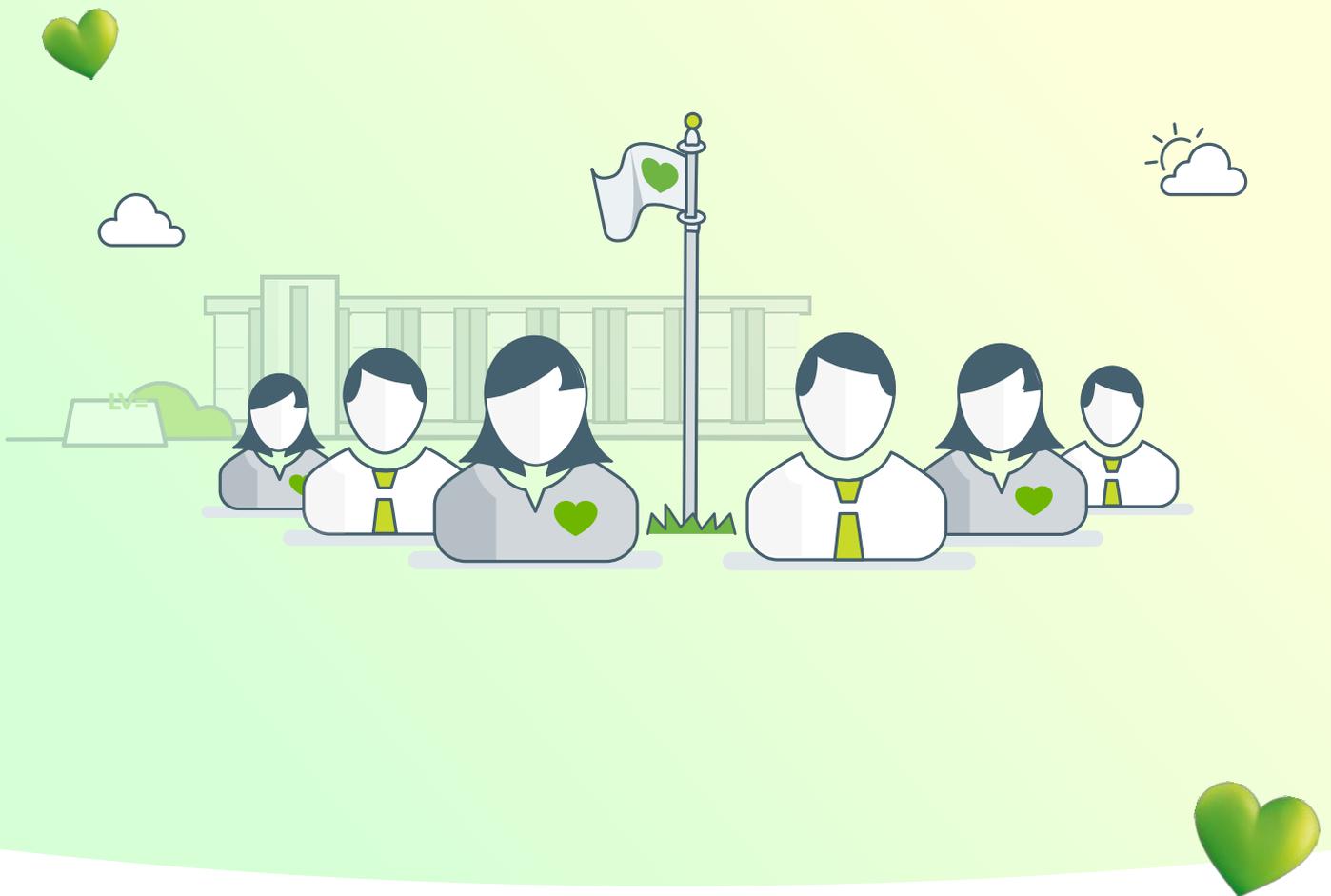


LV= Gender pay gap

Understanding the LV= General Insurance
gender pay gap data



LV=

Understanding the LV= General Insurance gender pay gap data

There are **six** measures that we must measure each year, relating to salary and or bonus elements of our pay, and details of these feature in this report.

Salary

We measure the mean and median pay gap and pay quartile split

Bonus

We measure the mean and median bonus pay gap and proportion of males and females who receive a bonus

Gender Pay Gap

We are pleased to report that in LV= General Insurance (LV= GI) our gender mean pay gap is at 22.1% (in favour of males) which is a reduction of 1.4% from the previous year and in line with the insurance industry.

22.1%

(in favour of males)

↓ 1.4%

reduction from the previous year



We know the main factor influencing our gender pay gap is the structure of our workforce.

At the moment, we have a lower representation of females in senior leadership roles and a higher representation of females in more junior roles. Last year, we established a new Diversity and Inclusion (D&I) Steering Committee to help us identify the actions we could take to start closing our gender pay gap. Details of the steps we've taken can be found later on in this report.

Mean
22.1%

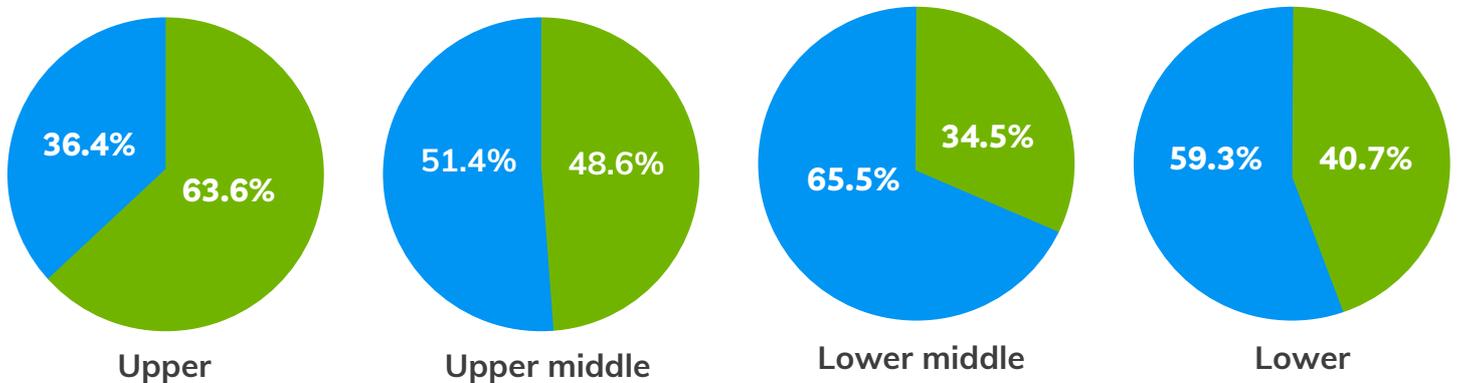
In favour of males

Median
16.9%

In favour of males

The pay quartiles represent employees ranked from highest to lowest hourly rate and are then evenly split into quartiles. As already mentioned, we know we have an imbalance where we have a lower representation of females in senior leadership roles and a higher representation of females in more junior roles.

Proportion of males and females in the Pay Quartiles



● Female ● Male



Gender Pay Bonus Gap



The figures below show the mean and median bonus pay gap figures which relates to the 12 months preceding 5th April 2019.

Mean bonus pay gap

56.6%

In favour of males

Median bonus pay gap

34.4%

In favour of males

Our mean bonus pay gap has increased from 43.8% to 56.2%. Like many other businesses in the UK, our senior leaders have Long Term Incentive Plans (LTIPs) which are performance related awards that are commonly paid out after three years. As a result of the good performance of both the business and our leaders, the recent LTIP pay-out was significantly higher than it had been compared to the previous years pay-out. This means that the amount paid in bonuses has been higher than previous years and with many of our senior leaders being male this has resulted in our mean bonus gap increasing.

We are taking steps to increase the number of women who hold senior roles in our business and as we make progress in achieving this then we would expect the bonus gap to decrease over time.

The proportion of employees receiving a bonus

91.1%



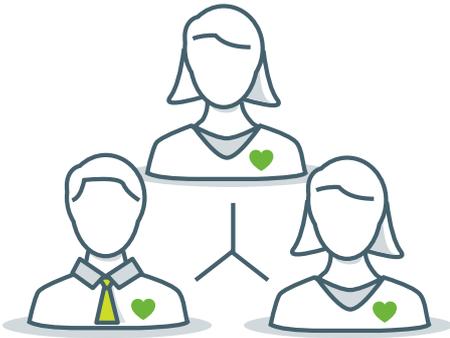
90.2%



What we're doing about it

Whilst the data shows that our gender pay gap is smaller than the financial services average*, we know that we still have work to do and, although it may take time to see dramatic improvements, we are committed to making progress further going forward.

*Financial services average was 33.4% - taken from the Office of National Statistics 2018 (ONS 2018)



A key target for us is to **establish more female role models** in senior leadership roles across the business and as a result we have set ourselves a target to achieve 40% of women in senior roles by 2020. As at December 2019 we're at 39.4%, so we're getting close to our target.

At the same time, we will continue to progress with a range of other activities to support improvements, including:

- Delivering diversity and inclusion training to all employees
- Continuing to review our recruitment and promotion practices
- Creating Leadership Development Programmes and mentoring and sponsorship for all employees
- Increasing flexible working arrangements for both women and men
- Continuing our commitments to the Women in Finance Charter

Delivering diversity and inclusion training to all employees

In 2018, we delivered “Call it Out” training to our senior leadership team, with the aim of equipping them with the tools and techniques to call-out non inclusive behaviour and language.

We plan to deliver the “Call it Out” training to all our employees by the end of 2020, alongside a new and improved unconscious bias e-learning training module.

Our virtual “Call it Out” and unconscious bias learning modules form part of our induction programme for new starters to ensure everyone is aware of, and immersed in our culture.

The training will support our overall aim of fostering an inclusive culture, where everyone can bring their true self to work, in turn benefitting our employees and business performance.



Continuing to review our recruitment and promotion practices

We commit to continually review our recruitment and promotion practices. By ensuring our job adverts are gender neutral, having diverse long lists and shortlists and targeting where we advertise, our intention is to attract a wider pool of skilled and gender balanced candidates.

Bi-annually, we are committed to carrying out talent and succession planning sessions for our senior roles, with the view to eliminating unconscious bias so that we are considering the development of both male and female members of the team.

We’ve also applied a diversity and inclusion lens to our ‘recruitment skills for line managers’ training, with a particular focus on recruiting inclusively with practical tools and techniques to actively mitigate bias in the recruitment process.



Leadership Development Programmes and mentoring and sponsorship for all employees

Our Diversity & Inclusion strategy within LV= GI is to be inclusive for all and our development, mentoring and sponsorship opportunities aim to benefit and up-skill both male and females within the organisation.

With the launch of our Digital Apprentice Programmes and Best Loved Leaders senior leadership development programme, we were pleased to recruit a 50/50 split of males and females.



30% Club: Cross-company, cross-sector mentoring scheme

Our top female talent identified in succession planning also benefit from external mentoring via the 30% club, and are internally sponsored by a member of the Executive Team. The ultimate goal of the 30% club is to broaden the pipeline of female talent coming through organisations and make a step-change to the number of women attaining senior and board roles.



Women in Finance Awards

Supported by the HM Treasury Women in Finance Charter, the Awards are Europe's largest diversity award in the Finance sector, recognising the high achievers, advocates and role models for women in the industry.

We continue to sponsor these fantastic awards and were delighted to be shortlisted in 2019 for Employer of the Year and Finance Team of the year – led by a female.

“Our nomination for Team of the Year at the Women in Finance Awards 2019 was fantastic recognition for all the hard work that my team and I put into our jobs every single day to support the business! It truly made all the extra hours we put into our work worthwhile to know that it's really appreciated by the business and it made every single one of us feel really special.

Events like this are an amazing way for us as a market leading insurer to really show the rest of the world what talent we have within our business and showcasing the skills of women in particular. I think that it is still necessary to have women specific industry events, as this does highlight the expertise and benefits women can bring to a business.”

Liz Hamilton

Head of Financial Planning and Analysis at LV= GI



Women in Insurance Awards

Women in Insurance Awards honour the inspiring achievements of women across all parts of the general insurance sector and help shape the discussions around how we can improve diversity within the sector. We know showcasing excellence and achievement is a vital tool in the continuing battle to establish equality across all parts of the industry and in all roles.

We were proud to be an associate sponsor of the awards and at the 2019 award ceremony our Managing Director of Direct, Heather Smith presented the award for 'Young Insurance Women of the year'.



“Women have not been as represented in the talent pipeline, yet we know an inclusive workforce is more innovative, with a positive culture and better financial outcomes. This is why I am delighted to support career progression and recognition of the wonderful females we have working in LV= GI and more broadly in our industry”

Heather Smith

Managing Director, LV= General Insurance Direct

We really believe these are significant events to be part of, because by celebrating leading women we create role models for aspiring women both within our business and industry.



Increase flexible working arrangements for all

At LV= GI we offer formal flexible working arrangements and on an informal basis encourage an agile approach, where work is not where you are but what you deliver.

With many of our people already benefitting from fixed or non-fixed flexible working patterns, we want to evolve our flexible working arrangements to ensure there is a consistent approach across the business so we can truly adopt a flexible working culture. We want to increase male uptake, support and up-skill line managers to support their employees and be open to flexible working when recruiting for new and existing roles.



Women in Finance Charter

In October 2018, LV= General Insurance joined 72 other firms across the financial services sector to sign the WIFC, demonstrating our support for the diversity agenda across financial services.

Our Commitment: As a charter signatory we pledge to continue to support gender diversity, this includes our executive team and Board-endorsed commitment to increase the proportion of women in senior positions.



To meet our WIFC commitments:

- We've committed to achieving 40% Band C-E Female population by the end of 2020 (incl. Perm & FTC roles, support Roles excluded)

- We'll annually publish our progress against our targets

- A member of our executive team is responsible and accountable for gender diversity and inclusion

