

**Munich Re UK Services Limited  
Gender Pay Gap Report 2018**

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. It is therefore encouraging that in the UK steps are being taken at a Government level to ensure that our workforces are representative of the society we live in and the community we serve.

As our UK gender pay gap data shows, we need to do more to create career opportunities so that women can continue to progress in the insurance industry. While there has been some improvement, progress across the industry has been slow. At Munich Re, we believe that our gender pay gap will reduce as we continue to increase the proportion of women working in senior roles and to advance an inclusive and diverse culture. We appreciate that this will take time and hard work but we are committed to bringing about change and seeing more women succeed.

**What are we required to report on?**

<b>Mean gender pay gap</b>	The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
<b>Median gender pay gap</b>	The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees.
<b>Mean Bonus Gap</b>	The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees.
<b>Median Bonus Gap</b>	The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees.
<b>Bonus Proportions</b>	The proportions of male and female relevant employees who were paid bonus pay during the relevant period.
<b>Quartile pay bands</b>	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**

	<b>Median</b>	<b>Mean</b>
Gender pay gap	32.0%	34.2%
Gender bonus gap	40.0%	57.7%

	<b>Female</b>	<b>Male</b>
Proportion of employees who received bonus pay	89.7%	86.6%

Proportion of female and male employees in each salary quartile band		
Quartile	Female	Male
Upper	17%	83%
Upper Middle	36%	64%
Lower Middle	49%	51%
Lower	57%	43%

In line with the Government's gender pay gap regulations<sup>1</sup>, Munich Re's gender pay gap results as at 5 April 2018 are shown for the legal entity in the UK that engages 250 or more employees, Munich Re UK Services Limited ("MRUKS").

Analysis of the data behind our median and mean pay and bonus gaps shows that these are primarily driven by the following factors:

- Whilst 60% of our overall workforce is male (40% are female), there is an even higher proportion of men than women in more senior positions and/or positions that attract higher salaries. Our pay quartile figures show that of the employees in the highest paid roles, 83% are male and only 17% are female. At the same time, there is a higher proportion of women than men in roles which attract lower salaries. The pay quartile data shows that 57% are female and 43% male in the lowest paid group.
- The bonus gap is influenced by the fact that the most senior roles in the organisation (which are more frequently held by men than women) have larger bonus opportunities.

#### Where do we go from here?

*"We understand diversity as bringing different ways of thinking, mentalities, experiences and specialised knowledge together through lively interaction. This interaction creates the basis for an open corporate culture in the spirit of partnership, which lives tolerance and fairness, creates a climate of trust and offers possibilities for individual development."*

<https://www.munichre.com/en/career/munich-re-as-an-employer/diversity/index.html>

Munich Re continues to be determined to work towards narrowing its pay gap. We know that it will take a long-term commitment to significantly change the structure of our workforce. Our aim is to make year-on-year improvements in our figures by continuing to develop a variety of initiatives and programmes to improve gender diversity and to enable women to progress to senior management roles.

The steps we are taking to tackle our gender pay gap include:

- Identifying and developing a pipeline of female leaders. Our existing pipeline of female talent has meant that a number of women have been promoted to or otherwise been taken on at the highest job level within MRUKS in 2018. We will seek to further use talent management and leadership development initiatives to build on our pipeline of female talent.
- Ensuring that a woman is involved with all hiring decisions to minimise unconscious bias
- Supporting our managers to develop diverse succession plans to encourage an inclusive approach to succession management, and defining development plans for all of our identified key talent.
- Reviewing our grading structure internally to create more transparency on progression.

<sup>1</sup> The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 (the "Regulations")

- Continuing to support flexible working opportunities for all employees, including through continued review of our parental leave policies.

### **Comparison with 2017 report**

In 2017 we reported a mean pay gap of 59.6%; this has reduced considerably. We commented in last year's report that the 2017 figures were skewed by the payment of bonuses to our senior managers; they were unusually paid in April. In 2018 we paid our senior managers' bonuses in May in alignment with other Munich Re Group companies.

The composition of our workforce has also changed when comparing the two years; we have slightly more female employees than we did previously. We also have more female staff performing senior roles; 16% of people performing grade F roles are now women – this was previously 0%.

We are pleased with these small improvements but we are not complacent. We recognise that the actions taken so far are just the start of the journey

### **Declaration**

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

**Andy Rear**  
**Chair, Munich Re UK Services Limited**