

This report is for Hastings Insurance Services Limited, the main employer and only entity with more than 250 employees in the Hastings Group.

Doing the right thing for our **4Cs** – colleagues, customers, company and community – drives our decision making at Hastings and that starts with colleagues.

We're proud to be a company that encourages colleagues to be themselves because we believe diversity of thinking and different perspectives strengthen the way we work and make us successful.

We want all colleagues to have equality of pay for equivalent roles and equality of opportunity at all stages of their careers with us. That's how we make sure we attract and retain the best talent in the industry but there is more we can do.

Men and women in equivalent roles at Hastings are paid equally. We know that we have a greater proportion of men than women in senior roles creating our gender pay gap and we have a number of initiatives underway to address this. My executive team and I are fully committed to making sure that Hastings remains a place where all colleagues can contribute, thrive and be who they are.

Toby van der Meer
CEO



The story so far...

Over the last twelve months we have been successful in promoting and recruiting a number of females to senior roles. We acknowledge there is an imbalance in the number of senior females in the organisation and we are taking steps to address this, whilst ensuring that we always appoint the best candidates into senior leadership positions. We are realistic that this will take time to achieve, and are putting in place a broad talent and diversity strategy, **sponsored** by our **Executive Committee**, which will lead **Hastings' Diversity Task Forces** on a number of actions aimed at:

- **Increasing female** representation at **senior levels**.
- **Recognising the contribution** that **people of all ages** make.
- **Building awareness** of the **cultural diversity** of our business.

Our diversity programme is designed to be wide-ranging, and will encompass reviewing activities such as **recruitment, induction, family leave, talent** and **succession planning**.

Headline gender pay gap*

This report provides a snapshot of the gender pay gap* at Hastings Insurance Services Limited on 5th April 2017 taking data over the preceding 12 months.

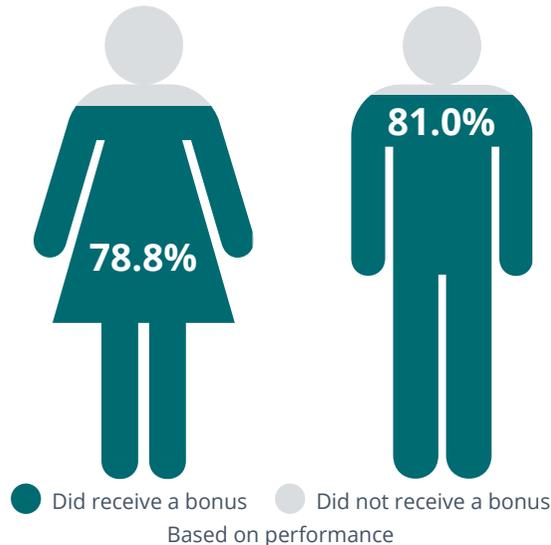
	Difference between men and women	
	Mean difference	Median difference
Pay gap (hourly rate)	17.4%	8.2%
Bonus gap	45.3%	11.5%

*The gender pay gap is defined as the difference between the mean or median hourly rate of pay that male and female colleagues receive. The mean pay gap is the difference between average hourly earnings of men and women. The median pay gap is the difference between the midpoint in the ranges of hourly earnings of men and women.

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Proportion of men and women receiving a bonus

Colleagues at all levels across Hastings are eligible to be considered for a bonus depending on performance. **81.0%** of **male** Colleagues received a bonus against **78.8%** of **female** colleagues, a **difference of 2.2%**.



Why we have a gender pay gap*

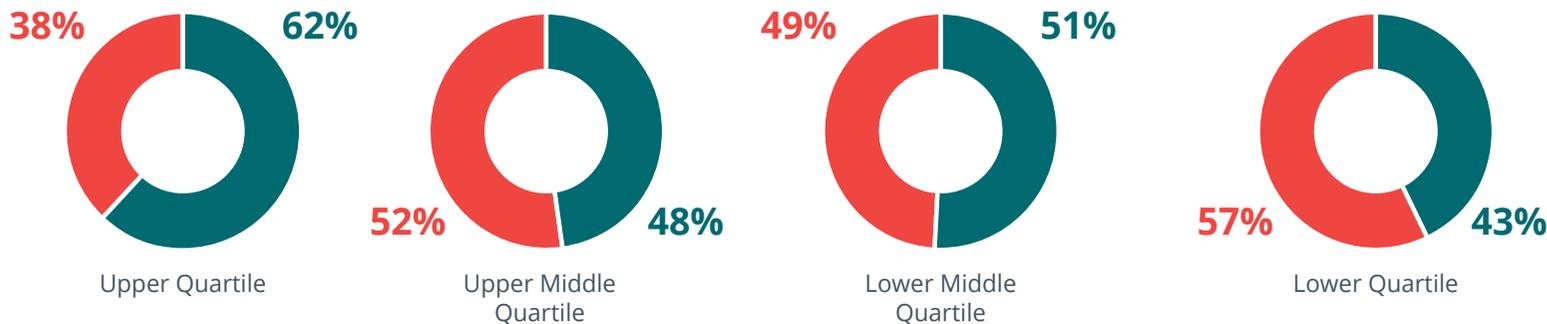
We know that, overall, pay does not favour males over females either on a statutory basis or based on our internal research. However, we are conscious that the reported data is impacted by the fact that we have a higher number of males than females in roles attracting the highest average rates of hourly pay. We have calculated that, **if the top 10% of higher earners is excluded, the gender pay gap reduces significantly** as follows:

- Mean pay difference drops from **17.4%** to **4.7%**
- Median pay difference drops from **8.2%** to **1.1%**
- Mean bonus difference drops from **45.3%** to **9.2%**
- Median bonus difference drops from **11.5%** to **2.7%**

Proportion of men and women in each pay quartile

● Female ● Male

These charts shows the gender split when we order hourly rates of pay from the highest to lowest and group into four equal quartiles:



The quartile split highlights the primary cause of the gender pay gap* at Hastings. As outlined above, the higher percentage of males in the top quartile of the company has a disproportionate effect on the mean figures.

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How our diversity strategy will help narrow our gender pay gap*

We are implementing a broad diversity programme, **sponsored** by our **Executive Committee**:

Focus area	What we're doing:
Diversity Task Forces	<p>We've created three task forces led by members of the Executive Committee who are working with colleagues across Hastings to review various aspects of diversity within the organisation and make recommendations for change. They will be looking at our procedures, practices and behaviours that may hold people back and make recommendations for change. The three focus areas are:</p> <ol style="list-style-type: none"> 1. Increasing female representation at senior levels 2. Recognising the contribution that colleagues of all ages make 3. Building awareness of the cultural diversity of our business <p>We want our colleagues to come to work in the knowledge that they will get an equal opportunity to thrive and contribute, so we will look across the whole Company, highlighting best practice and identifying areas for improvement.</p>
Family Friendly	<p>We are committed to supporting colleagues who take extended leave from work for family reasons such as maternity or caring responsibilities. We know it can be a stressful time for some colleagues so we have established our Family Friendly Workshops. Through the sharing of personal experiences we will increase awareness, support and line manager engagement, before, during and after leave periods. In addition, we are putting into place a one-month phased return to work for returning mothers.</p>
Recruitment and Induction	<p>In recent surveys, our colleagues told us that what they most liked about working at Hastings was the people; that they could be themselves and that they could bring their personalities to work. We are proud of that feedback and as our colleagues' insights and experiences are the best form of endorsement, we regularly share their stories to help us attract and recruit new and diverse talent to Hastings. We also ensure that all of our senior roles have diverse candidate shortlists.</p>
Talent and succession planning	<p>To demonstrate our commitment to having more women in senior leadership roles by 2020 and building our talent and succession planning pipeline we have:</p> <ul style="list-style-type: none"> • Recently become signatories to the 30% Club. • Devised a Leaders in Touch programme to create better understanding around how people from different generations, cultures or gender view working at Hastings. • Plans to regularly review and report key diversity metrics to our Executive Committee to inform further action.



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Read Lucy's story – a real example of diversity at Hastings

Lucy originally joined Hastings in 2013 as Commercial Director, before becoming mother to James in 2016 and joining the Executive team when she was promoted to Managing Director, Underwriting Services, in February 2017. When the idea of creating Hastings' Diversity Task Forces was first suggested, Lucy was keen to play a leading role:

"Although I have been fully supported in my career at Hastings over the past five years, returning to work after maternity leave has made me realise that despite making good progress, there is more we can do to become a more diverse and inclusive company.

"Balancing the needs of a toddler and a business area can be very demanding so I am keen to use my experiences as a new mother and senior leader to help us make a difference.

"I am really excited to be part of our diversity programme and the team that helps shape the next generation for Hastings."

Lucy.

Managing Director, Underwriting Services



In summary

- We have **successfully promoted** and **recruited** a number of **females** to **senior** roles but there is **more** we **can do**.
- We have created **Diversity Task Forces** to work with colleagues to look at ways in which we can **increase equality of opportunity** for **all**.
- We are implementing initiatives aimed at **increasing female representation at senior levels**. These encompass **recruitment, induction, maternity leave, talent** and **succession planning**.
- Our **commitment** to the **30% Club** provides a visible focus on our intent to increase **female senior leader representation** by **2020**.
- We are **confident** that **men** and **women** are **paid equally** for **doing similar jobs** across the organisation.
- We will make sure **Hastings** remains a **place** where **colleagues** can **contribute, thrive** and **be who they are**.

We confirm that the data contained within this report is accurate and meets the requirements of the gender pay gap* reporting regulations.

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