

Travelers Management Limited

# *Gender Pay Gap Report*



## Legislation Overview

Employers in the United Kingdom with more than 250 employees are required to publish: (1) the difference between the mean and median hourly rates of pay and bonus pay paid to male and female employees; (2) the proportion of male and female employees receiving a bonus payment; and (3) the proportion of male and female employees in each hourly pay quartile.

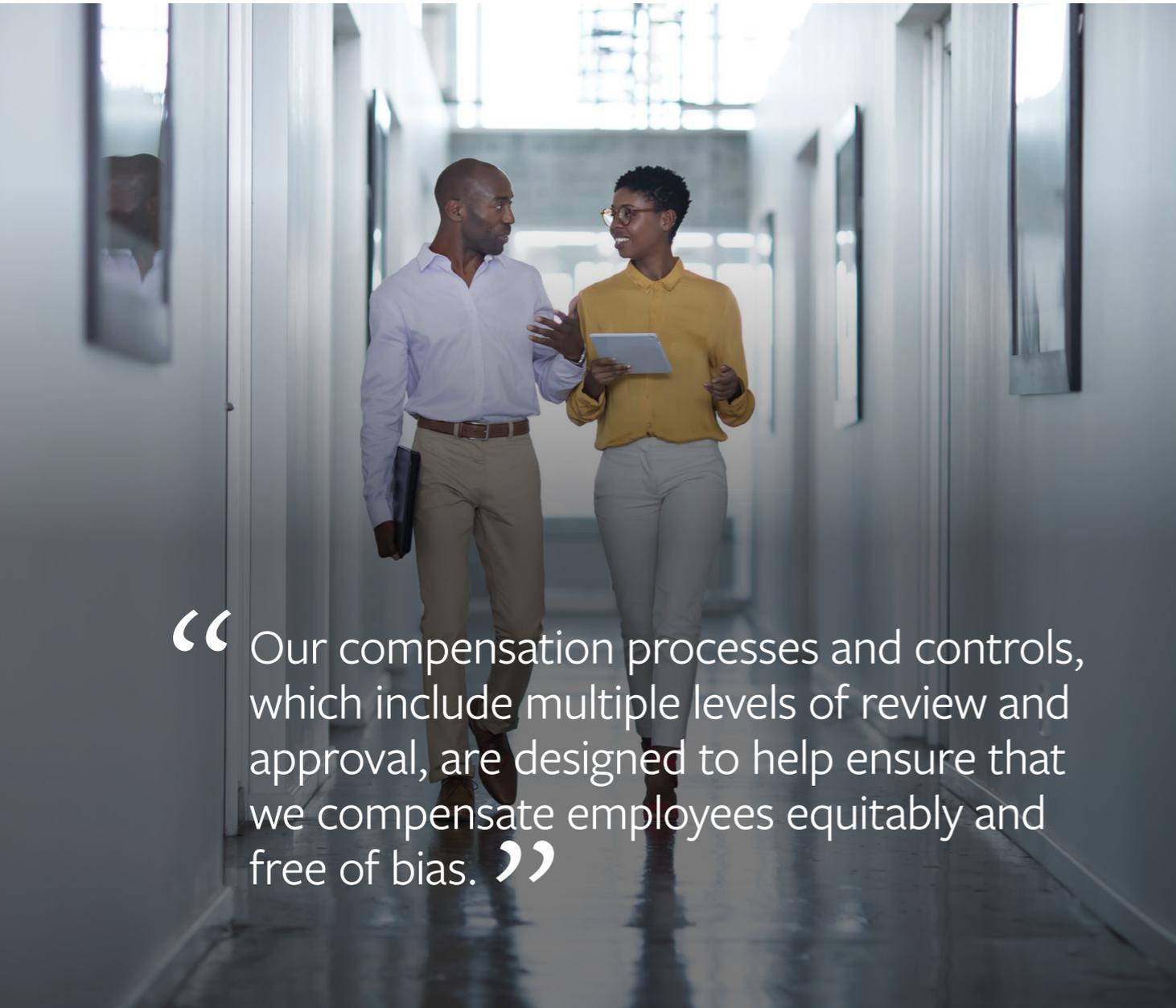
 **600+**

Travelers Management Limited, a UK entity, has approximately 600 employees in the United Kingdom. Its data for 2019 is provided in this report.



## Diversity and Inclusion as a Business Imperative

At Travelers, our greatest asset is our people. We recognise that preparing for the future requires that we both maintain and extend our talent advantage. In that regard, diversity and inclusion is a business imperative for us. Our efforts are aimed at attracting, retaining and promoting the best talent from the broadest possible pool of talent. Diverse experiences and viewpoints yield greater insights and better outcomes, raising the bar on individual and team performance. Our diverse and inclusive workforce today will be an important factor in our success tomorrow.



“ Our compensation processes and controls, which include multiple levels of review and approval, are designed to help ensure that we compensate employees equitably and free of bias. ”

## Understanding the Numbers

Paying our employees equitably is the foundation of our merit-based culture, and our compensation programme is designed to drive that culture. Our long-standing pay-for-performance philosophy differentiates awards based on individual and company performance, regardless of gender. Our compensation processes and controls, which include multiple levels of review and approval, are designed to help ensure that we compensate employees equitably and free of bias.

The information required to be disclosed by the legislation compares all female employees as a group to all male employees as a group. It is important to highlight that these required figures do not measure pay equity. As the required disclosures do not account for differences in pay by level, location, job function or job performance, these disclosures do not measure whether employees are receiving equal pay for equal work. Based in part on the processes and factors described above, we are confident that our pay practices result in equitable pay for our employees, regardless of gender.

The figures that we are required to disclose in this report reflect the fact that there are more men than women working in higher-level positions, where hourly rates and bonuses are higher and bonuses are more common. They also reflect our ongoing efforts to provide a flexible work environment and offer part-time options, where bonus awards are typically lower. These flexible arrangements are more frequently exercised by women than men, particularly as they return from maternity leave.

The figures also take into account all forms of bonuses, including equity awards, which are typically provided to those in more senior-level roles and take three years to vest. When these awards are exercised, they are included in the bonus calculations, meaning that most of the equity awards included in this year's calculation were awarded three or more years ago.

## Constantly Improving Our Culture

We value the diversity that exists among our workforce, our business partners, our customers and our communities. In order to increase female representation in higher-level positions in the United Kingdom, we have undertaken a number of initiatives. These include requiring a diverse slate of qualified candidates for all higher-level positions; requiring a diverse panel of interviewers with varying perspectives and levels of experience for mid- to senior-level positions; and requiring training for employees involved in the hiring process to help them recognise and minimise potential blind spots with respect to unconscious bias.

We also participate in industry diversity and inclusion initiatives and have been an active host of events at the Dive In Festival — an industry forum aimed at supporting the development of an inclusive workplace — for a number of years. We are also a member of Inclusion@Lloyd's and a signatory to the Lloyd's Diversity and Inclusion Charter. In addition, we were the first insurance company, and the second company in the UK, to achieve the Clear Company's Clear Assured Silver Standard for inclusive best practices.

We believe that paying our employees fairly and fostering an inclusive environment where all employees can develop and thrive is not only important to our future success but also integral to our corporate citizenship efforts. We annually engage an independent expert to conduct an equal pay review across the organization, the results of which have shown there are no substantive areas of concern.



## Constantly Improving Our Culture

We continue to further our diverse and inclusive employee experience by following best practices and delivering new opportunities that enable our employees to bring their full selves to work every day. Examples of this include:

- Requiring all employees — at all levels and in all functions — to participate in a dynamic, interactive diversity education programme to understand how to appreciate and leverage differences for shared success.
- Creating diversity networks, which are voluntary organisations led by a team of employees dedicated to fostering a diverse and inclusive work environment. In particular, the Women’s Diversity Network aims to assist in fostering the retention, development and success of women in the company.
- Creating the 18-month Travelers Female Leaders Development Programme to provide additional support to high-performing women.
- Becoming one of the first organisations to sign the industry’s [Inclusive Behaviours in Insurance Pledge](#).
- Ensuring our recruitment partners have a strong commitment to diversity and inclusion.
- Providing ongoing training for our in-house recruiters, who are Clear Assured accredited for Inclusive Hiring.
- Revising our people policies to ensure an inclusive tone of voice.
- Enhancing our maternity, paternity, new parent and adoptive leave and pay benefits.
- Introducing a suite of flexible leave of absence programmes to support employees at all stages of their personal and professional life cycle.
- Rolling out “The Language of Inclusion” workshops to our top 60 leaders and building a toolkit to support managers in facilitating future team discussions.
- Creating the “Inclusive Leadership Portfolio” for senior leaders to develop their own diversity and inclusion action plans.
- Introducing the “Inclusive and Engaged Culture” performance objective, which encourages all employees to behave in a way that actively supports an inclusive work environment.

Adjusting the gender balance across the pay quartiles is a structural change that will take time, particularly as the talent pool in our industry historically has had a disproportionate number of men. We remain committed to attracting, developing and retaining the best talent and are focused on building a diverse talent pipeline.

“Since 2012, the percentage of women in senior-level positions at Travelers in the United Kingdom has increased more than **70 per cent.**”

## Required Gender Pay Gap Disclosure for Travelers Management Limited

The required data for Travelers Management Limited is shown here.

### Mean and median gender pay gaps:

Below are the mean and median gender pay gaps, which are based on hourly rates of pay<sup>1</sup> and all types of bonus pay<sup>2</sup>. The 2019, 2018 and 2017 hourly pay gap figures are based on the snapshot dates of 5 April 2019, 5 April 2018 and 5 April 2017, respectively. The bonus gap figures are based on the 12-month period prior to the respective snapshot dates.

We have seen a small improvement in the mean hourly pay gap compared to last year, as well as the mean bonus pay gap between 2017 and 2019. The increase in the median hourly pay gap is driven by a higher percentage of women than men being hired into lower-level positions where salaries and bonus values are lower. Accordingly, the median bonus pay gap has also increased between 2017 and 2019. In 2018, we deviated from our standard practice and awarded a special one-time bonus to employees in the lower pay quartiles, making that year an outlier in terms of bonus pay gap data and difficult to use as a benchmark. It is also important to note that due to our relatively small employee population, a slight change in staffing can significantly affect our reported figures.

### Difference between men and women:

#### Mean hourly pay<sup>1</sup>

32.8%	33.1%	30.8%
2019	2018	2017

#### Median hourly pay<sup>1</sup>

28.5%	24.8%	20.3%
2019	2018	2017

#### Mean bonus Pay<sup>2</sup>

67.9%	72.3%	68.8%
2019	2018	2017

#### Median bonus pay<sup>2</sup>

36.9%	45.7%	28.1%
2019	2018	2017

<sup>1</sup> Hourly rate of pay includes all types of ordinary pay, including base salary and all forms of allowance.

<sup>2</sup> Bonus pay includes all types of pay that relate to performance and incentive, including annual cash bonuses, spot cash bonuses, vouchers and the gain on equity grants.

## Required Gender Pay Gap Disclosure for Travelers Management Limited

### Bonus pay<sup>2</sup> participation:

The following charts show the proportion of men and women receiving bonus pay<sup>2</sup> during the 12-month periods prior to 5 April 2019, 5 April 2018 and 5 April 2017, respectively.

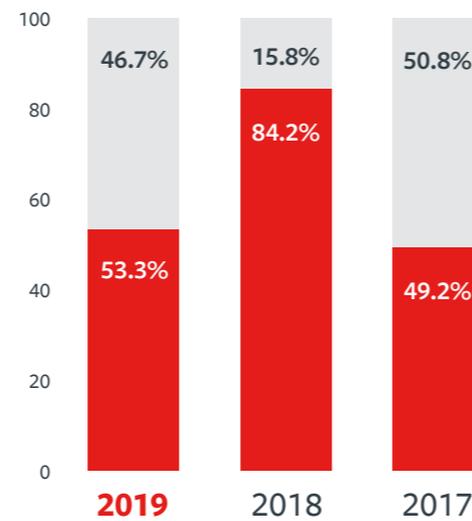
As previously mentioned, employees in our lowest quartiles were awarded a special one-time bonus in 2018, resulting in a higher percentage of employees receiving a bonus than is typical for jobs at this level.

#### Men



■ Received bonus pay  
■ Did not receive bonus pay

#### Women



■ Received bonus pay  
■ Did not receive bonus pay

<sup>1</sup> Hourly rate of pay includes all types of ordinary pay, including base salary and all forms of allowance.

<sup>2</sup> Bonus pay includes all types of pay that relate to performance and incentive, including annual cash bonuses, spot cash bonuses, vouchers and the gain on equity grants.

## Required Gender Pay Gap Disclosure for Travelers Management Limited

### Pay quartiles:

The following charts show the proportion of men and women in each hourly pay quartile. The figures are based on the 12-month periods prior to 5 April 2019, 5 April 2018 and 5 April 2017, respectively.

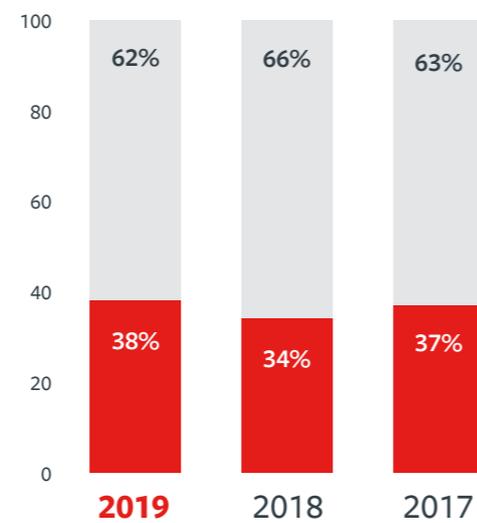
We continue to make progress, and since first reporting these figures in 2017, we have increased female representation in the top two quartiles.

### Upper Quartile



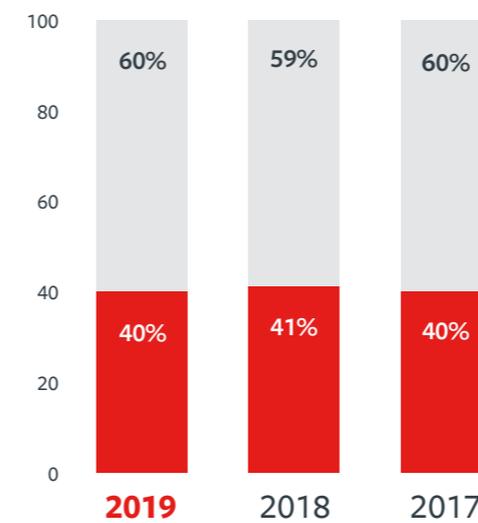
■ Women  
■ Men

### Upper Middle Quartile



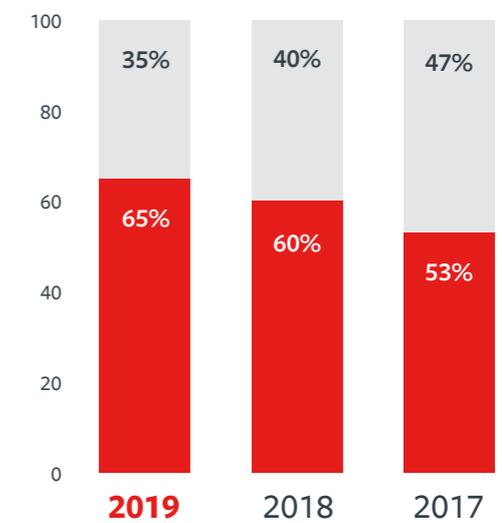
■ Women  
■ Men

### Lower Middle Quartile



■ Women  
■ Men

### Lower Quartile



■ Women  
■ Men

I confirm that the information in this report is accurate.



Alasdair Bishop  
Director, Travelers Management Limited

<sup>1</sup> Hourly rate of pay includes all types of ordinary pay, including base salary and all forms of allowance.

<sup>2</sup> Bonus pay includes all types of pay that relate to performance and incentive, including annual cash bonuses, spot cash bonuses, vouchers and the gain on equity grants.