

REAL
PEOPLE
REAL
PURPOSE



Covéa Insurance
2017 Gender Pay Gap Report

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Message from Adrian Furness

Under new legislation that came into force in April 2017, UK employers with 250 or more employees are required to publish their gender pay gap.

As an insurance industry we are faced with the reality that our historical composition presents the backdrop to the challenges that we are facing today. It seems almost unbelievable in 2017 that just 12% of senior managers* and 1% of CEOs** in our sector are women. It's something that we as an organisation want to change and it is the reason that I have taken responsibility for gender balance at board level within Covéa Insurance.

Our aim is to create equal opportunities for all our people to build a successful career, balanced with life outside of work. Key to achieving our aim is our ability to provide an inclusive environment, harnessing a culture which welcomes diversity of thinking, preference and skills. This is a commitment that starts at the top and one which will see us better placed to serve the communities in which we operate.

Identifying and breaking down barriers that prevent women progressing is a good place to start. One way to achieve this is to make our employment policies more family-friendly for both men and women. If we can embed employment practices that enable and

support both genders to share responsibilities equally outside of work, it will create a more equal footing for women in the office. It needs to be acceptable for a man to take shared parental leave, have a job-share or work part-time. It also needs to be accepted that everyone in senior roles can have flexible working arrangements and still do a great job. For the industry to change, these working practices must become the norm, irrespective of gender, role or grade.



*Source: Employment and Earnings in the Finance Sector: A Gender Analysis

**Source: Credit Suisse Gender 3000 report

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Adrian Furness,
Claims & Operations Director, Covéa Insurance

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. It is expressed as a percentage of male pay. This is different to equal pay i.e. men and women receiving the same pay for the same role / duties, or work of equal value. Equal pay is a legal requirement in the UK and an important principle that supports equality and fairness, to which Covéa 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 are confident that we do not have any equal pay issues.

Legislative Requirements

All UK companies with 250 or more employees as at 5th April 2017 are required to publish specific gender pay information:

- 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 is based on hourly rates of pay as at 5th April 2017. It doesn'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 gap considers bonus pay received in the 12 months leading up to 5th April 2017. The figures include pay relating to performance bonuses or other incentives such as loyalty bonuses. The figures are not adjusted for part-time workers receiving a pro-rated bonus or those on reduced bonus, for example those on maternity or shared parental leave.

Pay quartiles order all employees by hourly rate of pay from lowest to highest, before splitting that list into 4 equal-sized segments; lowest paid quartile, lower-middle quartile, upper-middle quartile, highest quartile. The reporting is of the percentage of males and females in each of segment.



BEHIND OUR
TEAM WEB GURU
IS OUR
FUN LOVING FESTIVAL GOER
WHO BREAKS THE IT MOULD

Gender Pay Statistics

Pay Gap

32.8%

Mean (Average)

31.3%

Median (Midpoint)

Bonus Gap

59.3%

Mean (Average)

44.4%

Median (Midpoint)

Proportion of Males and Females Receiving a Bonus



Males

90.5%



Females

87.7%

Gender 2017 Pay Quartiles

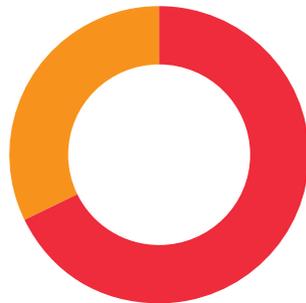
Lowest paid Quartile



Males
32%



Females
68%



Lower-Middle Quartile



Males
38%



Females
62%



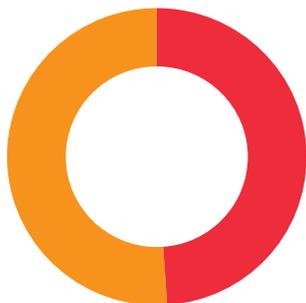
Upper-Middle Quartile



Males
51%



Females
49%



Highest Quartile



Males
73%



Females
27%



Understanding our Gender Pay Gap

Analysis of the figures underlying our reported gender pay gap clearly shows that it is a direct reflection of our organisational structure. We have an unequal gender distribution across our pay quartiles, specifically in the lowest pay quartile and the highest pay quartile, with a much higher proportion of females in our more junior roles (2/3), and fewer females in our more senior roles (1/4). Addressing this unequal distribution is the most significant challenge for us in reducing our gender pay gap.

Women make up 51% of our workforce

While women make up 51 % of our workforce, they hold only 28 % of roles at management level or above, with these roles attracting the higher levels of remuneration.

Women hold only 28% of management roles

We employ more than 1600 talented people across a variety of roles, with pay scales which are informed by skills, experience, locality and market value. Our pay scales differ by function as well as job grade, with the technical roles associated with, for example, IT, typically attracting higher salaries. A high proportion of these technical roles are held by men; a reflection of the societal issues with relatively few girls choosing to study STEM subjects. This is another factor contributing to our gender pay gap.

Our bonus gap reflects the same issues identified within our pay gap, with additional contributing factors:

- A disproportionate number of women work part-time (28 % female compared with 4 % males - as at April 2017);

28% of women work flexibly

- Our graded bonus scheme, which means that those in more senior roles can achieve a higher percentage of reward.

BEHIND OUR
HEAD OF MARKETING
IS OUR
YOGA INSTRUCTOR
WHO PROVIDES A CALM
INFLUENCE AND FLEXIBLE APPROACH



Our Commitment to closing the gap

Whilst we are confident that we do not have equal pay issues, our gender pay and bonus gaps show that there is work to be done to increase our female representation across our senior roles.

We have set ourselves a vision to create equal opportunities for all of our people, adding new initiatives to our existing programme of work which will allow our people to maximise their abilities and contribution, supporting our gender diversity and inclusion and allowing all our people to reach their full potential.

The new initiatives focus on three key areas, all of which have been identified as being crucial in ensuring better progression and greater inclusion for all of our people. These initiatives cover; how we attract and retain talent; how our practices and policies support all of our people; and how our leadership and culture promotes the best environment for all our people to thrive.

BEHIND OUR
HEAD OF HR AND REWARD
IS OUR
SPARKLY-SHOEAHOLIC WHOSE
PASSION IS TO ENSURE THAT
OUR CULTURE GIVES EVERYONE
SPACE TO BE THEMSELVES



1. Attraction & Retention

Empowering internal talent to achieve their potential, by:

- creating a dedicated coaching & mentoring program, 'Accelerate';
- reviewing our policy framework and the enhancement of many 'people' policies;
- establishing an extensive female networking program;
- creating an awareness program around inclusivity and unconscious bias

Attracting a more diverse talent pool, by:

- applying behavioural economics principles to our recruitment materials, along with using a gender decoder in all of our job specifications and adverts to ensure more balanced appeal to a broader audience;
- developing a new employer brand which connects the heart of the organisation, our people, with the aims of our organisation, our purpose, to bring to life our 'Real People, Real Purpose' identity;
- developing strong links with schools and higher education institutions to target the talent of the future.

Our Commitment to closing the gap

2. Practices & Policies

Enhancing our policies and practices, by:

- updating our flexible working policies to reinforce our support of career minded individuals with genuine flexible working, alongside other work-life balance initiatives;

Returners Revamp

£100 of high street vouchers on return 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 to be paid after returning to work for 3 months

- enhancing our maternity, adoption and shared parental leave policies to ensure they fully support our family-friendly culture;
- introducing a number of benefits for those returning from maternity, adoption and shared parental leave:

3. Leadership & Culture

Focusing on internal selection and succession, by:

- unconscious bias awareness – recognising the inherent risk of ‘personal preference’;
- developing systems to promote transparent and gender sensitive promotion – ‘best candidate’ scenarios;

- engaging executives and leaders across the organisation with gender diversity, inviting personal commitment in creating a gender diverse culture;
- becoming a signatory to the Women in Finance Charter; participating in industry initiatives to strengthen the support of achieving gender balance within the industry as a whole.

I commit to...
“Create an environment where anyone can achieve what they want regardless of gender and they feel empowered to take on anything”
- **Amanda Milner**



International Women's Day 2018

I commit to...
“Challenge myself around my demands of people and how these might create difficulties for individuals. Foster a culture where it is okay to say no”
- **Javier Gonzalez**



International Women's Day 2018

I commit to...
“Promote flexible working and family friendly policies as an accessible solution for all to achieve optimum work/life balance to suit individual circumstances”
- **Rachael Moss**



International Women's Day 2018

I commit to...
“Ensure all team members have access to and are encouraged to take up opportunities for growth”
- **Paul McKernan**



International Women's Day 2018

Our Vision for the Future

The gender pay gap legislation has given us an opportunity to critically evaluate our progress in making Covéa Insurance a truly diverse and inclusive organisation. As Chief Executive, it's down to me and my executive team to drive the changes necessary to achieve that goal across all aspects of diversity, including gender.

We are committed to creating a culture where all our people have the opportunity to thrive, where the only measures of whether someone fits within our organisation are their attitude and performance, and where our team reflects the diversity of the communities it serves.

I am confident that we are taking the right measures to ultimately deliver a better gender balance across Covéa Insurance, particularly in our management team. We are doing so by implementing actions which attract more women to join us, particularly through our graduate and apprenticeship programmes, and which remove the barriers which have made it more difficult for women to progress their careers with us. Ultimately, it is about recruiting and retaining the best people and supporting them all to fulfil their potential, regardless of their gender.

We also recognise that we are not alone in facing these challenges, and that we have a responsibility to help drive change across our sector. We are proud to be a signatory to HM Treasury's Women in Finance Charter, through which Covéa Insurance, along with over 200 other organisations, has formally committed to addressing the gender imbalance in financial services.

While I am confident we will see year-on-year improvements in our gender pay gap figures, it will take time to realise our vision of a truly gender-balanced organisation. Setting quotas or making decisions purely based on their impact on our gender pay gap would not deliver the real change that we seek. Our focus will be on initiatives, including those highlighted in this report, which will drive the lasting change needed within our organisation, and will support a shift within the insurance industry as a whole.

Closing our gender pay gap makes good business sense but, more importantly; it is the right thing to do. I am not proud of our position as reflected in the figures set out in this report, but am confident that we have actions underway, and the necessary commitment, to make a positive impact over the coming years.



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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