

**Munich Re UK Services Limited
Gender Pay Gap Report 2020**

The gender pay gap shows the difference between the average earnings of men and women in an organisation. It is not the same as equal pay, which relates to whether men and women are paid equally for the same or similar work. At Munich Re, we are confident that we meet our equal pay obligations: we regularly review our pay levels and practices to ensure that women and men are paid equally for doing equivalent jobs, and we monitor our reward procedures to ensure that they are gender neutral.

Across its global operations, Munich Re is committed to creating a workplace where all employees are treated equally and have the same opportunities to advance their careers irrespective of their gender, background or sexual orientation. We believe that diversity and gender balance are essential to the success and strength of our organisation.

As our UK gender pay gap data shows, we have seen a small increase in the pay gap for 2020 when compared to the previous year. We recognise that some of the actions we have taken will cause fluctuations in the gap over the short term but we remain focussed on effecting long term change. We believe we will see our gender pay gap reduce further as we continue to focus on inclusion and diversity at all stages of the employee lifecycle.

What are we required to report on?

Mean gender pay gap	The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
Median gender pay gap	The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
Mean Bonus Gap	The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.
Median Bonus Gap	The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.
Bonus Proportions	The proportions of male and female relevant employees who were paid bonus pay during the relevant period.
Quartile pay bands	The proportions of male and female full-pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands.

Gender pay gap results

	Median	Mean
Gender pay gap	19.6%	28.9%
Gender bonus gap	35.0%	54.3%

	Female	Male
Proportion of employees who received bonus pay	91.2%	96.4%

Proportion of female and male employees in each salary quartile band		
Quartile	Female	Male
Upper	26.2%	73.8%
Upper Middle	44.6%	55.4%
Lower Middle	45.8%	54.2%
Lower	54.8%	45.2%

In line with the Government’s gender pay gap regulations¹, Munich Re’s gender pay gap results as at 5 April 2020 are shown for the legal entity in the UK that engages 250 or more employees, Munich Re UK Services Limited (“MRUKS”).

How have our figures changed since 2019?

- As previously mentioned, we have seen a small increase in our pay gap this year. For 2020 the mean pay gap is 28.9% (27.6%, 2019). The bonus pay gap remains relatively stable with the mean for 2020 at 54.3% compared to 54% in 2019. The 2020 numbers are the last to include bonuses paid under the old performance bonus scheme. The change in bonus approach also means that the transitional allowances are included in the pay gap for the first time.

To ensure staff were not negatively impacted by the change in bonus scheme, transitional allowances were introduced and are commensurate in value to the difference between the level of bonus received under the old scheme and the level of bonus expected under the new plan. As we still have a significantly higher proportion of men in senior positions, we would expect the introduction of transitional allowances to translate into an increase in pay gap. Over the longer term we expect to see a reduction in the bonus gap following on from the harmonisation of bonus targets across MRUKS.

- Continuing the trend from last year the composition of our workforce has again shifted with 43% of the workforce being female (compared to 39% in 2019). We are particularly pleased to see the change in the top two salary band quartiles. The upper quartile percentage in our first report (2017) was 14% and the upper middle was 31%. While there is still significant work to do, particularly at the upper level, it is highly encouraging to see the work we have done in developing a pipeline of female leaders starting to come to fruition.
- We have also seen an increase in the number of women at the highest level in 2020. 22% of the Grade F population is female, compared to 6% in 2019.

What are we doing to close the Gap?

Munich Re continues to run and further develop a variety of initiatives and programmes designed to improve gender diversity and to enable women to progress to senior management roles including:

- We have continued to identify and develop a pipeline of female leaders, supporting managers with inclusive talent and succession management. 48% of our promotions in 2020 were women, compared to 43% of our workforce. We have also looked to take on more women proportionately in higher level positions and have seen an increase in the number of females in the top two salary band quartiles, 35.3% (up from 30.2% in 2019).

¹ The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (the “Regulations”)

- Embedding the new flexible working policy which enables all employees to work in a way that works most appropriately for them day by day.
- Supporting a better work-life balance by delivering a range of wellbeing initiatives focussed on both physical and emotional health alongside other wellbeing topics.
- Continuing to work collaboratively in the UK & Ireland on Inclusion and Diversity, setting up workstream pillars to focus on different areas, initially Race and Ethnicity, Gender and Inclusion.

Declaration

I confirm that the data reported is accurate and meets the requirements under the Regulations.

Ian Davies
Chair, Munich Re UK Services Limited