

Lloyd's Gender Pay Gap 2019



Statement from John Neal, Lloyd's CEO

Tackling the gender pay gap is essential to the success of the Lloyd's market, today and in the future.

We want to attract the best and brightest talent to our market, so we can deliver maximum value to our stakeholders and better reflect the diversity of our customer base. However, we will only do this if we make the market a fair and equitable place for everyone to work within. Closing the gender pay gap is, therefore, not only the right thing to do, it is the smart thing to do.

As the leading specialist insurance and reinsurance market in the world, Lloyd's has a unique opportunity to show leadership and drive change. Lloyd's 2019 Gender Pay Gap report is an essential benchmark of our progress in this regard. It shows we have carried out the actions we promised to take throughout the year, including increasing the number of senior women working for the Corporation globally by 9.3%. However, it also shows we have more work to do to close the gender pay gap, which has seen a slight increase compared to 2018.

This is to be expected. We were aware when we started on this journey we were not going to change things overnight. This is a long-term strategy that will deliver results over the next few years, so it is important we maintain our focus over a sustained period.

This is the reason we are launching our first ever gender balance plan in 2020 that will set clear and measurable targets for improving the representation of women at senior levels within the Lloyd's market.

I look forward to continuing to build on the progress we made last year.

John Neal, CEO Lloyd's

Lloyd's 2019 Gender Pay Gap

Lloyd's gender pay gap of 23.6% represents the difference between the average pay for a man in the Corporation of Lloyd's, compared with the average pay of a woman. This is an increase of 3.7% percentage points compared to 2018, which showed a gap of 19.9%. This is primarily due to changes to our executive team last year.

There has been better progress on our bonus pay gap figures. The mean bonus pay gap, which at 28.3%, represents a decrease of 1.8% compared to 2018. The median bonus gap has also decreased - by 9.6% to 33.2%. Our 2018 figures were partially impacted by the way we paid bonuses that year, however both mean and median bonus figures over the past three years show the gap closing.

Gender pay gap drivers

There are several factors driving the gender pay gap at the Corporation including:

A higher proportion of men than women in senior roles

Overall, the Corporation has a significantly higher proportion of men in our senior management population who form a large proportion of the upper quartile (64.9%) and conversely a larger proportion of women in more junior positions shown in the lower quartile (61.9%).

A higher proportion of women who work part-time

Bonuses are paid on a pro-rata basis and are not adjusted to the full-time equivalent in the statutory calculation. Within its part-time population, the Corporation has a higher proportion of women (86.5%) working part-time, which also affects the bonus gap.

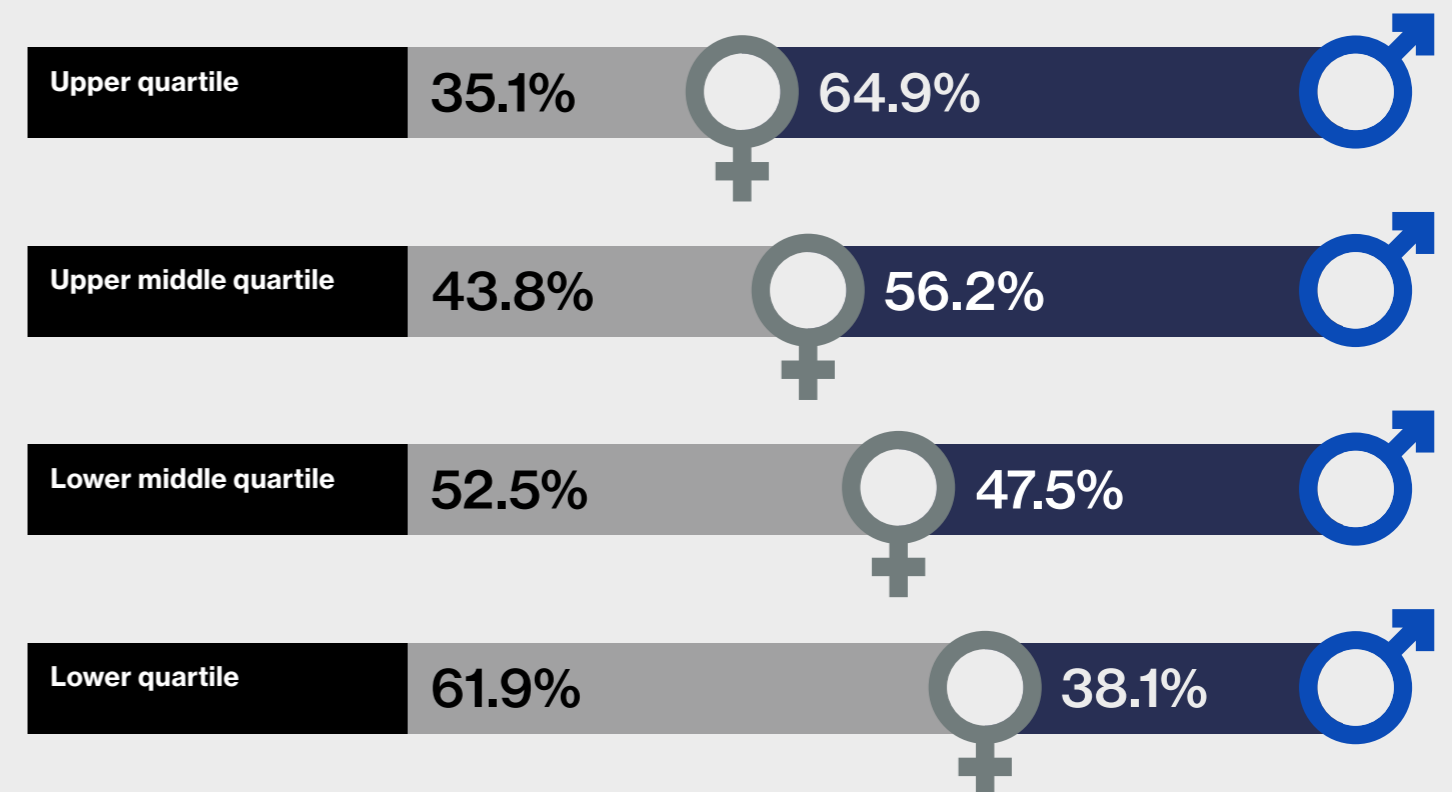
Our numbers

Key: Women ♀ Men ♂

		2017	2018	2019
Gender pay gap	Mean	27.7%	19.9%	23.6%
	Median	32.1%	29.9%	26.7%
Bonus pay gap	Mean	36.7%	30.1%	28.3%
	Median	40.5%	42.8%	33.2%
Employees receiving a bonus	♀	87.3%	82.4%	84%
	♂	84.7%	77.8%	83.5%

2019 Employees by pay quartile

Key: Women ♀ Men ♂



2018 commitments

Mandate all external recruitment long lists to include a 50:50 gender split of potential candidates

Review current succession plans, ensuring they are fully representative of talent across the organisation, and put in place development for all key talent

Strengthen the pipeline of future talent through the development and pilot of a bespoke women's development programme

Carry out a full review of our family care policies and continue our work on improving flexible working for all employees, especially those with family care giving responsibilities

Set a gender diversity target of at least 40% women and 40% men for our senior management population (in the highest 25% of employees)

2019 progress

Across senior level positions we achieved a 50:50 long list for 75% of hires. When not achieved, a clear explanation is required from recruitment partners

Leadership assessment and development profiles completed for all senior leaders

Succession planning completed for executive positions

Created accelerated development opportunities through stretch assignments/roles for key female talent

The Lloyd's Advance development programme has continued to expand with 75 females expected to have completed the programme by the end of 2020

Lloyd's introduced market-leading family friendly policies in Q2, 2019 and further expanded these policies globally for all Corporation employees

Additional activities in 2019

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

2019 was our fifth year sponsoring the Dive In festival, with events held in more than 65 cities across 32 countries under the theme Inclusion Impact, raising awareness for greater diversity within our sector. It included gender-focused events for the first time in Nigeria and Bahrain. To recognise growth of the festival, Lloyd's spearheaded two special events to recognise the impact of the festival across insurance. The first, a CEO dinner hosted by The Bank of England and the second an award evening to celebrate the individuals who have made an Inclusion impact over the past five years. In 2020, we look forward to our sixth Dive In festival under the theme Local Voice, Global 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. Building on the work of the Inclusive Behaviours pledge, in 2019, we ran mandatory workshops for senior leaders to enhance their knowledge and expertise in understanding the changing legal, cultural and social norms impacting the workplace and the role of leaders and businesses in continuing to build an inclusive environment.

Women in Finance Charter

As part of the commitment to the Women in Finance Charter, the Corporation set a gender diversity target of at least 40% female and 40% male for its senior management population (in the highest 25% of employees). As of 31 December 2019, the representation of women had increased year on year by 0.6% to 39.1% in the UK (and by 9.3% globally to 47.1%).

Employee resource groups and networks

We continue to support our gender-inclusive employee resource group (Inspire), providing greater access to senior leaders and a platform for colleagues to share ideas and network at all levels across the Corporation. Across the sector we continue to sponsor and support cross-market initiatives, such as the Gender Inclusion Network for Insurance and the Balance programme, bringing together leaders to share best practice on gender balance and to help them become advocates for gender parity.

In 2019, we were proud to sponsor We Are The City's Rising Stars in Insurance for the fifth year in a row, recognising the emerging female talent within our sector. In continuing to provide development opportunities for the third year we sponsored POWER: Opening Doors for Women by connecting senior leaders and high-potential talent to interact and exchange ideas with thought leaders, industry experts and their peers. Fostering greater connections at cross-industry level, we continued our corporate membership of Women in Banking & Finance, providing greater development opportunities for our colleagues. In 2020, we look forward to working with external partners to continue to create a more inclusive workplace and drive gender parity for all.

Actions we are taking in 2020

The Corporation has demonstrated positive progress in the 2019 Gender Pay Gap report. We are building on our achievements in 2020 by carrying out the following actions:

1. **Attract:** continue to evolve the recruitment process through our inclusive hiring training programme for those involved in hiring decisions, and by mandating 50:50 short lists for all positions mandate 50:50 long lists for all positions
2. **Develop:** build on the momentum of the Advance programme by creating an alumni to provide ongoing networking and development opportunities for Advance participants. We will also launch a virtual pilot for the Advance programme for global attendees
3. **Retain:** bring our global policies to life by using senior leaders in the Corporation to role model flexible ways of working and the use of family care policies to increase use by all employees
4. **Gender balance plan:** continue to build on our commitments with the development of a gender balance plan to close the gender pay gap more quickly

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.

Conclusion

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

Redressing the gender imbalance requires a long-term approach and a range of actions over a sustained period. Lloyd's has a well-established programme of initiatives aimed at attracting more females, and enabling them to develop and thrive at each stage of their career. We are building on this foundation to create the diverse and inclusive market we must be to thrive in the future.

About the gender pay gap

The gender pay gap is the difference between the gross hourly earnings for all males and the gross hourly earnings for all females.

- 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 males and females 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 as of 5 April 2019.

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

