



MY COMMITMENT TO DIVERSITY & INCLUSION

I am determined that we create a truly diverse and inclusive workforce at Chaucer; one that works smarter together and delivers better solutions for clients.

While our aim is ambitious, we still have plenty to do, but with changes underway to ensure that, at all levels, we recruit and promote equally from all sectors of society. I am confident our transformation has begun.

John Fowle, Chief Executive Officer

CHAUCER'S MEAN AND MEDIAN GENDER PAY GAP

Chaucer's mean gender pay gap is **36.6%** (39.5% in 2017), which is the difference in average hourly rates of pay that male and female employees receive.

Chaucer's median pay gap is **32.5%** (33.0% in 2017), which is the difference in the midpoints of the ranges of hourly rates of pay for men and women with rates ordered from lowest to highest and comparing the middle values.

The median UK national gender pay gap was 17.9% in 2018.*

MEAN
36.6%
MEDIAN
32.5%

CHAUCER'S MEAN AND MEDIAN GENDER BONUS GAP

Chaucer's mean gender bonus gap is **71.9%** (72.1% in 2017), which is the difference in average bonus pay male and female employees receive.

Chaucer's median bonus gap is **42.3%** (34.9% in 2017), which is the difference in midpoints of the ranges of bonus pay received by men and women.

The Chaucer bonus awards are paid based on both company performance and individual staff performance. Bonus awards are made irrespective of gender.

MEAN
71.9%
MEDIAN
42.3%

WHAT IS DRIVING OUR GENDER PAY GAP?

We regularly review our pay policies to ensure we offer equal pay for equal work, regardless of gender and know it is not unequal pay that is driving our gap.

The underrepresentation of women in the workforce, and higher levels of gender imbalance in senior roles, are challenges facing all industries, including financial services, in the UK as well at Chaucer. These are the main reasons the gender pay gap exists, and we know we need to do much more work to close this.

WHAT ARE WE DOING TO REDUCE OUR GENDER PAY GAP?

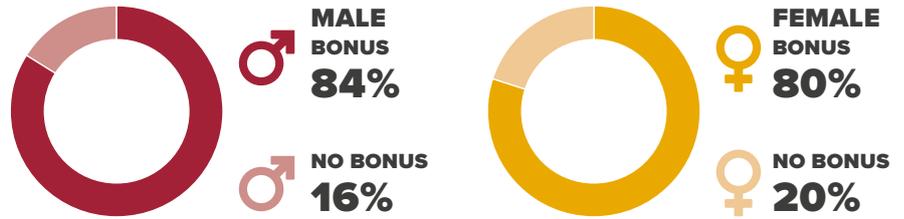
We are committed to supporting Diversity and Inclusion, and are taking a number of steps to improve gender equality including:

- the continuous development of gender inclusive policies to build a better workplace culture
- the introduction of greater inclusivity in our attraction, hiring and promotion practices, including regular monitoring and evaluation of our progress to ensure equal opportunity in all aspects of employment
- the introduction of at least one diversity candidate on the shortlist for all vacancies over £75,000
- greater focus on career progression through coaching, mentoring, and training including the development of inclusive management and leadership skills
- better support for working families through our flexible working programme "Better Ways of Working"
- the launch of our new mentoring programme which includes support for our Diversity and Inclusion agenda
- early public support by John Fowle, CEO, for The Insurance Inclusive Behaviour Pledge which promotes inclusive behaviour in the London Market
- in 2019 we are launching a new Returners Programme aimed at individuals looking to return to work after a long career break. Our aim is to improve our talent pool of people at career mid-points. We believe this programme will be the first of its kind in the London Market.

I PROPORTION OF MALES AND FEMALES RECEIVING A BONUS

All permanent employees are eligible for a bonus in the year up to April 2018, 100% of women who were eligible received a bonus.

20% of women and 16% of men did not receive a bonus because the data includes a number of fixed term contractors who are not part of the bonus scheme, and a number of new joiners who joined after the end of the performance year.



I PAY QUARTILES IN CHAUCER

Broadly, there is an equal balance of male and female employees in the lowest pay quartile, although the gap widens in the lower middle quartile.

The proportion of male and female employees in the upper middle quartile reflects the gender split within Chaucer. However, there is a much higher proportion of males in the upper quartile.

UPPER QUARTILE



UPPER MIDDLE QUARTILE



LOWER MIDDLE QUARTILE

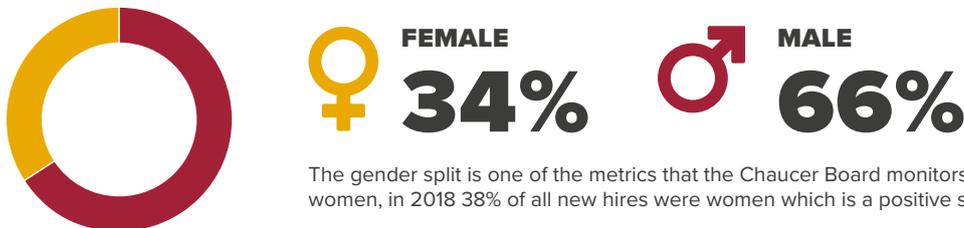


LOWER QUARTILE



■ MALE ■ FEMALE

I CHAUCER'S UK EMPLOYEES



The gender split is one of the metrics that the Chaucer Board monitors annually. Whilst currently 34% of staff are women, in 2018 38% of all new hires were women which is a positive step.

I GENDER PAY GAP REPORTING

Following its introduction in April 2017, gender pay reporting legislation requires employers with 250 or more employees to publish statutory calculations every year showing the differential in pay between male and female employees.

Employers are required to report the statistics on their website, and to the Government using the HMRC gender pay gap reporting service. All information can be found by visiting <https://gender-pay-gap.service.gov.uk/Viewing>

The mean and median gender pay gap is based on hourly rates of pay as at 5th April 2018. The mean and median gender bonus gap considers bonus pay received in the 12 months leading up to 5th April 2018 .

Gender pay gap reporting is intended to measure the difference between men and women's earnings in an organisation irrespective of roles and seniority. This is different to equal pay, which is the legal obligation for employers to give men and women equal pay for equal work. At Chaucer men and women are paid equally and fairly for the work that they do.

FURTHER INFORMATION ON GENDER PAY GAP REPORTING AND EQUAL PAY:

Government Gender Pay Gap Reporting : <https://gender-pay-gap.service.gov.uk/Viewing>

Equality Act 2010: <https://www.legislation.gov.uk/ukpga/2010/15/contents>