



XL Insurance
Reinsurance

Gender pay gap report 2019



Foreword

AXA XL is a newly created division of AXA Group. While integrating people and processes from formerly separate companies, we've been excited to integrate our priorities as well. Diversity & Inclusion is a critical business priority for us, and addressing the gender pay gap is one practical way that we can help achieve it. In this report, we explain the UK gender pay gap measurement, share AXA XL's current data and offer a sample of the actions we think will help us achieve our goal over the long term.

What does gender pay gap mean?

Gender pay gap and gender pay equity are two distinct issues.

- Gender pay gap is the difference between the average earnings of men and women across an organisation or the labour market. It doesn't show differences in pay for comparable jobs.
- Gender pay equity is equal pay for men and women performing equal work.

Understanding our gender pay and bonus gaps

Note: We are reporting our UK data for the 12 months preceding 5 April 2019, which reflects AXA's 12 September 2018 acquisition of XL Catlin. With the combination of XL Catlin and three of AXA's subsidiary organisations (AXA Corporate Solutions, AXA Matrix and AXA Art), the employee population covered in this report is 21% larger than the one covered in XL Catlin's 2018 report.

Pay and bonus gap

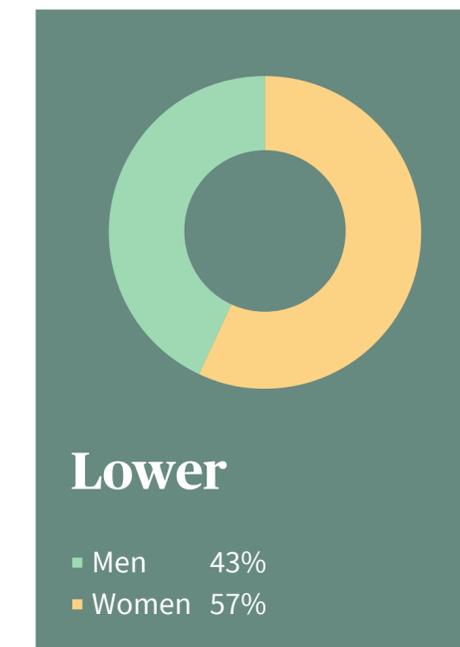
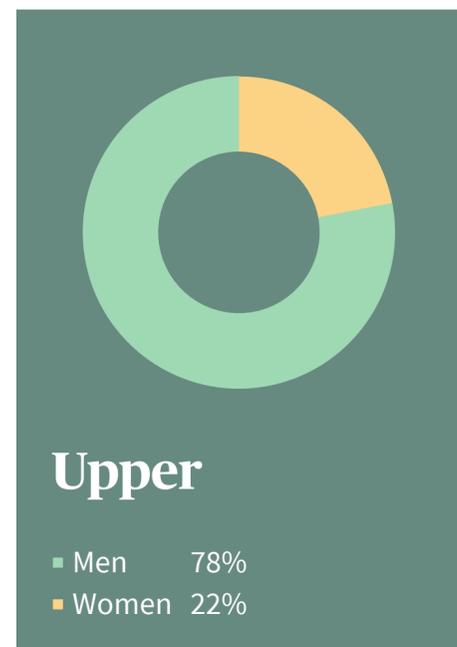
Pay gap		Bonus gap	
Median	34.5%	Median	58.5%
Mean	32.9%	Mean	60.9%

Proportion of men and women receiving a bonus *

Men 95.6%

Women 93.6%

Proportion of men and women in each pay quartile



Pay gap

- As of 5 April 2019, our mean and median pay gaps were 32.9% and 34.5%, respectively.
- AXA XL's mean and median pay gaps are 13.4% and 6.0% higher, respectively, than XL Catlin's reported figures in 2018.
- Although our 2019 results do not demonstrate the progress we want to see, much of the shift was widely anticipated following the integration with the three AXA subsidiaries. Excluding data from those subsidiaries to showcase a more like-for-like comparison, the median and mean pay gaps actually narrowed between men and women by 1.6% (to 29.9%) and 6.4% (to 29.0%), respectively, relative to our 2018 reported results.

Bonus gap

- Based on the 12-month period leading up to 5 April 2019, our mean and median bonus pay gaps were 60.9% and 58.5%, respectively.
- Similar to our pay gap results, the widening of our bonus gap results for AXA XL was broadly expected for 2019.
- Our bonus gaps widened with the acceleration of equity-based incentives for key employees as part of AXA's acquisition of XL Group.
- Recipients of these incentives typically held positions in areas that traditionally have been dominated by men (e.g., top management, underwriting and actuarial).
- For a more like-for-like comparison, isolating legacy XL Catlin bonus data and excluding the accelerated equity-based incentives linked to the acquisition reveals the mean bonus pay gap to have narrowed by 6.7% (to 45.6%) for the 12-month period leading up to 5 April 2019.

* The respective proportions for men and women only from XL Catlin was 97.9% and 96.8%, respectively.

¹ On 12 September 2018, XL Group Ltd, the ultimate parent of XL Catlin Services SE (referred to herein as "XL Catlin"), completed its previously announced merger with Camelot Holdings Ltd., a wholly owned subsidiary of AXA SA ("AXA"). Pursuant to the Agreement and Plan of Merger, dated as of 5 March 2018, by and among XL Group Ltd, Camelot Holdings Ltd. and AXA (the "Merger Agreement"), and the statutory merger agreement required in accordance with Section 105 of the Bermuda Companies Act 1981, as amended (the "Companies Act"), by and among XL Group Ltd, Camelot Holdings Ltd. and AXA, dated 12 September 2018, Camelot Holdings Ltd. merged with and into XL Group Ltd in accordance with the Companies Act (the "Merger"), with XL Group Ltd continuing as the surviving corporation and as a wholly-owned subsidiary of AXA. At the same time, AXA and XL Group Ltd announced the establishment of AXA XL, a division of AXA gathering the property and casualty activities of XL Group Ltd., AXA Corporate Solutions SA ("ACS"), AXA Matrix SA ("AXA Matrix") and AXA ART A.G. ("AXA Art") (all subsidiaries of AXA Group). The process of integrating those activities is ongoing through 2019 and 2020 and subject to certain regulatory and consultative obligations of the companies.

Closing the gap

AXA XL takes a 'pay-for-performance' approach, which recognises employees who add the greatest value in terms of financial results while demonstrating individual leadership and other positive behaviours. The goal is to attract and retain people with strong skills and talent, to foster employee engagement and to strengthen AXA XL's leadership. Our programmes and policies are designed to ensure remuneration decisions are based on legitimate, non-discriminatory business criteria such as role, experience, education, skills, contributions and results.

We currently have a disproportionate percentage of men in more senior roles, and we're taking proactive steps to address this imbalance and shrink our gender pay gap.

Primary initiatives

- **Regional Talent Review:** The Global HR Leadership Team has introduced a UK Talent Review process to foster a culture of development, visibility and mobility across departments. As part of this review process, managers work together to identify high-performance/high-potential women in the organisation.
- **Flexible Working:** By offering a variety of work arrangements, including telecommuting and flex time, our workplace flexibility initiatives enable employees to manage a successful career and a full life outside the office. Most recently, "Core Hours" have been implemented, giving employees freedom to adjust the times they start and end their workdays without submitting a formal request.
- **Mentoring Programmes:** We continue to enhance our mentoring programmes, including the Insurance Breakfast Club and the Insurance Supper Club. Women are paired with seasoned colleagues who can provide guidance on specific skills, knowledge and professional growth strategies.
- **Overcoming Bias:** Through efforts like Inclusive Language Training and our 'Breaking Bias' programme, we equip our colleagues to remove unconscious bias from the talent lifecycle — from sourcing and interviews to development and promotion.
- **Diverse Slates:** As of November 2019, our diverse slates policy has resulted in a 97% Diverse Slate rate. Our goal is to reach 100%.

Supporting initiatives

- To date we've established 11 local chapters of our colleague resource group WoMen@AXAXL.
- An ever-increasing number of our managers are receiving Inclusive Leader Training so they can establish an inclusive culture among their teams.
- Our Women's Executive Leadership Programme provides an intensive and immersive development experience sponsored by a diverse team of senior leaders.
- We participate in industry-sponsored initiatives to support the advancement of women through the Dive In Festival and the Insurance Supper Club.
- We signed on to the Women in Finance Charter as XL Catlin in 2018 and are pleased to report that we achieved our goal of 35% of women in senior roles two years ahead of schedule.¹
- We serve on the planning committees of Business Insurance's Women to Watch Awards and Leadership Conferences and Regional Forums in the UK and North America.
- We work with several organisations in the industry to identify ways to roll out gender inclusion research more broadly.

¹As AXA XL, we aim to re-evaluate our targets and continue to challenge ourselves to achieve gender parity.

Conclusion

As we build AXA XL, we're taking time to envision its future impact on our market and our communities. We understand that everyone benefits when businesses insist on equality and inclusion. And as the collective effort to reduce the gender pay gap in the UK intensifies, we're eager to partner with others who are passionate about moving the world forward.

Declaration

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



Paul Greensmith

CEO UK Region & Legal Entities
AXA XL



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