

REAL
PEOPLE
REAL
PURPOSE



Covéa Insurance
2018 Gender Pay Gap Report

www.coveainsurance.co.uk



Message from Adrian Furness

Executive Sponsor for Diversity & Inclusion

The Gender Pay Regulations require us, alongside other UK companies with 250 or more employees, to publish an annual gender pay gap report. This is our second such report.

The UK insurance industry has an historic legacy of under-representation of females at a senior level; a situation that is mirrored in Covéa Insurance. The result of this is the significant gender pay gap we are seeing in our business and across our sector. Addressing this under-representation is at the heart of our approach to reducing the gender pay gap.

Our aim at Covéa is to create a truly inclusive environment where talent thrives, irrespective of gender. We need diverse teams which truly reflect the customers we serve.

As part of our commitment to change, we signed HM Treasury's Women in Finance Charter two years ago and set a target to increase the representation of women in senior positions across our business over an initial five-year period. While there is no quick fix to a situation that has developed over decades, we have made progress towards that target in the last year. As importantly, we have also established a number of initiatives to drive more significant change in future.

Our dedicated female development and networking programme, Inspire Leading Women (ILW), is building momentum and providing a platform to support our female leaders of today and tomorrow and tackle potential barriers to career advancement. ILW is an important element of our broader programme to support all of our talented people to achieve their potential and progress within our organisation.

We believe that attracting talented women to choose a career in insurance will be an important factor in driving long-term change. With that objective, we are leveraging our "Real People, Real Purpose" employer brand to fuel a pipeline of gender-balanced future leaders into our business. We have established attraction project teams to reach out to schools, universities and colleges to showcase the broad range of career opportunities we are able to offer. As a specific example, we are collaborating with Leeds Beckett University, mentoring and supporting young female talent as part of their 'Women in Leadership' programme.

We are also identifying and removing barriers to progression which may have impacted particularly on females in the past; ensuring our policies are family-friendly; creating increased options for flexible working; and ensuring the right support is in place for parents returning to work after leave through mentoring and coaching programmes.

Changing the perception of our industry is critical - demonstrating that insurance, and Covéa in particular, is a modern, dynamic, diverse and inclusive place where talent is all you need to succeed.



Afurness

*Adrian Furness,
Claims & Operations Director, Covéa Insurance
Executive Sponsor for Diversity & Inclusion*

What is the Gender Pay Gap?

The gender pay gap is a measure of the difference in average pay between men and women across an organisation, irrespective of role, grade or seniority, and is expressed as a % of male pay. This is not the same as equal pay i.e. men and women doing the same role or performing work of equal value receiving the same pay. Equal pay is a legal requirement in the UK, to which Covêa Insurance is absolutely committed. We regularly review and analyse our employee pay arrangements to ensure men and women are rewarded fairly within their roles, and we are confident that we do not have any equal pay issues in our organisation.

Legislative Requirements

All UK companies with 250 or more employees are required to publish the following specific gender pay information annually:

- Mean and Median gender pay gap
- Mean and Median gender bonus gap
- Proportion of males and females receiving a bonus
- Proportion of males and females by quartile pay band

The Calculations

The mean and median gender pay gap figures are based on hourly rates of pay as at 5th April 2018. They don't include pay for overtime, pay in lieu of leave, or the value of benefits which are not in monetary form.

The mean and median gender bonus gaps consider bonus pay received in the 12 months to 5th April 2018 and include pay relating to performance bonuses and other incentives such as loyalty bonuses. The figures are not adjusted for part-time workers receiving a pro-rated bonus or for those on a reduced bonus, for example those on long-term leave.

Pay quartiles order all employees by hourly rate of pay from lowest to highest, before splitting that list into four equal-sized segments; lower paid quartile, lower-middle quartile, upper-middle quartile, upper quartile. The reporting reflects the percentage of males and females in each segment.

Paulette

BEHIND OUR SENIOR CLAIMS VALIDATION SPECIALIST IS A DRIVER OF CULTURE AND INCLUSION.

“ My Jamaican heritage has been a huge part in my drive to ensure inclusion across the business. I've joined the Diversity & Inclusion Steering Group to ensure all voices are heard, as it is only together we can make a real difference to our workplace and our wider environment.”



Gender Pay Statistics

Pay Gap

Mean (Average)

31.2%

(32.8% in 2017)

Median (Midpoint)

29.8%

(31.3% in 2017)

Bonus Gap

Mean (Average)

66.8%

(59.3% in 2017)

Median (Midpoint)

50.7%

(44.4% in 2017)

Proportion of Males and Females Receiving a Bonus



Males

92%

(90.5% in 2017)



Females

93%

(87.7% in 2017)

Gender Pay Quartiles

Lower Quartile



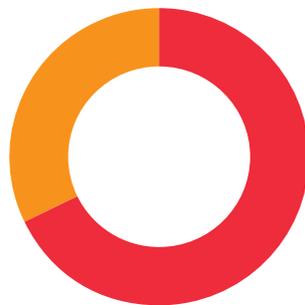
Males
31%

(32% in 2017)



Females
69%

(68% in 2017)



Lower Middle Quartile



Males
37%

(38% in 2017)



Females
63%

(62% in 2017)



Upper Middle Quartile



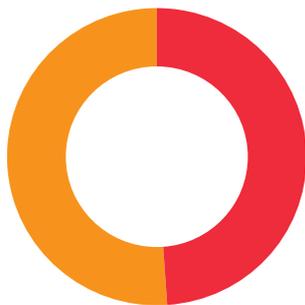
Males
48%

(51% in 2017)



Females
52%

(49% in 2017)



Upper Quartile



Males
70%

(73% in 2017)



Females
30%

(27% in 2017)



Understanding our Gender Pay Gap

Our 2018 gender pay gap figures directly reflect the imbalance in our organisational structure, where we have an under-representation of females in our senior roles. We have focused our efforts on addressing that issue and the changes we have made are starting to make a difference.

Our focus on attracting a 50/50 gender split of candidates means that we are seeing more and more females applying for roles right across our organisation.

Women make up 55% of our workforce

Women now make up 55% of our workforce and we have seen an increase from 28% to 30% of females in senior positions over the past year.

Women now hold 30% of senior positions

We identified last year that our gender pay gap is also influenced by the higher market rates of pay for certain specialist roles. Our aim is to encourage more females into those technical roles which typically command higher salaries.

Jane

BEHIND OUR SENIOR MANAGER FOR PROTECTION IS SOMEONE WHO HAS INTEGRATED FAMILY LIFE WITH A SUCCESSFUL CAREER.

“My role involves managing our key clients and ensuring that I am there for them, should they need support or assistance. I’ve seen real change for the better in our industry, with much more acceptance of part time/ flexible working. I now work 4 days a week and know that while the company are behind me, there are some days when clients need to see me on those days and I ensure that I accommodate my days for them. Like everything in life, it is a two way street.”

By ensuring a more inclusive environment and breaking down the barriers for women, we are seeing an increase of females in our more technical roles. For example, in IT, 27% of our new starters in the tax year 2017/18 were female as opposed to just 4% in 2016/17.

While we have seen a slight improvement in our pay gap, our bonus gap has increased in 2018 for several reasons:

- A disproportionate number of our people working part-time, and therefore receiving pro rata bonuses, are women.
- Annual performance bonuses were paid at a higher percentage of target in 2018 and payments were also made to a small number of Executive Directors under a Long Term Incentive Plan. This resulted in higher payments to those in senior roles, where there is an over-representation of men.

30% of our female employees work part-time



Our ongoing commitment to closing the gap

The changes we are making as an organisation, and as an industry, are not going to address the gender pay gap overnight, but we are seeing improvements. We have seen an increase in applications from females for roles across the business. We have also seen more women moving into senior roles and an increase in our female retention levels.

Our priority has always been to provide an environment where men and women can thrive and develop to the best of their abilities and there are positive signs that this approach is making a difference.

A healthy work/ life balance is crucial to ensuring everyone can thrive and we are also seeing an increase in the percentage of men as well as women, working flexibly.

That said however, going forward we will continue to progress our core pillars of - attracting, retaining and developing talent to support greater progression; evolving our policies and practices to support our growing workforce and their needs; and providing the leadership and culture which allows our people to operate in a truly inclusive environment.

Vicki

BEHIND THIS HEAD OF DEPARTMENT IS SOMEONE WHO'S VALUED THE BUSINESS FLEXING TO SUPPORT HER FAMILY'S CHANGING NEEDS OVER THE YEARS

" I joined Covea Insurance from school and I have valued the business working with me to take into account my changing needs as my family has grown. This individual approach to my needs has meant I have never had to compromise work or family and I in turn endorse the same approach for my team members "



1. Attraction, retention and development

We have developed attraction groups in all three of our main sites to develop relationships with schools, colleges, universities and local businesses. The purpose of these groups is two-fold. Firstly, they position insurance as an exciting career to an audience who might not typically consider it so. By using our 'Real People, Real Purpose' employer brand, they showcase the myriad of opportunities available.

Secondly, their presence at recruitment fairs, college open days and community events highlights the many career paths we have available for apprentices, graduates, return to work mums and much more.

Throughout 2019, these groups will further expand their networks within our communities, actively challenging the stereotype that insurance is dull and thereby feeding a pipeline of future diverse talent.

Our mentoring program 'Accelerate' has expanded, providing development opportunities for people to progress with confidence into new roles. This has been supported with clear succession planning across the business, identifying where our talent can best flourish and supporting their progression with training and development.

Our ongoing commitment to closing the gap

2. Practices & Policies

Our flexible working policies are now embedded and accessible to all from the outset of their career with Covéa Insurance. We also continue to promote our policies to all new starters and further enhance the number of benefits available for those returning to work.

3. Leadership & Culture

Our commitment to the Women in Finance Charter continues, with clear targets and milestones to strengthen our aim of achieving gender balance in our industry.

We've introduced robust MI to inform and empower leadership teams to decide what action they need to take in their own business areas to drive change.

We have also developed external partnerships with organisations such as Business in the Community, Enterprise and insurance trade bodies such as the ABI and the CII to help drive change across the industry.

We are aware that to deliver many of our gender pay requirements, it is absolutely imperative that we continue to drive an inclusive culture where a more diverse population can thrive. Even if we attract and recruit the best, there is a danger that we will lose talent if we don't provide the right environment to support diverse thinking and preferences.

Returners' Revamp

£100 of high street vouchers to update work wardrobe before coming back to work

Family day on us

Additional day of annual leave to be taken within 12 months of returning

Family phase coaching

Coaching for expectant parents before, during and after leave

Brilliant to be back bonus

£500 bonus paid 3 months after returning to work

To foster an inclusive culture everyone needs to take personal responsibility. Last year we introduced a business-wide online learning module 'Explore your Thinking', giving powerful insight into unconscious bias and its impact on decision making, thinking and behaviours.

This year we have built on this by investing in Inclusion training for all our Leadership population, from the Executive team to front-line team leaders. This will be taken forward across all employees in 2019, making inclusion an everyday responsibility for everyone.

Our Inspire Leading Women programme has gone from strength to strength, providing growth and networking opportunities for current and aspiring leaders and encouraging the progression of women into leadership roles. We have extended this to include both men and women at different levels in the organisation to help advocate and support this, and have hosted role models from within and beyond our organisation to showcase opportunities for growth, address barriers to progression and promote flexible working. We will continue to evolve this programme in 2019.

Tim

BEHIND OUR HR BUSINESS INSIGHTS LEAD IS A DEDICATED FAMILY MAN WITH A HEALTHY WORK/LIFE BALANCE AND THRIVING CAREER

"I was one of the first in the company to take advantage of the new family friendly policies following the birth of my first son and I have since changed my working pattern to accommodate my growing family. I am seeing more and more of my male colleagues appreciate that flexible working does not impede your career aspirations"



Our Vision for the Future

Our strength as an organisation lies in the diversity of our people. It is through their different skills, talents and experience that we will continue to innovate and provide products and services that support our customers and communities.

It is therefore vital that we make every effort to increase the diversity of talent across all roles and levels in our business. Achieving a much better gender balance, particularly at senior levels, is a critical part of this.

To that end, we have made a number of important changes over the past year. The ways in which we attract new people to our organisation have improved in order to encourage more women to join Covéa and pursue a career in insurance.

We've also removed many of the barriers to progression through embedding family friendly policies and a flexible working culture for all and launching new development programmes aimed specifically at helping women to progress within our organisation.

We have also continued to focus on creating an inclusive culture where people can bring all aspects of their personality to work and where everyone can achieve their full potential.

I reiterate my words from last year - closing our gender pay gap makes good business sense but, more importantly, it is the right thing to do.



I confirm that the figures contained within this document are accurate, and have been calculated in accordance with gender pay gap reporting requirements, as outlined in the legislation and guidance.

A handwritten signature in white ink that reads "James Reader". The signature is fluid and cursive.

James Reader, CEO, Covéa Insurance

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