



Gender pay gap report 2020



Introduction



At Royal London we are committed to building a diverse and inclusive environment in which all colleagues can thrive. We understand that businesses that are diverse perform better and, as a modern mutual, it's important to us that we are representative of our members, customers and the communities in which we work.

Our Gender Pay Gap report is an important part of understanding how we are doing in living up to this commitment, and in particular how we are supporting women to develop and progress their careers within Royal London.

We know the main cause of our pay gap is that we currently have more men than women in senior roles. This is the case for many organisations and it cannot be resolved quickly. We want to acknowledge that our efforts so far have resulted in improvements, but that we are continuing our work to understand how we can best address our pay gap's root causes.

This year's data show we have continued to make progress in closing the gap across both The Royal London Mutual Insurance Society Limited (RLMIS) and Royal London Asset Management (RLAM). We will not become complacent, however, and will use this positive progress to advance those initiatives that will help narrow the gap further.

As we work to increase diversity generally within our organisation, we are specifically looking at how we can make Royal London an employer of choice for women looking to further their careers while also encouraging our existing female colleagues to continue their progression with us. Offering a wide range of flexible working options to all our colleagues and making efforts to eliminate biases in our recruitment process will help. We firmly believe that the best way we can tackle our gender pay gap is to increase female representation across all levels and disciplines. We will continue to work towards achieving that aim.

I confirm that the gender pay gap data presented in this report are accurate.

A handwritten signature in black ink, appearing to read 'Barry O'Dwyer', written in a cursive style.

Barry O'Dwyer
Group Chief Executive

Gender pay gap reporting

In 2017, UK companies with 250 or more employees were first required to publish a report on their gender pay gap.

The gender pay gap statistics measure the differences in the average pay of men and women, regardless of the job they do in an organisation. It is not the same as equal pay, which compares the pay of men and women who do the same, or similar, work.

At the time of reporting in April 2020, our employing entity in the UK – The Royal London Mutual Insurance Society Limited (RLMIS) – had 3,758 employees.

Royal London Asset Management (RLAM) is a part of the RLMIS Group but is not required to report independently. Again, we are choosing to publish the RLAM results in the interests of full transparency. RLAM operates in the Asset Management industry with its distinctly different pay structures and market for talent, so its results are notably different to the rest of the Group. Our approach to addressing the gender pay gap covers the whole Group, including RLAM.

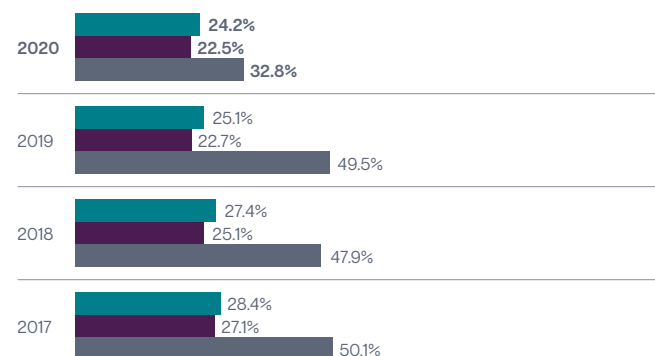
Our 2020 gender pay gap

We have seen an improvement in both our median and mean gender pay gaps compared to last year. The median pay gap for RLMIS has reduced from 28.4% when we first reported in 2017 to 24.2% in 2020. Whilst the improvement this year has largely been as a result of the significant improvement in RLAM, which we discuss later in this report, we continue to see gradual progress across the Group for both pay and bonus on both median and mean gaps. The median bonus gap has also seen progress in 2020.

■ RLMIS
■ RLMIS (excl RLAM)
■ RLAM

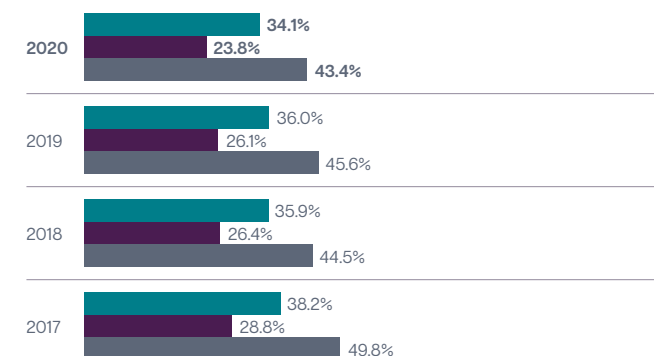
Median pay gap

The difference between the middle-ranking man's overall pay and the middle-ranking woman's



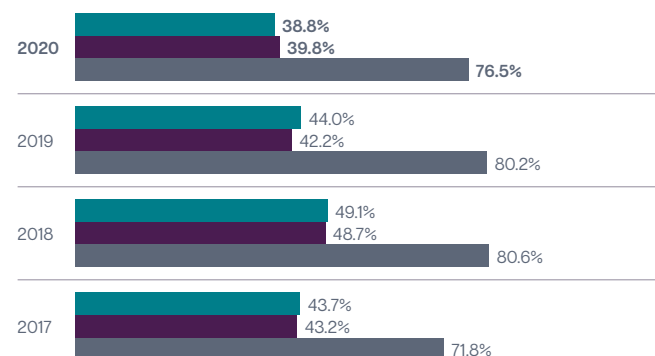
Mean pay gap

The difference between the average overall pay per man and average overall pay per woman



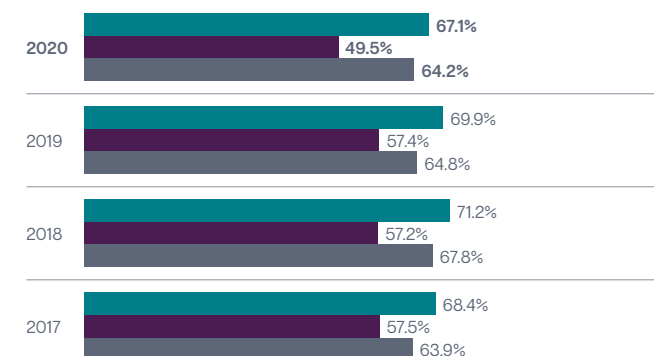
Median bonus gap

The difference between the middle-ranking man's bonus and the middle-ranking woman's



Mean bonus gap

The difference between the average bonus per man and average bonus per woman

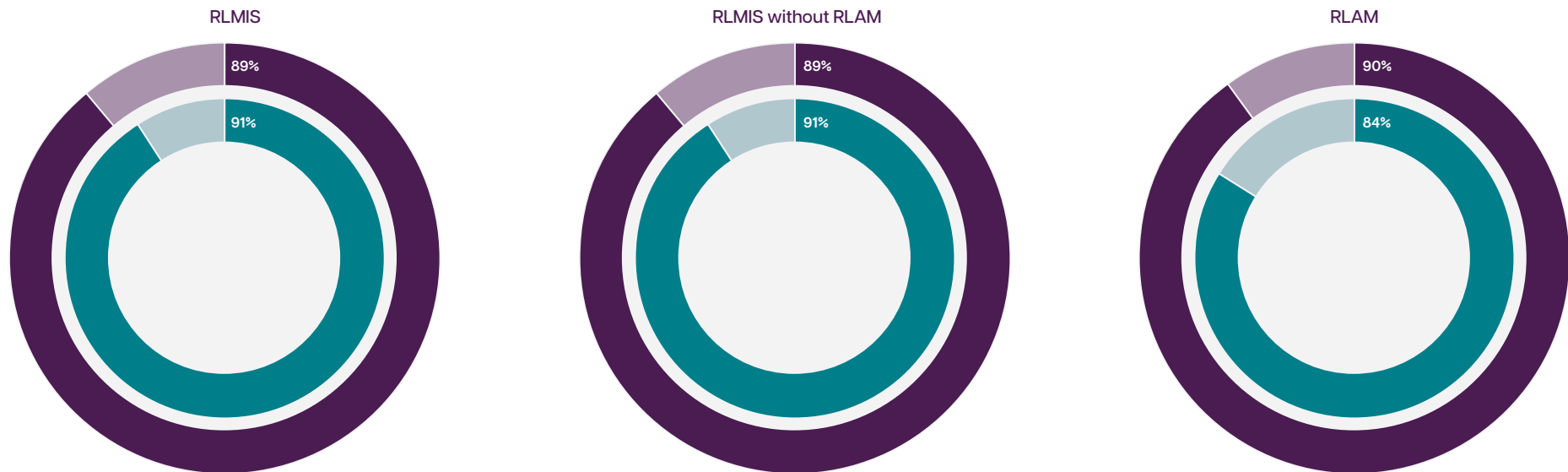


People receiving bonuses in 2020

Slightly more women than men received bonus pay in 2020 in RLMIS as a whole, although fewer women received bonuses in RLAM, largely as a result of recruiting a number of women who were then ineligible to receive a bonus as they joined after the end of the 2019 performance year, the reference point for April 2020 bonus payments. In 2021, these new recruits are expected to have a positive impact on the overall pay and bonus gaps in RLAM.

- Men who received a bonus
- Men who received no bonus
- Women who received a bonus
- Women who received no bonus

Proportion of men and women who received a bonus

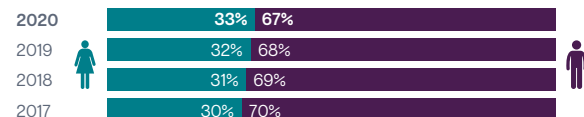


Pay quartiles for 2020

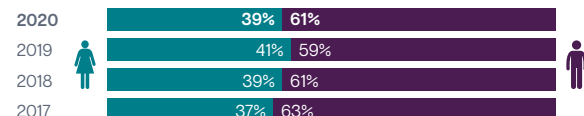
By viewing the gender balance across four equal pay quartiles, we get a picture of the extent to which our workforce structure impacts Royal London's gender pay gap. We have continued to see a steady trend of more women in the upper quartile in RLMIS since 2017. Representation of women in the upper middle quartile has fallen slightly at the RLMIS level, despite strong progress being made in RLAM.

RLMIS

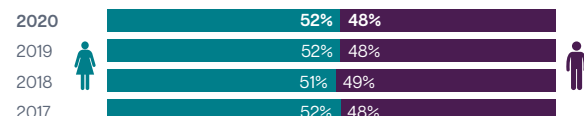
Upper quartile (highest paid)



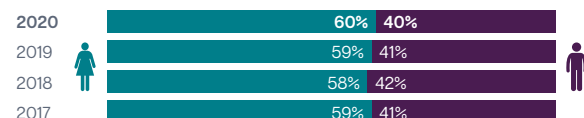
Upper middle quartile



Lower middle quartile

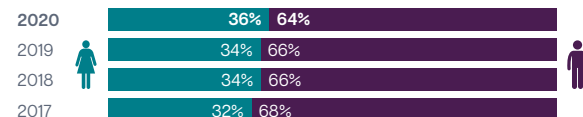


Lower quartile (lowest paid)

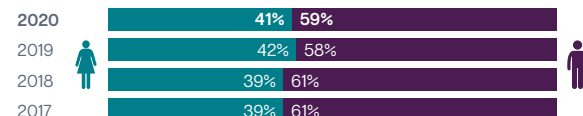


RLMIS without RLAM

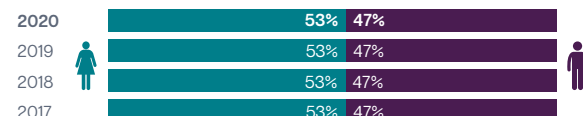
Upper quartile (highest paid)



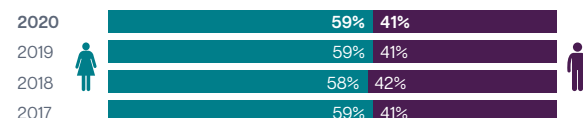
Upper middle quartile



Lower middle quartile



Lower quartile (lowest paid)

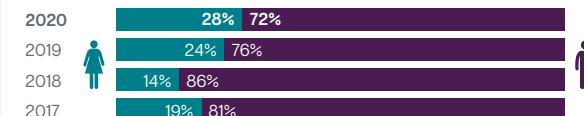


RLAM

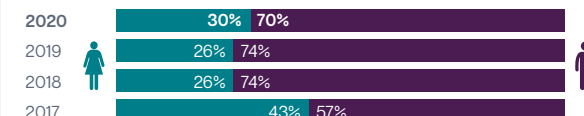
Upper quartile (highest paid)



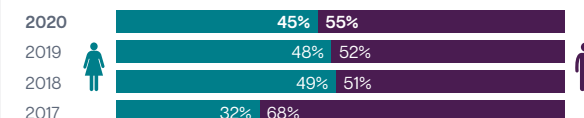
Upper middle quartile



Lower middle quartile



Lower quartile (lowest paid)



Pay quartiles are prepared by ordering the population by overall pay from lowest to highest, and then dividing it into four equal sub-populations (lower quartile, lower middle quartile, upper middle quartile and upper quartile) to show how the distribution of men and women varies according to each quartile.

What's behind our pay gap – and what we're doing to close it

We are aware that the main cause of our gender pay gap is having more men than women in senior roles and in highly paid specialist areas, as is the case at many other organisations. Since committing to the Women in Finance Charter in 2016, progress has been made to achieve better representation of women in these spaces. However, we are mindful that there is still some way to go.

Our main RLMIS figures include the RLAM population and this has a notable impact because of the industry in which RLAM operates. The pay structures and heavily male make-up of the talent pool lead to RLAM's pay gap figures being noticeably higher than the rest of the Group, and for this reason we present RLAM separately from RLMIS in the statistics in this report. RLAM's pay gap has narrowed this year following the recruitment of a number of women in the previous year's reporting window who became eligible for a full-year's bonus this year.

Another impact on our pay gap is our approach to paying our annual bonuses at the start of the following tax year in April. Following the Government's reporting methodology, these payments are then captured in the April reference window for the hourly pay gaps. Many other companies in our industry pay earlier in the year, which leads to our main pay gap statistics appearing larger than they would if we paid bonuses earlier.

We remain committed to paying our colleagues equally and fairly for the same or equivalent work, regardless of somebody's gender or any other difference. We match all our colleagues into external market surveys to verify that we are paying them appropriately for their role, experience and contribution. During our annual pay review process, our People Function reviews pay proposals for consistency and fairness, challenging anything inconsistent with equal pay principles.

Our efforts

In 2018, the Government Equalities Office and Behavioural Insights Team [published a report](#) of evidence-based actions to help reduce an organisation's gender pay gap and improve gender equality. Whilst our existing initiatives already covered many of the suggested actions, these insights continue to serve as a useful benchmark and influence the direction of some of our actions for 2021 and beyond.

We are continuing to work hard to build on our inclusive culture and diverse workforce across our businesses. This is reflected in our engagement survey results where our people tell us they have a strong sense of belonging, with an overall engagement score of 81%; they also tell us they feel that people from all backgrounds are treated fairly at Royal London, with a score of 87%.

It is clear from analysis of our gender data that, while women make up 46.5% of our workforce (which is in line with the overall UK workforce statistics), they are over-represented in our most junior grades, while representation falls significantly in the more senior grades, where the impact of the pay gap is the greatest.

Women in Finance Charter

In 2016, we signed up to the Women in Finance Charter and set an ambitious target of moving from 32% to 40% females in our management population by the end of 2020. We maintained steady progress towards that target until 2020 when our progress slowed; this was as a result of significant changes in our organisational structure during the year, and a reduction in management hiring as a consequence of Covid-19.

We have, however, seen good progress in our more junior management levels. Therefore, we are re-assessing the suitability of our present targets and working on a new proposal, focused on increasing diversity in our more senior leadership levels, for discussion with HM Treasury.

Our plans aim to have good representation across all of our business areas, including those whose talent pools are traditionally largely male, such as Technology and Asset Management. This year Royal London has become a member of [Women in Banking & Finance](#).



The proportion of women employees
at Royal London

46.5%

What's behind our pay gap – and what we're doing to close it continued

Women's Network

As part of our wider commitment to inclusion we have a range of employee networks whose membership is open to all colleagues. Our Women's Network is now well established and, with a regular rhythm of updates and events, is valued by its 750+ members, made up of both women and men. Recently it expanded to include the Women in Technology community group to support and encourage more women into technology.

The Women's Network was our first employee network and, following its success, was joined by the PRIDE network, which focuses on supporting LGBT+ colleagues, and the BAME network, which aims to provide a space for all ethnicities to connect, share experiences and take action to promote equality and diversity.

In 2020, we launched EARL, our disability network, which aims to enable disability confidence across Royal London. Like our other networks, our Women's Network runs a range of events, such as talks on building career confidence, and has also promoted education around the impact of menopause in the workplace.

HerCapital

Although Covid-19 impacted our participation in the 2020 HerCapital programme, RLAM will continue to sponsor the programme in 2021. The programme helps talented female students from ethnic minority and low socioeconomic backgrounds to build the confidence needed for career success in the asset management industry. We look forward once again to welcoming students to our London office to learn about the industry and available career options, and the participation of members of our senior team in offsite workshops.

Family-friendly policies

Our enhanced family-friendly policies, also introduced in 2018, continue to have a positive impact in supporting our female employees, in particular. We also offer a range of flexible working options across the Group for all our employees, and these have been particularly helpful in supporting our people during Covid-19. For example, we support informal arrangements to adjust working patterns with no impact on hours or pay. We have also temporarily amended our formal flexible policy to accommodate shorter-term requests and to suspend qualifying service requirements. These policies continue to have a real impact on our people at Royal London, and this is brought to life in the examples of colleague experiences at the end of this report.



Inclusion, Diversity, and Talent

We believe the best way to ensure that we erode the gender pay gap is to have better representation of men and women at all grades and across all disciplines. Therefore, the actions to improve the gender pay gap are directly linked to our Inclusion and Diversity and Talent Strategies; this strategy is currently under review to identify concrete actions that can be delivered in the next three years.

The key areas of focus relating to gender diversity are:

- Updated recruitment strategies to attract more women candidates. This includes emphasising our culture and Employee Value Proposition, using real-life case studies from our colleagues on external platforms, flexible working options and opportunities for development.
- Recruitment Excellence training for all our People Leaders has been revised and reissued which targets unconscious bias and diversity as part of our recruitment process. This ensures we have consistency in our approach to recruitment and level of understanding across the business.
- Where possible we encourage diverse interview panels so that we have a diversity of thought in our approach to hiring.
- We are setting up an alumni group to keep in contact with leavers so that we can promote our opportunities and welcome back talent.
- We will conduct an Equal Pay Audit during 2021. This is best practice and ensures that the actions we have taken in previous years to remove any potential pay inequalities have continued to have the desired effect.

Colleague experiences: Women at Royal London

Here, some of our colleagues share their experiences as women in Royal London.



Nadia Al Yafai

Group Head of Social Impact and Responsibility

I interviewed at Royal London when my daughter was four months old and started two months later; the role and the company were too exciting an opportunity for me to miss being part of. I started on four days a week, in order to have a day with my daughter, and I found a company where caring duties were

genuinely understood and supported, but also where there was incredible opportunity to grow your career.

I joined as the Corporate Responsibility Manager to set up our community programme, and over five years have been promoted, expanded my role and remit, and built a great team, to cover the full social impact agenda. The visibility of my role has meant building trust and confidence in my knowledge and capability, as I interact a lot with our CEO, Executive and Board, and undertake presentations at roadshows and AGMs. That exposure has helped me, as a BAME woman, grow personally and professionally, and I've appreciated the level of support and empowerment I've had along the way from more senior leaders, men and women, who really believe in me.

The role has meant some long hours, and a lot of travel, to build a Group-wide programme, but it is balanced by a wider flexible working approach, and a genuinely supportive manager. That open dialogue, between ambition and personal commitments, is one I've seen mirrored throughout the organisation.

Lately, I've also been inspired by listening to other senior leaders talk openly about their personal passions, and watched them change their work/life balance to accommodate charity work, hobbies, family or study. I love that I can be open about my own long-term ambitions and also encourage others to be open too; to bring everything we want to share to our working lives at Royal London.



Ciara Millar

Employee Relations & Policy Manager

I have over 20 years of experience in human resources within financial services and for the last eight of those years I've formed one half of a highly experienced and successful job-share with my job-share partner, Rachael.

For seven years, Rachael and I operated as a job-share for one of the UK's largest financial institutions, but felt we were unable to

progress our careers any further within the organisation due to the lack of flexible working opportunities at more senior levels. When we then saw an advert for an Employee Relations & Policy Consultant for Royal London, we decided to apply together. Royal London were happy to accept our joint application, we interviewed together and were offered the role as a job-share, both working three days with a crossover day to ensure a seamless transition.

As experienced employee relations professionals and an established partnership we were able to hit the ground running, making the job-share work for Royal London. We have already been able to progress our careers further when we applied for, and were successful in obtaining, a secondment to a higher graded role still as a job-share partnership.

I was pleasantly surprised how open Royal London were to accepting a job-share application and how they have embraced the concept of flexible working as being of real benefit to the organisation. It means I can balance the priorities of having a family with the demands of a busy job, whilst knowing I've not had to sacrifice either time with my family or my career to do so.

Colleague experiences: Women at Royal London continued



Genevieve Parry
Trainee Actuary

I joined Royal London three years ago as a summer intern in the Actuarial department. At the time I was studying towards a Master's degree in Actuarial Science and was able to base my dissertation on the work I was

doing for the organisation. I really enjoyed the collaborative culture at Royal London so was pleased to be offered a long-term position.

Since then I've worked in several teams, all within Actuarial, and the work for each one has been very varied and challenging. My goal is to become a qualified Actuary and I've received a great deal of support from the company during my studies to achieve it. I think this support has been crucial in helping me make good progress in the professional exams that I probably wouldn't have made without it – 12 exams down, three to go!

There are plenty of opportunities to stretch yourself, both within and outside of your day-to-day work, and I definitely feel empowered to take advantage of those opportunities – for example, I helped to launch and now co-lead the company's BAME network.

Things have come full circle as I now help to run the internship program that I joined the company through. It feels good knowing I can support students who are in the same position I was in not too long ago. At times it can be challenging to find the right balance with my finger in so many pots but the ability to work flexibly and an encouraging manager has really helped with this.



Susie Logan
Group Chief
Marketing Officer

I joined Royal London in February 2020, firstly as a consultant and was then appointed on to the Group Executive Committee as Group Chief Marketing Officer from 1 January 2021. I have

over 20 years' experience in marketing within financial services and have experienced many types of working environments. I was attracted to Royal London because of its culture and strong reputation. It was immediately clear to me that this is a company which is focused on doing the right thing for customers and members and was working hard to ensure colleagues are given opportunities to develop and support to succeed.

Since becoming a mum, I have found that my children give me an increased drive to succeed in my career. There is no doubt that having a family whilst working means that you are juggling a variety of demands. In the past year that has been truer than ever, as many of us try to home school our children whilst doing our jobs. When you find the right employer juggling demands doesn't mean that you have to put your career on hold.

Royal London puts colleagues first, knowing that when we do that we can deliver for our customers. I can see across the business examples of people working flexibly whilst excelling in their careers. Family demands are the most common reasons, but not the only ones, and it doesn't really matter why someone wants to work flexibly. By supporting people's varying preferences, we can remove the barriers that prevent them excelling at work. Royal London is a company where success doesn't have to be at the expense of flexibility. It's a place where you can develop and succeed whatever the demands of your home life.



Toyin Alalade
Senior Strategy Manager

Following an initial stint in financial services for a few years, I took a one-year career break to work in design. So when the time was right to return to the industry, I chose Royal London. I was hired as

a Strategy Analyst on a fixed-term contract to provide maternity leave cover. Two promotions and four and a half years later, I couldn't be any prouder of the contributions I make to our business.

It has always been important to me that my work is meaningful and my employer does more to support society than make profits. My avid awareness of social issues and values align well with Royal London. I'd mentioned this in conversations with my manager and when the opportunity came up to be involved in the development of our social impact work, I was more than delighted to grab it with both hands. In 2019, I took a more active role shaping and communicating our agenda and was also involved in the recent refresh of our purpose and strategy last year.

In my time here, what has consistently struck me has to be the camaraderie and supportive culture. I've always felt recognised, empowered and challenged. There's never a time when development is not high on the agenda. Also being of Nigerian heritage, I've become more passionate about sharing my experience and supporting younger female colleagues from BAME backgrounds on their career journeys.

I feel extremely blessed to work in an organisation where I can express myself fully and make a real difference.

