



UK Gender Pay Gap Report 2020

Addressing the gender pay gap



Robert Brown,
Group Chief Executive Officer,
Charles Taylor

At Charles Taylor, our aim is to support all our people to be as successful as they can be for our clients and customers, for each other and for themselves.

With this in mind, we're serious about our commitment to closing the gender pay gap. We are in a strong position to make this happen: 80% of our people already agree that the leadership team encourages and supports diversity and inclusion. And, over the last year, and in spite of the challenges brought about by Covid-19, we've continued to drive diversity and inclusion right across our recruitment, staff development and engagement agendas. Here's how:

- We're striving to make the top quartile of our staff 30% female by 2025.
- 100% of those joining our technology graduate programme in 2020 were female.
- 25% of participants in our all-female high-potential programme have been promoted since 2019.
- We've partnered with our women's network to understand their experiences of being a Charles Taylor employee, and to learn from them so that we can make positive changes.

We know we can do more to attract, develop and retain the best staff. So, in 2021 and beyond we plan to:

- Continue to provide all our staff with more flexibility, permanently.
- Recruit more females into the business.
- Listen to colleagues in our women's network.
- Ask for regular feedback from employees so that we can continue to monitor the success of our strategies.
- Equip our people with the tools to challenge behaviour that undermines our commitment to diversity and inclusion.
- Celebrate different cultures and perspectives so that we create an inclusive environment.
- Engage with diversity and inclusion organisations such as Working Families and Stonewall in an effort to learn from and support the causes that are close to our Values.

How our people feel about Charles Taylor is important to us and making tangible improvements to working life is the key to our success.

Robert Brown
Group Chief Executive

**At Charles Taylor
we are 100%
committed to
supporting all
our people to be
successful**

What is the gender pay gap?

The gender pay gap shows the difference in average pay between men and women.

It is important to understand that this is not about equal pay, which relates to men and women being paid equally for doing the same work, or work of a similar value.

The gender pay gap reflects the difference in the proportion of men and women in roles at different levels of seniority in companies. At Charles Taylor, we are 100% committed to providing equal opportunities and equal pay to women and men for work of the same value.

- **British Claims Awards 2021**

The Diversity & Inclusion Award: Finalist

- **British Insurance Awards 2020**

The Diversity Award: Finalist

- **British Insurance Awards 2019**

The Diversity Award: Finalist

- **Insurance Insider Honours 2018**

The Inclusion & Diversity Award: Finalist

- **Insurance Insider Honours 2017**

The Inclusion & Diversity Award: Finalist



What is gender pay reporting?

Since 2017, all UK businesses employing more than 250 staff must report their gender pay gap. We must report on the differences in average pay and bonuses between men and women. There are six reporting criteria:

- Difference between the mean pay of men and women
- Difference between the median pay of men and women
- Proportion of men and women in each salary quartile

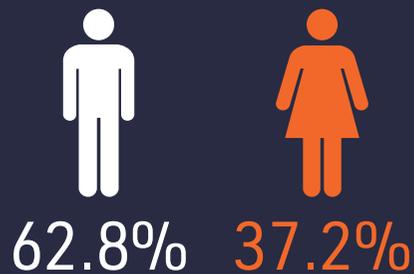
(The pay quartiles look at the proportion of men and women in each pay band when we divide our workforce into four equal parts)

- Difference between the mean bonus pay of men and women
- Difference between the median bonus pay of men and women
- Proportion of men and women who receive bonus pay

This report shows the gender pay gap for UK staff employed by Charles Taylor in the twelve months leading up to 5 April 2020.

Charles Taylor in numbers

On 5 April 2020, we employed 662 staff in Charles Taylor Administration Services Limited. The gender split of our UK staff on 5 April 2020



What is Charles Taylor's gender pay gap?

Charles Taylor's gender pay gap shows that, on average, our male staff earn more than our female staff. This is because there are more men in senior roles in the company. In the UK's financial industry and insurance sectors, the gender pay gap is typically wider than many other sectors due to historic factors. Having said this, we are not happy with our gender pay gap and remain determined to close it. You can read more about some of the strategies we have implemented to close the gender pay gap on page 8.

It is important to highlight that in January 2020 Charles Taylor was acquired by Lovell Minnick Partners. As part of this transaction, outstanding share awards under various Charles Taylor plans were subject to accelerated vesting. In line with UK Government guidance for the calculation of bonus pay, these figures were included in this year's calculations. Consequently, this year's bonus pay figures are not a like for like comparison to previous years. If these payments are excluded from the mean and median bonus pay calculations, the gap reduces year on year.

The gender pay gap information reported on this page relates to Charles Taylor's UK businesses, except for Charles Taylor Assistance, Criterion Adjusters Limited and Charles Taylor General Adjusting Services Limited, as they are separate employing entities. The Gender Pay Gap figures for Charles Taylor Assistance are on page 6. The Gender Pay Gap figures for Criterion Adjusters Limited and Charles Taylor General Adjusting Services Limited are not quoted as they are below the staff numbers required for reporting purposes.

Head count April



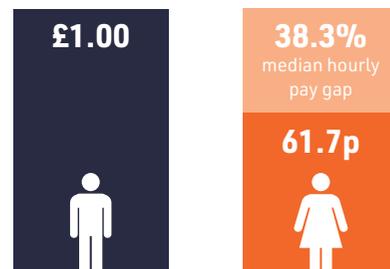
Mean hourly pay gap

Mean hourly pay gap - The mean hourly pay gap has improved by 1.05% since the 2019 gender pay gap report



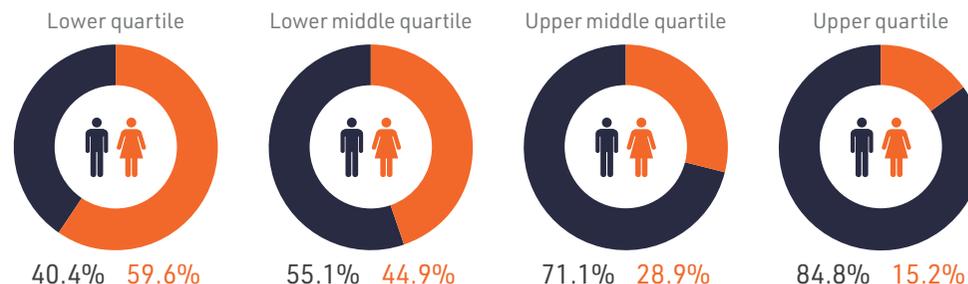
Median hourly pay gap

The median hourly pay gap has improved by 0.7% since the 2019 gender pay gap report



Pay quartiles

There is an increased percentage of females in the lower quartile due to more graduate and trainee level roles being filled by females.



Proportion of employees receiving a bonus

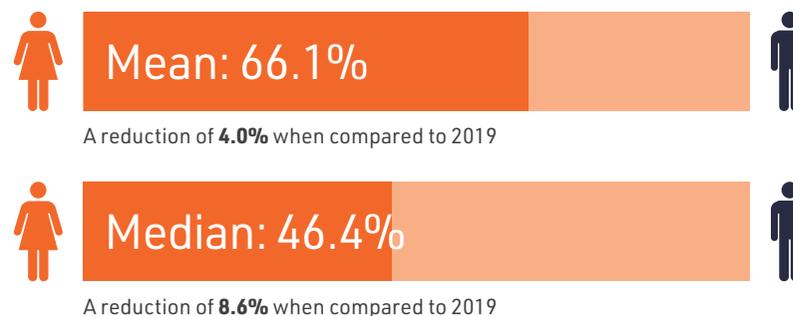
- Men 77.9%
- Women 73.6%

Bonus pay difference between men and women

- Mean 73.9%
- Median 63.3%

Bonus pay difference between men and women when excluding shares paid in February 2020

These figures give a more accurate representation of the progress made in closing our gender pay gap.



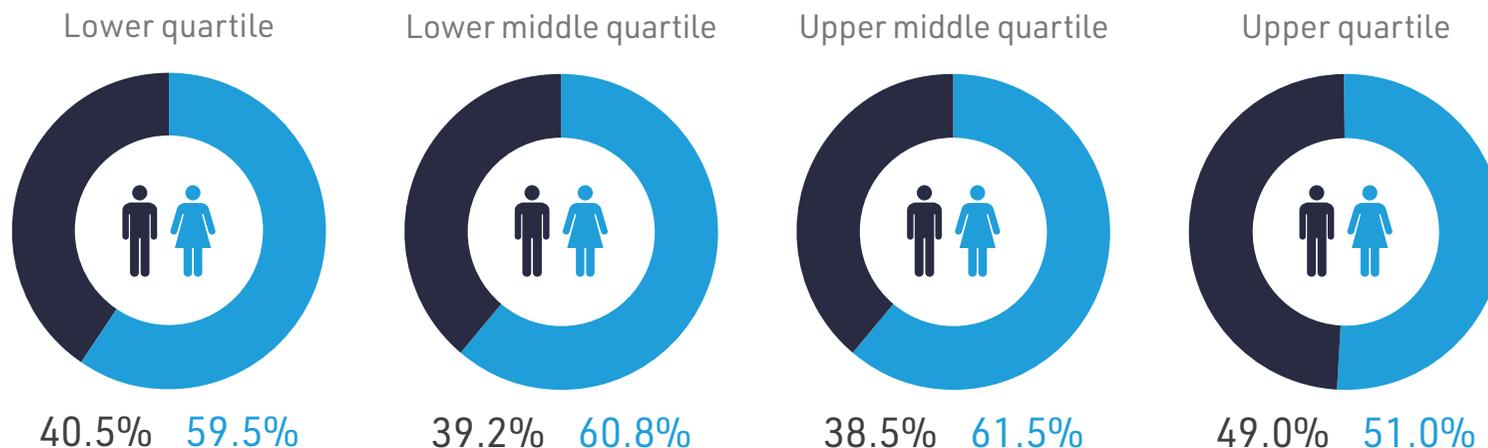
Charles Taylor Assistance Gender Pay Gap 2020

Charles Taylor Assistance is proud to have a strong presence of female talent within the organization, many of whom work flexibly to blend family and career. This flexibility is extended to all staff, irrespective of gender.

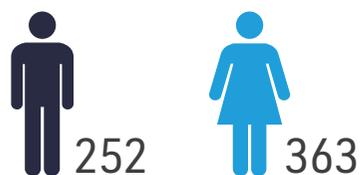
Whilst the upper pay quartile is made up of 51% females, the pay and bonus gaps between males and females arise because the highest earners in the top quartile are male. Of the most senior employees in the organization (Directors and heads of department) 39% are female. Of the population of junior and middle managers, 59% are female.

We believe that we will continue to attract and retain female talent beyond 2020 because of our increased ability to provide home working opportunities, and our historic ability to provide working patterns that support family and lifestyle commitments.

Pay quartiles



Head count April



Mean hourly pay gap



Median hourly pay gap



Proportion of employees receiving a bonus



Bonus pay difference between men and women

- Mean 51.3%
- Median 10.0%

Why do we have a gender pay gap?

We believe that the gender pay gap in insurance arises for historical reasons and reflects the imbalance of men versus women who enter and remain in the industry, and who are subsequently promoted to senior roles. It remains an ongoing challenge to attract and recruit women into certain roles.

62.8% of our UK staff are male compared to 37.2% female. A greater number of our part-time staff are female. Furthermore, the positions held by female staff tend to be support-oriented positions attracting lower salaries.

Consequently, closing the gender pay gap has progressed at a slower pace than we would have liked.

Achieving progress across our businesses

As a professional services organisation, Charles Taylor Group is comprised of a number of businesses. Some of these are long established. Our data shows that our newer operations have a smaller gender pay gap than our well-established businesses.

We believe that our approaches to recruitment and career development are gradually encouraging and delivering improved diversity in the workplace, which will help deliver an improved male versus female gender profile across our entire business in time. Where female leadership talent pools are limited, we are addressing this through the in-house development of female talent.

Covid-19 was an opportunity to adapt to new circumstances quickly and flexibly, and we are working to ensure that positive changes are retained across our entire business. In this way we will provide all staff, irrespective of gender, with the opportunity to combine their careers and personal commitments, and in enabling this, we hope to overcome some of the historic challenges that have prevented us from closing our gender pay gap.

What are we doing to help reduce the gender pay gap?

Diversity & Inclusion remains a key part of our business strategy at Charles Taylor.

Our mission is to promote an inclusive and diverse environment in which we actively appreciate and celebrate difference, and all our employees can bring their best selves to work.

We continue to partner with our women's network to understand their experiences of being a Charles Taylor employee and, importantly, provide an insight into additional changes that we could make.

We continue to drive Diversity & Inclusion across the three pillars of our strategy.

These are:

Recruitment

People
Development

People
Engagement

We are serious about our commitment to significantly closing the gender pay gap. By 2025 we are aiming for the top quartile of our staff to be 30% female. With a traditionally low staff attrition rate we know this is a challenging target, but we are committed to doing all we can to improve female representation.



Recruitment:

We continue to provide our hiring managers with compulsory interview training that minimises bias and ensures that we are providing opportunities for females to secure senior roles.

The recruitment team continues to utilise a gender decoder so that the language used in all job adverts is gender neutral. In addition, we are working closely with *Working Families* to ensure all opportunities are open to part time and flexible working – something which has increased since the start of the Covid-19 pandemic.

We are dedicated to nurturing and developing future female leaders within technology. In 2019, we launched our graduate technology programme with the aim of 60% of the hires being female. We are proud that, in 2019, we achieved this target.

In 2020's programme, 100% of our hires were female and, for 2021, we expect 75% of our intake to be female. This will result in a greater number of females in the lower quartile initially, but as they develop in their careers and progress through the organisation, we hope that that this will improve our gender pay gap in time.



Staff Development:

In 2019 we launched our first ever global high-potential programme. In its first year we aimed the programme at females only to enhance their existing business leadership skills. The programme has already had a positive impact with 25% of participants having been promoted since the programme's inception. Due to Covid-19, we were unable to run the programme in 2020. However, we are confident that the programme has supported the development of our top female talent, and we will continue to develop our female talent further in 2021.

We are aware that we will only nurture a gender diverse environment if we have inclusive leaders and staff. We have, therefore, made changes within our approach to staff development and integrated a strong focus on inclusion and diversity into all our programmes.

We have been running highly interactive unconscious bias training sessions for a couple of years now and feedback remains positive. The workshop is aimed at managers and is designed to help them understand the nature and impact of unconscious bias, and to identify it in their own behavior.

Over 80 of our managers have completed this training. In 2020, we opened this workshop to non-managers too, to ensure learning opportunities were provided to all. Our aim is to encourage reflection, as well as influence decision making, whilst driving long-term changes in behaviour where appropriate.

All staff have access to the wider Core Learning and Development curriculum, which supports career development and self-managed learning. We encourage building career development plans for all our people.

We have also invested in LinkedIn learning to ensure that all staff, regardless of gender, can drive their professional and personal skills development.

In March 2020 we were delighted to host an event for International Women's Day. The discussion on this year's theme, #ChooseToChallenge, featured two panelists from Charles Taylor who provided insight into their own career journeys.

We continue to ensure that we reward and recognise our people fairly through structured job families, development levels and subsequent bonuses. This is recognised by the improvement in our bonus pay gap. Furthermore, we then go through a rigorous reward moderation process where any unusual themes indicating potential bias regarding performance ratings, promotions and salary increases are challenged.



Engagement:

In our previous report, we discussed how we were partnering with Working Families to review our flexible working arrangements for existing staff. As a result, we launched flexible working guides for staff and managers, to support them to manage flexible working requests. The Covid-19 pandemic has helped accelerate our aims in flexible working.

We believe that our gender pay gap is in part attributable to historic gender stereotypes. Therefore, when a male colleague notifies HR that they are taking paternity leave, they are actively signposted to the business's shared parental leave policy.

We strongly believe that our culture and technology infrastructure will continue to enable our aspirations around flexible working post Covid-19. No doubt this will help drive career development for all staff, including those who work part time due to parental or caring responsibilities.

It's crucial to us that our diversity and inclusion strategy reflects the different needs of our people across the world. Our global D&I forum champions identify areas of development within their respective divisions, and our ExCo sponsors drive a top-down approach to change.

In alignment with this, we will continue to celebrate different religions and cultural events in order to increase understanding and reduce barriers. This is a vital part of our engagement strategy.



The future – what are we planning to do next?

We believe there is much more we can do to recruit, develop and retain the most talented staff. Our plans include:

Recruiting more females into the business:

Our graduate technology programme has created an essential pathway for females to join the organisation and to nurture their careers in a historically male dominated sector. However, we must drive more recruitment of emergent female talent within other parts of the business, particularly our loss adjusting division, which remains male-dominated.

The recruitment team continues to target gender balance across interview shortlists, particularly for senior vacancies. We realise that progress remains slow, and so we are exploring the advantages of female-centric job boards. In using these, we hope to establish our presence with senior females within the professional services market, as well as support females who wish to return to work after an extended career break.

Data Collection & Engagement Surveys:

In 2021, we aim to implement a global D&I data collection survey. In addition, we will be initiating a new engagement survey platform that will increase our ability to obtain feedback at more frequent intervals. By asking our people for both quantitative and qualitative D&I related data more frequently, we hope to better understand the perspectives that will shape our future D&I strategy.

Working with our networks:

We continue to seek input from partner organisations such as *Working Families* and *Stonewall* and from colleagues in our women's network, listening to their feedback so that we can identify how we can improve. Based on recent discussions, we understand that during maternity, paternity and shared parental leave, colleagues may lose confidence in our commitment to support their career, and may disengage from the business as a result. We therefore plan to introduce guidance which supports both employees and line managers to drive career discussions during periods of personal change.

Bystander intervention:

Based on feedback from our women's network and the recent *Black Lives Matter* movement, we have created and launched a workshop on Bystander Intervention to equip our staff with appropriate tools and knowledge so that they can challenge any inappropriate behaviours. Initial feedback from the pilot workshops we have run has been extremely positive.

Build further awareness and role models:

Our engagement calendar has been immensely successful, and colleagues continue to enjoy learning about different religions, cultures and perspectives. Remote working has highlighted the need to maintain a strong culture of cohesiveness and teamwork and we have implemented "employee perspective" stories so that colleagues can share more about their personal lives and topics of particular interest. It's our aspiration that all our people should achieve a comfortable blend of home and working life and feel able to contribute from a place of authenticity.



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