

Gender pay gap reporting

Ed Broking LLP

March 2019

Results as at 5 April 2018

Ed.

Introduction

The publication of the first gender pay gap reports in the UK last year starkly illustrated the legacy issue that females in the UK insurance industry and the London market, in particular, are underrepresented.

Whilst the statistics reported this year are still not something to be proud of, the increased awareness and heightened focus has helped us make some positive steps towards closing that gap at Ed.

We are acutely aware that the problem is not one that will be fixed overnight, or indeed in 12 months, but we have made positive and tangible steps to begin this process. We will now continue to build on the changes we have implemented as well as become bolder in our actions to accelerate the closure of our gender pay gap.

I'm a firm believer in setting an example at the top of the organisation and that's why I am proud that we now have a significantly better gender split on both the UK Board and Executive Committee (8:4 and 4:3 respectively).

I strongly believe that Ed can be the place where all talented individuals have the best opportunities for success. Closing our gender pay gap is an important part of that.

There is categorical evidence from across the globe that shows a diverse workforce will deliver competitive advantage through enhanced performance. Gender is only one aspect of diversity but, as the new UK CEO of an organisation with shareholders that expect a return, creating momentum in this area will help accelerate the delivery of our strategic goals, whilst ensuring we attract and retain talented employees to Ed.

Finally, I want to thank my colleagues. Their continued adoption of new working practices and support of our initiatives continues to be the key ingredient in working towards closing our gender pay gap.

Andrew Draycott
UK CEO – Ed Broking

Gender pay gap report: 2019

What is the gender pay gap?

This is the second year that UK companies with over 250 employees must report their gender pay statistics.

The objective is to shine a light on the pay area regarding gender differentials and encourage organisations to identify the causes and put into action the steps to rectify their gender pay gaps.

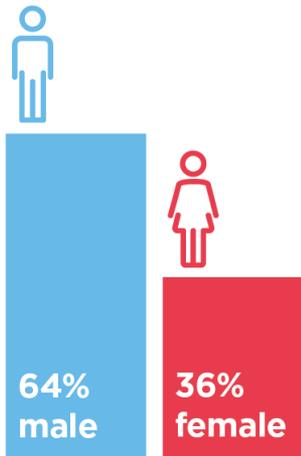
The gender pay gap is a measure of the difference between the average earnings of men and women across the organisation. **It is not the same as equal pay.** Equal pay relates to men and women being paid equally, for equal work and is a legal requirement in the UK.

We determined in 2017 that Ed does not have an equal pay issue, however there is a clear gender pay gap due to the fact we have a lower representation of females in senior level roles and a higher proportion of males in broking roles, both of which we want to improve on.

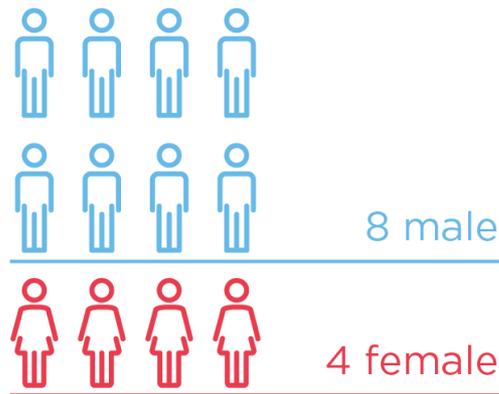
In line with the governments reporting requirements, these results are for Ed Broking as at 5 April 2018.

Ed Broking LLP: Gender split

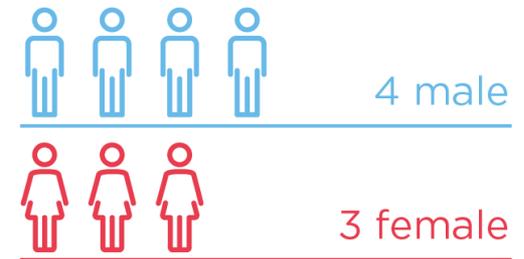
The current gender split of our workforce



All Ed UK employees



UK Board



UK ExCo

Gender pay gap report: 2019

Gap in hourly pay

46%

44%

Mean

Change in gap vs last year

-2%

Median

Change in gap vs last year

+5%

Gender pay gap report: 2019

Bonus paid in 2018 for 2017 performance

84%

67%

Mean

Median

Change in gap vs last year

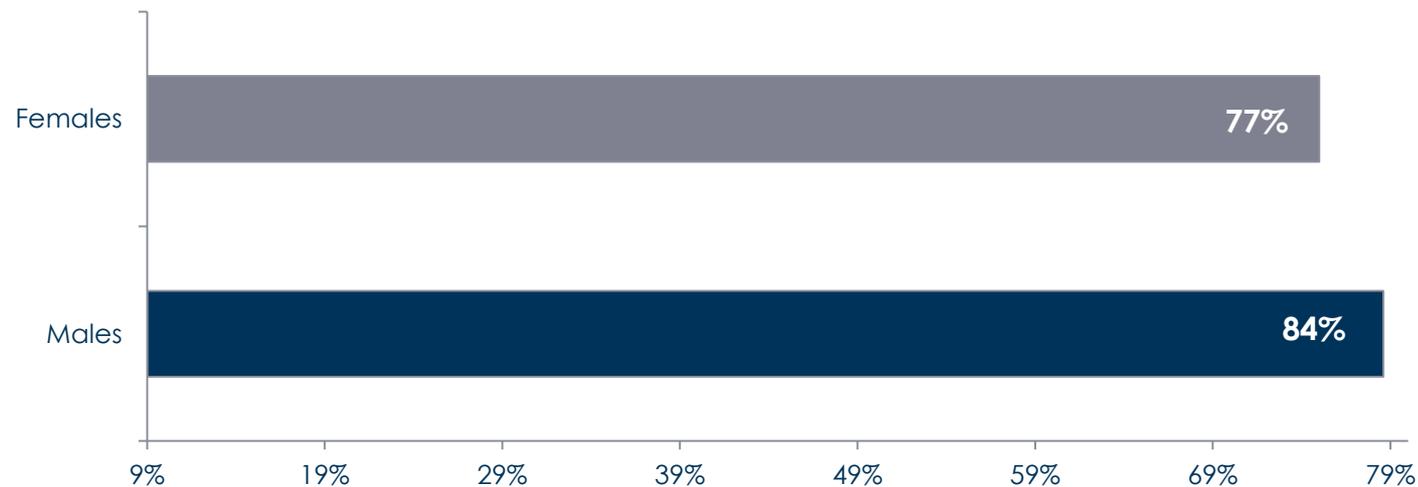
+9%

Change in gap vs last year

+7%

Gender pay gap report: 2019

Proportion of males and females receiving a bonus



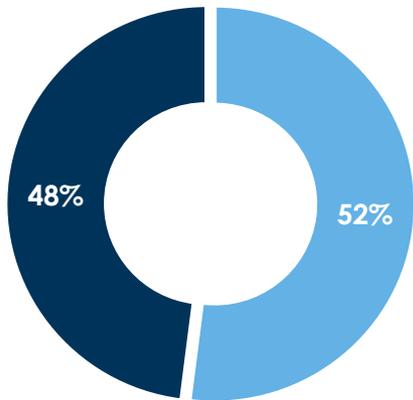
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Gender pay gap report: 2019

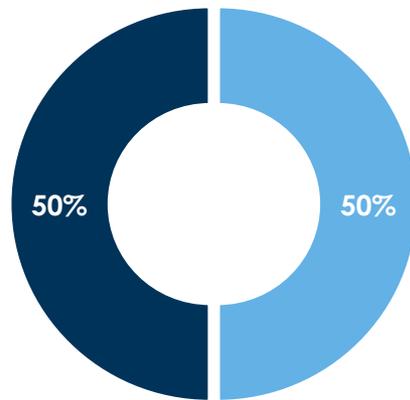
Proportion of males and females by pay quartile

This is the distribution of male and female employees in four quartile pay bands.

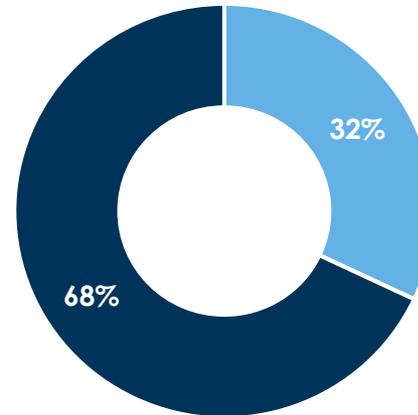
Q1
gender
distribution



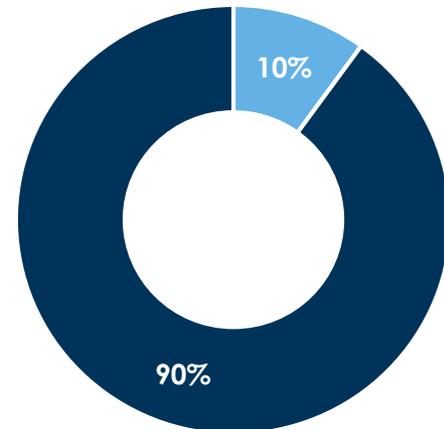
Q2
gender
distribution



Q3
gender
distribution



Q4
gender
distribution



■ Female ■ Male

44% 56%

■ Female ■ Male

49% 51%

■ Female ■ Male

32% 68%

■ Female ■ Male

4% 96%

2017
figures

In line with the reporting requirements, the results are for Ed Broking as at 5 April 2018.

Gender pay gap

What do the 2018 results tell us?

- **There has been a small decrease in our mean gender pay gap from 48% to 46%**
Although small, it is a move in the right direction. This decrease is mainly due to the efforts made to bring more representation via the screening and recruitment process.
- **The median has increased slightly from 39% to 44%**
This increase is due to a number of new senior male hires within 2018.
- **Female representation has increased in 3 of our pay quartiles.**
 - In the upper quartile (Q4) the difference from 7% to 10% is due to the hiring of a female MD, Head of Legal, Risk and Compliance and UK Operations Director.
 - The increase in female representation across Q1, Q2 and Q4 is an indication that initiatives implemented before the first report last year are starting to have a positive impact.
 - The male/female split in Q3 has remained the same. This will be given some more focus in 2019 to understand the specific dynamics of that quartile in more detail and how we can increase female representation within this quartile.

Bonus pay gap

What do the 2018 results tell us?

- **There has been an increase in the average mean bonus gap from 75% to 84% and the median bonus gap from 60% to 67%.**

Our bonus awards are determined by the type of role and level in the organisation. The bonus gap is primarily driven by the larger bonus percentages applied to our production and broking roles. The data shows us there is a larger representation of males, in these roles, across the Company. There are also more males in senior roles which will also have an impact on the bonus gap.

- **There is a significant increase in the number of employees receiving a bonus in 2018 compared to 2017.**

The number of females receiving a bonus has increased from 63% to 77% and the number of males receiving a bonus has increased from 59% to 84%, due to the implementation of the bonus reward framework which underpins the bonus outcome and is linked to performance.

- **We can only include pro-rated bonus for colleagues who work reduced hours.**

There is a larger proportion of female colleagues that choose to work reduced hours in comparison to males. We are supportive of colleagues working flexibly and those that choose to work reduced hours if it suits their lifestyle. However, this has an impact on our bonus gap as they received a pro-rated bonus to reflect the reduced hours they work.

Closing the gap

What we have achieved in the last 12 months:

1. We created **new terms and conditions** for our recruitment agencies and partners to sign, to ensure they agree to try to provide a 50/50 gender split of potential candidates.
2. As promised, we focussed on developing our female talent as part of our **annual promotions process** and as a result promoted 5 females and 3 males with effect from 01 April 2018.
3. For the first time, 10 female colleagues attended the annual **“We are Future Leaders”** conference in May 2018.
4. We launched the concept of all employees working **flexible office hours** to encourage a better balance between our work and personal lives.
5. Lucy Cross was appointed Head of Technical Processing, **a new senior role** within our UK Operations team.
6. The **Executive Committee of Ed Broking LLP is now 43% female** – Joanne Merrick (Head of Legal, Risk and Compliance), Joanna Joynson-Barnes (Head of UK Operations) and Heather Clarkson (CEO of Specialty).
7. Sponsorship of the **2018 Dive In Festival**.
8. We reviewed and improved our **Family Friendly Policies** by degenderising the benefits, enhancing pay and providing return to work benefits.

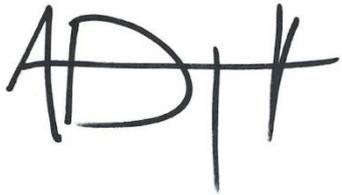
Closing the gap

In 2019 we will focus on...

- 1. Recruitment** – We will enhance our recruitment processes by carrying out the following:
 - Using our corporate subscription to the Clear Company portal we will work to ensure our processes and procedures are updated to ensure they are inclusive and training is provided to hiring managers.
 - It will become mandatory for HR to be involved in hiring for specific roles from the very beginning of the process to ensure we continue to support a diverse pool of candidates through to hiring.
- 2. Employer branding** – We will improve the way in which communicate with existing and prospective employees about the good work we have carried out and benefits we already have in place, which make Ed a progressive and supportive place to work. This will help us retain and attract talent in the market.
- 3. Mentoring** – We will refresh the current scheme to ensure all senior females and high potential employees have an internal and/or external mentor at all levels.
- 4. Culture:** Based on the feedback from our first company I&D survey, we will create a brand new training and development programme designed to engage and educate colleagues about the changing workplace and the impact of office culture on creating a diverse and inclusive culture.

Declaration

I confirm the gender pay gap data contained in this report is accurate.

A handwritten signature in black ink, appearing to read 'ADITK', with a horizontal line crossing through the middle of the letters.

Andrew Draycott
UK Chief Executive Officer

www.edbroking.com



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