



TOKIO MARINE
KILN

UK Pay Gap Report 2023–2024



Belonging and representation at TMK

A message from our CEO



I am pleased to be sharing our third combined ethnicity and gender pay gap report this year, my first as CEO of Tokio Marine Kiln.

If, like me, you have been in the insurance industry for a while, you will know that we have already seen a lot of change with regard to inclusion, especially gender inclusion. In the 1960s women were not allowed in the underwriting room at **Lloyd's** (the world's leading insurance marketplace) and our founder Robert Kiln successfully campaigned to address this. The work Robert did set the stage for what I believe is now one of the strongest female talent pipelines in our industry. He did this not just because it is the right thing to do, but also because it made commercial sense to have a more diverse workforce. Research today tells us that a diverse workforce keeps us better equipped to respond to the ever changing needs of our customers, reduces risk, increases innovation and contributes to our relevance and sustainability as a business more so than ever as we move into an uncertain future¹.

We know that our team performs best when everyone feels like they belong, which requires a truly inclusive working culture. Inclusion is one of six key values that underpin everything we do at TMK. We have already seen the benefits generated to our performance and our accomplishments since putting People and Culture at the heart of our strategy.

I would like to thank our employees and inclusion networks for their continued support as we continue to foster a culture that will drive success for TMK into the future.

Representation is important to us. At TMK 43% of our leadership team is female which according to the latest Lloyd's Market, Policies and Practices Report is 8% higher than the Lloyd's average, and our gender pay gaps are also significantly lower than market averages. We are one of a handful of Lloyd's market firms to be sharing our ethnicity pay gaps. This is not yet a mandated requirement and we have been pleased to see the number of other firms sharing their data increase since we first started doing this three years ago. Our ethnically diverse workforce is 2% higher than the Lloyd's market average, as is our Black workforce. There is not enough data available in the market to benchmark ethnicity pay gaps for our industry yet.

As Chair of our I&D Council, I have been pleased to have launched two diversity focused talent initiatives in my first few months as CEO. Continuing these efforts is key to our strategy and I look forward to updating you all on continued progress in the coming years.

Matthew Shaw
Chief Executive Officer

¹The inclusion solution whitepaper – Get DE&I right | MindGym (themindgym.com), IAIS Stocktake on Diversity Equity and Inclusion (iaisweb.org)

How are pay gaps calculated?

Pay gap calculations

All our Pay Gap calculations for 2023–2024 are based on 534 employees located in the UK on 4 April 2024.

The **mean average** pay for a group (for example males) is calculated by adding together the hourly pay of all employees in this group and dividing the sum by the total number of employees in this group. The **mean average pay gap** is calculated by comparing one mean average to another (for example males to females).

The **median average** is the middle point of a range of hourly pay rates arranged in order of value from lowest to highest. If there is an even number in the range, the median is the mean (average) of the two middle numbers. The **median average pay gap** is calculated by comparing the median average salary of one group to another (for example white employees and ethnically diverse employees).



Gender and ethnicity

When we reference the gender pay gap, we are comparing males to females. However, we know gender has a wider spectrum and we are working to measure this as we move forward.

When we reference the ethnicity pay gap, we are comparing employees by different ethnicity categories. We use two approaches. In our most basic calculations, we compare all white employees to all ethnically diverse employees, but we know that this calculation is very broad and will not help us identify differences in representation for people of different ethnicities. For this reason, we also calculate the differences in representation and pay gap broken down into the following categories: Black, Asian, Mixed, White, Other.

Pay gap does not mean unequal pay

Calculations on pay gap are not the same as equal pay. Gender pay gaps show a difference in the representation of different groups at certain levels within an organisation. They do not show inequality of pay in specific roles. We carry out regular reviews to ensure there is equality of pay at TMK.



The pay gap picture

Key trends

Gender

Overall, our gender pay has been closing since we began reporting in 2018. In the last year, our mean pay gap has closed by a further 1.7% and our median pay gap has closed by another 1.1%. Our mean gender bonus gap remained almost static over the last year, with a closure of 0.3% and our median gender bonus gap has grown by over 10% primarily due to a larger number of males receiving bonuses within the top quartile of bonus payments.

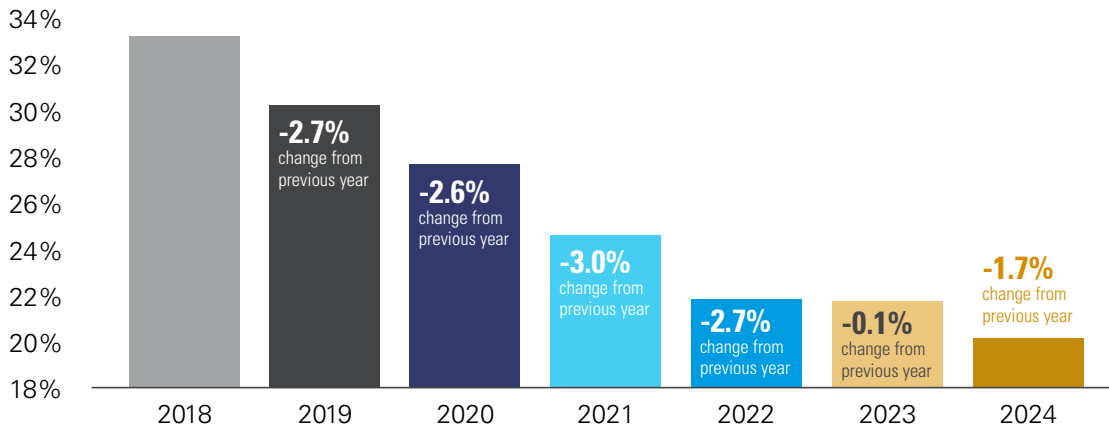
Ethnicity

We are now in our third year of measuring our ethnicity pay gap and setting our plan to close it – and we are starting to see steady signs of closure. This year our mean ethnicity pay gap has closed by 3.7% and our median pay gap has closed by 5.3%. Our mean ethnicity bonus gap has closed by over 38% and our median bonus gap has closed by almost 10%.

We know that representation of Black employees especially at senior level is a particular challenge in our industry and this contributes to greater pay gaps. If we look at pay gaps for Black employees year-on-year the mean pay gap has closed by 6.1% and the median pay gap has closed by almost 14%.

The gender pay gap

The year-on-year TMK mean pay gap



Mean compared to median pay gap

1. The **mean gender pay gap** for Tokio Marine Kiln is 20.2%
2. The **median gender pay gap** for Tokio Marine Kiln is 17.6%

Insights

This year we are pleased to report that our mean gender pay gap has closed by 1.7% – this is a more significant closure than achieved the year before. Our median pay gap has closed by 1.1%.

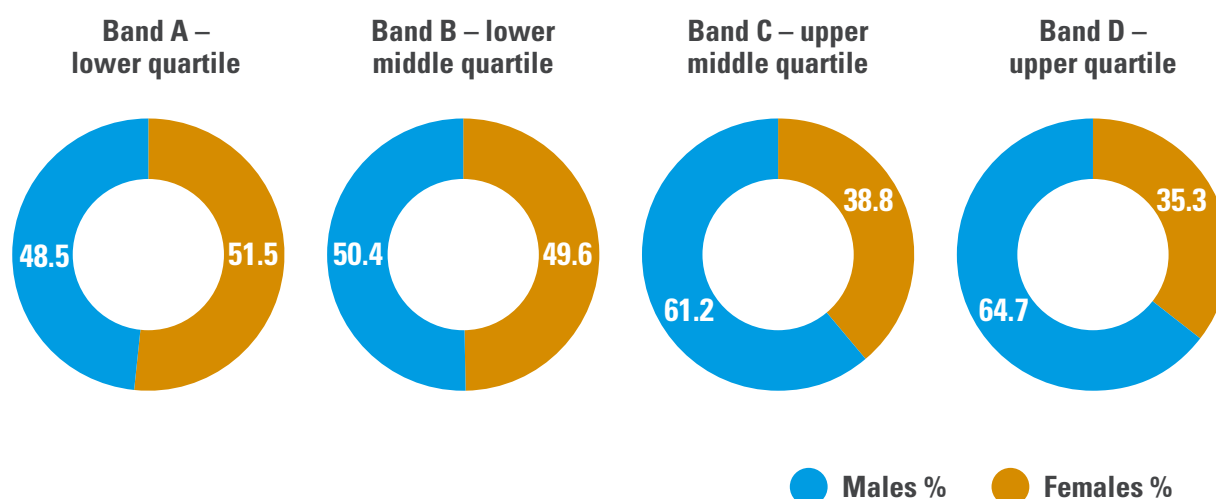
The Lloyd's market average mean gender pay gap is 34% (according to the latest Market Policies and Practices Report shared by Lloyd's). Although it is helpful to benchmark and we are proud that our pay gap is smaller than the average insurance firm, the Financial Services sector is known to have larger gender pay gaps than some other sectors. It is for this reason that we look both within and beyond our sector when looking for best practices and partnerships.



We are proud that our pay gap is smaller than the average insurance firm.”

Gender representation by quartile

Quartiles are calculated by dividing the workforce into four, based on employee earnings by standard hourly rate. Bonuses are not included in this calculation – these are calculated separately in the next section of this document.



Band A – Includes all employees whose standard hourly rate places them in the lower quartile

Band B – Includes all employees whose standard hourly rate places them in the lower middle quartile

Band C – Includes all employees whose standard hourly rate places them in the upper middle quartile

Band D – Includes all employees whose standard hourly rate places them in the upper quartile

Insights

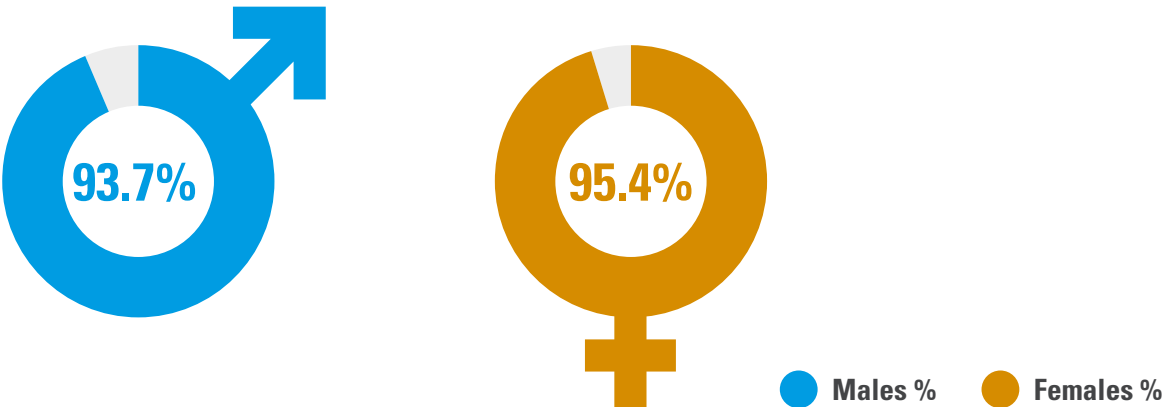
The upper quartile (Band D) represents the highest paying roles. The lower quartile (Band A) represents the lowest paying roles. You can see that the percentage of females in the top two quartiles is lower.

Although this pattern will be similar to most firms in our sector, we are working hard to increase the representation of females in the higher paid quartiles. This means focusing both on senior level roles and roles that attract larger salaries.

In the last year we have seen a 3.6% increase of females in the top quartile, which has contributed to the reduction in our mean gender pay gap. This is a positive sign as we focus on continuous improvement.

The bonus gap

% of males and females who received a bonus



	Mean	Median
Gender bonus gap	51.8%	31.7%

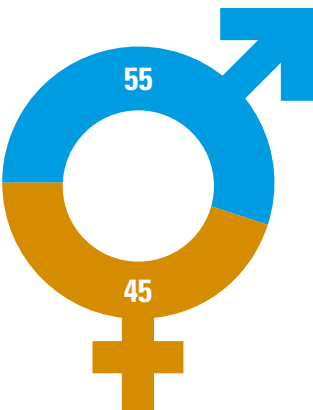
Insights

Slightly more females received a bonus compared to males in this reporting period.

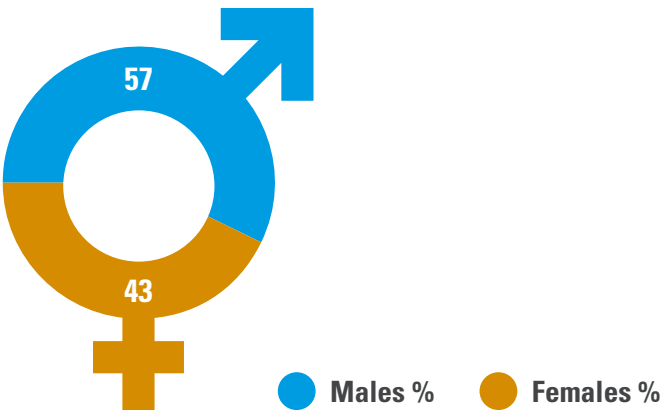
Our mean bonus gap has shrunk by a small fraction (0.3%) but our median bonus gap has grown by 10.7%. The increase in median bonus gap is due to a larger number of males receiving bonuses that fall within the top quartile of bonus payments.

Representation of workforce by gender

Total workforce



Senior leadership team



45% of our total workforce is female, which is 2% more than the Lloyd's market average.
43% of our senior leadership team is female, which is 8% higher than the Lloyd's market average.

The ethnicity pay gap

Pay gap for all ethnically diverse compared to all white employees

Pay gap	Mean	Median
2024	10.2%	18.8%
2023	13.9%	24.1%

Insights

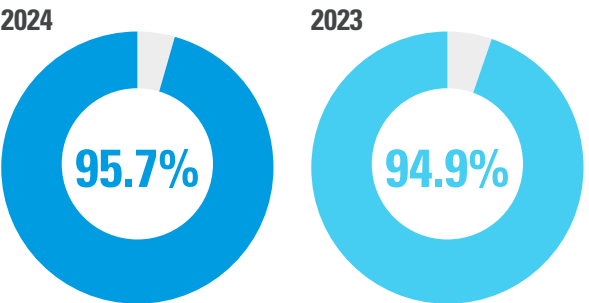
Our mean ethnicity pay gap has closed by 3.7% and our median ethnicity pay gap has closed by 5.3%. These are positive signs that our efforts to attract a diverse workforce and maintain our inclusive culture are working.



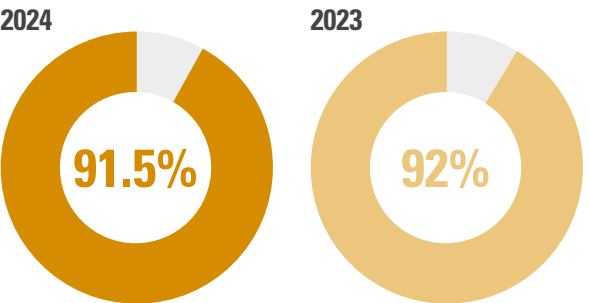
These are positive signs that our efforts to attract a diverse workforce and maintain our inclusive culture are working.”

Bonus gap for all ethnically diverse compared to all white employees

Percentage of white employees receiving a bonus



Percentage of ethnically diverse employees receiving a bonus



Bonus gap	Mean	Median
2024	-32.1%	37.9%
2023	6.2%	47.5%

Insights

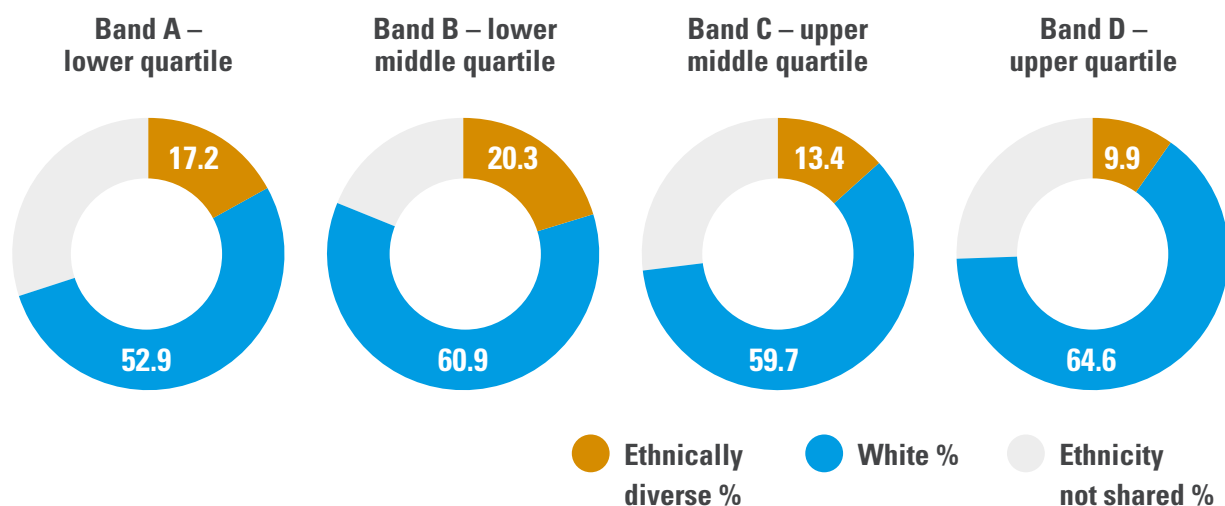
A similar percentage of ethnically diverse employees and white employees received bonuses. The majority of employees who did not receive a bonus for this reporting period were new starters who had not yet met bonus eligibility criteria.

This year our mean ethnicity bonus gap has closed completely and our median bonus gap has closed by 9.6%. The mean gap has closed more than the median because there are a small number of larger bonuses that sit at the upper quartile of the bonus scale.

Due to the size of our workforce, it is not uncommon to see differences between mean and median calculations – in this instance, our median bonus gap calculation is an indication of steady progress across the board.

Representation data

Quartile breakdown by ethnicity



(Not all employees share ethnicity data so the total percentage does not add up to 100%).

Band A – Includes all employees whose standard hourly rate places them in the lower quartile

Band B – Includes all employees whose standard hourly rate places them in the lower middle quartile

Band C – Includes all employees whose standard hourly rate places them in the upper middle quartile

Band D – Includes all employees whose standard hourly rate places them in the upper quartile

Insights

As with our gender representation per pay quartiles, you can see that the percentage of ethnically diverse employees is smallest in our top quartile. This pattern is similar to many firms in our sector and contributes to our overall pay gap. This data tells us that in order to reduce the pay gap, we need to focus on representation at senior level roles.

A key part of our strategy is to increase representation overall, including within the top quartiles and to ensure we develop our pipeline of talent in lower pay quartiles. In the last year, we have seen an increase of ethnically diverse employees in all quartiles except for quartile C (which has remained static).

This year we have also worked to increase the percentage of employees who share their ethnicity data and the number is increasing. On the date this data was captured our non-disclosure rate was 25.3%. However, the number of staff disclosing has increased since then.

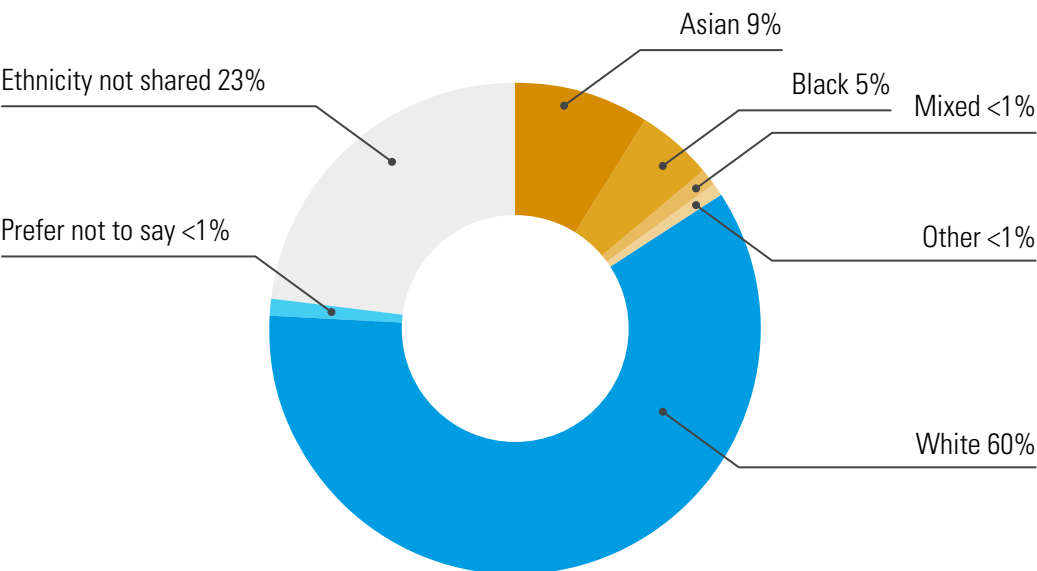
Representation of workforce by ethnicity

We have shared our representation data by ethnicity category and how we compare to representation across the Lloyd's market below:

Data for TMK

Ethnically diverse workforce: 15%

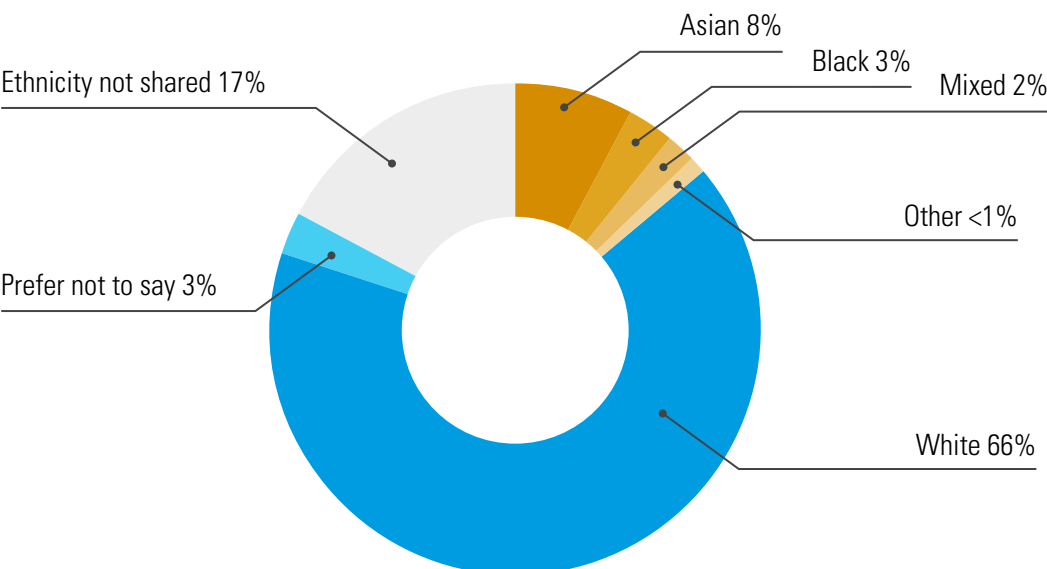
White: 60%



Data for Lloyd's Market

Ethnically diverse workforce: 13%

White: 66%



(Not all employees share ethnicity data so the total percentage does not add up to 100%).

Insights

Year-on-year the percentage of our workforce that is ethnically diverse has grown by 1% and the percentage of people that have disclosed their ethnicity remains about the same. Since this data was captured, this disclosure rate has increased and we look forward to sharing information about this when we publish our next pay gap report.

According to the latest data shared by **Lloyd's**, the total percentage of ethnically diverse employees across the market is 13%. TMK is ahead of the market at 15%. Our percentage of Asian employees is 1% higher than the market average and our percentage of Black employees is 2% higher than the market average.

Although we compare well to the market, if we compare to the most recent **2021 census data for London** (which is where most of our UK employees are located) we can see that 46% of all Londoners are ethnically diverse. This can be broken down further to include 21% of all Londoners identifying as an Asian ethnic group, 13% identifying as a Black ethnic group and 6% identifying as a mixed ethnicity group. Whilst only an indicative measure, it is clear that there is still plenty of work for us to do.



Black employees

We do not share granular pay data pertaining to different ethnicity categories externally because the size of our workforce prohibits this. However, we do look at this data internally and we can see that representation, especially in senior level roles, is lower for Black employees and this directly contributes to the pay gap.

Both the mean and median pay gaps are larger for Black employees, compared to our ethnically diverse population as a whole. The mean pay gap for Black employees has closed by 6.1% and the median pay gap has closed by 13.7%. The bonus gaps for Black employees have remained about the same. Year-on-year we have seen a 1.5% increase of Black employees in the top earnings quartile.

Intersectionality

Our workforce is comprised of employees with a wide range of different lived experiences. Diversity is not linear and many people can report to having more than one diversity dimension, this is often referred to as intersectionality.

We have the right level of data to analyse both ethnicity and gender pay gaps and the size of our workforce allows us to share trends and data separately. We do look at trends for ethnically diverse females at senior level internally and we can report a small year-on-year increase.

Lessons learned

As we continue to grow our inclusive working culture, we regularly consult with employees on what is important to them. We have heard that a sense of belonging is important to all. This includes people who identify as having lived experiences known to be under-represented in the market, people who feel under-represented in a way not currently being measured, and people who feel that they are not at all 'diverse'.

Research shows that an inclusive working culture is of benefit to all but we have learned that, on a practical level, not everyone feels that this work is of benefit to them.

As we move forward, we will be intentional in our efforts to measure and grow the sense of belonging for all as part of our inclusive culture strategy. This will include:

- Work that focusses on specific diversity dimensions (such as gender and ethnicity)
- Work that covers the intersections between different diversity dimensions
- Wider reaching work to help us understand diversity in its broadest sense
- How each employee can help contribute to an increased sense of belonging for all with the aim of optimising performance.



Closing the pay gaps – our approach

Leadership

Our I&D Council:

Our new CEO has chosen to chair our I&D Council, continuing our approach of inclusivity being led from the top. The Council steers the I&D strategy and monitors progress against the I&D plan for the business. It meets quarterly and is attended by our Network Chairs and Subject Matter Experts from across the business including Recruitment, Learning and Development, Charity and Volunteering, and Communications. The Council identifies opportunities to improve before setting actions to address them and measures progress using data and qualitative feedback. All actions set by the Council are in alignment with our I&D Mission and Vision, as well as our three strategic pillars: People, Partnerships and Industry.

Belonging

HR Policies:

As well as reviewing our HR policies to keep up with best practice, we also consult with our networks and employee groups for feedback on how these policies work on a practical level. We discuss what can be done to improve our employee experience and build on our inclusive working culture.

We are proud to be one of the employers within the Insurance Industry that offer 26 weeks paid time off for 'Secondary Caregivers' in the UK. This may include the biological father, the husband or partner of the mother, the child's adopter, or the intended parent if the baby is born through surrogacy. This enhanced benefit matches the number of fully paid weeks off set out in our Maternity, Adoption and Surrogacy Leave policies. Previously, eligible staff would have qualified for two weeks paid time off as part of our Paternity Leave policy.

Our HR policy package also includes a Sexual Violence and Domestic Abuse Policy, a Menopause Policy, and a Trans and Non-Binary Policy. All policies include advice and sign-posting for individuals, and advice and guidance for managers.



Employee networks

We have seven employee networks (including two sub-groups) focused on gender, (with a menopause sub-group), ethnicity (including the Afro Caribbean Employee Sub group), disability, families and carers, and Pride – LGBTQ+. Network members play a key role in leading change at TMK and often work together to cover intersectional experiences in addition to participating in the I&D Council with our CEO and meeting regularly for peer support and informal information. We would like to thank our networks for their achievements this year. These include, but are not limited to:

1. **Disability network:** Achieving Disability Confident Level 2 Accreditation in partnership with Enhance the UK.
2. **Gender network:** Annual Speed Networking Sessions with Exec and Board Members.
3. **Menopause network:** Annual Menopause Advice and Guidance Sessions (Group and Individual) and a cross-market event in partnership with Lloyd's.
4. **Ethnicity network:** Consultation and support as we trial new work to close our Ethnicity Pay Gap.
5. **The Afro Caribbean Employee network:** Launching a new employee led group to both provide peer support opportunities and drive change at TMK.
6. **Families and Carers network:** Awareness raising of TMK-provided benefits and support available to Parents and Carers.



We take Learning & Development seriously at TMK and we take care to make sure our I&D training offer is relevant and accessible to each learner.”

Employee training

We take Learning & Development seriously at TMK and we take care to make sure our I&D training offer is relevant and accessible to each learner. Live in-house training is delivered by our Head of Inclusion and Diversity. Consultant led training is usually led by diverse owned consultancies and is designed and delivered by people with lived experience of the topic being covered. Examples include:

NEW: Mandated entry level training: All employees are required to complete online foundation level training designed by **Mindgym** covering concepts including belonging and embracing difference – this training has high early participation rates compared to our other mandated training.

Board training: All TMK Board members receive annual training delivered by the Head of I&D with guest speakers. Recent guest speakers include the Lloyd’s Head of Culture and **Amp up Your Voice** founder Joanne Penney.

Manager training: I&D training is a key part of our Manager Development Programme.

Live consultant led training:

Disability: delivered by **Enhance the UK**

Every year we offer a range of both in-person and virtual training sessions with the goals of both raising awareness of the challenges disabled people can face in the workplace and upskilling our workforce by providing information and coaching on how to work more inclusively. In addition to general Disability Awareness Training, we also have delivered sessions focused specifically on Neurodiversity and Deaf Awareness, as well as Entry Level British Sign Language.

Trans and non-binary 101: delivered by **Global Butterflies**

Bespoke sessions were provided for Individual Contributors, Line Managers, HR and Pride Network members. This training was focused on raising awareness of barriers in the workplace for trans and non-binary employees and advising on how to be inclusive of trans and non-binary colleagues, including specific advice for managers of people who are transitioning. Global Butterflies consultants also assisted us with the creation of our trans and non-binary policy.

Representation

Attracting diverse talent

We have been increasing our efforts to attract diverse employees to TMK. Examples of the work we have been doing includes:

- New: All regular recruiting partners have been asked to submit 50% diverse candidate lists or explain if this has not been possible
- All job adverts have a gender decoder applied
- Disability attraction and adjustment training delivered to the recruitment team
- Continuing to partner with diverse owned firms who specialise in attracting diverse talent to the market including **Equity** on entry level to mid management role hires, the **ICAN** jobs board and **The Brokerage** for internships.

Pre-employment access and awareness raising

We have also been working specifically on raising awareness of the insurance sector for people at the start of their careers, or earlier: This includes:

- Partnership with **Future Frontiers** to mentor 14-year-olds from areas of higher deprivation
- Partnership with Lloyd's on **Inclusive Futures** funding educational bursaries for young Black people (2 per year)
- Regular attendance of outreach events focussing on STEM and diverse talent attraction.

Identifying opportunities and tracking change

We focus on what we are doing and the impact it has by, for example:

- Continuing to hold quarterly I&D Council Meetings, chaired by the CEO, to address key themes and actions identified by Council Members (Network Group Chairs and subject matter experts)
- Continuing to review all HR data through an I&D lens so that under-representation issues can be identified and addressed
- Continuing to use our internal I&D dashboard which breaks down representation data by exec area allowing us to set targeted actions and measure progress against them.





Case study: partnership with Equity

TMK is a founding partner of **Equity** – a Black-owned and founded diverse talent recruitment agency, focused specifically on insurance.

This summer we worked in partnership with Equity to host the first Candidate Connect event in which we welcomed over 30 people early in their careers to meet our CEO and Chief Underwriting Officer. Attendees heard about our senior leader career paths and took part in speed networking with 15 TMK employees representing different parts of our business.

Spreading the word that great career opportunities exist within our sector is a key part of our strategy to grow our diverse workforce by encouraging more people to work for us.

Closing words

Elisabeth Ibeson

Chief People Officer/Exec Sponsor of the Disability Network

We are serious about culture at TMK and we pay particular attention to fostering inclusive behaviours and ensuring appropriate representation at all levels. We are pleased to share our progress with you as well as lessons learned because we believe that sharing this information can play a key role in harnessing the opportunities to improve our sector by attracting and developing a diverse workforce that can keep up with and respond to the changing needs of our diverse customers.



Carrie-Anne Adams

Head of Inclusion and Diversity

I am pleased that our efforts to increase and measure representation of our diverse workforce at TMK are paying off. Year-on-year we have made significant progress towards closing our pay gaps. We have shared both progress made and lessons learned in this report and we hope that this is helpful for other financial services firms – there is much to do!



Reeken Patel

Deputy Chief Executive Officer & Chief Finance Officer/ Exec Sponsor of the Gender Network

Our gender bonus gap has not closed at a rate we hoped for this year but overall our gender pay gap is closing and I am pleased to see more significant progress this year compared to last. We will continue apply a strategic approach to closing our pay gaps.



Vivek Syal

Chief Underwriting Officer/Exec Sponsor of the Ethnicity Network

Year-on-year we have made great progress, I am pleased to see that both our mean and median ethnicity pay gaps are closing but our work is not complete and there is still room to improve. We are proud to be one of a growing number of insurance firms who are sharing ethnicity pay gap data and I continue to be hopeful for continued improvement at TMK and more widely across our sector.



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Tokio Marine Kiln

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Firm Reference Number: 204909. Registered office is located at 20 Fenchurch Street, London EC3M 3BY Registered Number: 729671. Tokio Marine Kiln is a trading name.