



Focused
on the
next 50.

Gender Pay Gap Report 2018

FRANK MURPHY – GROUP CEO



Last year we reported that like many other organisations in the Lloyd's and London Insurance market, we have far fewer women than men in senior, higher paid roles.

Our second gender pay gap report shows that our pay gap remains largely unchanged, so we know we still have work to do. We didn't expect the reported figures to change quickly – we recognise it will take time for the work we're doing around inclusion to be reflected in a narrowing of the gap.

Nonetheless, we have been working hard to deliver the commitments we made in last year's report to help attract more women at all levels in the business, retain our talented women and provide great development opportunities. I'm particularly pleased that we now have three senior women on our Board; evidence that we are living up to our commitments and demonstrating that women can break into senior roles in a world where men traditionally dominate the top spots.



The pace of change in our industry is accelerating and we are positioning ourselves to meet the resulting challenges and turn them into opportunities. The inclusion initiatives we're putting in place – from updated policies and enhanced benefits to new learning events and additional forms of career support, will all accelerate opportunities for women to progress in our business and help to ensure that THB is prepared for the future.

EXPLAINING THE NUMBERS

- **The gender pay gap** is defined as the difference between the mean or median hourly rate of pay and bonuses that male and female employees receive.
- **Equal pay**, on the other hand, is measured by the pay difference between men and women who carry out the same jobs, similar jobs or work of equal value.
- The gender pay gap is influenced by the distribution of male and female employees across the organisation.
- Having fewer women in senior, higher paid roles than men will typically drive a higher gender pay gap within an organisation.



OUR RESULTS

OUR GENDER PAY AND BONUS GAP

	MEAN	MEDIAN
HOURLY FIXED PAY	41.4%	38.8%
BONUS PAID	64.2%	63.0%

This table shows our overall mean and median gender pay gap based on hourly rates of pay as at 5 April 2018. It also captures the mean and median difference between bonuses paid to our male and female employees in the year up to 5 April 2018 (i.e. for the 2017 performance year).

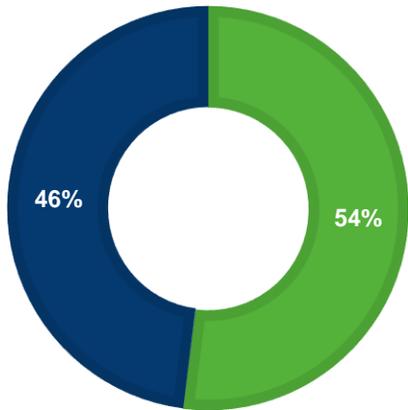


The bonus gap reflects that we have more senior men in broking and business production roles, where the potential to earn a large bonus is greater.

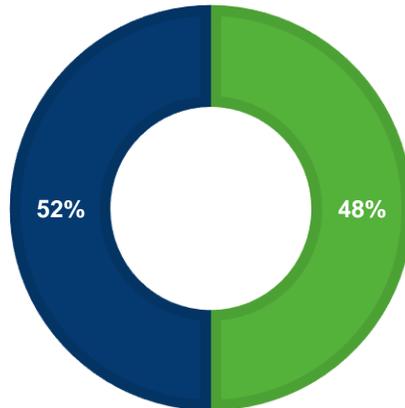
PAY QUARTILES

THE PROPORTION OF MALE AND FEMALE EMPLOYEES ACCORDING TO QUARTILE PAY BANDS

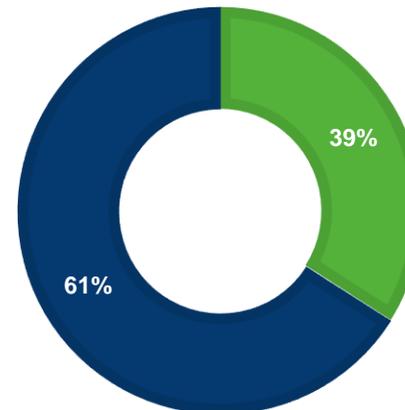
LOWER QUARTILE



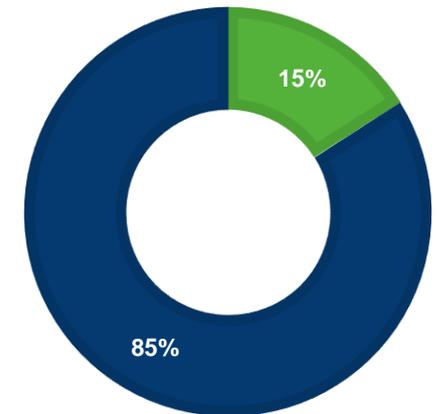
LOWER MIDDLE QUARTILE



UPPER MIDDLE QUARTILE

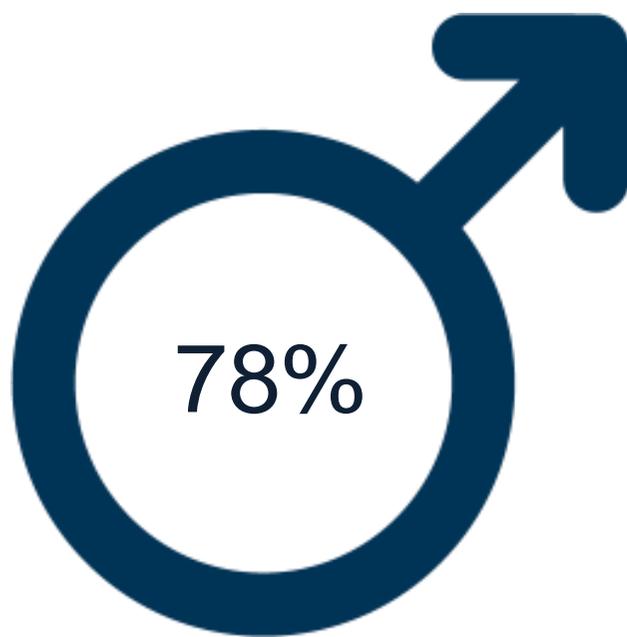


UPPER QUARTILE



MALE   FEMALE

PERCENTAGE OF EMPLOYEES WHO RECEIVED A BONUS



4% more women than men received a bonus for their performance in 2017.

UNDERSTANDING THE GAP

Men and women employed at THB are paid equally for carrying out equivalent jobs. However, like many other businesses in the sector, the analysis shows that our gender pay gap is driven by the fact that we have a higher proportion of men than women in more senior, higher-paid roles, particularly within our broking teams.

We have a good gender balance across the lower pay quartiles and are encouraged by the increased proportion of women that have moved into the Upper Middle Quartile over the past 12 months. However, we recognise that at the senior level women are still under represented.

The percentage of women receiving a bonus during the year was slightly higher than men for the second year running. However, bonuses paid to men are, on average, larger than those paid to our women. This is because there is greater opportunity to be paid a higher bonus within our broking divisions where we have fewer women, particularly at the senior level.



JANIS STYLIANOU – HR DIRECTOR



At THB, we know that a diverse, inclusive and transparent organisation is central to our success – it's more than just 'doing the right thing', it's good for business.

We are fully committed to creating an environment in which all our employees have the opportunity to progress on the basis of their performance and contribution, regardless of gender or any other characteristic. We draw on the widest possible range of views and experiences when we look for talented people to join THB and our efforts don't stop once we've got them through the door; we support our employees at every stage of their career through our range of development programmes.

We have made meaningful progress over the past year by identifying rising talent and supporting employees through our learning and mentoring programmes. We also introduced market leading maternity benefits to help support our working mothers. However, we still have too few women at senior level and our challenge now is to strengthen the career pathways that will take our women to the top of the business, enabling them to develop careers and progress into management and senior leadership positions.



PROGRESS ON LAST YEAR'S COMMITMENTS



We continue to raise awareness around the company of the benefits of a diverse workforce and inclusive culture. Our D&I Steering Committee is driving change and helping the leadership team identify practical ways to improve the culture and encourage inclusion.



The Insight, Internship and Graduate Programmes are established and now in their third year. In 2018, we introduced our new Apprenticeship Programme. Across these programmes overall, we have achieved gender balance in 2018.



Our Young Professionals meet regularly, both formally and informally, with the leadership team. In 2018, they played an active role in re-defining our Corporate Values.



Our Women@THB network met throughout the year, supporting Insuring Women's Futures and hearing from senior women in the business and across the market.



We improved our maternity pay arrangements, ensuring new mothers at THB are supported financially at moments that matter. We're proud that our maternity package, which now includes maternity coaching, is amongst the best in the London insurance market.



All employees have access to our mentoring programme. Our commitment to find a mentor for any woman in the business still stands, including connecting with mentoring schemes outside the company.



We have embedded unconscious bias training in our ILM accredited leadership and management development programmes.

OUR ONGOING COMMITMENTS

INCLUSIVE RECRUITMENT

- Introduce inclusive awareness training for all managers involved in recruitment.
- Work with our preferred recruitment partners to deliver more gender balanced candidate lists.

CAREER PROGRESSION

- Define clear and objective career pathways so that criteria for progress are more transparent.
- Enhance our learning and development opportunities, building on our existing programmes for coaching, education and mentoring of women in the business.
- Actively promote the policies we have in place to support progression for women, such as flexible working arrangements and family friendly initiatives.

INCLUSIVE CULTURE

- Work with organisations dedicated to diversity, inclusion, mental health and work-life balance to identify and implement best practice.
- Continue to empower our D&I Steering Committee, which is composed of a diverse group of individuals at all levels of seniority, to identify initiatives specifically to encourage diversity in the workplace.
- Support and promote market D&I initiatives, using our social media presence.





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We are pleased to confirm that the published Pay Gap information in this report is accurate.

FRANK MURPHY
GROUP CEO

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HR DIRECTOR



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