

OUR 2017 GENDER PAY GAP REPORT

Our gender pay gap report illustrates, like many other organisations in the Lloyd's and London Insurance market, we have fewer women than men in higher paid roles. This accounts for our reported gender pay and bonus gap, which is the difference between average earnings and bonuses for men and women.

Our results are higher than we would like. This report highlights the positive work that's already in place to support women moving into senior roles and how we will continuously monitor our progress. The report is not about equal pay, which relates to men and women being paid the same for the same work or work of equal value. We are confident we pay men and women equally for doing equivalent jobs.

Gender Pay & Bonus Gap

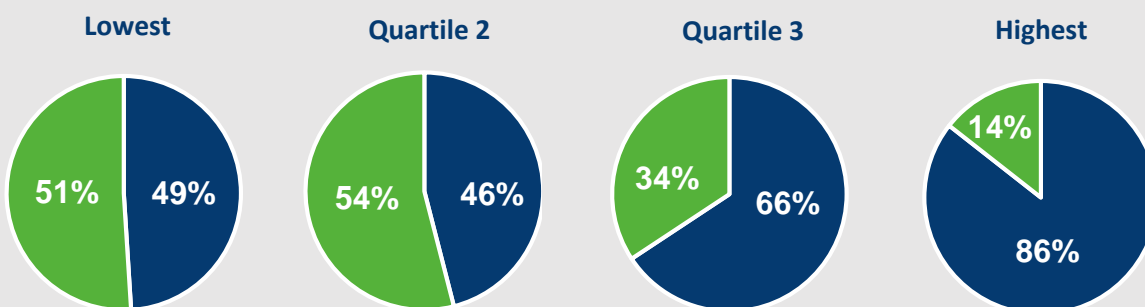
| | Mean | Median |
|------------------|-------|--------|
| Hourly fixed pay | 41.6% | 40.4% |
| Bonus Paid | 53.4% | 33.3% |

The table above shows our overall mean and median gender pay gap based on hourly rates of pay as at 5 April 2017. It also captures the mean and median difference between bonuses paid to our male and female employees in the year up to 5 April 2017 (i.e. for the 2016 performance year).

We know that closing our gender pay gap and changing the shape and diversity of our workforce is a challenge that demands proactive steps be taken. But it will take time. Traditionally, jobs in our sector have appealed more to men than to women. This is evident in our broking teams where there are more men in broking roles, contrasting with the rest of the business where there is greater gender balance. We have to redouble our efforts to attract women into our broking teams and demonstrate that they have the same opportunities as men to develop careers and progress into management and senior leadership positions.

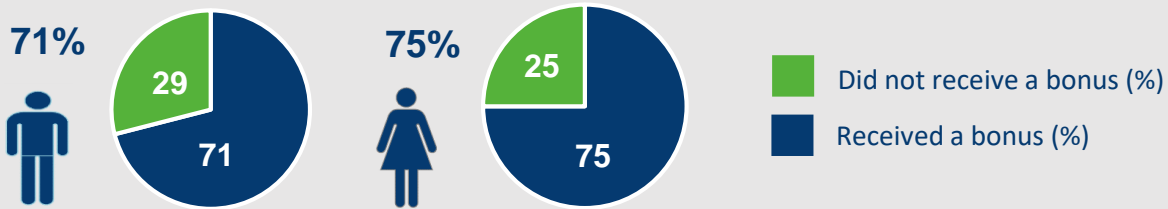
We were delighted when Lorraine Adlam accepted the position of Chairwoman of our Lloyd's Broker Board in 2016. Lorraine has brought with her both a deep understanding of broking in the London Market at a senior management level and extensive Board leadership credentials.

Pay Quartiles



The above image illustrates the gender distribution across 4 equally sized quartiles, each containing around 105 colleagues.


Proportion of colleagues awarded a bonus for 2016





This shows that 4% more women than men were paid a bonus for their performance in 2016.


Our Actions


Our data tells us there is work to be done and that we need to take positive steps to attract more women and enable them to develop and thrive.


 We have established a **Steering Group** to work with the leadership team to accelerate cultural change and provide a sounding board for practical diversity and inclusion initiatives.


 We have introduced Early Careers initiatives, with our **Insight, Internship and Graduate Programmes**. These give students and undergraduates the chance to learn about our business and we are working with external organisations and networks to increase the diversity of candidates presenting for all these Programmes.

 We have set up internal networking groups for **Young Professionals** and **Women@THB**, creating more opportunities for THB employees to meet, discuss issues that matter to them and spend time with members of the leadership team.

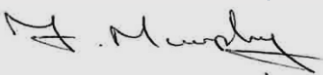
 We launched a formal **Mentoring Programme** in 2016 and will develop this further in 2018, with a particular focus on sponsorship for women. Our commitment is that any woman who wants a mentor will have one.

 We participate in and sponsor market wide inclusion initiatives. Our Executive Sponsor for Diversity & Inclusion is our Group Finance Director, Rob Wilkinson, who represents THB on the **Inclusion@Lloyd's** Committee. We were among the first brokers to sign up to the **Lloyd's Diversity & Inclusion Charter** and our membership of the **Employer's Network of Equality and Inclusion** gives us access to high quality, practical advice to support the development and implementation of our plans in this area.

 We are raising awareness of the benefits of a diverse workforce and inclusive culture within the business and provide regular management information to senior managers to plot our progress. **Unconscious bias training** is an integral part of our management and leadership development programmes and will be rolled-out as a standalone module during 2018. We are also reviewing our recruitment and selection processes, to ensure that we recruit from a wider talent pool and that our practices are truly inclusive.

 We offer opportunities for flexible working to meet individual employee needs and have a good record of accepting part time working requests, a practice that should particularly encourage women to return after maternity leave. We think there is more we can do and the **Steering Group** will consider further enhancements in this area, including 1-2-1 coaching for women returning to work from maternity leave and how we can support the CII's *'Insuring Women's Futures'* programme.

I confirm the data reported is accurate.



Frank Murphy
Chief Executive Officer
01 March 2018



Janis Stylianou
Group HR Director
01 March 2018