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Gender pay gap report 2020





Foreword

AXA XL is a division of AXA Group. While integrating people and processes into ONE AXA XL company, we've been excited to integrate our priorities as well. Inclusion & Diversity (I&D) is a strategic business priority for us, and addressing the gender pay gap is critical to achieving our goals. In this report, we explain the UK gender pay gap measurement, share AXA XL's current data and provide an overview of the actions we are taking to 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

Pay and bonus gap

Pay gap

Median 32.3%
Mean 29.6%

Bonus gap

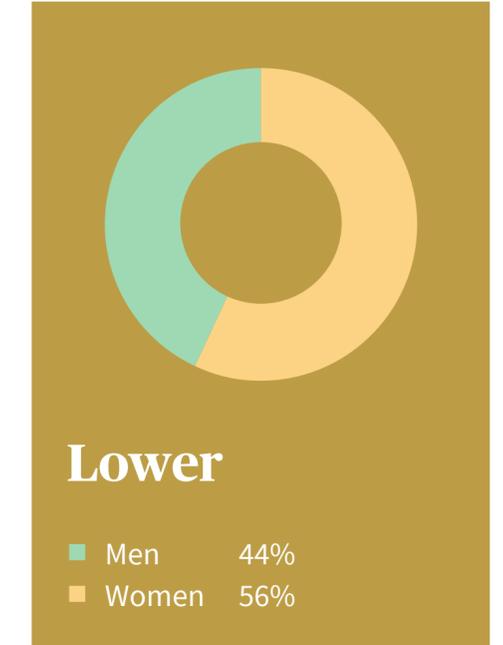
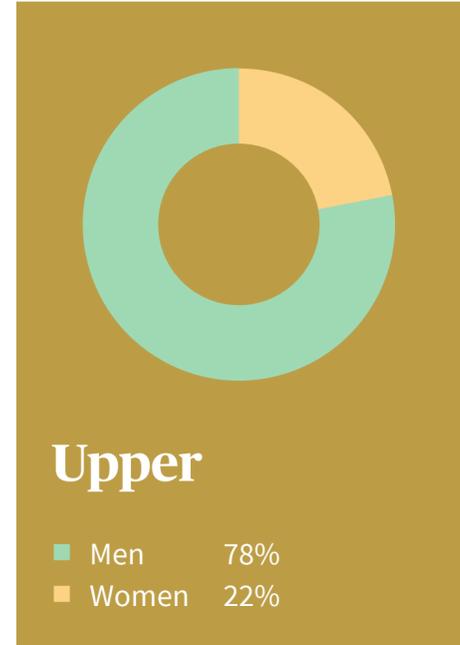
Median 45.4%
Mean 56.8%

Proportion of men and women receiving a bonus *

Men 95.3%

Women 95.4%

Proportion of men and women in each pay quartile



Pay gap

- As of 5 April 2020, our mean and median pay gaps were 29.6% and 32.3%, respectively.
- AXA XL's mean and median pay gaps have narrowed by -10.0% and -6.3% respectively, than its reported figures in 2019.
- Like most of our industry peers, our results show that gender pay gap is still present within our organisational hierarchy; however, our most recent results show us taking a step in the right direction to narrow the gap.

Bonus gap

- Based on the 12-month period up to 5 April 2020, our mean and median bonus pay gaps were 56.8% and 45.4%, respectively.
- Our most recent bonus gap results for AXA XL narrowed relative to our 2019 results, demonstrating a shift in right direction.
- The improvement in our most recent bonus gap results was anticipated, especially as our 2019 results were highly influenced by the exceptional M&A-related triggers described in last year's report.

Closing the gap

AXA XL takes a ‘pay-for-performance’ approach, which recognizes colleagues who add the greatest value in terms of financial results while demonstrating inclusive leadership behaviors in line with our values.

The goal is to attract and retain people with strong skills and talent, to foster colleague 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 or technical roles which typically attract higher rates of pay, and we are taking proactive steps to address this imbalance and shrink our gender pay gap. Our leaders understand our commitment to gender parity and building an inclusive culture, and each one is accountable for driving it across their own business groups.

We have implemented specific goals across our executive teams to increase the representation of women in leadership, broken down into recruitment, promotion and retention, and are tying their compensation to achieving these goals.

We are a member of the UK’s Women in Finance Charter. When XL Catlin (UK) signed the Charter in 2018 we had 32% representation of women in senior management. By 2020, we have undergone a significant transformation as we’ve become AXA XL, and in the process, have adjusted our definition of senior management to better align to the insurance market and other UK entities, provide consistency, and ensure that we are focusing our initiatives on the right leaders to driving meaningful progress.

Using this new definition, we currently have 32% women in senior management with a target of achieving 35% by 2023. We believe we are on track to meet our Charter target by our deadline by focusing on our I&D initiatives:

Development and advancement

To increase the representation of women in senior leadership, we have a focus on sponsorship into critical, on-the-job development opportunities that accelerate advancement. Senior leaders will identify critical opportunities across the business—large, highly visible projects, missioncritical roles, and international assignments—and then identify high-potential women to give them equal opportunity to demonstrate their capabilities. The senior leaders will then make sure that these women have the resources they need to be successful, as well as the visibility to showcase their work and accomplishments. This will inform succession planning to ensure these women have a pathway to advancement. Research shows this is the most powerful predictor of advancement.

Recruitment

In addition to promoting from within, recruitment is a critical driver for increasing the representation of women in senior leadership. All hiring managers will always consider a highly qualified, diverse candidate slate prior to making a hiring decision. For all roles across all levels, hiring managers must interview a slate that comprises at least 50% women. This applies to roles being sourced with external candidates, internal candidates, or a mix of both. We have also updated our contracts with external recruiting agencies to require a gender balanced list of finalists. Compliance with the policy and conversion rates will be tracked and leaders will be held accountable as mentioned above.

Engagement

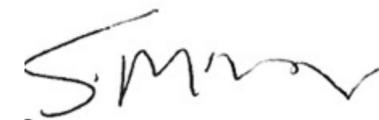
Our Business Resource Groups (BRGs) are colleague-led initiatives with senior executive sponsorship that help drive our talent strategy forward. In the UK, we have six groups: LEAD (gender), PRIDE (LGBTQ+), RISE (race/ethnicity), EnABLE (disability), Back in Business (leaves and career breaks) and Health and Wellbeing. By participating in these BRGs, colleagues have the opportunity to develop professionally, expand their networks, gain visibility with senior leaders, and experience opportunities they might not have in their day-to-day roles and responsibilities. BRGs are critical to fostering a culture where everyone feels they can bring their full selves to work and that they have an equal opportunity to be successful. We track colleague engagement in BRGs through our company-wide pulse surveys.

Conclusion

As we build AXA XL, we’re taking time to envision its future impact on our market and our communities. We strongly believe that everyone benefits when organizations prioritize equity 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.



Sean McGovern
CEO, UK & Lloyd’s



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