



Gender Pay Gap Report 2021

Driven by our Purpose: Protecting today, investing in tomorrow. Together we are mutually responsible.

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 <https://www.royallondon.com/careers/>



Group Chief Executive foreword



“Our positive action plan focuses on 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 progress”

Barry O'Dwyer
Group Chief Executive

We are committed to continuing to build an inclusive culture across Royal London, where our people represent the diversity of our members, customers and the communities in which we work and where all colleagues feel they can learn, develop and make a difference.

Our Gender Pay Gap Report provides us with insight into how we are living up to this commitment and, in particular, helps us to understand how we are supporting women to join, develop and progress their careers within Royal London.

This is our fifth year of gender pay gap disclosures and we have been making steady progress in closing the gap. This year, however, we have seen negative movements for some measures within the results for The Royal London Mutual Insurance Society Limited (RLMIS). The main driver is a shift in recruitment trends, leading to a greater number of women in lower paid roles. Royal London Asset Management (RLAM) continued to make progress in closing its gender pay gap but, due to a strong bonus performance relative to the rest of the Group, RLAM's inclusion has also contributed to the overall RLMIS figures declining. This is the first year we are disclosing figures for PM Central Services Ltd (Police Mutual), which we acquired in 2020. Measures for this business have seen significant improvement, largely driven by a reduction in senior management roles that were held by men.

As Gender Diversity Sponsor, I am personally committed to continuing to drive action to address our pay gap's root causes. We believe that the best way we can tackle this is to increase female representation across all levels and disciplines, and particularly across senior roles.

Through 2021 we continued to strengthen our focus on diversity and inclusion with the support of our Diversity and Inclusion Taskforce, created in early 2021. The Taskforce is made up of representatives from across our business, to ensure a range of colleague voices shape and drive our focus. We also launched a refreshed and emboldened diversity and inclusion strategy which aims to maintain our inclusive workplace while taking positive action focused on women. In addition, we confirmed our commitments to increase the number of women in senior leader roles, through a renewed HMT Women in Finance Charter target.

Our positive action plan focuses on 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 progress. However, change takes time and we will continue to work to achieve that aim, tracking our successes and refining our actions based on feedback and learnings.

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

A handwritten signature in black ink that reads "Barry O'Dwyer". The signature is written in a cursive, slightly stylized font.

Barry O'Dwyer
Group Chief Executive

HMT Women in Finance Charter

We signed up to the Women in Finance Charter in 2016 and have been working towards targets to increase the number of women in our senior leader roles. We increased our targets at the beginning of 2021 with a commitment to reach 42% women in senior roles by 2025. At 31 December 2021, our position was 36%. Our focus is ensuring we have good representation across all of our business areas, including those whose talent pools are traditionally largely male-dominated, such as technology and asset management. Across 2021, only 28% of applications to our senior roles were from women; however women made up 33% of interviewees and 32% of appointments in that group. Attracting women externally to apply for our senior roles within financial services remains challenging in a competitive market. We are aware of this and will be working on improving applicant ratios.

2021 gender pay gap

Gender pay gap reporting

UK companies with 250 or more employees are required to publish annual reports 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 an equal pay audit (which we also carry out each year), which compares the pay of men and women who do the same, or similar, work.

At the time of reporting, to April 2021, our employing entity in the UK – The Royal London Mutual Insurance Society Limited (RLMIS) – had 3,901 employees. 391 Royal London Asset Management (RLAM) colleagues are included within that number as they are employed by RLMIS. RLAM is not required to report independently; however, we choose to publish its 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 from the rest of the Group. Following its acquisition by the Royal London Group in October 2020, we also include Police Mutual as a standalone entity alongside RLMIS in the report for the first time. In the April 2021 reporting period, Police Mutual's 303 colleagues were employed by a separate entity and therefore their figures are reported separately, in line with legislation. Our approach to addressing the gender pay gap, as outlined in the report, covers the whole Group, including RLAM and Police Mutual.

Our 2021 gender pay gap

This year we are disappointed to report we have seen some of the headline measures go against the general trends of progress that we have reported in previous Gender Pay Gap Reports. While there have been some positive movements in the RLAM and Police Mutual populations, for the main RLMIS population the median and mean pay and bonus gaps have widened. We have identified two key underlying reasons behind the changes:

- The gaps have been impacted by the gender split of our recruitment into lower graded roles. In the year since our last reporting period, we hired 248 new people into our lowest graded roles and, of these, two-thirds were women, which is higher than usual. Many people in these roles are attracted by the flexibility they offer; however, as these roles are at the lower-end of our pay range, the gender recruitment split has had a negative effect on some aspects of our figures. We have modelled that the key RLMIS mean and median pay gaps would be comparable to 2020 levels had the recruitment split followed a similar pattern to previous years.
- While there has been good progress for our RLAM population in isolation, 2020 was a notably strong year for bonuses in that part of the Group relative to other areas. This, together with RLAM's gender profile being heavily male orientated (which is in line with the wider asset management industry), has contributed to the gaps increasing at the RLMIS level.

As well as understanding any gender pay gaps, we are also committed to taking action on the findings (detailed on Page 7), such as implementing female-focused internal programmes aimed at retaining, developing and



empowering women. These are open to all colleagues but we encourage women to sign up. The programmes include Career Confidence (detailed on Page 9), Inclusion Networks Mentoring (detailed on Page 9) and our Empowering Talent programme for senior women. Our talent strategy complements these initiatives by identifying emerging female talent and ensuring targeted development supports their progression.

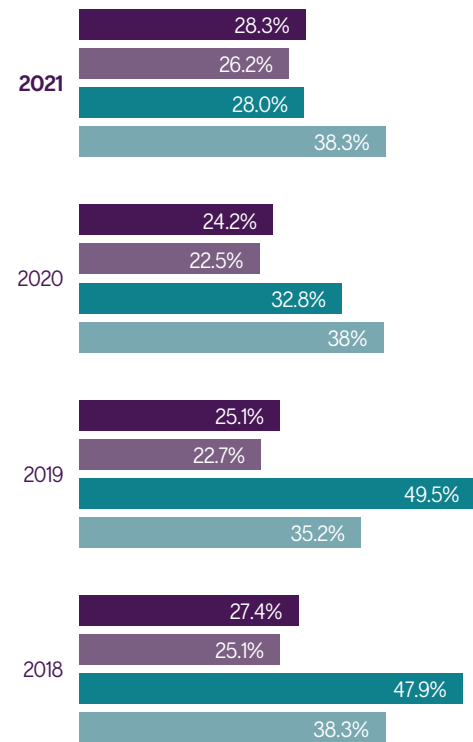
3,901
Royal London employees

303
Police Mutual employees

Median and mean gender pay and bonus gaps in 2021

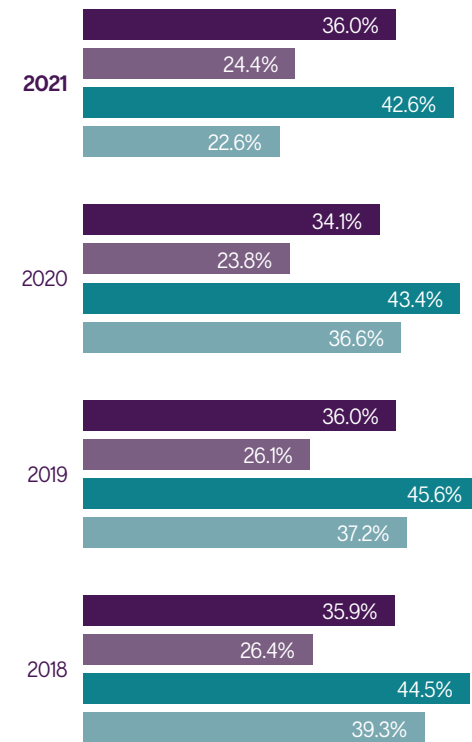
Median pay gap

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



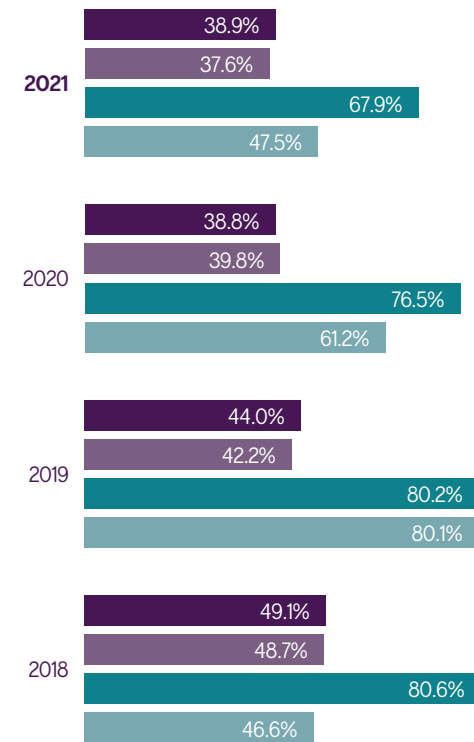
Mean pay gap

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



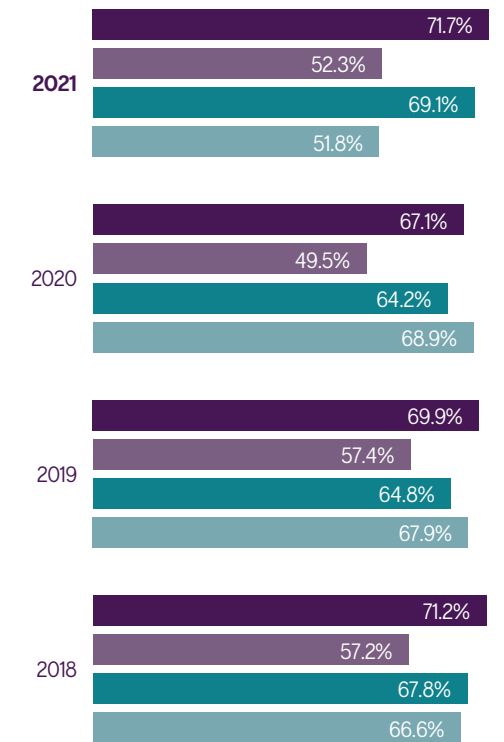
Median bonus gap

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

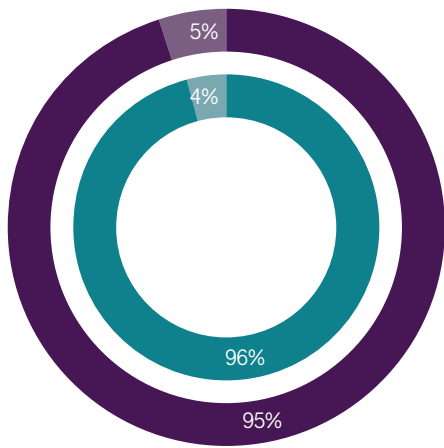


■ RLMIS ■ RLMIS without RLAM ■ RLAM ■ Police Mutual

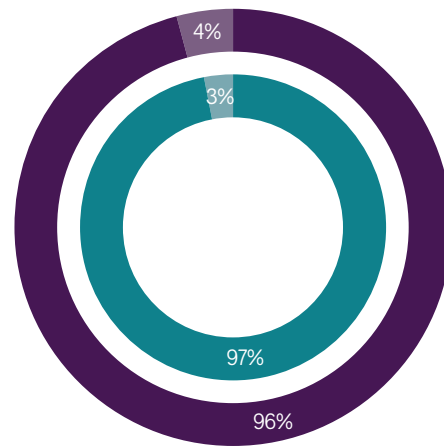
People receiving bonuses in 2021

Proportion of women and men who received a bonus

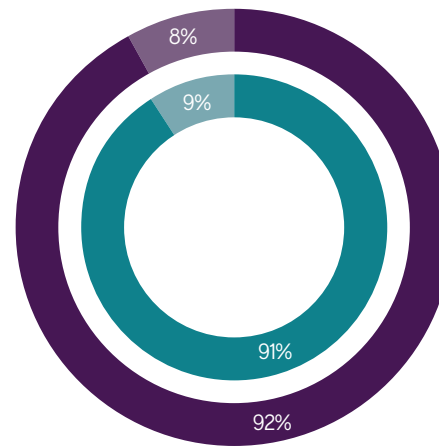
RLMIS



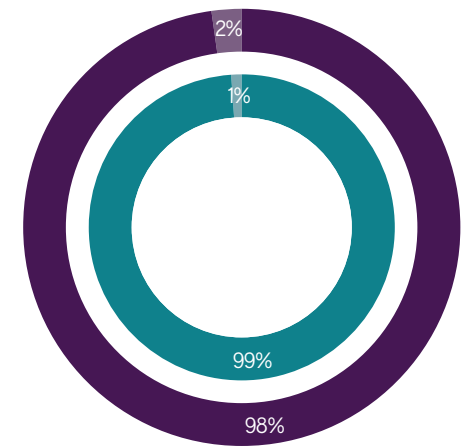
RLMIS without RLAM



RLAM



Police Mutual

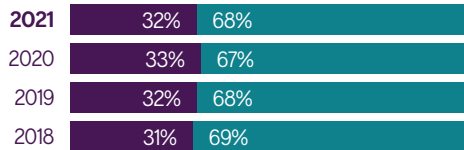


■ Women who received a bonus ■ Women who received no bonus ■ Men who received a bonus ■ Men who received no bonus

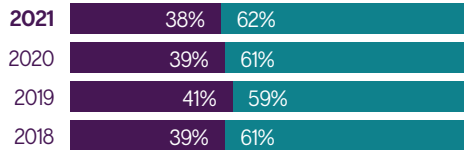
Pay Quartiles for 2021

RLMIS

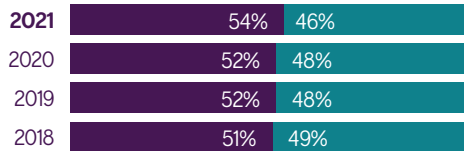
Upper quartile (highest paid)



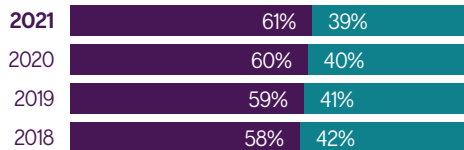
Upper middle quartile



Lower middle quartile

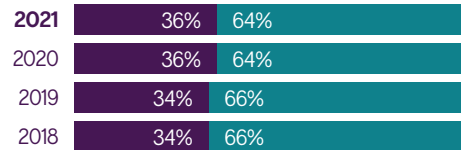


Lower quartile (lowest paid)

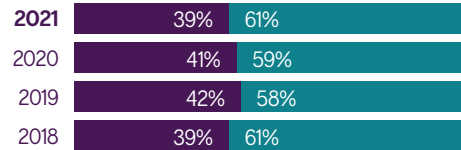


RLMIS without RLAM

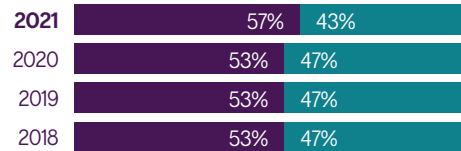
Upper quartile (highest paid)



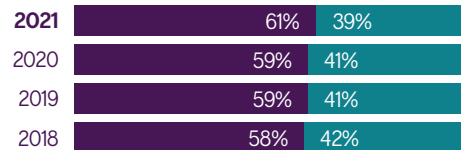
Upper middle quartile



Lower middle quartile

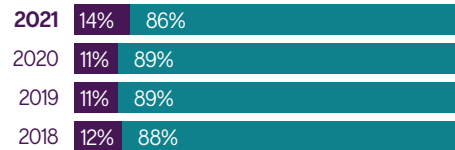


Lower quartile (lowest paid)

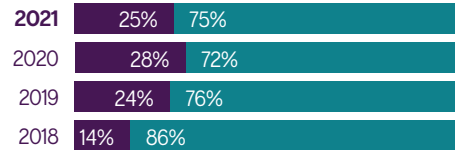


RLAM

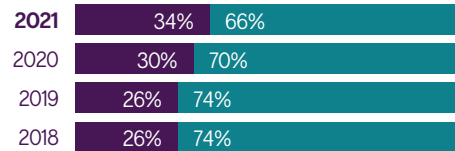
Upper quartile (highest paid)



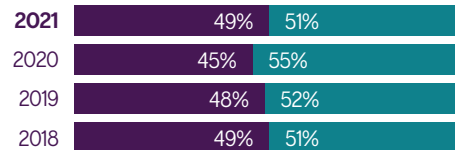
Upper middle quartile



Lower middle quartile

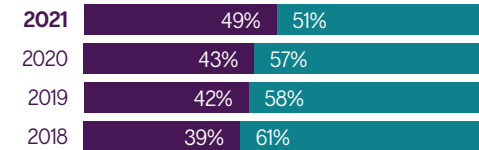


Lower quartile (lowest paid)

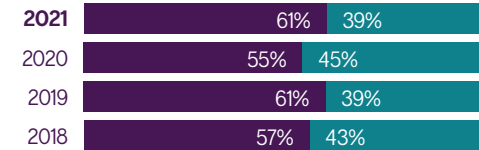


Police Mutual

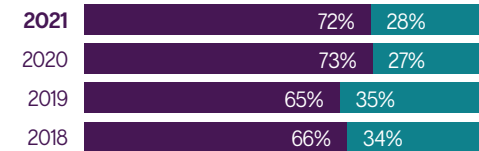
Upper quartile (highest paid)



Upper middle quartile



Lower middle quartile



Lower quartile (lowest paid)



■ Female ■ Male

Progress on our action plan

Positive Action Plan

A Diversity and Inclusion Taskforce was set up in early 2021 to ensure colleagues' views directly shaped our refreshed diversity and inclusion strategy and three-year positive action plan.

We have continued to focus on actions that support women across Royal London including:

- A focus on continuing to embed inclusion through our colleague life cycle from attraction, selection, onboarding and induction through to talent management, and how we engage and reward colleagues. This includes strengthening our family friendly policies, promoting flexible working and working with our inclusion networks (detailed on Page 8) to continually listen to and act on colleague feedback to make a difference.
- Supporting leaders and colleagues to help manage unconscious bias and continuing to proactively advocate an inclusive culture. This included inclusive leadership exploratory sessions with our Board and Group Executive Committee as well as focused sessions with our functional senior leadership teams. In 2021 we launched a new mandatory e-learning module to all colleagues, educating them to recognise and manage unconscious bias and advocate inclusion. We also introduced a team inclusion discussion toolkit for leaders to hold exploratory conversations in their team meetings.
- Targeted initiatives through various stages of the recruitment and retention cycles:
 - During attraction, encouraging women to apply for vacancies via bespoke advertising campaigns, utilising our gender language tool and using more diverse job boards, such as Find Your Flex and Working Mums; and
 - During selection, by ensuring our recruiting managers are trained appropriately, we have mixed gender interview panels and our selection processes are fair and balanced.



National Inclusion Week

In September 2021 we took part in Inclusive Employer's National Inclusion Week - celebrating inclusion in all its forms, with a focus on our own inclusive culture.

As part of the week of activity, our inclusion networks hosted an event with Maggie Alphonsi, pictured, the face of international women's rugby. Speaking to around 100 colleagues, Maggie shared her experiences around gender, race and sexuality, highlighting intersectionality and answering many questions from colleagues.

Championing inclusion across Royal London and beyond

Our four inclusion networks collaborate with each other and align their activities with our central diversity and inclusion action plan to maximise impact across Royal London. We encourage all colleagues to join a network to demonstrate active support and allyship.

Women's Network

A community that celebrates and supports its members, helps us to learn more and inspires all of us to aim higher. Data and feedback from a survey of members at the end of 2020 helped shape events in 2021. Confidence and development were strong themes and events focused on three key areas of team working, finance, and wellbeing. Events included sessions on adapting to ongoing change, risk and resilience, and financial and economic abuse. There are two sub-groups to the Women's Network – Women in Technology and our Periods & Menopause Group – focused on actions such as supporting over 20 new Periods & Menopause champions and launching guidance and training for leaders.

Highlighting intersectionality, many activities were held in collaboration with other networks around common themes and key dates such as National Inclusion Week.



PRIDE Network

Our LGBT+ network where both LGBT+ colleagues and allies alike can come together as a community and where members can feel comfortable sharing their experiences and connect with one another.

PRIDE isn't just about being LGBT+, it welcomes allies (someone who openly supports LGBT+ people). Joining the network as an ally can help spread positive messages of inclusion. The network aims to support members so they feel confident in their role and achieving their personal and career development.

BAME (Black Asian and Minority Ethnic) Network

The network's aim is to provide a space for all ethnicities to connect, share experiences and take action to promote race equality and diversity – educating, engaging and empowering. The network showcases the diversity, breadth of skills and knowledge that everyone brings to Royal London and colleagues are encouraged to participate by promoting awareness and embracing our rich cultural diversity.

EARL (Enabling disability confidence At Royal London)

The network aims to raise awareness and combat stigma and stereotypes faced by people with disabilities, both visible and hidden. Key areas of focus include developing insight and awareness, building confidence and helping foster an inclusive workforce where colleagues feel supported, having access to the right equipment and supporting people to feel able to progress and develop their skills and careers.



Spotlight on Action Plan Activities

Career Confidence Programme

In September we launched our first Career Confidence Programme which aims to support colleagues overcoming potential career barriers by building confidence, expanding their networks and empowering them to step forward for new or broader opportunities.

A virtual launch session was held in November with around 150 colleagues attending. The interactive event included sharing of participant journeys and experiences, working together to understand and discuss real or perceived blockers and also hearing from others, including Tracey Kneller, Group Chief People Officer, and an external guest speaker, Jane Cordell, a coach and social entrepreneur who is deaf and focuses on supporting people to achieve their full potential.

Feedback was positive and the insight and output from the day has been integral to shaping the rest of the programme to ensure we achieve the desired outcomes.

“It gave me time to really think about where I have been, where I am now and where I want to go and what help I need to get there.”

“It’s been an incredible and value add day - big thanks for the support!”

Inclusion Networks Mentoring Programme

Insight from our inclusion networks listening sessions and surveys identified mentoring as an important strand of support. Phase one focused on our Women’s and BAME network members as these colleagues are under-represented at Royal London, compared with our customers and communities, particularly across leadership roles.

By the end of 2021, all members of our inclusion networks had been offered six hours of mentoring with a senior leader, over a six-month period. A total of 85 mentees were matched, with all providing positive feedback. 100% of colleagues were extremely or very satisfied with the programme and 98% described their mentor match as excellent or good. Key themes to emerge from the mentoring sessions were linked to confidence building, career paths, balancing family and work, raising profile and building networks.

“Challenged with a different perspective and ways of dealing and understanding situations. Pushed me to respond in ways I wouldn’t have considered myself.”



100%

of colleagues who took part in our Mentoring Programme were extremely or very satisfied

“It’s been brilliant to mentor someone outside my own business area, so refreshing. The process has been superb - my mentee has been fully engaged, working on her promotion, which she has now gained. Definitely an energising programme.”
