



I'm pleased to report a third consecutive year of improvement in our gender pay gap figures for 2019.

The challenges to closing the gender pay gap remain the same, and like many other businesses, ours is driven by the fact that we have more men than women in more senior, higher-paid roles. We are focused on improving this, and have seen some positive year-on-year movement in female representation within the upper middle and upper quartiles, but there is more to do.

Diversity and inclusion has been a strategic initiative for Hiscox for several years now, and in 2019 this work focused on aspects including expanding our talent pool by recruiting in new ways; building on the success of our employee networks; and improving our parental leave transparency by publishing our maternity, paternity, shared parental and adoption leave policies. You can find out more on page 4.

I hope this report underscores our focus on building an engaged and inclusive workforce, and confirm that the data set out in the following pages is accurate.



Richard Watson
Hiscox Group Chief Underwriting Officer
Executive sponsor, diversity and inclusion

Pay and bonus gap – difference between men and women

	2019		2018	
	Median	Mean	Median	Mean
Hourly pay gap	22.6%	26.1%	24.5%	28.8%
Bonus pay gap	31.0%	61.0%	33.1%	48.3%

The proportion of females receiving a bonus during the year was 87% versus 90% of men.

As a company with more than 250 employees we are required by the UK Government to publish details of the gap in pay between men and women, which we did for the first time in 2017 and again in 2018.

This report examines the gender pay gap which the government defines as, “...an equality measure that shows the difference in average earnings between women and men”. It is not the same as equal pay, which is the amount paid for carrying out like-for-like roles.

Our report also explores the gender gap in bonus payments. We see more volatility in this measure year-on-year due to both the nature of our business and the personal decision of employees when it comes to exercising their share options.

We also explain what we are doing to close the gap in both salary and bonuses, by making sure more women have a better chance to progress to senior roles within Hiscox.

Gender pay gap

Our data was taken from the April 2019 pay period and converted to an hourly rate of pay for each of our 1,300 UK employees regardless of their job role, level of seniority, or location. The average hourly pay for men and women was calculated on a **mean** and **median** basis.

? The 'mean' is the average. It is the total of all hourly rates, divided by the total number of employees.

The 'median' is the middle value, or the midpoint of hourly rates, when listed in order.

It can be useful to look at the median as it is less affected by numbers at the top end of the pay spectrum, such as the earnings of a small number of senior executives.

	Median	Mean
Hourly pay gap	22.6%	26.1%

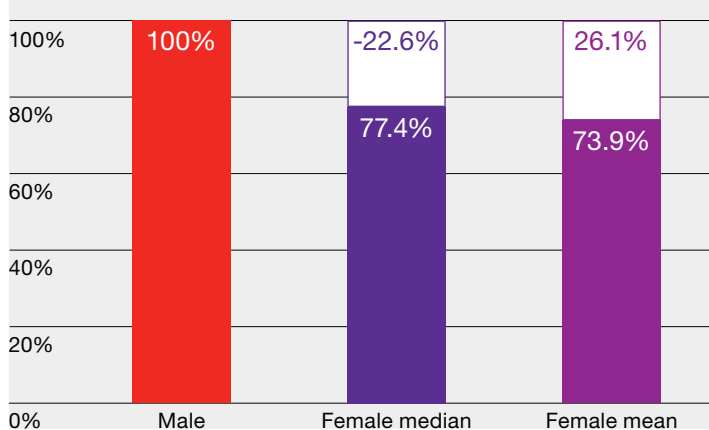
While we know men and women employed at Hiscox are paid equally for carrying out equivalent jobs – we have a robust process in place to ensure pay levels are reviewed fairly and consistently – our analysis shows that the pay gap is still largely due to having fewer women at senior levels.

This imbalance is shown in the chart to the right. It was created by ordering all employees, irrespective of gender, in terms of highest to lowest hourly pay. The data was then split into four equally-sized groupings with those in the highest paid grouping shown below in the upper quartile row, and those in the lowest paid grouping in the lower quartile row.

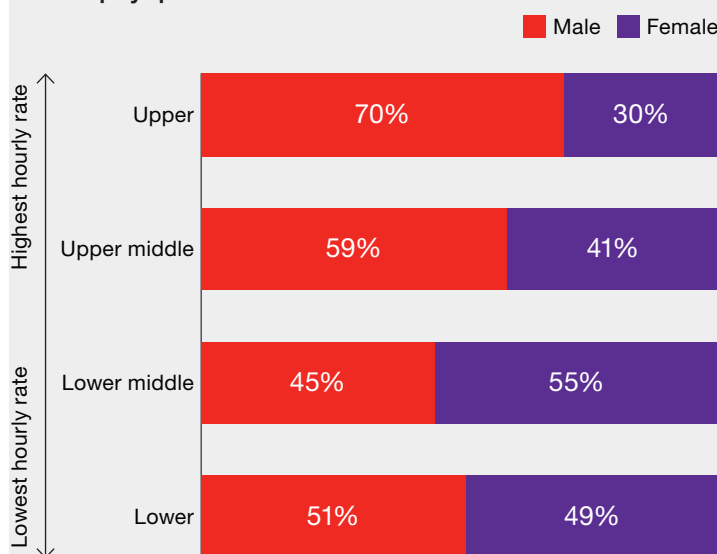
We are pleased to see some year-on-year improvements, with female representation in the upper middle quartile up one percentage point and by four percentage points in the upper quartile.

However, if you compare the lower quartile row – where the male/female split is fairly even – with the upper quartile, where men make up 70% and women only 30%, then it is clear that there is still more to do to improve the representation of women at more senior levels.

Gender pay gap



Proportion of male and female colleagues in each pay quartile



Bonus pay gap

Turning to the difference in bonus pay between men and women, we took bonus payment data from the 12 months to 5 April 2019. We have not adjusted the amounts to reflect the impact of part-time working and temporary absence.

	Median	Mean
Bonus pay gap	31.0%	61.0%

There is equal opportunity to earn a bonus at Hiscox. The proportion of females receiving a bonus during the year was 87% versus 90% of men.

The actual number of men and women who were not eligible to receive a bonus were the same, but when expressed as a percentage the numbers distort as the male population is larger.

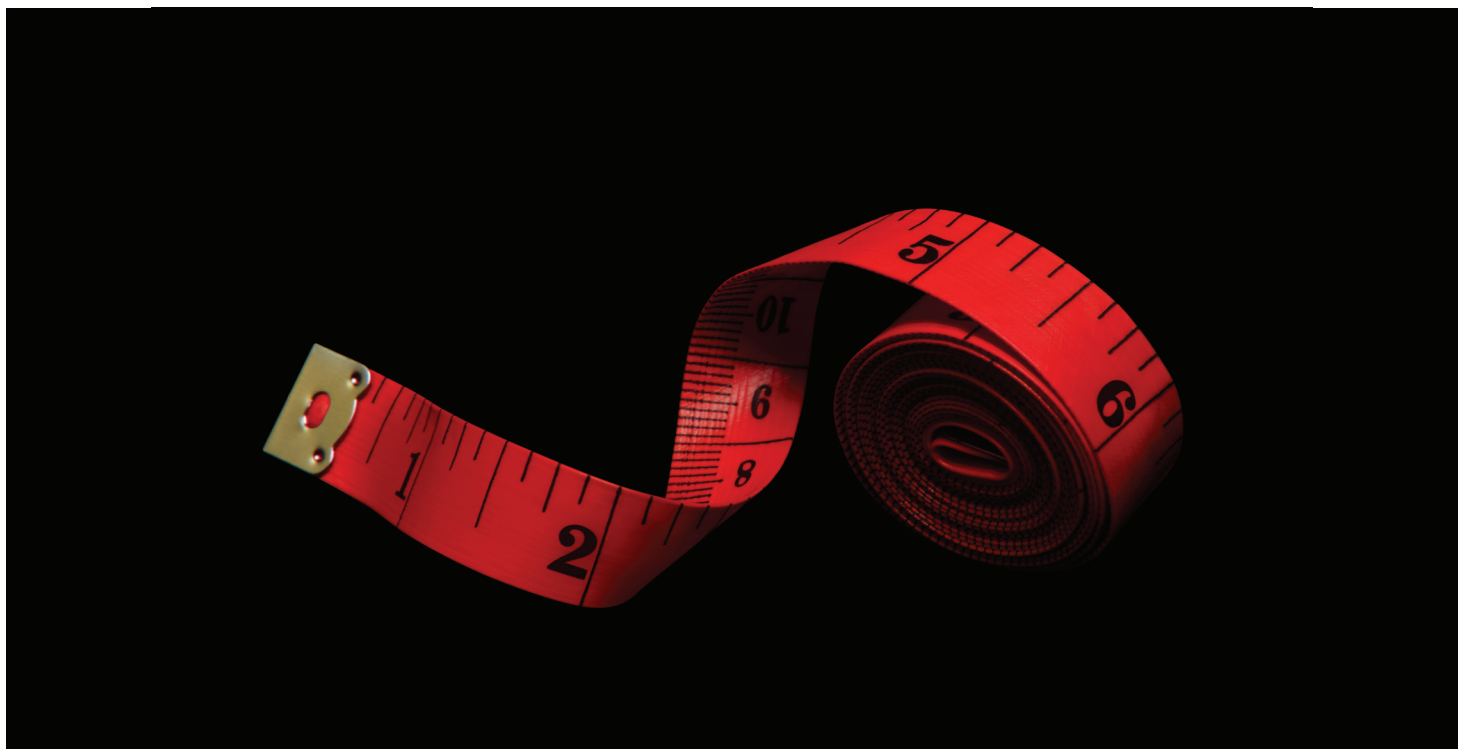
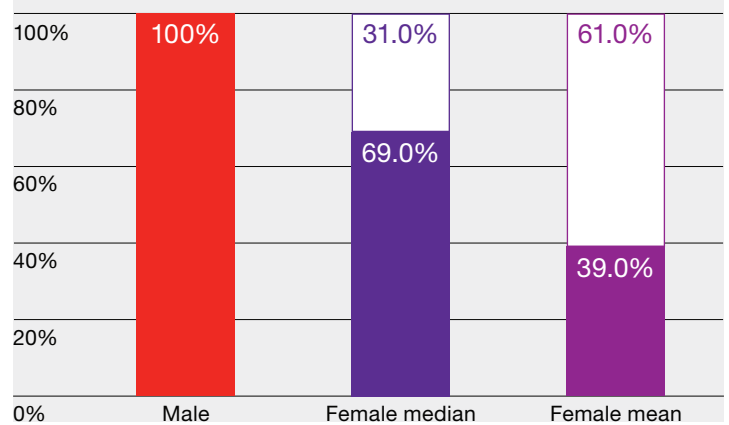
	Male	Female
Received a bonus	90%	87%

Since there is a higher representation of men at senior levels in the organisation in roles which attract higher variable pay, men's bonuses are, on average, larger than women's bonuses.

The bonus gap is a volatile measure. The nature of our business means that bonuses fluctuate depending on our claims experience; a higher claims frequency can lead to reduced bonus potential, and vice versa. However, the year-on-year improvement in the median bonus gap is reflective of more women occupying roles with higher bonus potential.

These figures also include share options exercised which can vary year to year, as timing is a personal decision for employees.

Gender bonus pay gap



Taking action

Improving our gender pay gap means getting more women into more senior roles at Hiscox. This requires positive action, and is a big part of our diversity and inclusion efforts. Here are some of the steps we have taken during the last 12 months.

Recruitment



We are targeting a more diverse pool of students for our UK graduate and intern roles, through campus events with universities and business societies, and in our work with careers services at both Russell Group and some non-Russell Group universities. These efforts are changing our talent pool. Beyond our UK graduate and intern opportunities, we continue to strive for gender balanced shortlists for roles, and the KPIs we have in place are having a positive effect.

We are embedding diversity and inclusion topics into our existing personal development training modules globally, for example by enhancing our people manager toolkit to build on the 'unconscious bias' section of the training by offering a half-day workshop on inclusive leadership which covers issues such as work allocation and how to provide feedback.

Training and development



Networking and peer support



Our employee networks are thriving, and our nine networks now have over 1,000 members combined. From Women At Hiscox to Parents and Caregivers, each network provides a forum for focused discussion as well as practical activities and support. Recent topics covered include personal branding and imposter syndrome, as well as a panel discussion from three female members of the Hiscox Boards on career journeys and Non Executive Director roles.

We have enhanced what we say publicly about our parental leave policies and supported campaigns from Mumsnet and the Association of British Insurers for greater transparency by publishing our maternity, paternity, shared parental and adoption leave policies on our website. These can be viewed at www.hiscoxgroup.com/sites/group/files/documents/2019-09/Parental-leave-at-Hiscox.

Parental leave transparency



Insuring Women's Futures



We are actively involved in the Chartered Insurance Institute's Insuring Women's Futures campaign, which aims to promote and enhance the profession's role in relation to women and risk. In particular, we are supporting their Talk to 10k initiative, which is focused on improving women's financial lives including what they term 'the moments that matter' (such as having children), with internal events and articles that inform and educate.

To view the latest job vacancies at Hiscox: hiscoxgroup.com/careers