

Gender pay gap report 2018

Reporting our progress



Foreword

At Legal & General Group our purpose is to improve the lives of our customers, build a better society for the long-term, and create value for our shareholders. Our focus on inclusive capitalism relies on engaging and empowering our people. That's why we are building an inclusive culture and embracing our differences, to help all of our people achieve their goals and succeed.

As well as celebrating the positive culture that already exists at the heart of our organisation, we are taking steps to identify and address areas for improvement, and helping our people to embrace diversity and inclusion. It's so important to us that our workforce reflects our customers and the communities they live in. That includes ensuring women are represented at all levels in our business and taking action to increase gender diversity and tackle our gender pay gap.

Change is already happening. We're hiring more women at all levels across our business, including people returning from a career break. We've reviewed and improved our family friendly policies, and we're continuing to embed measures that will help our leaders change the way we think about who and how we recruit and promote.

We're pleased to report that we've seen a 2.6% reduction in our median gender pay gap, but we know there is more to be done. Our business is evolving and we expect to see fluctuations in this data over time, particularly in sectors where women have traditionally been under represented. Despite a positive change overall, the slight increase in the gender pay gap in our investment management business underlines that this is an ongoing challenge.

In the coming year, we'll be continuing to attract, retain and promote women, as part of our wider goal to create an environment that allows our people to succeed, regardless of their background. This report will help you find out how we're setting out to achieve that.



Emma Hardaker-Jones, Group HR Director
Legal & General Group



Neil Perry, Human Resources Director
Legal & General Investment Management



**2.6% reduction in
our gender pay gap**

44%

**of all new starters
in middle and senior
management roles
were women**



**included in Bloomberg's
Gender-Equality Index**

Identifying the causes of our gender pay gap

The gender pay gap is the difference between the average pay of men and women across the whole company. Gender pay gap data helps us highlight the problem, understand its causes and take action to improve it across our UK businesses. It is just one part of how we're working to improve our culture and drive inclusion.

Like many organisations, our gender pay gap is driven by having more men than women in senior positions across our businesses. We're at the start of a journey, and it's likely we'll continue to see variations in our gender pay gap data – for example, we anticipate that the challenge we see in our investment management business could be replicated as we move into other sectors, such as housebuilding. But we know the direction we need to be moving in, and we've developed a sustainable strategy to help us get there.

How we report the gender pay gap

Legal & General Group offers a wide range of products and services, and our organisation has a complex business structure as a result.

We have a number of companies, three of which employ more than 250 people:

- Legal & General Resources Limited Plc ("L&G Resources")
- Legal & General Investment Management (Holdings) Limited ("LGIM(H)")
- CALA Homes

CALA Homes was acquired in 2018. As a result we'll report its gender pay gap data separately and this business is not represented in these figures. With this exception, we are reporting data across Legal & General Group, allowing us to take a fuller view of the challenge we're trying to tackle.

Summary

27.6% Mean gender pay gap

29% Median gender pay gap

61% Mean bonus gap

49.1% Median bonus gap

86.9% of men received a bonus

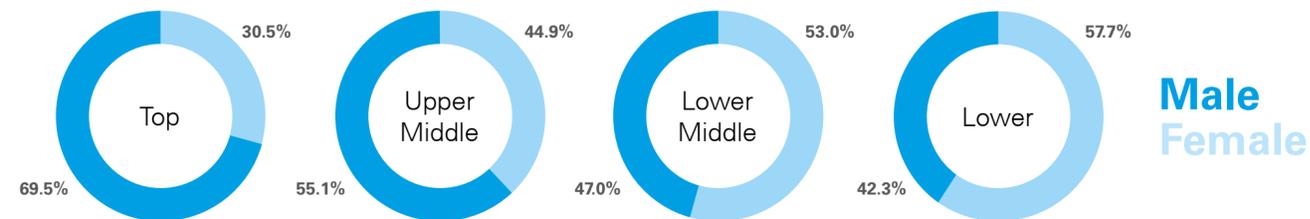
88.1% of women received a bonus

Our numbers

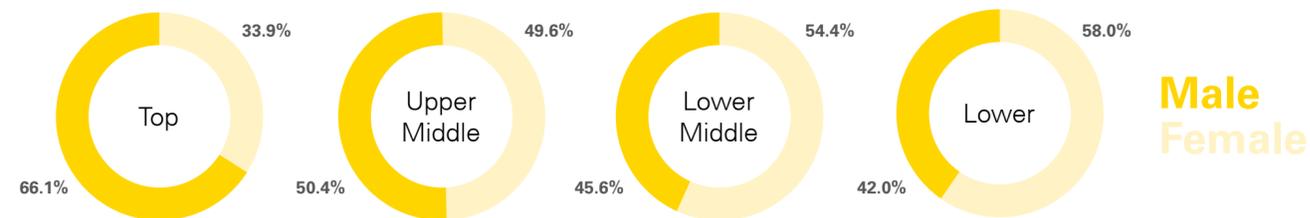
This shows the information as at the snapshot date of 5 April 2018.

Pay Quartiles

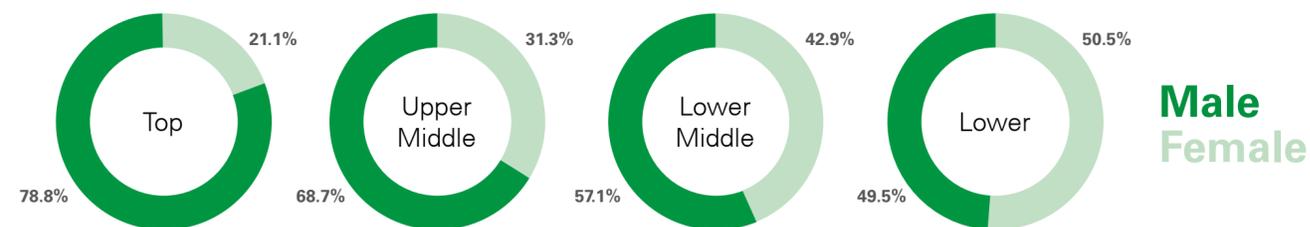
L&G Group



L&G Resources



LGIM Holdings



Gender pay gap 2018

All UK employees

Hourly pay	Bonus	% receiving a bonus
Mean 27.6% (2017 30.5%)	Mean 61% (2017 65.6%)	Men 86.9% (2017 90.3%)
Median 29% (2017 31.6%)	Median 49.1% (2017 51.8%)	Women 88.1% (2017 90.5%)

L&G Resources

Hourly pay	Bonus	% receiving a bonus
Mean 24.3% (2017 24.2%)	Mean 49.9% (2017 50.1%)	Men 89.6% (2017 89.7%)
Median 19.2% (2017 19.8%)	Median 37.1% (2017 41.4%)	Women 89.1% (2017 90.8%)

LGIM Holdings

Hourly pay	Bonus	% receiving a bonus
Mean 21.8% (2017 21%)	Mean 54.6% (2017 54.6%)	Men 93% (2017 93.4%)
Median 22.8% (2017 21.4%)	Median 58.3% (2017 55.2%)	Women 87.8% (2017 89.8%)

Reducing our gender pay gap

We want to make Legal & General Group a place where talented people, regardless of how they identify or their background, can succeed.

That means appealing to more diverse talent pools, and demonstrating why Legal & General Group is a great place to work. We want our leaders to feel energised about our goals so they can create team environments where our people are engaged and empowered to deliver.

Our action plan to improve diversity and inclusion is focused on three areas:

Attraction

Attracting a more diverse pool of talented people

Retention

Focusing on our employee experience so people feel like they belong

Promotion

Enabling our talent to realise their full potential whatever their role or background.

Targets

Women in senior leadership roles

2018

36%

2020

40%

50/50 gender balance by 2020



1. Attraction

Attracting a more diverse pool of talented people

This means thinking about how we hire, not just who we hire. So we're continuing to make changes to the way we recruit:

- We're using the power of our brand and our people. We want to attract new people from previously untapped talent pools.
- We've invested in developing managers to help them understand how they can build inclusive environments.
- We're removing unnecessary educational level barriers, targeting adverts to reach new audiences, ensuring our shortlists are gender-balanced, and promoting our flexible working environment.

“I was attracted to Legal & General because of its wide range of investment capabilities, in particular its recognition of sustainable investing, as well as its strong culture. They combine to create endless opportunities to learn in a friendly and encouraging environment.”

Laura Blackwood
Investment Graduate Trainee

2. Retention

Focusing on our employee experience so people feel like they belong

We know that when people feel like they belong, they're happier and more productive. As we move towards a more inclusive culture, we're working to make it a great experience for everyone:

- In 2018 we developed our Career Returners framework and recruited returning professionals with successful results. We are expanding the programme in 2019.
- We introduced agile working contracts in 2018, providing many employees with more flexible working arrangements.
- In 2018 we conducted a benefits review to strengthen our family friendly policies, increasing parental leave for both men and women. We also offer a parental leave coaching programme, and emergency back-up care so our people can access carers for children and elderly relatives at short notice – with two days a year paid for by us.

“We know how daunting it can be returning to the workplace after a break, so our Career Returners programme supports that transition. Returning professionals offer a fresh perspective, new ways of working, and some great behaviours that inspire others, and we're excited about expanding this in the coming year.”

Lynn Morriss
Resourcing Partner

3. Promotion

Enabling our talent to realise their full potential whatever their role or background

We're creating an environment where all of our people have the opportunity to learn and grow, and are recognised and rewarded fairly and consistently:

- We participate in industry-wide mentoring programmes, including the 30% Club Scheme, and we're continuing to work with leading diversity campaigns including the 30% Club, the Diversity Project, the Race at Work Charter's Five Calls to Action, LGBT Great and the Women in Finance Charter.
- We are reviewing our promotion processes to incorporate self and peer-nomination and increasing awareness of how this can help improve diversity.
- We are remodelling our leadership development programmes so our leaders are equipped with the right skills to create and benefit from more inclusive team environments.

“The support I have received from my managers and peers has helped me become one of the first female leaders in my team. Being identified as someone with potential gave me access to additional training and support but has also given me the confidence to grasp opportunities without questioning my ability.”

Penny Street
Acting Head of Audit



At Legal & General Group we are committed to creating a more diverse and gender-balanced organisation for the benefit of our people and the businesses and the communities we work with.

We're pleased to see that our actions are helping to increase the number of women at the top of our business and decrease our gender pay gap. We have more to do, but our action plan demonstrates our commitment to building an inclusive culture that we know will mean our people and our organisation can build a bright future together.



Nigel Wilson, CEO
Legal & General Group