

Gender pay gap report 2023



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Foreword from our Group Chief Executive Officer



This is Royal London's seventh year of reporting on our gender pay gap. As Gender Diversity Sponsor, I am committed to the positive actions we continue to take under our Diversity and Inclusion (D&I) Strategy. This includes increasing female representation in our senior roles, which we believe will ultimately close our gender pay gap. I am pleased that we have seen progress in measures throughout 2023 relative to the previous year, but we recognise there is more to do.

We hope that by enabling more women to progress their careers internally, and by becoming an employer of choice for women when recruiting externally, we will deliver sustainable change and address the root cause of our pay gap.

We have increased our focus during 2023 at a local business level, with senior leader sponsors supporting the delivery of targeted action plans that align to our central Strategy and positive action plan. These senior leaders are working together to share ideas, challenges and successes to accelerate change across Royal London through 2024.

The measures taken through our action plan have had a positive impact. I was particularly encouraged by the positive feedback from colleagues who took part in our second Career Confidence programme, aimed at supporting and empowering colleagues to progress their careers at Royal London.

However, we and our industry still have more work to do to attract women to apply for our senior roles, in what remains a competitive market for female talent. We continue with this focus into 2024.

Colleague voice and sentiment continues to play a key role at Royal London. I am grateful to our colleague-led inclusion networks for the significant role they play in shaping our plans, together with helping to bring our inclusive culture to life for all our colleagues.

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

Barry O'Dwyer
Group Chief Executive Officer

“We hope that by enabling more women to progress their careers internally, and by becoming an employer of choice for women when recruiting externally, we will deliver sustainable change and address the root cause of our pay gap.”

HMT Women in Finance Charter

In 2016, Royal London signed up to the HM Treasury's Women in Finance Charter, with the goal of increasing the number of women in senior leadership roles across our business. We strengthened our target in 2021 with a commitment to reach 42% of women in senior leader positions by the end of 2025. As at the end of 2023, women hold 37% of our senior roles, maintaining our 2022 position.

Our objective is to have better representation of women throughout our business, including in those areas that are traditionally male dominated, such as technology roles and throughout our asset management business. We have adopted an approach whereby we are encouraging and supporting internal progression through our Career Confidence programme and mentoring initiatives as well as by providing structured support for internal career moves. We are also working to build more diverse talent pipelines through our early careers programmes and our approach to talent development. We continue to ensure Royal London offers a modern, inclusive work environment, with hybrid working, wellbeing support and flexible, family-friendly policies at the heart of our commitment to our colleagues.

This year we enhanced our neonatal support and launched a new Menopause Policy with the support of our Women's Network and Colleague Representative Forum. In 2024, we plan to enhance support for carers and offer additional leave for grandparents, recognising the diversity of responsibilities all colleagues, and particularly female colleagues, need to balance in the workplace.

With low attrition reducing the number of job opportunities, and a competitive financial services market where many employers are striving to recruit female talent, the task of increasing female representation is not easy. However, we continue to take positive action and it is encouraging that, while 32% of applications to our senior roles in 2023 were from women, women made up 43% of senior role hires. We collaborate with our recruitment partners and our colleague-led inclusion networks to better understand the expectations of talented female candidates and to demonstrate how a career with us can deliver on those. We continually exchange insights and learning with others in our industry, for instance, as signatories and key contributors to the Association of British Insurers' Diversity, Equity and Inclusion (DEI) Blueprint, which promotes our industry as an appealing and inclusive career option.

37%

of women in senior leadership as at the end of 2023

32%

of applicants to our senior roles in 2023 were women

43%

of all senior role hires in 2023 were women



Gender pay gap overview

Gender pay gap reporting

UK companies with 250 or more employees are required to publish annual reports on their gender pay gap and this is the seventh year in which we have done so for our UK-based business. From 2024 onwards, the employee threshold for reporting in Ireland will reduce from 250 to 150 employees, and our first disclosure for Royal London Ireland will be published towards the end of 2024.

The gender pay gap statistics show the average pay differences between men and women in an organisation, regardless of their role. This is different from an equal pay audit, which we also carry out each year to look at the pay of men and women who do the same, or comparable, work.

We report under our employing entity in the UK, which is The Royal London Mutual Insurance Society Limited (RLMIS). This reporting includes data for our asset management business, Royal London Asset Management (RLAM).

Although we have seen some improvement this year, continuing to increase the representation of women in senior roles remains the most impactful way to continue to reduce our gender pay gap.

What does our 2023 gender pay gap report tell us?

We are pleased to report that our data for 2023 shows some positive movement in our gender pay gap measures relative to the data in our 2022 report.

We believe a key driver behind these positive movements is an improvement in our gender representation across all grades in the Group and particularly within our asset management business.

The figures we report are taken in April of each year. As our incentive bonus awards are also paid in April, they are included in our reported figures and therefore have an impact on our gender pay gap movement. The discretionary incentive bonus pool within our asset management business for the 2022 performance year was lower than in the previous performance year as a result of challenging market conditions across the industry impacting external gross revenues.

As there continue to be more men in senior roles who are eligible for the higher bonus opportunities, a reduction in the bonus pool has a disproportional impact on that population. Therefore, an increase in the bonus pool opportunity in future years could widen our gender pay gap. Although we have seen some improvement this year, continuing to increase the representation of women in senior roles remains the most impactful way to continue to reduce our gender pay gap.



Our gender pay gap data for 2023

Gender pay gaps

Median pay gap

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



31.3%

Mean pay gap

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

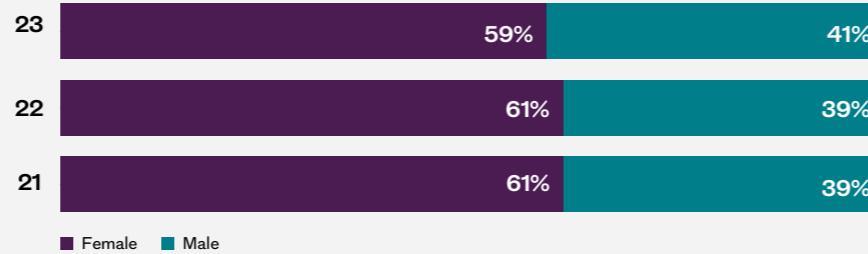


33.1%

Pay quartiles

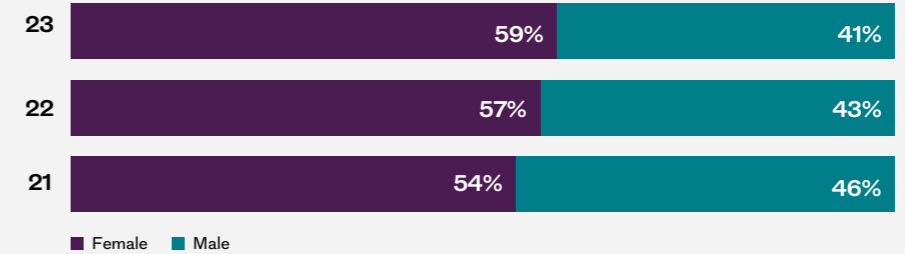
RLMIS – Lower quartile (lowest paid)

59% **41%**



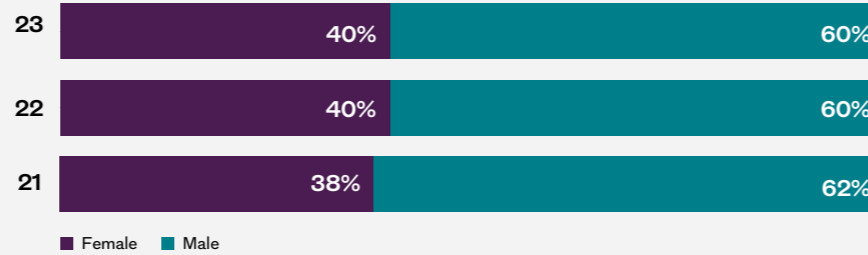
RLMIS – Lower middle quartile

59% **41%**



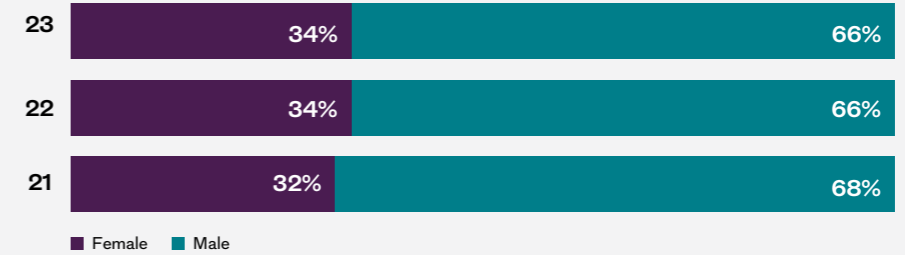
RLMIS – Upper middle quartile

40% **60%**



RLMIS – Upper quartile (highest paid)

34% **66%**



Our gender pay gap data for 2023 *continued*

Gender bonus gaps

Median bonus gap

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



42.8%

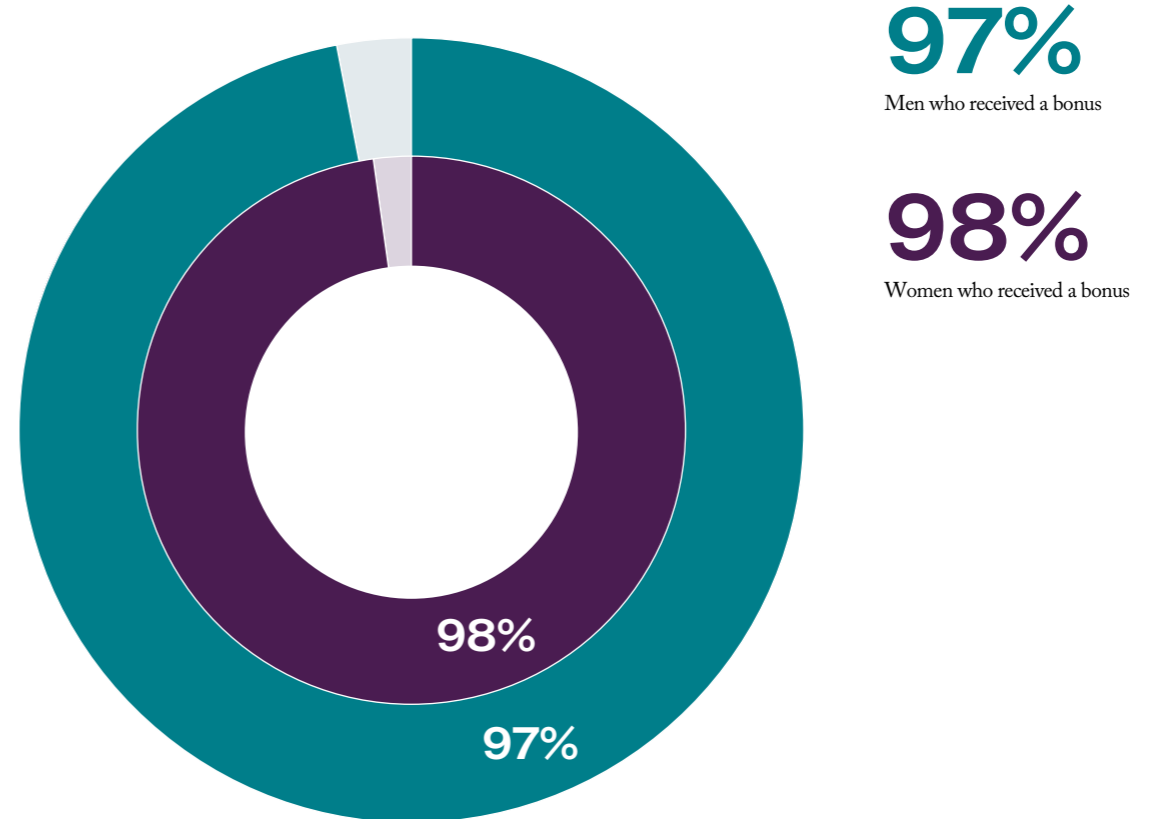
Mean bonus gap

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



68.7%

Proportion of women and men who received a bonus



Progress on our positive action plan

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

We continue to drive positive actions through our D&I Strategy. The pillars of this plan focus on continuing to build an inclusive workplace together with increasing the diversity of our workforce to better represent our customers and communities. We remain focused on increasing the representation of women in leadership positions and increasing representation of wider ethnicity diversity across all roles.

Focus on attraction and selection

Promoting our vacancies effectively to colleagues internally remains a priority - including through our new monthly vacancy spotlight publication that highlights job opportunities and transferable skills. Externally, we have improved our adverts and implemented a more targeted attraction strategy. This includes a new library of diverse colleague photography and career stories to showcase Royal London in the market. We are building a more diverse pipeline of talent supported by our new Group-wide early careers offering, where 50% of graduate offers in 2023 were to female candidates.

Senior leader visibility and sponsorship

In order to increase female representation in senior roles, we believe visible, inclusive leadership by our Group Executive Committee and senior leadership teams is key, as is the continued active support from our Colleague Representative Forum and our four colleague-led inclusion networks:

- DAWN, our Disability AWAREness Network, including neurodiversity
- PRIDE, our LGBTQ+ Network
- REACH, our Race, Ethnicity and Cultural Heritage Network
- our Women's Network.

Our recently established cross-functional group of D&I senior leader sponsors has been designed to help accelerate female representation at a senior level across Royal London. Nominated senior leaders are sponsoring the positive action plan for their business areas, informed by the specific opportunities and challenges in their areas and aligned with our central plans.

Encouraging and enabling women internally

Our Career Confidence programme ran for the second year in 2023 with over 150 colleagues taking part, 73% of whom were women. In the final session, colleagues shared how they had benefitted from the programme. This included being encouraged to apply internally for new roles, taking on additional responsibilities, mentoring others, volunteering, speaking at events and gaining places on external boards. The first phase of our Reciprocal Mentoring programme concluded in 2023 - where we matched our Group Executive Committee members, as mentees, with mentors from our REACH inclusion network. Feedback on the difference this made to both mentors and mentees was so positive that we have now extended the programme to all our senior leaders, matching them with members of all four inclusion networks.

Our Talent Strategy complements our programmes by identifying emerging female talent across the Group and ensuring that targeted development supports their progression, alongside our male colleagues. In 2023, this included the launch of a new Senior Leadership programme where 57% of participants are women.



Registered office

The Royal London Mutual Insurance Society Limited
80 Fenchurch Street
London EC3M 4BY
020 75606 6500
royallondon.com

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