



SOMPO
INTERNATIONAL

2020-2021
**GENDER PAY
GAP REPORT**





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UK GENDER PAY GAP REPORT - 2020 AND 2021 Endurance Business Services Ltd



“As part of our commitment to inclusive diversity at Sompo International in the UK, this report contains our UK gender pay gap results for 2020 and 2021. I am pleased to see some early positive movements as a result of the actions we are taking in this crucial area. We look forward to progressing our inclusive diversity strategies over time and further embedding sustainable change.”

Julian James, CEO, International Insurance, Sompo International

Sompo International – Our Commitment to Inclusive Diversity

At Sompo International, we are committed to being an inclusive, meritocratic workplace that promotes, values and embeds diversity in all aspects of what we do. We believe that diversity in gender, gender identity, age, race, sexual orientation, physical or mental ability, ethnicity, background and perspective at all levels of our organization makes us a better company. More importantly, we believe creating an environment where everyone, from any background, can belong and do their best work in is the right thing to do.

At Sompo International, we want to ensure that inclusion is an integral part of who we are as an organisation and avoid a “tick box” initiative approach that may appear to deliver quick results but is not sustainable or meaningful in the long term.

To support this commitment, our Sompo International Inclusive Diversity Council (SIIDC) was created in early 2020 and tasked with further embedding diversity and inclusion into every aspect of who we are. They have focused on challenging the status quo, identifying and honestly discussing actual, perceived and potential barriers to inclusive diversity within our company and promoting open-minded, transparent and constructive solutions in line with our meritocratic company culture.

Also during 2020, in partnership with the SIIDC, we launched a foundational and long-term strategy to help us navigate our inclusive diversity journey. Further information on this will be detailed later in this report. We recognize there is much to do, but we are optimistic that the momentum we are seeing will continue and increase, not only within our company but within the Insurance industry as a whole.

UK Gender Pay Gap

Gender diversity, including gender pay equality, is a key area of focus as part of our larger inclusive diversity strategy. This report explores our UK gender pay gap results for 2020 and 2021, providing 2019 results (where there was no reporting requirement for the company) for additional context and trend information.

What is the gender pay gap calculation?

UK government legislation requires employers with 250 or more staff in the UK to publish statistics outlining the difference between the average pay of male and female employees, regardless of role, seniority and working hours. The analysis is based on a snapshot of data as of April 5th of each year.

Companies in the UK must disclose the gender pay gap and the gender bonus gap based on mean and median differences in pay, the proportion of males versus females that receive a bonus, and the proportion of males and females falling within each pay quartile.

Note this is different than Equal Pay, which legislates that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act of 2010.

What is Sompo International's gender pay gap?

Whilst we are confident that Sompo International adopts equal pay for equal work, like many other organizations, we have a UK gender pay gap driven by having fewer women than men in more senior roles and underwriting roles that demand the highest pay. Whilst our gender pay gap statistics are very much in line with, and in some areas more positive than, our peer companies in the UK industry, it clearly does not represent the position we want to be in. We recognize that there is much to do in terms of the representation issue both within Sompo International and in the wider marketplace and we are confident that the strategic actions we are progressing with will facilitate sustainable change over time.

Our mean UK gender pay gap over the past 3 years (2019, 2020 and 2021 data) ranges between 34.1% in 2019 to 31.6% in 2021, improving by 2.5 percentage points. The median gender pay gap over the same time period ranges between 22.0% in 2019 to 20.7% in 2021, improving over the period by 1.3 percentage points.

Our mean gender bonus gap over the past 3 years (2019, 2020 and 2021 data) ranges between 64.8% in 2019 to 63.2% in 2021, improving by 1.6 percentage points. The median gender bonus gap over the same time period ranges between 31.2% in 2019 to 37.0% in 2021, deteriorating by 5.8 percentage points.

These calculations are based on the pay and bonus data of London based employees of Sompo International, in line with the gender pay gap reporting guidelines.

Pay Gap

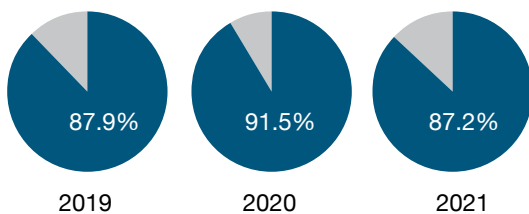
The percentage difference in pay between men and woman:

Components	2019	2020	2021
Mean Gender Pay Gap in Hourly Pay	34.1%	33.1%	31.6%
Median Gender Pay Gap in Hourly Pay	22.0%	21.3%	20.7%
Mean Bonus Gender Pay Gap	64.8%	61.0%	63.2%
Median Bonus Gender Pay Gap	31.2%	30.6%	37.0%

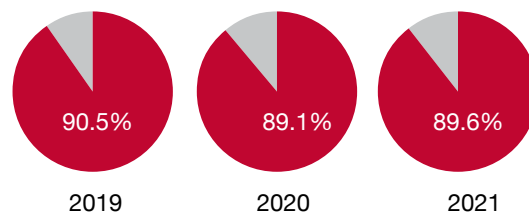
Employees Awarded a Bonus

At Sompo International, all employees at all levels within the company are bonus eligible. The proportion of females / males receiving a bonus payment noted below is strictly driven by the timing of new hires during the first year of employment.

Proportion of Males Receiving a Bonus Payment



Proportion of Females Receiving a Bonus Payment



Pay Quartiles

The table below shows the percentage of females and males across the pay quartiles. This demonstrates that there continues to be a higher proportion of females in lower paying roles, and a higher proportion of males in higher paying roles:

Quartile Based on Hourly Pay	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Lower Quartile	37.7%	62.3%	42.4%	57.6%	43.6%	56.4%
Lower Middle Quartile	59.0%	41.0%	64.2%	35.8%	64.6%	35.4%
Upper Middle Quartile	59.0%	41.0%	56.7%	43.3%	55.7%	44.3%
Upper Quartile	70.5%	29.5%	76.1%	23.9%	73.4%	26.6%

Understanding and Closing the Gap – Representation Matters

Senior level, visible diversity is the biggest diversity related challenge for Sompo International and the industry overall. In terms of our gender pay gap, the primary factor underpinning our gap is that there are materially more men than women in senior, higher paid roles. These more senior roles not only have a higher base salary but also have higher incentive targets, expressed as a percent of base salary, which results in both an hourly pay gap and a larger bonus pay gap.

We recognize that the challenges we face in closing this gap and delivering on our inclusive diversity strategies are complex and multifaceted. We also recognize that visible diversity at our most senior levels is hugely important in the sourcing, selection, development and engagement of a truly diverse employee group.

In the UK, we are delighted to have welcomed our first female Director to our legal entity Boards and continue to see a strengthening pipeline of female talent moving upwards in our organization and being effective in some of our most senior leadership roles. Whilst we recognize and celebrate these positive developments, the pace of change is slower than we would like. Our focus, therefore, unwaveringly continues to be on embedding sustainable change and creating an environment where diverse talent can belong and be successful.

We are proud to summarise below some of the key actions and areas of focus currently underway that we feel will help us continue to “move the dial” in making sustainable change within Sompo International.

• INCLUSIVE LEADERSHIP – Role modeling, accountability and governance

- We recognize that our tone and approach is set at the top of the company and that inclusive leadership is critical. As part of our larger organizational development plan, we made a commitment for all our most senior leaders globally to complete an intensive inclusive leadership development programme during 2021. The programme includes evaluations, assessments, coaching and development planning. The aim of this programme is to deepen our leaders’ awareness of who they are as inclusive leaders, strengthen their understanding of their cultural influences and preferences, promote a global and inclusive mindset and support them in strategies to both role-model inclusive behaviours and to become true change agents.
- This development programme is a significant investment from both a financial and resources perspective. It will enable both individual and company development and action planning which will be built upon, enhanced and expanded over time.
- We are introducing a Diversity Scorecard which will monitor our progress against key diversity metrics globally on an annual basis, with ultimate accountability for progression in these metrics resting with our Executive Team.

• TALENT & DEVELOPMENT – Developing an inclusive mindset, decision making and a culture of belonging

- Learning and Development
 - We are committed to providing effective learning opportunities that support our culture of inclusive diversity. To build upon our collective inclusive diversity awareness, understanding and competence, all people managers globally in

Sompo International will complete a comprehensive Managing Inclusion development program during 2021 and into 2022. Additionally, all other employees will complete a Conscious Inclusion development program during 2022 and into 2023. The aim of these programs is to embed foundational learning and development concepts focused on rooting a common level of understanding and approach, enriching and enhancing our inclusive diversity competency and awareness throughout the organization. These efforts will not be “one and done” events. The platform will be built upon over time to enhance our culture of trust, openness and transparency whilst equipping our leaders and employees to see value in challenging the status quo, avoiding defensiveness and promoting and encouraging inclusive behaviors.

- We provide 24/7 access to unconscious bias training and a wide range of diversity focused material via our e-learning portals. We also mandate company-wide anti-harassment training and company code of conduct training.
- In addition to the provision of tailored learning opportunities in line with individual employee development plans, Sompo International sponsors several female employees each year in the UK to participate in the Advance – Future Female Leaders programme at Lloyd’s of London. The overall aim of this six month programme is to improve the pipeline of females within the market and to support the development of personal attributes, capabilities and networks to advance careers as future leaders. The company is committed to continuing to sponsor our talent in learning opportunities such as this.
- Sompo International also offers a substantive leadership development programme for our high potential leaders and emerging leaders in partnership with Wharton University. We also complement these programmes with leadership development courses partnering with Dale Carnegie. Ensuring appropriately diverse representation in attendees for this program is a key focus and we ensure demographic balance in each cohort to support a diverse pipeline of talent.

- Talent Sourcing, Selection and Succession Pipeline

- Diversity is a prominent consideration in all SI hiring activities and we focus on sourcing and selecting talent from broad talent pools both internally and externally. Whilst the candidate pool in certain business lines is weighted heavily or even completely towards “traditional” candidates (male, white, heterosexual), we are challenging ourselves and our recruiting partners every day to identify candidates from a diverse range of backgrounds and groups. We actively challenge our unconscious bias towards candidate selection and are providing our hiring managers with support, training and coaching to enable this. We are pleased to see positive movements in the diversity of our hiring outcomes in recent years.
- With the goal of broadening the diversity of our entry level candidate pool, SI in London partnered with WorkPath in Tower Hamlets to devise a work experience programme: Step into the City. We are delighted to be able to interact and work with excellent candidates we would not traditionally have had access to and be able to highlight career paths available within SI and the industry as a whole. The launch program was a success and we are expanding this initiative in 2021.
- We are delighted to launch our first Graduate Trainee Programmes in the UK in 2021 with the first cohort joining us in early 2022. Our focus is to ensure that we hire the best candidates to join our company and the best candidates will be from a diverse slate.
- Succession planning for our key roles is considered carefully each year and ensuring a diverse pipeline of talent is critical. We carefully monitor our gender promotion ratio on an annual basis and ensure our talent identification and promotional opportunities are truly meritocratic.

- Talent Engagement

- Sompo International has low levels of employee turnover and high levels of engagement as highlighted in our employee engagement and pulse surveys. We analyze our engagement results on a range of demographics and are pleased that we see no difference in engagement levels when split by gender. We are committed to building on an already engaged workforce and will continue to carefully monitor engagement levels going forward.
- We recognize the benefit of providing an environment and leadership group that encourages different opinions, out of the box thinking and constructive challenge. To foster this, we have created an Innovation Group in our London office to partner with Lloyd’s Lab focused on challenging the status quo in terms of how we deal with our business. This group is voluntary and has high levels of diversity in its members.

• SHARING OUR VOICE

- At SI, we recognise that we have an important role to play in our industry’s inclusive diversity journey. Our SIIDC have partnered with our leadership and our Marketing & Communications teams to raise awareness and conversation both internally and externally.
- Internally, we have focused on raising our collective awareness of diversity related matters as well as highlighting our activities in this key space. We have communicated our leader’s standpoints on key areas,

highlighted our talent and our activities. A dedicated landing site on our employee intranet now houses our inclusion focused information in an easy to access location for our employee group.

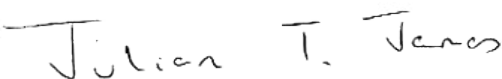
- We are launching a series of focus groups to help improve our understanding of the potential challenges faced by certain demographic groups and look forward to harnessing this information and energy as we continue to develop our inclusive diversity strategies.
- Externally, we are proud to be increasingly visible and relevant at industry events focused on diversity. We are also delighted to continue our support and partnering with networks and associations who are aligned with our approach and commitment such as the Dive In Festival, Women in Insurance and the Afro-Caribbean Insurance Network as we work collectively to make a real difference to underrepresented groups in the industry.

- **STRUCTURAL INCLUSION - Inclusive and equitable structures, processes and practices**

- In order to optimize our structural processes and practices, we have committed to a detailed review of all aspects of our talent management structures, processes and procedures to challenge structural and systemic biases or barriers to true inclusive diversity.
- Recognizing the unique challenges presented in balancing a family and a career, we implemented new and enhanced family friendly policies and flexible working practices with the aim of reducing some of the potential barriers that may challenge parents and especially women in their career progression. Competitive and supportive maternity and paternity provisions along with flexible working options and healthy work / life balance are key areas of focus and we were delighted to materially increase the period of paid maternity and paternity leave to our employees in 2021.
- Understanding the benefits of an agile workforce, a flexible “hybrid” model of working has been introduced to the majority of roles within Sompo International allowing a balance of office and remote working. We firmly recognize both the benefits and value of collaboration and being together as co-workers and we also recognize the benefits and value of flexibility and balance for our employees.

Declaration

I confirm that the data contained within this report is accurate and meets the requirements of the Gender Pay Gap reporting regulations.



Julian James

Chief Executive Officer,
International Insurance
Sompo International