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## Foreword

This is our fourth year of reporting our gender pay gap figures for the UK, and my first as our Executive Sponsor of diversity and inclusion.

The gender make-up of our business continue to evolve, and these changes are reflected in this year's numbers. The mean pay gap of 21.1% shows our steady progress at getting more women into senior (and higher paid) roles and I am pleased to see the year-on-year improvement since we started reporting.

The median figure of 25.0% has been impacted this year by the introduction of part-time teams in our entry-level customer-facing roles. The majority of these lower-paid positions were filled by females, which has increased the proportion of women in our lower quartile and naturally altered the midpoint pay gap metric. Although its impact on our gender pay reporting is disappointing, the part-time teams have been a success in delivering our strategic objective of increasing tenure within our customer experience centre, and embracing flexible working opportunities has enabled new sources of talent to join us.

Improving diversity and inclusion remains as important as ever to our business, and our progress is helped by existing processes and partnerships as well as new initiatives for 2020. You can find out more about these on page 5.

I hope you find this report useful, and I can confirm that the data set out in the following pages is accurate.



A handwritten signature in white ink that reads "Kate Markham". The signature is fluid and cursive.

Kate Markham  
Hiscox London Market CEO  
Executive Sponsor, diversity and inclusion

As a company with more than 250 employees we are required by the UK Government to publish details of the gap in pay between men and women, which we have done since 2017.

This report examines the gender pay gap which the government defines as, “...an equality measure that shows the difference in average earnings between women and men”. It is not the same as equal pay, which is the amount paid for carrying out like-for-like roles.

Our report also explores the gender gap in bonus payments. We see more volatility in this measure year-on-year due to both the nature of our business and the personal decision of employees when it comes to exercising their share options.

We also explain what we are doing to close the gap in both salary and bonuses, by making sure more women have a better chance to progress to senior roles within Hiscox.



**The difference between ‘mean’ and ‘median’**

The ‘mean’ is the average. It is the total of all hourly rates, divided by the total number of employees.

The ‘median’ is the middle value, or the midpoint of hourly rates, when listed in order.

It can be useful to look at the median as it is less affected by numbers at the top end of the pay spectrum, such as the earnings of a small number of senior executives.

**Pay and bonus gap – difference between men and women**

	2020		2019	
	Median	Mean	Median	Mean
Hourly pay gap	25.0%	21.2%	22.6%	26.1%
Bonus pay gap	10.0%	38.0%	31.0%	61.0%

The proportion of females receiving a bonus during the year was 90% versus 90% of men.

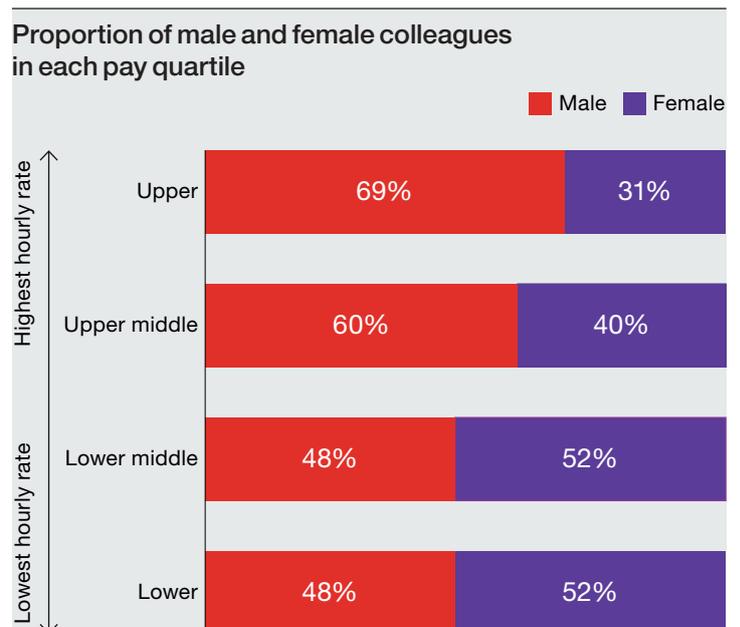
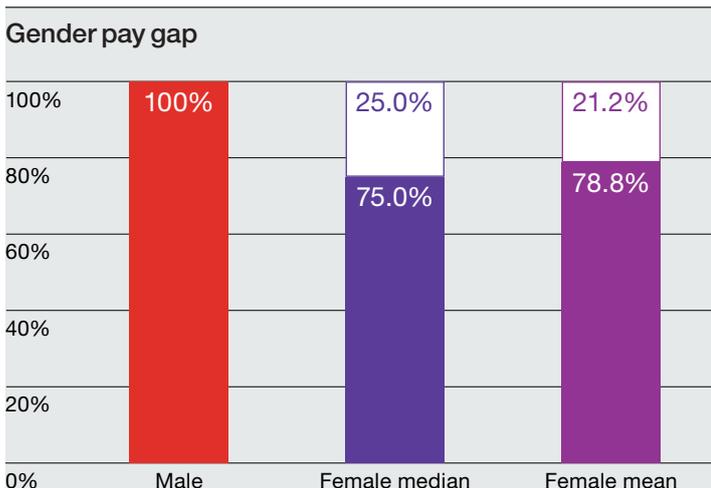
## Hourly pay gap

Our data was taken from the April 2020 pay period and converted to an hourly rate of pay for each of our 1,500 UK employees regardless of their job role, level of seniority, or location. The average hourly pay for men and women was calculated on a mean and median basis.

	Median	Mean
Hourly pay gap	25.0%	21.2%

While we know men and women employed at Hiscox are paid equally for carrying out equivalent jobs – we have a robust process in place to ensure pay levels are reviewed fairly and consistently – our analysis shows that the pay gap is still largely due to having fewer women at senior levels.

We still have more to do to improve the representation of women at more senior levels, particularly in our big-ticket underwriting business. You can find out more about some of the steps we are taking to address this on page 5.



## Bonus pay gap

Turning to the difference in bonus pay between men and women, we took bonus payment data from the 12 months to 5 April 2020. We have not adjusted the amounts to reflect the impact of part-time working and temporary absence.

There is equal opportunity to earn a bonus at Hiscox. The proportion of females receiving a bonus during the year was 90% versus 90% of men.

	Male	Female
Received a bonus	90%	90%

Since there is a higher representation of men at senior levels in the organisation in roles which attract higher variable pay, men's bonuses are, on average, larger than women's bonuses. You can find out more about some of the steps we are taking to address this on page 5.

	Median	Mean
Bonus pay gap	10.0%	38.0%

However, the bonus gap is a volatile measure. The nature of our business means that bonuses fluctuate depending on our claims experience; a higher claims frequency can lead to reduced bonus potential, and vice versa.

These figures also include share options exercised which can vary year to year, as timing is a personal decision for employees.



## Taking action

Improving our gender pay gap means getting more women into more senior roles at Hiscox. Here are some of the steps we are taking to do just that.



### KPIs and succession planning

Diversity and inclusion is part of the management agenda across all the businesses and functions. We set gender KPIs which we see as an imperative step to helping us improve our female representation, which each business unit CEO and Functional Leader is held accountable for meeting – with progress measured and tracked quarterly. As part of our annual talent review, we conducted a gender analysis for

our most critical succession plans. This analysis has highlighted the need for more gender diversity within our succession plans. To address this, at a minimum we will identify at least one female successor for every leadership team role and accelerate succession readiness by assigning mentors and encouraging courageous career moves early on.



### Training and development

To support our objective to increase female representation on succession plans and in senior roles, we are reviewing the current 'Women in Leadership' programme including re-visiting its objectives and target audience going forward. The refreshed programme will aim to accelerate the development of participants, enabling us to fill more senior roles from the succession pool. We continue to embed diversity and inclusion topics into our existing personal development training modules globally. This

includes adding inclusive leadership to our people management pathway (high performing teams, coaching skills for managers and leadership impact modules) and career discovery module called Aspire. We also continue to run the enhanced people manager toolkit which built on the 'unconscious bias' section of the training that was offered. The new workshop includes a case study to show what inclusive leadership does and doesn't look like in the context of employee development.



### Networking and peer support

We now have 12 employee networks – over half of our UK employees are actively engaged with WeMind (our mental health and wellbeing employee network) and we have over 1,700 members combined across our other networks. From Women At Hiscox to Parents and Caregivers, each network provides a forum for focused discussion as well as practical activities and support.

This year's network events have covered topics including 'Intersectionality, what it is and why it matters?', an innovation workshop, professional development webinars, and an all-male panel on 'how men can find their voice in the gender equality conversation'. Employees also attend various external events with membership organisations such as iWIN (the Independent Women in Insurance group). Our networks have also held more informal virtual coffee mornings for

groups such as working parents, and aspiring female leaders. We are members of the Insurance Supper Club (ISC), an organisation that supports the retention, attraction and promotion of women in the insurance industry to aid culture change in leadership and improve business results for all. Earlier this year, we ran an internal bespoke mentoring event as part of the ISC Aspire programme. This event was a great opportunity for future female leaders at Hiscox to engage with two Hiscox senior female leaders along with two other senior female leaders from outside the organisation to gain career development advice from both an internal and an external perspective. Our employees are now being given access to the ISC career development programme, on top of the benefits of general membership, which gives them opportunities to attend coaching, mentoring and business insight sessions.



### Recruitment

We are targeting a more diverse pool of students for our UK graduate and intern roles, through campus events with universities and business societies, and in our work with careers services at both Russell Group and some non-Russell Group universities. These efforts are changing our talent pool.

We continue to work with The Brokerage, a London-based charity that works with young people from disadvantaged backgrounds to equip them with employability skills and access to the financial services industry, to increase social mobility and diversity in the workplace. Our work with them includes charitable donations, mentoring and collaboration on insight events and employability skills coaching, and helps to generate a more diverse pool of applicants for our early career schemes.

We are also partnering with the Bright Network, a career-oriented network of university students and graduates in the United Kingdom which holds employability workshops, networking events and recruitment fairs in Central London. This partnership is also helping us to reach a more diverse pool of candidates for our UK graduate and intern roles.

Beyond our UK graduate and intern opportunities, we continue to strive for gender balanced shortlists for roles, and use diversity job boards as well as gender neutral job specifications.

**To view the latest job vacancies at Hiscox: [hiscoxgroup.com/careers](https://www.hiscoxgroup.com/careers)**