



TOKIOMARINE
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UK Pay Gap Report 2022



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March 2023

I am pleased to share Tokio Marine Kin's first combined gender and ethnicity pay gap report. While gender pay gap reporting has been mandatory since 2017, the reporting of ethnicity data is not yet mandatory for our sector. We are sharing our data now as part of our aim to lead inclusion and diversity (I&D) efforts in our industry. We are committed to addressing both our pay gaps and building a safe, open, inclusive and empowering environment for all our people today and long into the future.

Gender inclusion

TMK has a long and proud history in leading gender inclusion in the insurance market. In the 1960s, our founder, Robert Kiln, campaigned for women to be allowed to work in the underwriting room at Lloyd's. His ideas were both progressive from a commercial perspective as well as socially aware and inspired a focus on inclusion that remains a core value within TMK's culture and identity today. The work Robert did and the culture he built set the stage for what I believe is one of the strongest female talent pipelines in our industry.

Although there is much to do both at TMK and in our sector, I am pleased to be reporting on the continued progress we have been making. Since first sharing our gender pay gap data in 2018, our mean gender pay gap has reduced from 33% to 22% in 2022 as a result of our focus on improving representation and building our inclusive culture. Read on to learn about our highlights from 2022 and where we have made progress.

Ethnicity inclusion

This year we are voluntarily sharing our ethnicity pay gap for the first time. We have looked at ethnicity data over the past year and have identified key areas to address.

It is evident that we need to improve ethnicity representation in general, and pay particular attention to the representation of Black employees across the business. We know that many UK firms that share data have ethnicity pay gaps, and information and research shared regularly by Lloyd's (the world's leading insurance marketplace) tells us this is a specific challenge for our industry. Our commitment to reporting our progress will ensure we remain focused on our efforts to address the under-representation issues that we know exist not just here at TMK, but more widely across finance and many other UK industries. You can learn about our action plan later in this report.

Creating an inclusive culture in which all of our people can thrive

Inclusion is one of six key values that underpin everything we do at TMK. Getting it right is essential for us to achieve our strategic vision as we focus on building a sustainable business that continues to enable clients to fulfil their ambitions over the next 100 years and beyond.

I passionately believe that addressing under-representation issues and fostering an inclusive culture will create a competitive advantage. We have already seen the benefits this can bring in our performance and our accomplishments since putting People and Culture at the heart of our strategy.

Achieving our goals of improving diverse representation and creating an inclusive culture is the right thing to do and is a key element of the Tokio Marine Group's vision: 'to be a Good Company'. In line with our aim for TMK to be recognised as a market leader for inclusion and diversity, we will continue to share what we find and learn, including best practices and lessons learned.

I would like to thank our employees and inclusion networks for their continued support as we build a culture that will drive continued success for TMK over the next year and for the next generation.

Brad Irick
Chief Executive Officer



How are pay gaps calculated?

Pay gap calculations

All our pay gap calculations are based on 524 employees located in the UK as at 6 April 2022.

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).

Pay gap does not mean unequal pay

Pay gap calculations are not the same as equal pay. We carry out regular reviews to ensure there is equality of pay at TMK. Equal pay is a legal requirement that TMK is committed to meeting and abiding by.

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 looking at how we reflect this going 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. 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 and Other.

The data picture

Gender

Overall, our pay gap has been closing steadily since we began reporting our gender pay gap in 2018.

Our gender bonus gap has also closed if we look at this year compared to last, but the trajectory of closure is not as steady.

Ethnicity

The data we have tells a mixed story when we compare the mean and median pay gaps, which we know is partly due to the small to medium size of our workforce. We are pleased to be reporting on ethnicity for the first time and we will be tracking our progress in future reports.



What have we been doing to close our pay gaps?

Dashboards

As part of our mission to be data-informed, we maintain an I&D data dashboard that is reviewed regularly and owned by our Head of I&D and our most senior leaders, including the CEO.

Listen and learn exercises

Data plays an important role on our journey as we work to close our pay gaps, and it is important that we also collect qualitative information from our employees about their experiences of working within our business. This helps us to ensure we are picking up on issues that may not be visible when we look at numbers in isolation. This also helps us to understand how our actions to address inequality are experienced on a practical level within the business.

To broaden our perspectives on this work, we have collaborated with Black-owned HR Consulting Company, **Barrington Hibbert Associates** (BHA), which specialises in inclusion and diversity in the financial sector. BHA consultants met our employees for one-to-one insights sessions and shared the outputs from those discussions in the form of an anonymised report. 'Listen and learn' meetings were offered to Network Group Members, I&D Council Members, senior executives and other I&D leaders and stakeholders across the business.

I&D Council

Our I&D Council is co-chaired by our CEO and sets the I&D Plan for our business. The Council meets quarterly and is attended by the Chairs of each of our networks and subject matter expert leaders from across the business, including Recruitment, Learning & Development and Communications. The Council sets actions starting with 'problems to solve', which are identified using data and qualitative feedback such as the listen and learn exercise referenced above. All actions set by the I&D Council are in alignment with our I&D Mission and Vision and our three I&D Strategic Pillars: People, Partnerships and Industry.



Employee networks

We have six active networks focused on: gender, ethnicity, wellbeing, disability, parents and carers, and LGBTQ+. Network members are regularly engaged in leading change at Tokio Marine Kiln. In 2022, this included creating our gender and ethnicity pay gap plan and a holistic review of HR Policies and best practices. In addition to projects that are focused on driving change, our networks have also organised many well-received, awareness-raising events and learning sessions which have included:

- **Gender:** A full month-long programme of events for International Women's Day which included a speed-networking event with senior leaders, that was proudly hosted by the Women's Network. The event was open to all employees and was attended by many of our senior leaders including our CEO, Deputy CEO, two female executives and our two female Board members. We also ran menopause awareness sessions for employees.

International Women's Day Speed Networking Event



TMK's Black-owned market at Lloyd's

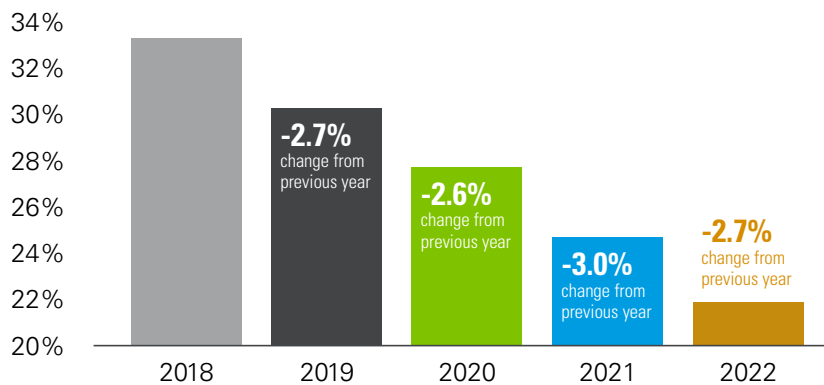


- **Ethnicity:** A full Black History Month programme including TMK's Black-owned market at Lloyd's, which was hosted at Lloyd's and attended by more than 300 insurance professionals. TMK also ran its second Diwali event in 2022, which was attended by more than 70 members of staff.
- **Disability:** Disability Awareness Training delivered by [Enhance the UK](#), a charity consultancy run by disabled people.
- **LGBTQ+:** A full Pride Month programme, including TMK's presence at London Pride and a collaborative event organised in partnership with the Parents and Carers Network, which was focused on families.
- **Parents and carers:** Partnered with HR to create more inclusive and family-friendly policies. A 'Balancing Career and Family' workshop was also delivered by Karina Barnes – a corporate coach and Founder of [Work and Baby](#).
- **Wellbeing:** Several employee-led peer support sessions throughout the year, and a wellbeing focused guest speaker event for employees with Jason Fox. Employees also have access to several trained volunteer Mental Health first Aiders.



Data view 1: The TMK 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 22%
2. The **median gender pay gap** for Tokio Marine Kiln is 23.1%

Insights

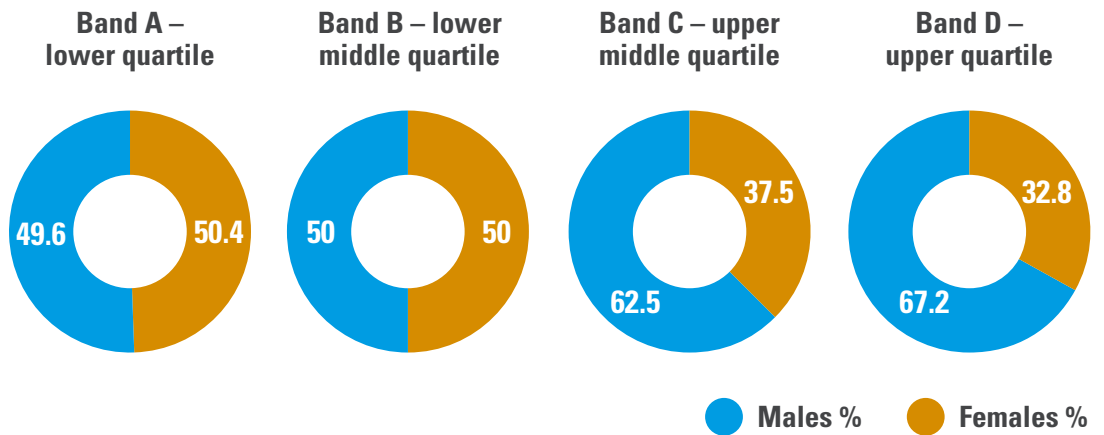
Both our mean and median gender pay gaps are closing steadily. We still have a way to go before we reach gender parity, but steady closure is a sign that the work we are doing to close the gap is sustainable and, by pursuing this, the trajectory is likely to continue.

When we compare our current pay gap to the most recently published data for the financial sector, our mean average pay gap is smaller than the average of 26.7%.

(Source: [Gender pay gap and diversity in financial services](https://www.pwc.co.uk/gender-pay-gap-and-diversity-in-financial-services), pwc.co.uk)

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.



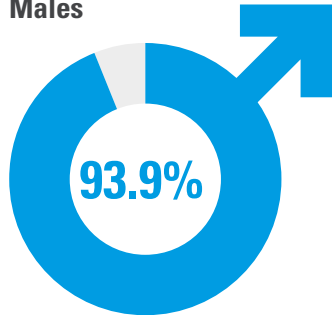
Insights

These graphs demonstrate representation of females per pay quartile. Upper quartile represents the highest paying roles versus the lower quartile which shows the lowest paying roles. You can see that the percentage of females in each quartile decreases as seniority increases.

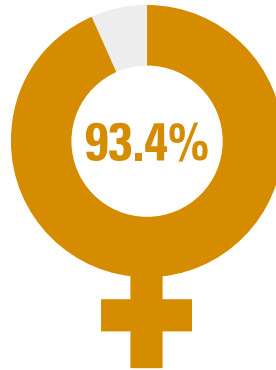
Although this pattern is similar to most firms in our sector, we are focused on increasing the number of females in the higher paid quartiles. This means focusing both in senior level roles and roles that attract larger salaries.

The bonus gap

Males



Females



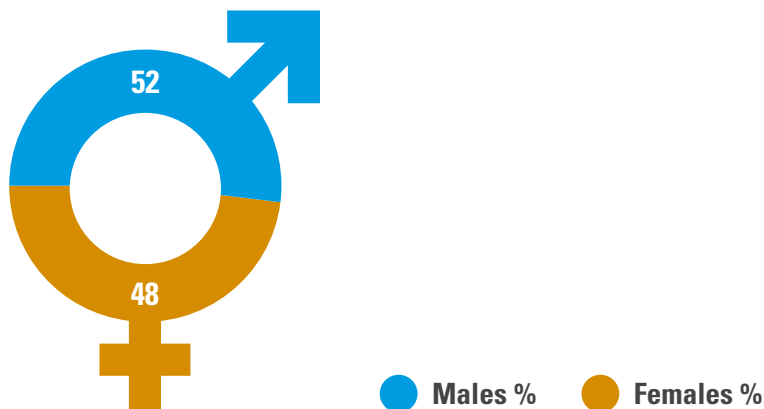
	Mean	Median
Gender bonus gap	53.9%	22.7%

Insights

The percentage of males and females receiving a bonus is almost the same and our bonus pay gap averages are larger than our pay gap averages.

This is driven primarily by the fact that we have more men than women in senior roles that have larger bonus opportunities, which is typical for our sector. We are striving to address that with our continued focus on achieving gender parity in senior leadership roles.

Representation of workforce by gender



For the period this report covers the percentage of females across the Lloyd's Market was 42%, which puts us ahead of average. Our Women in Finance Charter update contains our goals and objectives for gender representation and can be found [here](#).

Data view 2: Ethnicity

Pay gap for all ethnically diverse compared to all white employees

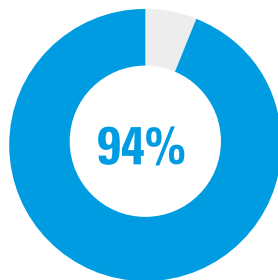
	Mean	Median
Pay gap	18%	15%

Insights

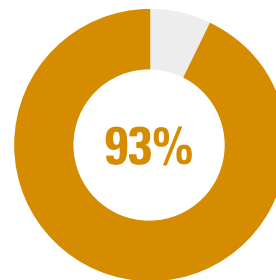
Since reporting on ethnicity pay gap is not yet compulsory it is difficult to compare to the market – comparison data for representation across the market is published by Lloyd’s and is shared later in this document. This shows that TMK is slightly better than average. This is our first year reporting our ethnicity pay gap – comparisons year on year will be published from 2023 onwards.

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



	Mean	Median
Bonus gap	31%	57%

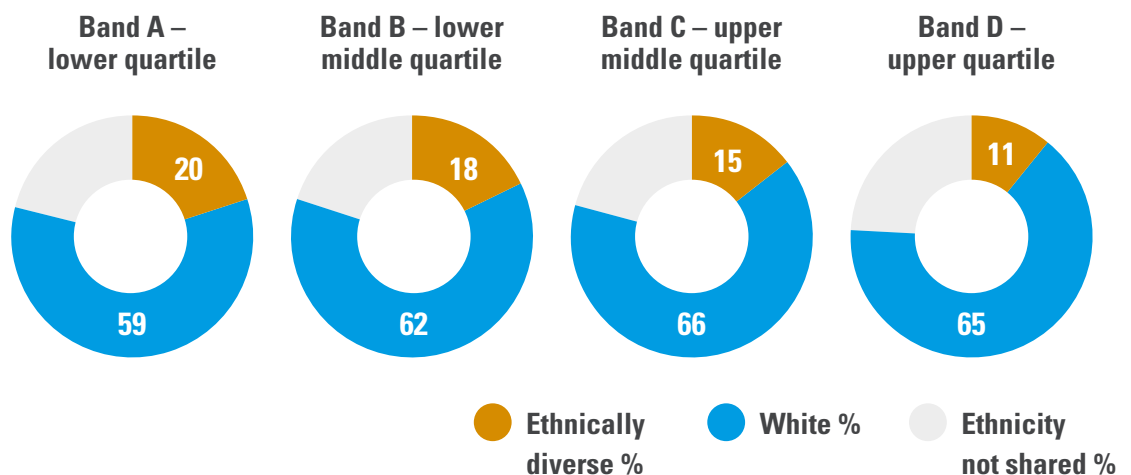
Insights

A similar percentage of ethnically diverse staff receive bonuses compared to white employees. As with our gender bonus gap, the ethnicity bonus gap is larger than our ethnicity pay gap.

Representation – All ethnically diverse and all white employees

Quartile breakdown by ethnicity (2022)

(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 quartile, you can see that the percentage of ethnically diverse employees decreases by seniority. 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 and in roles that attract higher salaries. A key part of this is ensuring we develop our pipeline of talent in lower pay quartiles, and continuously work to foster our inclusive working culture that enables all staff to progress in their careers.

Representation of workforce by ethnicity

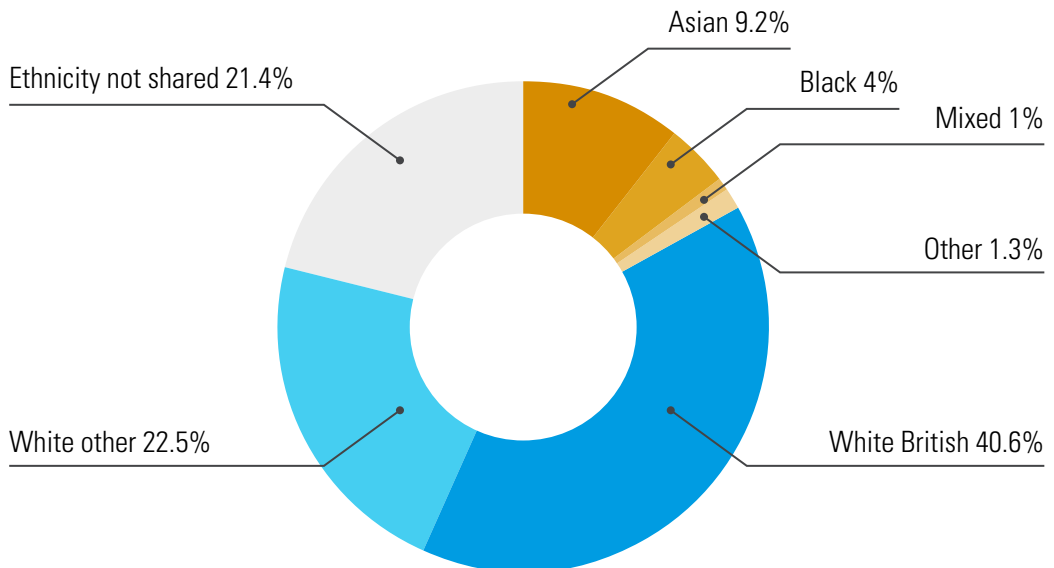
The pay and bonus gap data presented within this report focuses on all ethnically diverse employees compared to all white employees. When we look at ethnicity data internally, we break down this data into the following categories: Asian, Black, mixed ethnicity, white and other.

We do not publish this granular level data externally because the size of our workforce prohibits this.

Data for 2022

Ethnically diverse workforce: 15.5%

White: 63.1%



How does this compare to the insurance market?

For the period this report covers, the total percentage of ethnically diverse employees across the Lloyd's Market is 9% which puts us ahead of the market average. However, when we compare this to the census population data for London (which is where the majority of our employees sit) at 40% ethnically diverse and 13.2% Black, there is still plenty of work to do.

Trends for Black employees

Our representation data, coupled with data that is available across the market, reveals that the picture for Black employees is different to the ethnically diverse workforce as a whole and will be something we need to focus on.

Beyond the numbers: qualitative findings

As with all people data, it's important to receive qualitative feedback to help us understand the assumptions we make when we interpret the numbers. To that end we receive regular feedback from all of our employee networks. We also engaged with Black-owned HR Consultancy, Barrington Hibbert Associates (BHA), to undertake a 'listen and learn' exercise with Network members and other business stakeholders to create an anonymised feedback report.

Read a summary of the insights below.

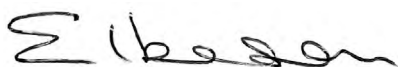
Progress

1. Many employees are reporting meaningful progress for our diverse workforce across the whole of the business – a significant shift in focus towards a more inclusive working environment has contributed towards this.
2. I&D is becoming an increasingly pressing commercial imperative.
3. Most employees are aware of the increasing focus coming from the government and regulators.

Room to improve

1. Females and ethnically diverse employees report that they would like to see 'more people like them' in the leadership team, which tells us we need to work on representation at all levels to create a healthy pipeline of diverse staff who can move from entry level into more senior roles, particularly in relation to Black employees.
2. Some employees are unclear on the strategic benefits of I&D. We need to enhance communication of the business benefits of a diverse workforce and inclusive working culture, and ensure our work in this space feels relevant to all of our people.

I confirm that the calculations in this report are accurate and meet the requirements of the regulations.



Elisabeth Ibeson
Chief People Officer

Our action plan to close our pay gaps

- Working with all recruitment partners on I&D reporting requirements
- Continuing our partnerships with diverse-owned firms who specialise in attracting diverse talent to the market and/or cultural change (such as [ACIN](#), [ICAN](#) and [Enhance the UK](#))
- Applying a gender decoder to all job advertisements
- Reviewing all HR data through an I&D lens so that under-representation issues can be identified and actions set
- Offering I&D Training for all managers and specialist practical level training or lunch and learn sessions offered to all staff, (to include topics such as Disability Awareness, LGBTQ+, Imposter Syndrome, Parenting and Time Management and Mental Health/Wellbeing)
- Reviewing HR policies in partnership with employee networks to foster an inclusive culture
- Holding quarterly I&D Councils, chaired by the CEO, to address key themes and actions alongside six employee networks, each with their own budget
- Reverse Mentoring with [School for CEOs](#), which involves pairing senior Executives with junior members of staff to act as mentors. This gave participants an improved understanding of privilege and how it can impact careers, and provided exposure and expanded networks for our junior mentors
- Coaching and Mentoring with Future Frontiers – engaging with young people from schools within areas of low economic status and level of social mobility. TMK mentors will be supporting and coaching young people as they make pivotal study and life goal choices age 14 –16. [Education Charity | Future Frontiers | Greater London](#)

Working with diverse-owned organisations: two case studies

It is part of our I&D Council's mission to partner with diverse-owned companies to undertake work in the I&D space wherever possible. This commitment has resulted in some of our most impactful work to date.

We partnered with several diverse-owned businesses in 2022 and two case studies are outlined here.

1. Barrington Hibbert Associates

Barrington Hibbert Associates Executive Search & Advisory in London

TMK has worked with Barrington Hibbert Associates, a Black-owned HR consultancy, to undertake listening sessions. These started with our Ethnicity Network and senior stakeholders, to give ethnically diverse staff and other stakeholders a chance to anonymously feed back on their experiences of working at TMK.

The learnings we gained were so insightful that we opened up this session to include a wider group of employees. We then worked with BHA to create our detailed I&D action plan, which includes the creation of regularly reviewed Executive team dashboards mentioned previously in this report.

2. Enhance the UK

Enhance the UK – changing societies views on disability

TMK has partnered with Enhance the UK, which is founded and is owned by deaf and disabled people, to run training sessions with our employees. All trainers have lived experience of disability and the training provided many practical examples of barriers that disabled people experience every day, as well as tips for being more inclusive and how to provide direct support when needed.

The training was attended by more than a quarter of our employees and we plan to offer this again.



Closing words



Carrie-Anne Adams
Head of Inclusion & Diversity, TMK

I am proud to say I can see a huge amount of progress this year – both in terms of awareness raising which is an important element of the I&D journey – but also in terms of organisational change which you can see from our data and areas of focus. I am so pleased that we are sharing information about our ethnicity pay gap before it becomes a legal requirement. I hope that other firms use this document to help benchmark and use our examples of best practice. We welcome contact from any firms or organisations that would like to find out more.

Email: carrie-anne.adams@tokiomarinekiln.com



Reeken Patel
Group Chief Finance Officer
and Exec Sponsor of the Gender Network

Although I am pleased to see our Gender Pay Gap is steadily closing, it is clear that we – along with most firms in our sector – can do more. We will continue to implement strategic change at TMK to deliver on our objective of equality of outcome and gender pay parity.



Charlotte Pritchard
Underwriter and Chair of the Gender Network Group

There are many talented females in insurance and I'm pleased to see that our efforts are resulting in sustainable improvement towards ensuring we close the gender pay gap at TMK. We have another carefully designed programme of work planned to continue this progress, which I am excited to be leading – there is still a lot of opportunity to improve!



Vivek Syal

Chief Risk Officer and Exec Sponsor of the Ethnicity Network

We do not need to look hard to find evidence that most – if not all – firms in our industry have work to do for both gender and ethnicity pay gap and representation especially at senior level. Whilst we are pleased to be reporting on progress in terms of how we are working at TMK, if you look at the data you can see clearly that there is still a lot of room to improve. We will be keeping a close eye on this work as we move forward – and I am hopeful and optimistic that we will be sharing continued progress in the coming years.



Nish Ashton

Senior Controls Analyst and Chair of the Ethnicity Network Group

I am proud to be working for an insurance firm that is reporting on ethnicity even though this is not yet a mandatory requirement – we know that ethnicity pay gaps and under-representation are an issue in our sector and it is the right thing to do to make intentional efforts to address this. We are really at the beginning of our journey here and I'm sure we still have a lot to learn – we will be sharing our learning with others in the sector to help encourage wider change – watch this space!





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