

Foreword

Since we began reporting our gender pay gap in the UK, we have seen year-on-year incremental improvements and I am pleased this year that we have continued on that trajectory. On a mean basis, our gender pay gap has reduced by almost half since we first started reporting on it, and taking the median, the gap is now 8.8 percentage points lower than in 2017.

Our gender pay gap reflects the higher proportion of men than women in higher-paid, senior roles and is not to be confused with 'equal pay'. We have established structures and processes which ensure that men and women are paid the same for similar roles, so the focus of our efforts has been on re-balancing the numbers of men and women at every level of our organisation.

While we have seen the number of women in senior roles grow (shown on page 3), we recognise that there is still some way to go, and we remain committed to improving representation of women at senior levels. We know we have talented women at every level of our business, and you can read more about the actions we are taking to nurture this talent and build a pipeline of women leaders on page 5. This starts with our home-grown talent and we've worked hard to ensure that each of our business units and functions across the Group has an action plan in place that is measured and monitored. These action plans include building gender diversity into succession planning, career development and facilitating mentoring for all of our employees as we seek to realise women's leadership potential across our business.

In recruitment, this means ensuring our job descriptions use gender-neutral language and striving for gender-balanced shortlists for roles. And in our early careers programme, we have also worked closely with SEO London, a charity focusing on gender, ethnicity and those from lower socio-economic areas, to help university students from these groups learn about careers in insurance, as well as providing them access to our UK graduate and intern opportunities.

We are continually striving to improve our programmes and this includes incorporating feedback from our employees through our employee engagement network, and using data, for example to better understand the intersectionality that exists between gender and other factors in our workforce, and the potential impact of these on the outcomes for our talented women.

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, appearing to read 'K. Markham', written in a cursive style.

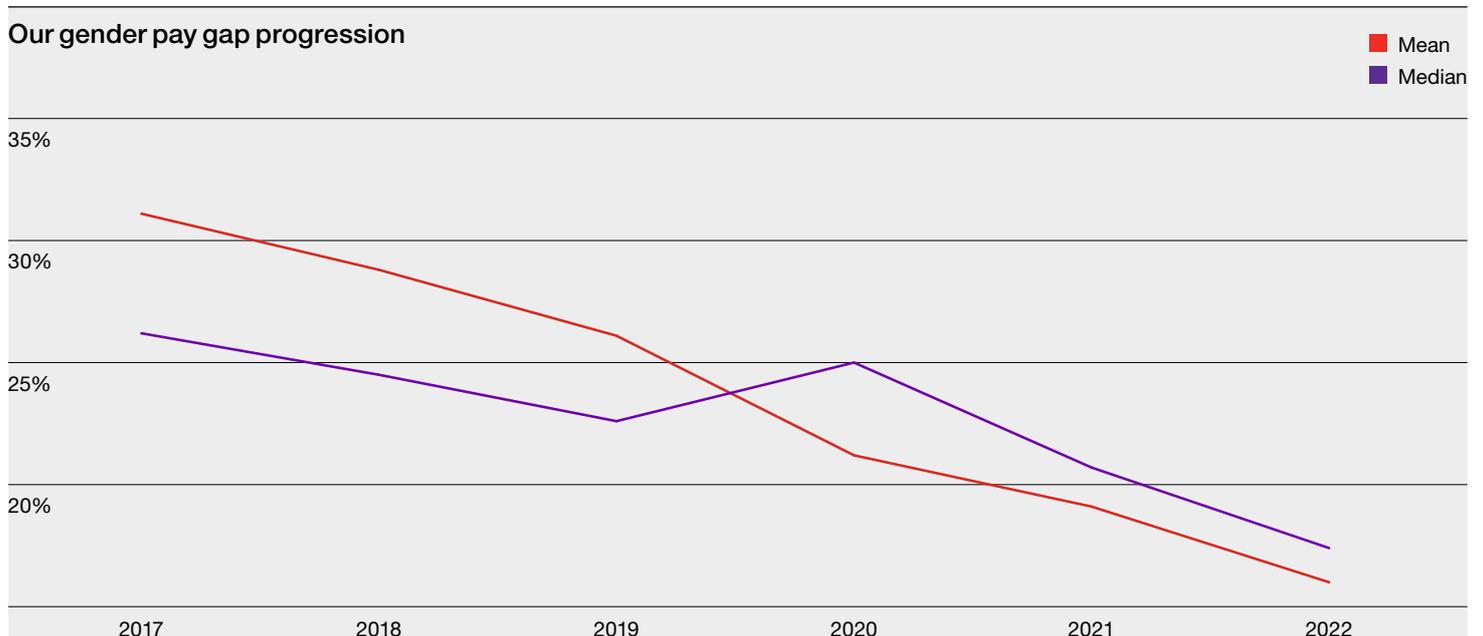
Kate Markham
CEO, Hiscox London Market
Executive Sponsor, diversity, equity and inclusion

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.



Pay and bonus gap – difference between men and women

	2022		2021	
	Median	Mean	Median	Mean
Hourly pay gap	17.4%	16.0%	20.7%	19.1%
Bonus pay gap	26.0%	24.0%	23.0%	21.0%

The proportion of both men and women receiving a bonus during the year was 88%.



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.

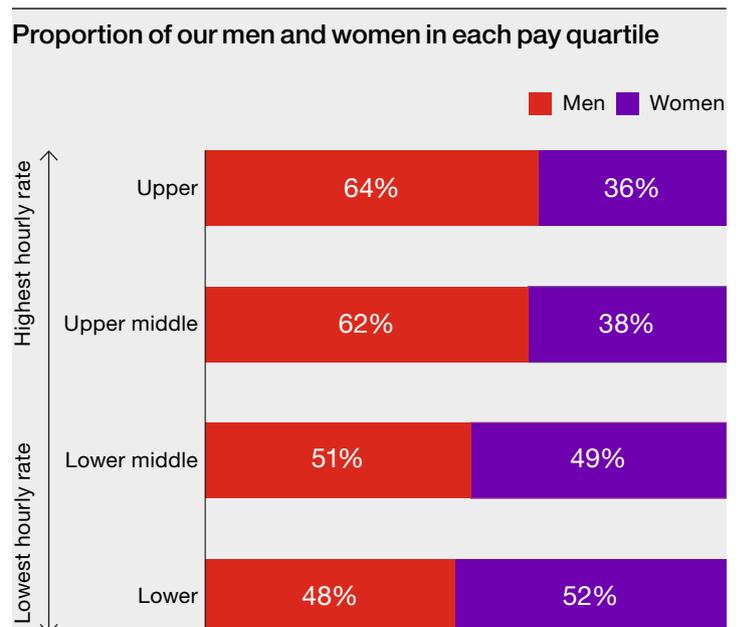
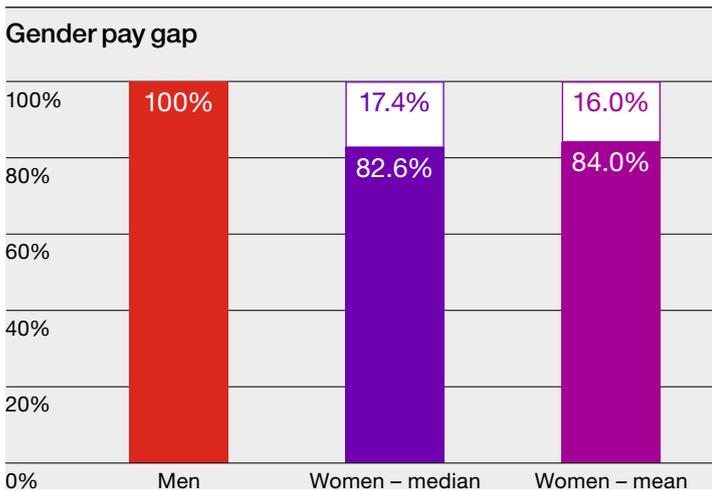
Hourly pay gap

Our data was taken from the April 2022 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	17.4%	16.0%

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 2022. We have not adjusted the amounts to reflect the impact of part-time working and temporary absence.

All employees who joined the business prior to 1 October 2021 were eligible to receive a bonus. Anyone who joined after this date, or who resigned prior to the bonus payments being made, would not be eligible for a bonus.

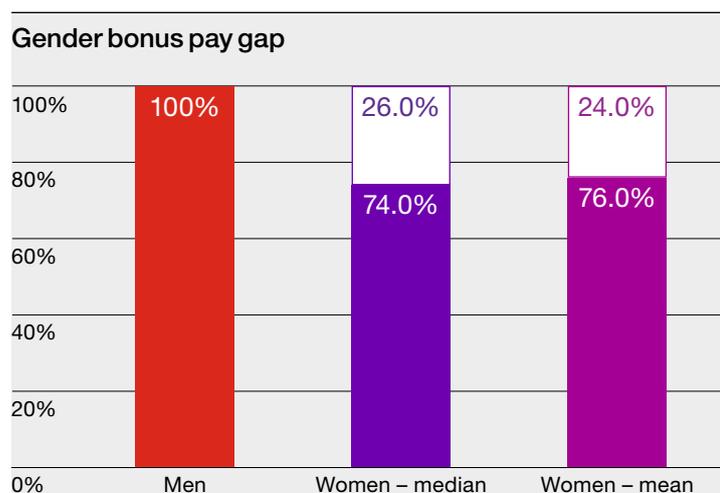
Since there is a higher representation of men at senior levels in the organisation in roles which attract higher variable pay, men's bonuses are, on average, larger than women's bonuses. You can find out more about some of the steps we are taking to address this on page 5.

The bonus gap is a volatile measure. The nature of our business means that bonus potential can be impacted disproportionately in different parts of the business, 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.

	Men	Women
Received a bonus	88.0%	88.0%

	Median	Mean
Bonus pay gap	26.0%	24.0%



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.

Supporting work/life balance

We're working to remove barriers faced by women with family responsibilities and our new global hybrid working philosophy means that everyone should have some working style flexibility. We've adopted 'team charters' to enable our different teams to agree a working pattern that works for them, including how often they are in the office. We're also encouraging both parents to play a more equal role

in childcare through shared parental leave. Under our enhanced provision, parents can take up to 52 weeks leave by adding shared parental leave to their paternity leave, or by combining shared parental leave with maternity or adoption leave for increased flexibility. This includes up to 26 weeks of fully-paid leave.



KPIs and succession planning

Our diversity, equity and inclusion (DEI) action plans, for all business units and functions, are aligned to our global DEI strategy and overseen by our business and HR leaders. These plans include recruitment, career development, education and awareness and community engagement, in addition to gender-focused KPIs which help focus our efforts for the greatest impact and achieve real results. Progress against our plans is measured and monitored quarterly.

We're expanding our employee self-identification programme to include categories such as disabilities and LGBTQ+ so that

we can better understand the intersectionalities that exist between gender and other characteristics within our organisation – which will help us have a more impactful approach to supporting women's career progression.

We have focused particular attention on building gender diversity into our succession plans, including at Board level. We have also made mentoring accessible to any employee who wants it, as we look to improve readiness for leadership roles at mid-manager level.



Training and development

We continue to conduct talent reviews focused on building a pipeline of women leaders. Each year we review our programmes to identify opportunities to further embed DEI principles and practices into our learning and development materials and approaches. Aspire, our early career development programme, gives employees the opportunity to explore a team leadership career path through workshops and shadowing a team leader role.

This year we introduced guidelines to help managers support those experiencing the menopause and provided access to DEI training for all employees, including topics such as allyship,

inclusive leadership, and establishing psychological safety, in our continuing efforts to foster an inclusive workplace for all.

We're also committed to facilitating healthy feedback across the Company, and our workforce engagement programme ensures employees' views are considered in Board decision-making. This programme involves Board Director-facilitated discussions with representative groups of employees from across the business and explores key themes such as employee engagement and workplace culture.



Networking and peer support

We have six employee network groups in the UK supporting women, mental health (WeMind), LGBT+ (Pride), disabilities and neurodiversity, pan-african, and parent populations and their allies. Each network provides a forum for social and professional networking, information, and learning opportunities and serves as a sounding board for issues relevant to Hiscox's global competitive advantage, as well as leadership development opportunities for its members. We continue to invest in our employee network groups because they play a positive role in employee engagement, retention and in fostering a stronger sense of belonging, driving both individual and collective successes.

This year, our UK networks delivered a series of webinars on gender inclusivity in the workplace; held panel discussions on mental health, menopause, neurodiversity, use of pronouns, digital safety and protecting children, interrupting bias in the workplace, and a range of virtual networking events.

Recognising that we cannot achieve lasting change on our own, we participate in the Insurance Inclusion Diversity Forum, enei Member Forum and The Gender Inclusion Network, as well as DEI-focused workstreams within the Association of British Insurers and others.



Taking action (cont.)



Recruitment

We continue to target a diverse pool of students for our UK graduate and intern opportunities through our partnership with the Bright Network, who have over 700,000 student members from universities across the whole of the UK. Our early careers opportunities are accessible to all Bright Network members, and we use targeted email campaigns and focused newsletters to reach women.

This year we have also worked closely with SEO London, a charity focusing on gender, ethnicity and those from lower socio-economic areas, in partnership with the Lloyd's Community Programme, to educate university students from under-represented groups about careers in insurance.

We have delivered insight events and skills training as well as providing access to our UK graduate and intern opportunities. This summer we delivered our second insight week for school leavers – places for this programme were filled with students via SEO Schools. We aim to hire an even gender split in our early careers opportunities and we review and refine our selection processes each year to drive balanced progression through each stage.

Whether we are hiring for our early careers scheme, or for more experienced candidates, we continue to review our job postings for use of gender-neutral language and strive for gender-balanced shortlists.

View our latest job vacancies at Hiscox: [hiscoxgroup.com/careers](https://www.hiscoxgroup.com/careers)