



GENDER PAY GAP
REPORT

2017



“As a member-owned business we are fully committed to diversity and recognise that we are at the start of our journey to create a truly diverse and inclusive Royal London. Gender diversity is one part of that and brings benefits not only to our businesses but also to our customers. I am proud that 30% of our Board and 22% of our Group Executive Committee are female – but that is just a start.

Our gender pay gap numbers reflect the reality that we have a long way to go. We accept that and recognise there is no room for complacency. Our businesses are undertaking a number of initiatives to address the gaps we have and we know there are no quick fixes, that the gaps won't close overnight and we won't suddenly become a diverse business. But we are working hard to leave a lasting legacy of diversity and inclusion for future Royal London workforces.”



Phil Loney
Group Chief Executive
Royal London

THE ROYAL LONDON GROUP

At the time of reporting Royal London Group had 3,449 employees across its different businesses. Within the Group, we have two employing entities, both with more than 250 employees – Royal London Mutual Insurance Society (RLMIS) and Investment Funds Direct Limited (IFDL or Ascentric). Royal London Asset Management (RLAM) is part of RLMIS and employs less than 250 people so is not required to report separately. We have chosen to publish the RLAM gender pay gap results separately in the interests of full transparency across our businesses.

THE GENDER PAY GAP EXPLAINED

Any organisation with 250 or more employees is required to publish the Gender Pay Gap data, annually, between their male and female employees. The Gender Pay Gap is not the same as equal pay which is a legal requirement to ensure males and females carrying out the same or similar jobs or jobs of equal value are paid equally. The Gender Pay Gap shows the difference in average earnings for male and females across an organisation regardless of role and level.

The six calculations required under the legislation are:

- **Mean gender pay gap** – the difference between the average hourly rate of pay of male full-pay employees and female full-pay employees
- **Median gender pay gap** – the difference between the midpoints in the ranges of the hourly rate of pay for male full-pay employees and female full-pay employees
- **Mean bonus gender pay gap** – the difference between the average bonus pay paid to males and females
- **Median bonus gender pay gap** – the difference in median bonus pay of males and females
- **Proportion of males and females who received a bonus**
- **Proportion of males and females in each of our four pay quartiles**

OUR RESULTS

We have provided the results of our whole Group which is made up of our two entities, RLMIS and IFDL (Ascentric). We have also produced figures for RLAM which is a sub-set of RLMIS.

We are one Royal London so the whole Group numbers give us a clear picture of how we are doing collectively and the individual business area numbers show us where we need our focus to be.

2017 Royal London Group Results

Mean Pay Gap*

37.0%

Mean Bonus Gap

67.8%

*The mean pay gap is comparing the average hourly rate of men's earnings to the average hourly rate of women's earnings as of 5 April snapshot date

Median Pay Gap**

29.0%

Median Bonus Gap

46.6%

**The median pay gap is looking at the hourly rate of the middle women's role to the hourly rate of the middle men's role

Proportion of males and females who received a bonus



Pay quartiles



OUR RESULTS

2017 RLMIS Results

Mean Pay Gap

38.2%

Mean Bonus Gap

68.4%

Median Pay Gap

28.4%

Median Bonus Gap

43.7%

2017 IFDL (Ascentric) Results

Mean Pay Gap

17.3%

Mean Bonus Gap

41.3%

Median Pay Gap

7.8%

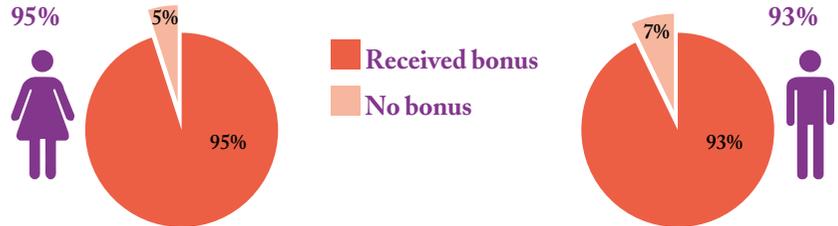
Median Bonus Gap

23.1%

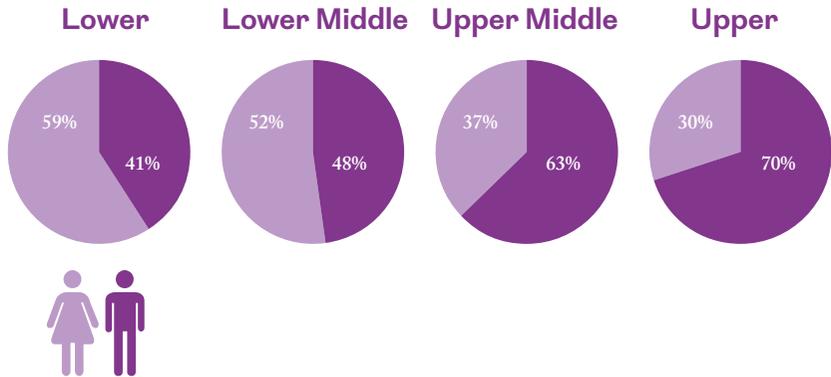
Proportion of males and females who received a bonus



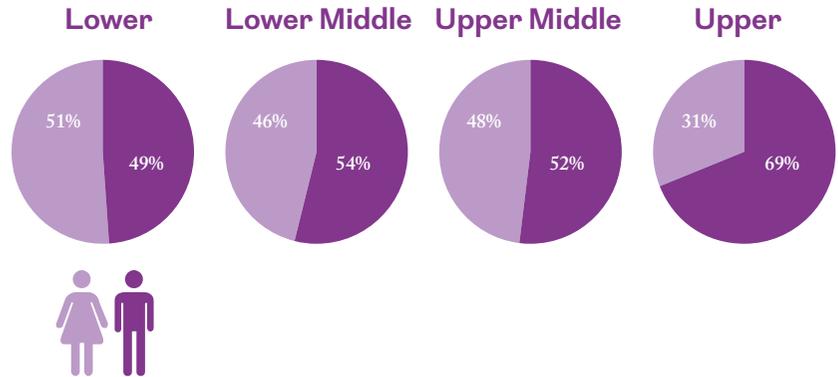
Proportion of males and females who received a bonus



Pay quartiles



Pay quartiles



OUR RESULTS

Our asset management business is part of an industry where there is the challenge of the low representation of women in the workplace. Roles in this industry are also more heavily weighted in bonus and have higher hourly rates of pay. In recognition of this, we have calculated our pay gaps to show the impact RLAM has and have chosen to disclose RLAM's own numbers for full transparency.

2017 RLAM Results

Mean Pay Gap 49.8%	Median Pay Gap 50.1%
Mean Bonus Gap 63.9%	Median Bonus Gap 71.8%

2017 RLMIS without RLAM Results

Mean Pay Gap 28.8%	Median Pay Gap 27.1%
Mean Bonus Gap 57.5%	Median Bonus Gap 43.2%

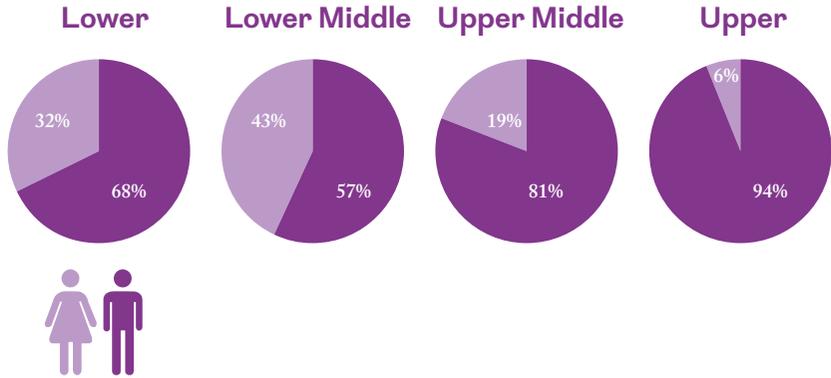
Proportion of males and females who received a bonus



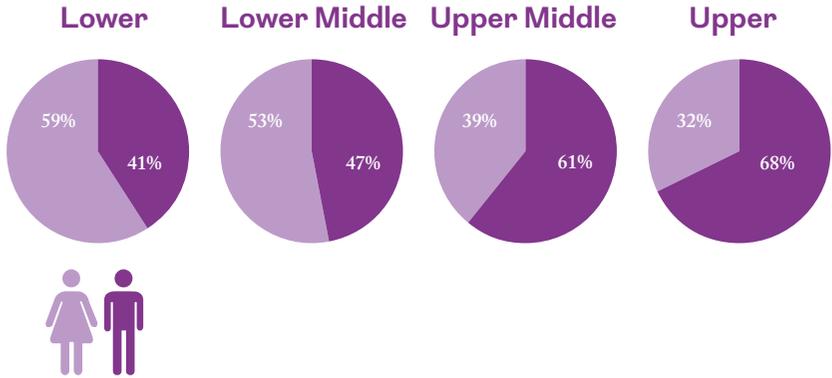
Proportion of males and females who received a bonus



Pay quartiles



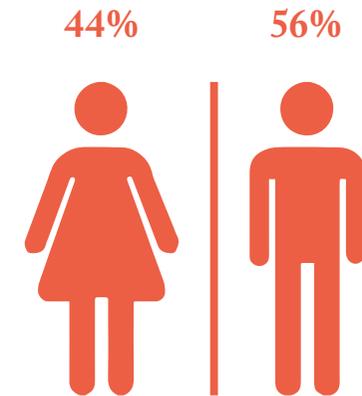
Pay quartiles



WHAT'S BEHIND THE GAPS?

- The primary reason is that we have more males (67%) than females represented in our senior grade roles across our businesses and therefore the Gender Pay Gap is driven from the highest pay quartile which is largely under-represented by females
- There are more females (60%) than males in our lower graded roles and thus lower paid roles
- The Gender Pay Gap calculations vary across our different businesses and although RLAM represents only 6% of the RLMIS population, it has a large effect on our overall Gender Pay Gap figures
- The additional factors affecting the pay and bonus gaps for RLAM (and RLMIS as a result) are:
 - RLAM, like the rest of the asset management industry, is largely under-represented by females (75% of RLAM employees are male) particularly amongst its leadership teams and fund managers who sit in the upper pay quartile
 - Pay and bonus in RLAM is managed differently to the rest of the Group with heavily weighted bonus schemes and higher rates of hourly pay, which reward more males than females due to the low representation of females within RLAM

OUR PEOPLE



Data based on people who are relevant employees on 05 April 2017 snapshot date as set out by the Gender Pay Gap Regulations

WHAT ARE WE DOING TO CLOSE THE GAPS?

We have a clear policy of treating our staff and members fairly and promoting diversity in all our employment practices in order to generate an inclusive culture which is supported by our engagement survey results where our staff feel that they are treated with respect and fairness.

Our Approach to Pay and Reward		
<p>Our commitment to paying employees equally and fairly for the same or equivalent work, regardless of their sex (or any other characteristic) is core throughout our approach to Pay and Reward.</p> <p>We evaluate job roles and pay grades as necessary based on the job itself and not the individual, to ensure a fair structure and we are therefore confident that the gender pay gap does not stem from paying men and women differently for the same or equivalent work. We will continue to create further clarity and transparency on the type and level of roles and salary ranges via the implementation of our job family pay framework in April 2018.</p>		
Senior Leadership commitment	Women in Finance Charter	Family Friendly Policies
<p>Our Diversity Council, set up in 2017 under the leadership of Andrew Carter, CEO of our Asset Management business, is made up of senior leaders across our businesses and has oversight of our Group-wide diversity and inclusion programme.</p>	<p>In 2016 we were among one of the first signatories to the Women in Finance Charter and pledged to increase the number of women in our most senior grade to 40% by 2020. By September 2017 it had increased from 32.6% to 33.7%.</p>	<p>We are reviewing our family friendly policies looking at the pay and amount of leave granted for each one. More is being done to encourage and enable a real culture and acceptance of flexible working.</p>
Women's Network	Recruitment and Selection	Asset Management programmes
<p>The Royal London Women's Network, launched across all of our sites on International Women's Day 2018, provides a forum for our people to connect, contribute and grow, inspiring women to aim higher and achieve more.</p>	<p>We are making improvements to our recruitment and selection processes in order to attract more women. These include: gender de-coding job descriptions, person specifications and job adverts, diversifying attraction techniques and introducing mandatory gender diverse shortlists for all roles.</p>	<p>We were a founder member of the CFA's Gender Diversity Partner Programme designed to help investment firms share and learn from each other with the aim of creating a more diverse and inclusive financial services industry. We are also working with the Return Hub in relation to our most senior roles focusing on placing women who have been out of the market for some time to return to work. This year's internship programme was better promoted to attract women candidates and with 20% female applications we made 4 out of 6 offers to women.</p>

"I confirm that the Royal London Mutual Insurance Society and IFDL data is accurate and has been collated in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017."





The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm is on the Financial Services Register, registration number 117672. Registered in England and Wales number 99064. Registered office: 55 Gracechurch Street, London, EC3V 0RL.