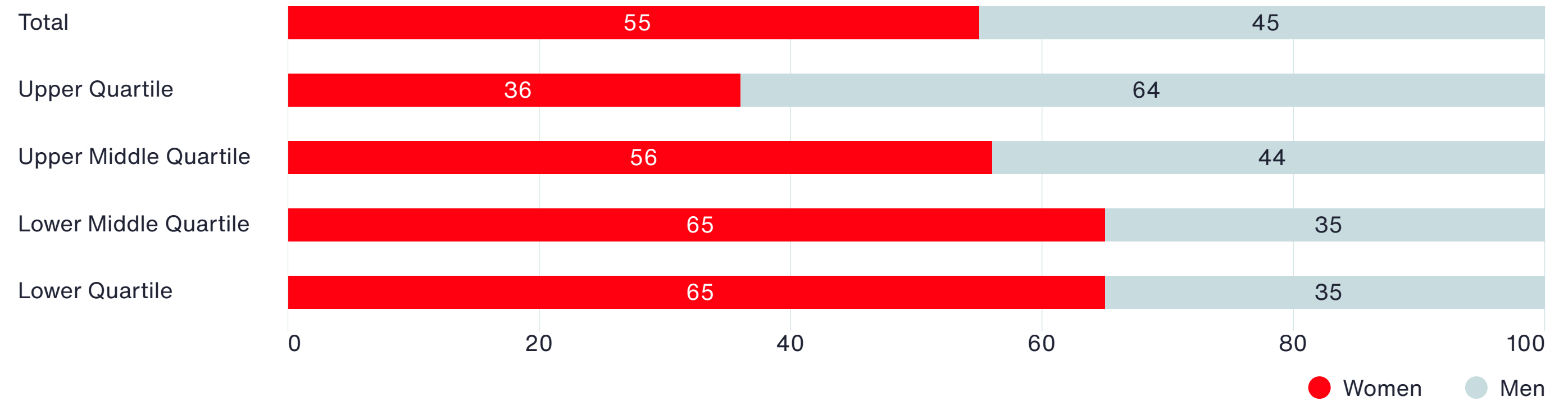
Aon Australia is also a member of [Champions of Change Coalition](#), a globally recognised, innovative strategy for achieving gender equality, advancing more and diverse women in leadership, and building respectful and inclusive workplaces.

Gender Pay Gap (median)

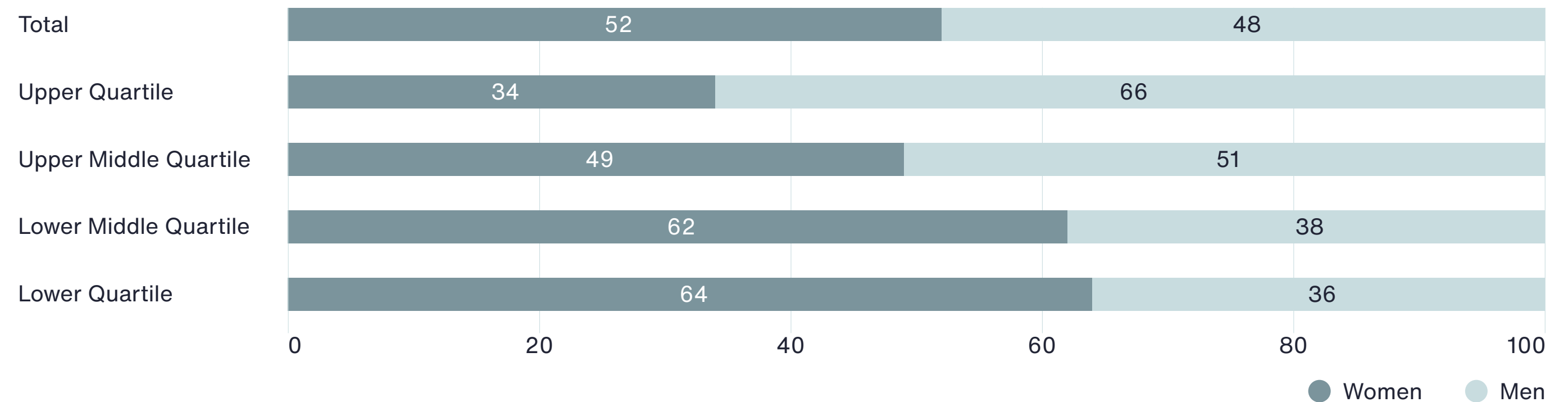
Aon	26.5%
Industry comparison	26.8%

2022 Proportion of Men and Women by Pay Quartile %

Aon



Industry



Understanding the Gender Pay Gap at Aon

We recognise there are multiple factors that contribute to our gender pay gap. At Aon, we have identified the top drivers of our gender pay gap are:

- **Gender composition at senior levels.** Our firm has a gender composition imbalance, with men dominating senior roles and women occupying fewer senior positions. In addition, traditionally male-dominated specialised roles within our industry contribute to higher earnings for men, further extending the gender pay gap within our firm.
- **The impact of parental leave on earnings.** Women who take extended leave have lower total remuneration on average than their male peers. This gap is due to interrupted career progression, a reduction in total working hours and potential biases in performance evaluations during absence, which can impact short and long-term earning potential. In addition, superannuation contributions will be lower for women who have taken a period of extended parental leave.
- **Lack of part-time opportunities.** A significant portion of part-time roles within our business are occupied by female colleagues. Part-time opportunities are more available in junior roles, which are typically lower paid. Because part-time opportunities become less available in senior roles, women who may require flexibility in their working arrangements are thereby restricted from progressing in seniority within the firm.

While we have identified each of these as individual drivers of the gender pay gap at Aon, we also recognise that these factors are interconnected. Collectively, they significantly impact the gender pay gap by influencing career paths, work-life balance, and the overall distribution of opportunities within our firm.

These issues are part of broader, systemic challenges in our industry and we have been taking action to further improve the gender pay gap within our own business.

Our Journey So Far

Over the last few years, we have implemented proactive strategies to ensure we attract, develop, promote and reward in an equitable way that is in service of our diversity and inclusion goals.

Our global and local leadership teams have sponsored various initiatives to address the gender composition at senior levels. These include training our leaders in inclusive hiring practices; focusing on the skills required rather than just industry experience to attract female hires from outside our industry to specialist roles; appointing executive leaders to sponsor senior female talent; and building on our targeted action plans for teams to increase ownership and accountability.

Since 2022, our existing initiatives have had a positive impact on reducing our gender pay gap, standing us in good stead to continue to build on this momentum.

We are committed to designing further measures to address gender composition, the impact of parental leave on earnings and the lack of part-time opportunities within our organisation, which will, over time, reduce our gender pay gap. We look forward to reporting further progress in future submissions to the Workplace Gender Equality Agency.

Our Commitment to Closing our Gender Pay Gap

In support of Aon's vision, we are committed to closing our gender pay gap.



To close the gender pay gap at Aon:

- We aim to achieve a balanced gender composition across all levels within our firm.
- We will continue to pay colleagues equitably for their skills, efforts and responsibilities.
- We will foster a safe and supportive workplace for all colleagues.

Pursuing these objectives will cultivate an inclusive working environment where all individuals, regardless of gender, feel more connected, more relevant and more valued, enabling them to reach their full professional potential at Aon.

We are committed to the following actions to help us achieve these objectives.



Strengthen leadership accountability for gender equality to foster an inclusive and supportive environment.

We recognise that leaders across the firm play a critical role in progressing Aon's gender equality objectives through talent decisions. We are committed to ensuring

that leaders continue to build their awareness and understanding of gender equality and role model desired behaviours. We will measure leadership performance against our gender equality objectives for increased accountability.



Improve access to flexible working opportunities across the firm to increase participation of women at senior levels.

Through consultation with colleagues, we identified that a lack of flexible working opportunities, particularly at senior levels within Aon, creates a gap in promotional opportunities for those with primary carer responsibilities. We are committed to improving access to flexible working arrangements across the firm, which we believe will support the entry of more women into senior positions within our business.



Increase professional development opportunities to facilitate career progression for women.

Development opportunities help to break down barriers to advancement, promote merit-based promotion and empower colleagues to acquire the skills and confidence needed to pursue leadership roles, regardless of gender. We are committed to increasing professional development opportunities including targeted female

sponsorship and mentorship for colleagues across the firm. We anticipate that this commitment will facilitate career advancement opportunities for women into senior positions.



Refine our compensation practices to eliminate unconscious biases.

Eliminating unconscious biases and ensuring pay decisions are based on merit, skills and contributions is critical for Aon in closing the gender pay gap and fostering a workplace where colleagues are equitably recognised and rewarded. We are committed to continuously refining our compensation practices to ensure they are fair, transparent and create equal opportunities for all.



Foster a supportive workplace to enhance wellbeing and prevent gender-based discrimination and harassment.

We acknowledge that maintaining a psychologically safe, respectful and inclusive environment is essential to ensuring all colleagues are able to reach their full professional potential within our firm. To support this, we are committed to ensuring all colleagues are aware of the avenues to report gender-based concerns within our workplace and encouraged to do so. We are also implementing robust support measures for colleagues affected by domestic violence.

Delivering our Inclusivity and Diversity Strategy

The Aon United focus on collaboration, inclusive leadership, innovation and client service is the foundation of our culture. This framework energises and engages our colleagues, making them feel more relevant, connected and valued as they seek to shape decisions for the better and achieve their full professional potential. In the past year, Aon has continued to build on actions and programs that support inclusion, diversity, workforce wellbeing and social impact to build an equitable culture within the organisation and beyond. In our 2023 Global Colleague Support Survey, the vast majority of Australian colleagues agreed that Aon advocates for diversity, equity and inclusion in the workplace.

We are guided by our global Inclusion and Diversity Strategy focused on four key areas, which we implement locally.

Recruitment

Attract and hire diverse candidates

Continue to drive our inclusive recruitment strategy to ensure we attract and hire diverse colleagues.

Education

Educate, train and model Inclusion and Diversity

Provide training and education on inclusion, diversity and cultural competence to drive awareness and understanding.

Representation

Ensure Aon colleagues reflect the community at all levels within the organisation

Use diversity data and analytics to understand and track the make-up and movement of our colleagues throughout the employee lifecycle.

Promotion

Enable all colleagues to have equal access to roles and opportunities

Ensure our policies and development programs are tailored to enable all colleagues to have equitable access to roles, opportunities and sponsorship.

Glossary

Total Remuneration

Total Remuneration (TR) comprises base salary, superannuation contributions, bonus earnings, allowances, overtime, shift loadings and other payments whether in cash or in a form other than cash.

Equal Pay

Equal Pay is when men and women receive equal pay for work of equal or comparable value. In practical terms, this means that:

- men and women performing the same work are paid the same amount
- men and women performing different work of equal or comparable value are paid the same amount.

Equal pay is not just about equal wages. Equal pay takes into account discretionary pay, allowances, performance payments, merit payments, bonus payments and superannuation.

Pay Quartile

A pay quartile is calculated by dividing our workforce into four equal parts by pay. Each of these 'parts' is a quartile.

Median Pay Gap

The median pay is calculated by finding the midpoint in all employees' TR and discarding the lowest and highest rates of pay or 'outliers.' To calculate the pay gap, you subtract the median pay for women from the median pay for men, divide that number by the median pay for men and then multiply by 100 to get the percentage.

$$\frac{\text{Median remuneration of men} - \text{Median remuneration of women}}{\text{Median remuneration of men}} \times 100$$

Further information and definitions can be found on the WGEA website at wgea.gov.au





About

Aon plc (NYSE: AON) exists to shape decisions for the better – to protect and enrich the lives of people around the world. Our colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them the clarity and confidence to make better decisions to protect and grow their business.

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