

Lloyd's Gender Pay Gap 2018



Statement from John Neal, Lloyd's CEO

Lloyd's is committed to achieving a much more balanced gender representation at all levels, especially in the board room, and across executive and management positions.

While we are pleased to report that our 2018 Gender Pay Gap has shown a 7.8% improvement, the Lloyd's Corporation still has a significant way to go. Closing the gender pay gap requires a long-term approach that addresses the historical environment that has led to our current imbalance. As we look towards the future, one of our priorities is to speed up progress on bringing a much more diverse and gender-balanced group of talent into Lloyd's.

We've made good progress against our 2018 actions, which has resulted in an increased gender balance across our senior population. This is a direct result of our 2018 commitment to mandate all external recruitment long lists to include a 50:50 gender balance.

As we move into 2019, we will continue to build on our commitments with a number of initiatives, including the introduction of enhanced family care policies and flexible working for all employees.

We are absolutely determined to achieve the broadest opportunities that a diverse workplace brings and continue to take decisive and thoughtful actions to ensure that lasting change is achieved.

John Neal, CEO Lloyd's

Lloyd's 2018 Gender Pay Gap

Lloyd's gender pay gap of 19.9% represents the difference between the average pay for a male in the Corporation, compared with the average pay of a woman. This is a reduction of 7.8 percentage points on last year's report, which showed a gap of 27.7%.

This significant improvement is primarily driven by a greater gender balance across our senior population, with a higher number of male leavers and female joiners during the 2018 reporting period. The increase in female talent is a direct result of our 2017 commitment to mandate all external recruitment long lists to include a 50:50 gender balance. In addition, the introduction of revised job descriptions, grading and benchmarking has created more rigor across roles within the Corporation, including some significant pay increases for both male and female employees.

Gender pay gap drivers

There are a number of contributing factors that are driving a gender pay gap at the Lloyd's Corporation. Principle among these are:

A higher proportion of men than women in senior roles across the Corporation

There are more men (65%) than women (35%) in the highest paying quartile. In the lowest paying quartile this is reversed, with almost twice the amount of women (65.7%) than men (34.3%).

A higher proportion of women who work part-time

92.1% of those who work part-time are women. Our mean bonus gap of 30.1% is a reduction on last year and is based on actual bonuses paid (36.7% in 2017). This is impacted by the fact that the calculation does not take into account pro-rated bonuses which reflect the reduced hours worked.

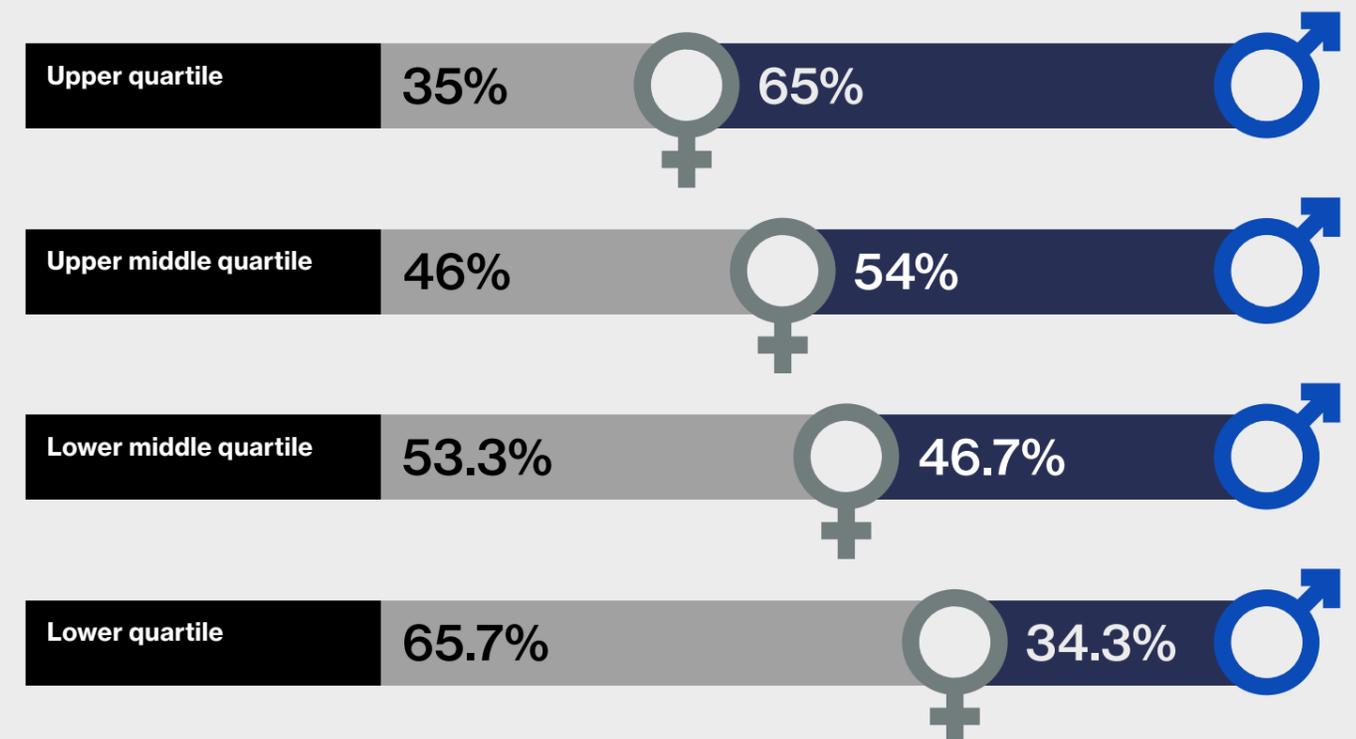
Our numbers

Key: Women ♀ Men ♂

Gender pay gap	19.9% Mean	29.9% Median
Bonus pay gap	30.1% Mean	42.8% Median
Employees receiving a bonus	82.4% ♀	77.8% ♂

Employees by pay quartile

Key: Women ♀ Men ♂



Update on actions

The Lloyd's Corporation has an important role to play in closing the gender pay gap across the insurance sector by leading on actions and initiatives that serve as best practice for all Lloyd's market participants.

Dive In Festival

2018 was our fourth year sponsoring the Dive In festival, with events held in more than 50 cities across 27 countries under the theme Time4Inclusion, raising awareness for greater diversity within our sector including gender focused events for the first time in Saudi Arabia and Jordan. In 2019 we look forward to our fifth Dive In festival under the theme Inclusion Impact.

Inclusive Behaviours Pledge

Launched in July 2018, the *Inclusive Behaviours in Insurance Pledge* was established to set the standard for inclusion in insurance, with more than 120 CEOs in the UK signing the pledge, demonstrating their commitment to a culture that is accepting of difference and inclusive for all employees. In 2019 we are introducing mandatory workshops for senior leaders to enhance their knowledge and expertise in continuing to build an inclusive environment.

Employee Resource Groups and Networks

We continue to support our gender employee resource group (Inspire) for men and women, providing greater access to senior leaders and a platform for colleagues to share ideas and network at all levels across the Corporation. In 2018 we were proud to sponsor POWER: opening doors for women, the Gender Inclusion Network and its Balance programme to engage men and women in creating better gender balance across insurance. We also became Corporate members of the Women in Banking & Finance, providing greater development opportunities for our colleagues. In 2019 we look forward to continuing our partnership with these organisations.

Women in Finance Charter

As part of the commitment to the Women in Finance Charter, Lloyd's set a gender diversity target of at least 40% female and 40% male for its senior management population (the top earning quartile of employees). In 2018 Lloyd's had increased this year on year by 2.4 percentage points to 34.8%.

Lloyd's remains committed to closing the gender pay gap by working to increase the number of women taking up senior roles across the Corporation together with improving the gender and broader diversity balance across all levels.

Redressing the gender imbalance will take a long-term approach and requires a range of actions over a sustained period. Lloyd's have a well-established programme of initiatives aimed at attracting more women and enabling them to develop and thrive at each stage of their career.

2019 actions

Lloyd's has already demonstrated positive progress on the actions outlined in the 2017 Gender Pay Gap report:

1. **Continuing 50:50 long lists for external hiring:** the majority of external hiring activity for senior roles saw 50/50 longlists including several hires in our global offices. This will be extended to an objective of 50/50 for shortlists going forward, with a clear understanding of the reasons why, when not achieved.
2. **Extend succession planning for all senior leaders:** development plans are in place for all key talent across the Corporation. In 2019 Lloyd's will introduce succession planning and proactive talent management at all levels.
3. **Expand the Advance programme to develop female talent:** the Lloyd's "Advance" female development programme was announced in September. The first cohort includes 15 women from across the London Insurance Market. In 2019 we will increase the number of women able to take part in the programme.
4. **Introduce improved care policies and flexible working for employees:** Lloyd's commissioned research on family friendly best practices with Working Families. The subsequent report made recommendations on enhancements to policies and flexible working practices which have been reviewed for implementation in 2019.

The Lloyd's Corporation commits to further build on these actions and will continue to publicly report its progress towards closing the gender pay gap, including in our Annual Report.

About the gender pay gap

The gender pay gap is the difference between the gross hourly earnings for all men and the gross hourly earnings for all women.

- The mean gender pay gap figure represents the difference between the average pay of all Lloyd's Corporation male employees, and female employees.
- The median gender pay gap figure represents the pay difference between the middle point of Lloyd's total number of male and female employees.

The gender pay gap is different to equal pay which refers to men and women being paid the same salary for the same work, or for work of equal value. As part of our annual compensation review, the pay of male and female employees is assessed, and based on this we are confident that Lloyd's does not have an equal pay issue.

In line with the reporting requirements, this report relates to UK employees of the Corporation of Lloyd's as of 5 April 2018.

Lloyd's market firms that have more than 250 employees will individually be reporting their pay gap as required by the UK Government.

Declaration

I confirm that the data contained within this report is accurate and meets the requirements of the Gender Pay Gap reporting regulations.

John Neal, CEO, Lloyd's