

# Gender pay gap report 2022



# 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



“Despite our positive action on diversity and inclusion, our gender pay gap widened this year and we recognise there is much more to do. We are committed to supporting the career progression of women across Royal London and taking positive action during recruitment to position us as an employer of choice for women looking to further their careers.”

**Barry O'Dwyer,**  
Group Chief Executive

We remain committed to building an inclusive culture across Royal London, where our people represent the diversity of our members, customers and the communities in which we live and work, and where all colleagues feel they can learn, develop and make a difference. This is our sixth year of reporting on our gender pay gap and we continue to strive to close our gaps. However, disappointingly, we have seen a similar pattern in 2022 as with 2021 where, after four years of positive progress, some of the headline measures have moved in a negative direction for The Royal London Mutual Insurance Society Limited (RLMIS).

We have identified the underlying drivers for this. Colleagues who joined us when Police Mutual became part of the Group have been included for the first time and representation of women is higher in the lower graded roles in that business. In addition, stronger business performance resulted in a larger bonus pool available for the 2021 performance year compared to 2020. These were paid in April 2022 and contributed to the wider gap, as there are currently more men in senior roles and eligible for the higher bonus opportunities these roles attract. Finally, our journey has been slower than anticipated in progressing towards meeting our HMT Women in Finance Charter target for women in senior roles.

On a stand-alone basis, Royal London Asset Management (RLAM) has again made improvements in closing its gender pay gap. However, the relative diversity, bonus opportunity and salary levels mix within the business mean overall it contributes negatively to the combined RLIMS reportable position.

As Gender Diversity Sponsor, I remain committed to driving action to address our pay gap's root causes by continuing to take positive action to increase female representation, particularly across our senior roles. Currently 34% of the population in our upper quartile pay population is female compared to 61% in the lowest quartile. Encouraging and enabling more women to progress into senior roles is an important part of our plan to deliver sustainable change.

We are making progress, with support from our Diversity and Inclusion (D&I) Taskforce and our four colleague-led inclusion networks on our five-point positive action D&I plan.

The increase in our gender pay gap this year is a reminder that the path to change is not always straightforward. We will continue to prioritise delivery of our action plan through 2023 with an absolute focus on supporting women through internal progression and strengthening our external recruitment strategies.

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

**Barry O'Dwyer**  
Group Chief Executive

## HMT Women in Finance Charter

Royal London signed up to the HMT Women in Finance Charter in 2016 and has been focused on increasing the number of women in 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 2022, our position was 37.2% compared to 36% at the end of December 2021. Progress has been slower than planned over the past 12 months reflecting a trend across the industry which has seen the average level of female representation remain flat, at 33% year-on-year, for the first time in six years of reporting (New Financial Women in Finance Annual Review, June 2022).

Our goal remains to have strong female representation across all of our business areas, including those where the workforce is traditionally more male-dominated, such as in technology and asset management. We continue to take a systematic approach to supporting talent progression through our Career Confidence programme and mentoring initiatives, alongside structured support for internal talent moves. At the same time, we are taking action to ensure Royal London champions an inclusive, modern working environment, with hybrid working,

wellbeing support and flexible, family-friendly policies at the core of our people commitments.

Attracting external female talent to apply for senior roles remains challenging in a competitive financial services market where all good employers are focused on similar targets. We are working with our recruitment partners and inclusion networks to better understand what talented female candidates want and expect from us as an employer, and how we can reach them more effectively with a compelling offer that showcases the full benefits of working with us. We also continue to share our insights and learn from others across our industry, for example, as signatories and core contributors to the Association of British Insurers' new Diversity and Inclusion Blueprint, which promotes our industry as an attractive, inclusive career choice.



# Gender pay gap overview

## Gender pay gap overview

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 and which compares the pay of men and women who do the same, or similar, work.

We report under our employing entity in the UK which is The Royal London Mutual Insurance Society Limited (RLMIS). This reporting includes our Royal London Asset Management (RLAM) business. In the interests of full transparency, we also publish RLAM's results separately as they operate in the asset management industry with distinctly different pay structures and market for talent, so RLAM's results are notably different from the rest of the Group.

Following it becoming part of the Royal London Group in October 2020, we included Police Mutual as a stand-alone entity alongside RLMIS in our 2021 reporting in line with legislation. Police Mutual is now reported as part of our overall RLMIS reporting for the first time in 2022 and not separately.

Our approach to addressing the gender pay gap, as outlined in the report, covers the whole of the Royal London Group.

## What does our 2022 gender pay gap reporting tell us?

This year we are disappointed to report a deterioration in some elements of our headline measures, reversing some of the progress we have reported in previous gender pay gap reports.

While there has been some positive movement in the RLAM population on a stand-alone basis, for the main RLMIS population, the median and mean pay and bonus gaps have widened.

We have identified three underlying drivers behind this change:

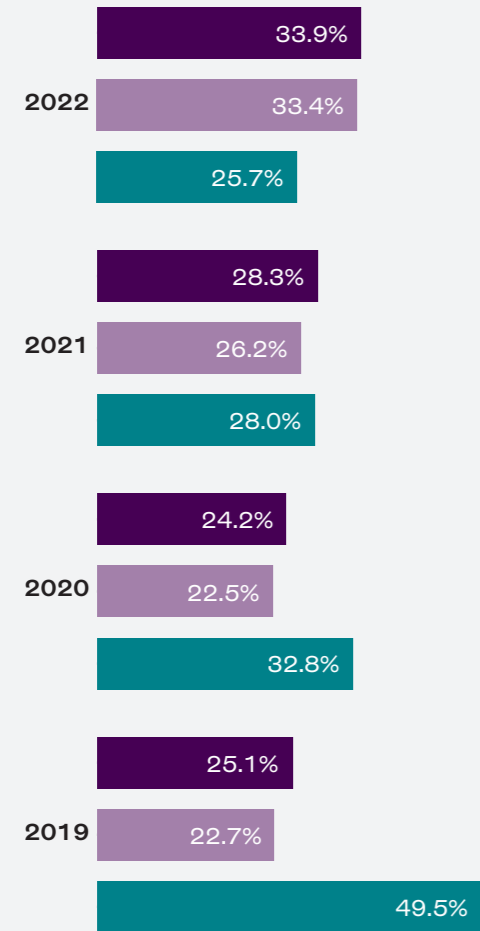
- The inclusion of former Police Mutual colleagues into our populations for the first time with proportionately more women in the lower graded roles which attract lower levels of pay;
- As a result of stronger business performance, the bonus pool for our 2021 performance year was larger than in 2020. There are currently more men in senior roles and eligible for the higher bonus opportunities these roles attract. These were paid in April 2022 and so are included in our reported figures;
- A slower journey than anticipated in progressing towards meeting our HMT Women in Finance Charter target of 42% women in senior roles by 2025.



# Median and mean gender pay and bonus gaps in 2022

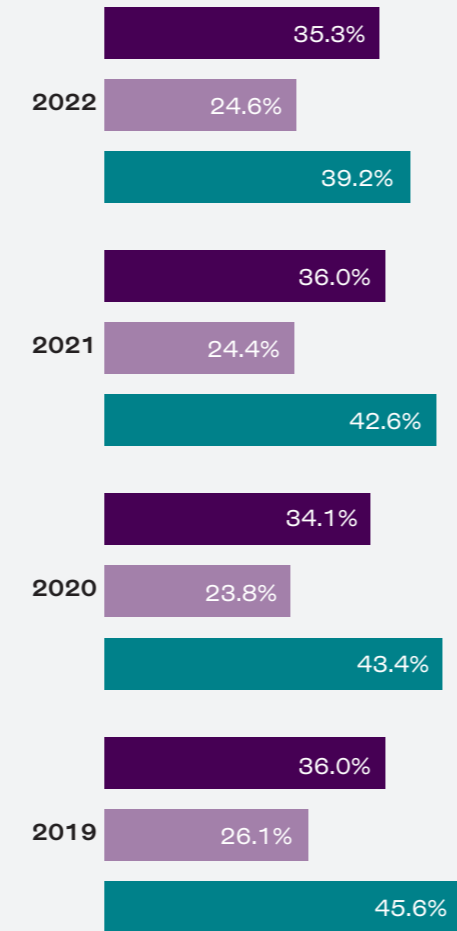
## Median pay gap

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



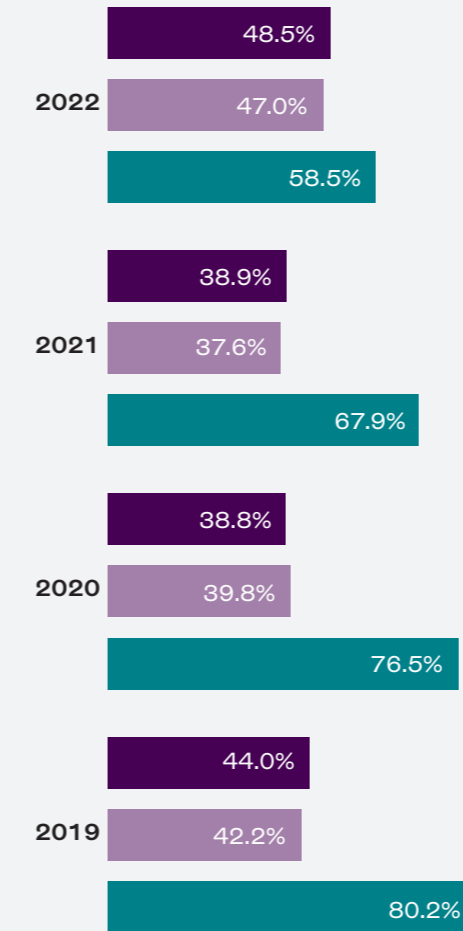
## Mean pay gap

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



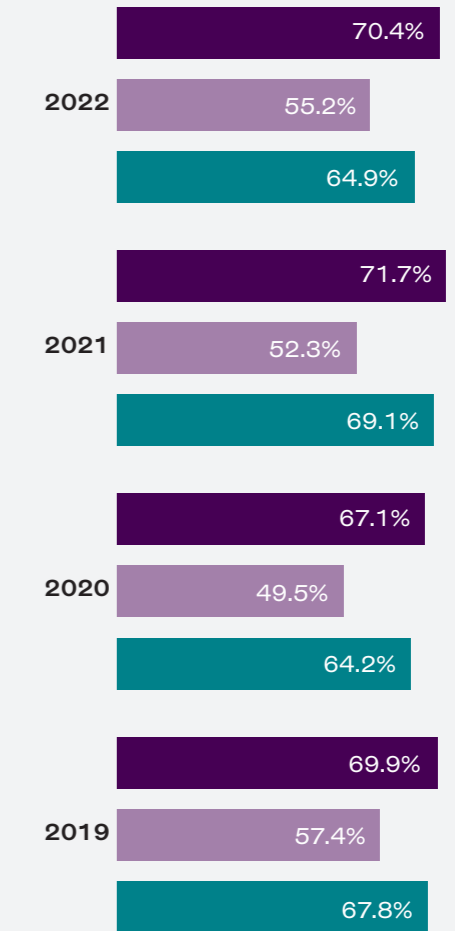
## Median bonus gap

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



## Mean bonus gap

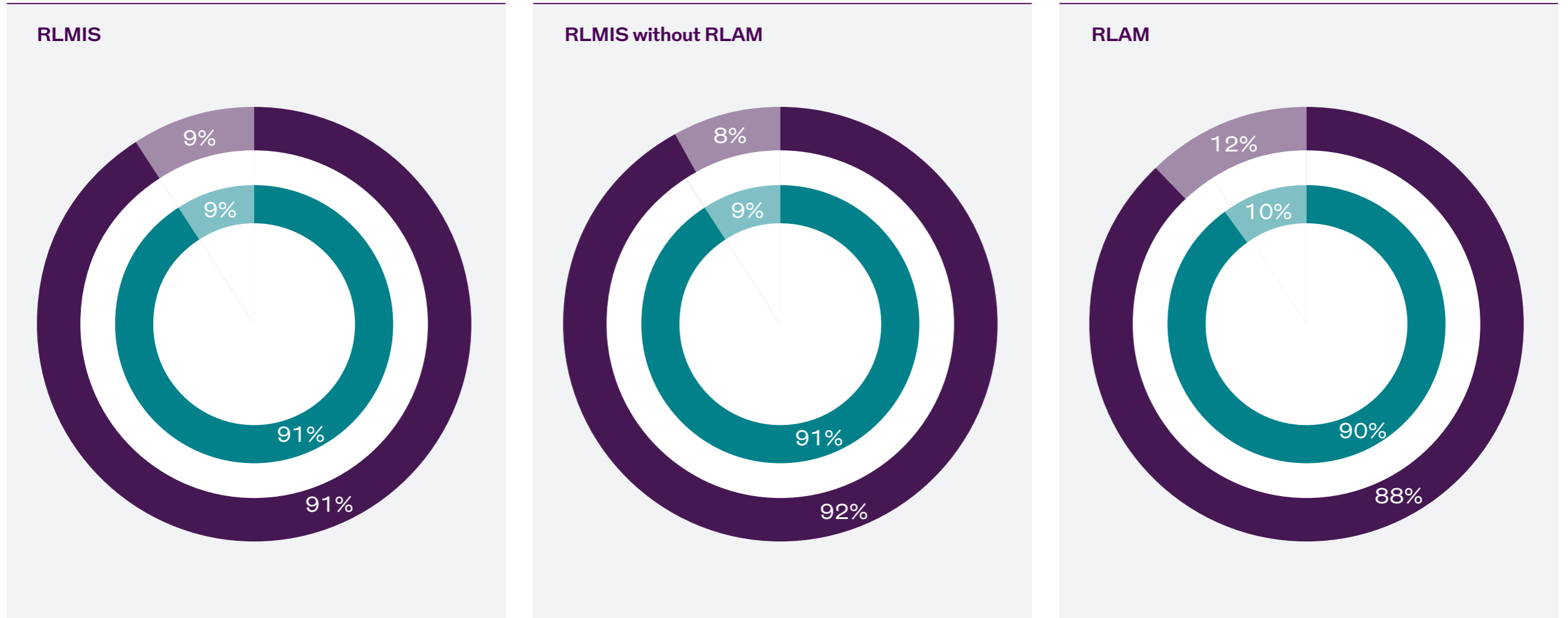
The difference between the average bonus per man and average bonus per woman



■ RLMIS ■ RLMIS without RLAM ■ RLAM

# People receiving bonuses in 2022

Proportion of women and men who received a bonus

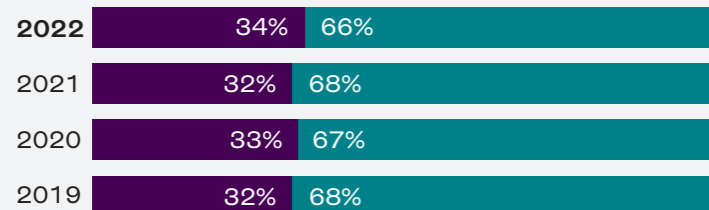


■ Women who received a bonus ■ Women who received no bonus ■ Men who received a bonus ■ Men who received no bonus

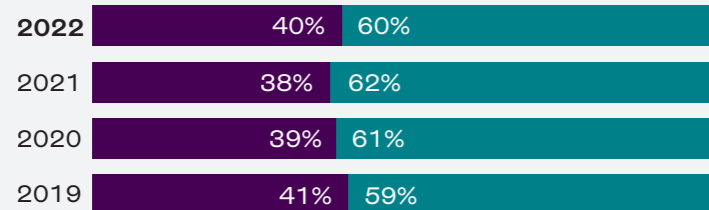
# Pay quartiles for 2022

## RLMIS

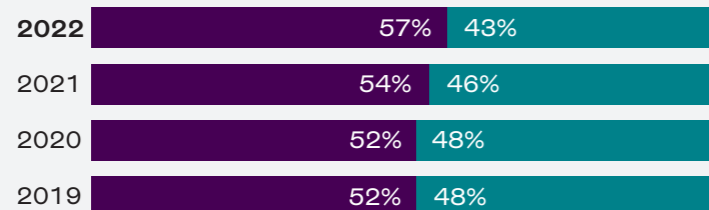
Upper quartile (highest paid)



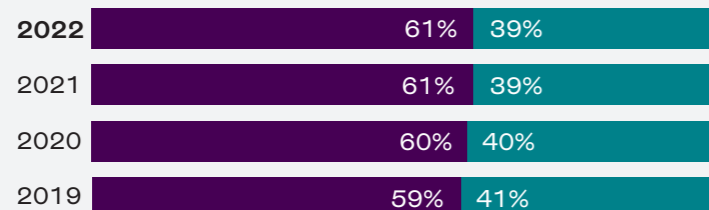
Upper middle quartile



Lower middle quartile

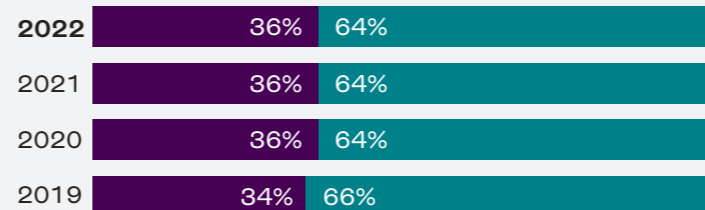


Lower quartile (lowest paid)

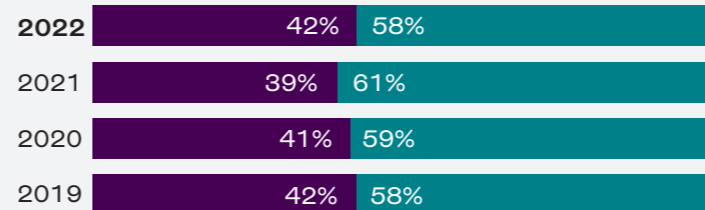


## RLMIS without RLAM

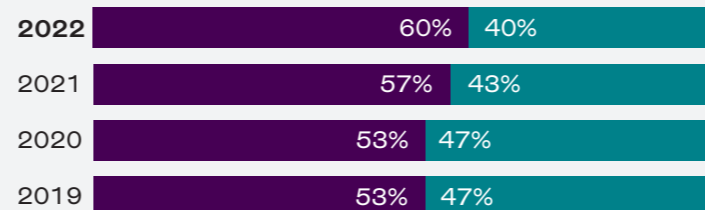
Upper quartile (highest paid)



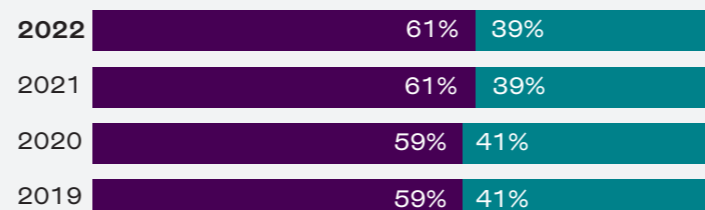
Upper middle quartile



Lower middle quartile

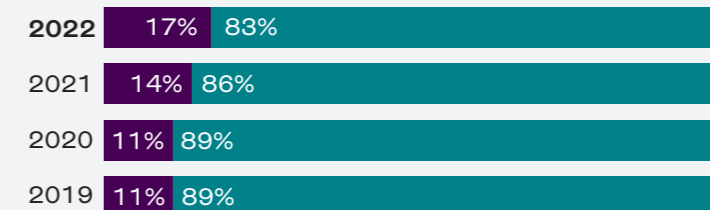


Lower quartile (lowest paid)

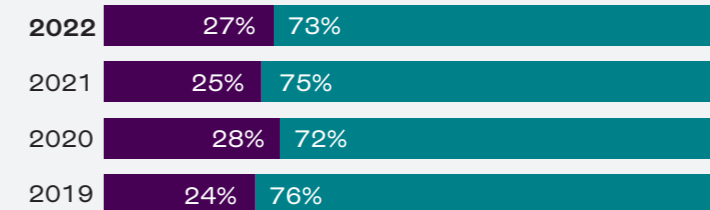


## RLAM

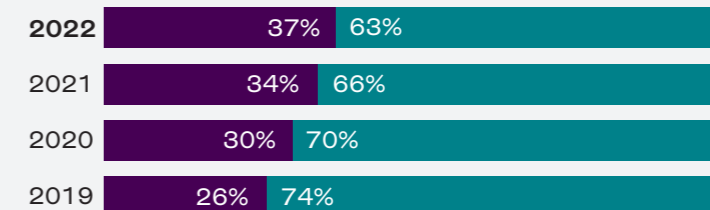
Upper quartile (highest paid)



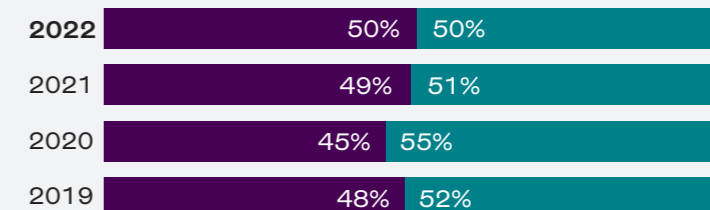
Upper middle quartile



Lower middle quartile



Lower quartile (lowest paid)



Female Male

# Progress on our action plan

## What actions are we taking to reduce our gender pay gap?

We continue to drive forward actions under our strengthened Diversity and Inclusion Strategy which was launched in 2021.

This has five key pillars which include continuing to build an inclusive workplace together with increasing the diversity of our workforce, with a specific focus on increasing the number of women in senior roles and increasing wider ethnicity representation across all roles.

Visible leadership from our Group Executive Committee and senior leadership teams is key here together with proactive support from our D&I Taskforce, our four colleague-led inclusion networks and our Colleague Representative Forum.

We have taken a number of positive actions through 2022 designed to help close our gender pay gap including:

### An ongoing focus on embedding inclusion through all stages of our colleague life cycle to ensure we support our female colleagues and enable progression:

This includes a strengthened strategy for attraction, selection, onboarding and induction, right through to talent management and how we engage and reward our people. Positive action taken includes improvements in how we promote vacancies internally to encourage women to apply; more effective talent attraction of female candidates externally; support for leaders to help them to focus on career development in their monthly 1:1s with all colleagues; sharing female career progression stories to inspire; a specific focus on gender during our talent and succession work and supporting our Women's Inclusion Network with focused activities. We also continue to champion our inclusive working environment, with hybrid working, wellbeing support and flexible, family-friendly policies.

### Supporting all leaders to have 'everyday inclusion' conversations with their teams, promoting the power of allyship and committing to take action:

We launched an 'everyday inclusion team toolkit' to all leaders with a call to action for every colleague across Royal London to have taken part in a team conversation by the end of the year. Conversations focused on exploring diversity across the team, how it feels to work within the team and across the Group, and agreeing areas where we might take inclusive-focused action, both collectively and individually.

### Targeted initiatives to support and encourage women to put themselves forward for opportunities:

Our female-focused internal programmes aim to retain, develop and empower women. They are open to all, encouraging women and colleagues from other under-represented groups to sign up. This includes our Career Confidence programme, our mentoring programmes, and wider talent-linked programmes aimed at women.

Our Career Confidence programme has been our most successful programme to date with over 140 colleagues taking part in 2022 and the second cohort launching at the end of 2022 for another 170 colleagues. The programme focuses on empowering and supporting colleagues across Royal London to make the most of opportunities including applying for new roles and taking on additional responsibilities. We track colleague outcomes and last year the cohort took opportunities to mentor others, speak at events, step up to organise inclusion events, gain places on external boards and take on school governor roles. We also saw an increase in the cohort members applying for internal roles and secondments and we continue to track their career progress.

Our talent strategy complements this focus by identifying emerging female talent across the Group and ensuring targeted development supports their progression, alongside our male colleagues.





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