

Covéa Insurance GENDER PAY GAP REPORT 2020

www.coveainsurance.co.uk



Our story so far...

The Gender Pay Regulations, which came into force in 2017, require companies with 250 or more employees to publish a gender pay gap report annually. Despite the Government suspending gender pay gap reporting in light of the Coronavirus pandemic, we have taken the decision to publish our data. We think it is important that we continue to do so as this is a hugely important topic for us. We want to maintain momentum on a range of initiatives to drive gender balance at Covéa Insurance.

While we are proud of the progress being made, our gender pay gap remains too high and we are resolutely committed to addressing this. As we and the Government have said from the outset, this process will take time and we fully acknowledge that there is still much more work to do to achieve our goal.

Having a gender-balanced workforce is a key part of our diversity and inclusion strategy. We recognise it is imperative that we attract, retain and nurture the best and most diverse talent for our business to succeed. We focus on celebrating and respecting each other's differences and aim to bring out the best in our people by fostering a culture in which everyone feels welcomed, valued and appreciated; where the only measures of whether someone thrives in our business is what they do and how they do it. Our approach is authentic, being driven by the passion of our people, and we aim to listen, learn, understand, educate and empower colleagues in creating an inclusive organisation that reflects the diversity of the communities we operate in and serve.

We're turning this into action to permanently reduce our gender pay gap. We are recruiting more women into apprenticeship, graduate and digital roles to create a balanced pipeline of future talent; new female apprentices

now exceed their male counterparts, and 29% of people recruited into our digital technology team are now women, compared with 13% a year ago. We're also supporting 'Stemettes' and #techshecan to encourage more girls and women to consider technical careers that offer abundant opportunities for progression.

We are offering more flexibility for returning mums and dads, and enabling more women to progress into leadership roles; 44% of new leadership appointments over the past year have been women, and a third of our Executive Committee are now female.

We recognise that culture plays a vital role and I am determined to ensure Covéa Insurance attracts women, supports them to achieve their potential when they are here, and acts as a beacon for the insurance sector. Through focusing our efforts on evidence-based actions, and working together to make a difference, I believe we can, over time, reduce our gender pay gap and ensure our organisation is a great place to work, for everyone.

We've still got work to do, but we're making positive progress.



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Adrian Furness,
Chief Operating Officer, Covéa Insurance
Executive Sponsor for Diversity & Inclusion

Gender Pay Statistics

Pay Gap

Mean (Average) Median (Midpoint)

29.1% **32.3%**

(31.6% in 2019)

(31.4% in 2019)

Bonus Gap

Mean (Average) Median (Midpoint)

69.7% **0.0%**

(48% in 2019)

(47% in 2019)

Percentage of employees receiving a bonus

2020

24.6% **30.0%**

male

female

2019

85.7% **92.2%**

male

female

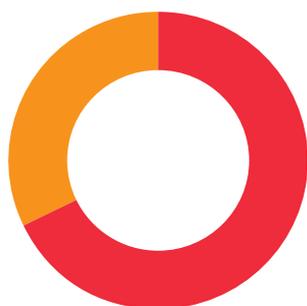
Population by pay quartiles

Quartiles represent the pay rates from the lowest to the highest for our employees split into 4 equal sized groups with the % of men and women in each quartile.

Lower Quartile

 Males
31.2%
(36% in 2019)

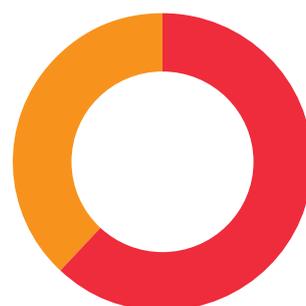
 Females
68.8%
(64% in 2019)



Lower Middle Quartile

 Males
32.8%
(29% in 2019)

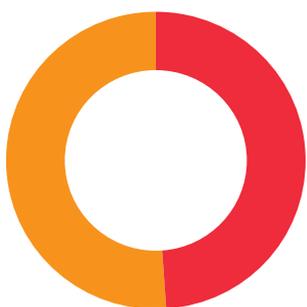
 Females
67.2%
(71% in 2019)



Upper Middle Quartile

 Males
47.0%
(48% in 2019)

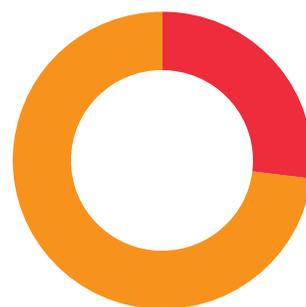
 Females
53.0%
(52% in 2019)



Upper Quartile

 Males
67.6%
(69% in 2019)

 Females
32.4%
(31% in 2019)



Key figures

Our mean pay gap decreased from 31.6% to 29.1% in 2020

We have seen a decrease in our mean pay gap from 31.6% to 29.1%.

Why? A critical objective in driving a permanent reduction in our gender pay gap has been to increase the proportion of women in leadership and other higher-paid roles. We are making progress here towards our ultimate objective of a 50/50 balance across such roles. We committed as part of the Women in Finance initiative to have 35% of our management population female by 2021 from 29.1% when we made the commitment in 2017). 33.5% of our leadership population is now female and we achieved a 44.1% female appointment rate into our leadership roles. We've also seen a big increase in the proportion of females being recruited into our Digital teams, with an increase from 13.3% to 29.9%.

Our median pay gap increased from 31.4% to 32.3% in 2020

Conversely, we have seen a slight increase in the median pay gap from 31.4% in 2019 to 32.3% in 2020.

Why? Our focus has been on attracting and recruiting more females into our industry, to build a pipeline of future female talent across our business. Our initiatives are working and we are attracting more females to join us. However, the increased proportion of women in entry-level roles has had a small adverse impact on the median pay gap.

Women now make up 55% of our overall workforce. The charts above show that, while, in line with goals, the % of females in the upper quartiles has increased, the same is true in the lowest quartile, and to a slightly greater extent. This has increased the median pay gap.

Our mean bonus gap increased by 22% and the median decreased significantly to 0%

Why? The bonus results for this year are reflective of the fact, unlike in 2019, a performance bonus was not paid to the vast majority of our people this year. Bonuses that were paid include long-term service awards, exam bonuses, recruitment bonus and a very small number of payments under a long-term incentive plan.

As most people did not receive any bonus, the median for both genders was therefore nil - hence a median bonus gap of 0%. The increased median bonus gap is a reflection of the larger payments under the long-term incentive plan being to a handful of senior male employees.

Our gender diversity story “at a glance”

- Women now make up 55% of our workforce and we have seen an increase in the percentage of female appointments and promotions into leadership roles from 36.7% in 2019 to 44.1% in 2020.
- We have seen good progress in women being appointed to senior management roles across the business but, perhaps most notably, 33% of our Executive Committee members are now women (3 of 9), from just one at the start of 2019.
- A healthy work/life balance is crucial to ensuring everyone can thrive at Covea Insurance. Our aim is to make sure that, irrespective of gender and whatever their position in our organisation, our people have access to flexible working patterns from the outset of their career with us and as their careers develop.
- We remain a proud supporter of HM Treasury’s Women in Finance Charter and have continued to develop our internal support network through our dedicated learning and development platforms supporting our female talent.
- Our mentoring programme, Accelerate, continues to deliver a mixture of informal and formal mentoring across the organisation, providing development opportunities for people to grow in confidence and extend their networks.
- We have continued to support the Leeds Beckett University Women in Leadership programme in a variety of ways; including mentoring, coaching and speeches to inspire the young women involved.
- We have been recognised for our efforts in promoting diversity and inclusion by being shortlisted for and winning numerous industry awards, including the Staff Empowerment Award at the 2019 Diversity and Inclusion in Insurance Awards, and the Diversity Award at the 2020 Yorkshire Financial Awards.
- We continue to be huge supporters of the “Tech She Can” charter, which aims to increase the number of women working in technology roles. We also support the Stemettes, promoting careers for women in STEM roles, by sharing role model profiles and showcasing our female digital talent. As a result, we have seen the number of females in our digital teams increase from 13.3% to 29.9% over the past year.
- Our talent acquisition team is fully embedded across the organisation and committed to attracting diverse talent, including through our successful apprenticeship programme. We have seen a significant increase in the proportion of females joining our apprenticeship scheme from 17.6% in 2019 to 53.8% in 2020.
- We have not lost focus on our efforts to reduce our gender pay gap throughout the coronavirus pandemic. We have remained committed to continuing our efforts, maintaining our internal support networks, and adapting events to the virtual environment to support both employees and those to whom we have made commitments externally.

Future plans

At Covéa Insurance, we recognise that our strength as an organisation lies in the diversity of our people. It is through our different skills, talents and experiences that we will succeed in achieving our goals.

We remain passionate about delivering gender balance at all levels across our business and we continue to champion opportunities for women to take on and thrive in leadership roles. As proud signatories to the Women in Finance Charter, we are also working together with other like-minded organisations to build a more balanced, inclusive and fair financial services industry; not just for today, but for future generations.

Whilst we have taken a number of steps to improve our gender pay gap through a range of initiatives outlined in this report, some of these have had an initial adverse effect on our median pay gap. This has increased as we have attracted more females into our entry-level apprentice and trainee roles. However, they are our leaders of the future and, as they progress their careers, this will have a positive long-term impact on our pay gap.

We are committed to taking the right actions to drive a sustainable shift in the gender balance in the higher-paid roles in our organisation but recognise there is still much for us to do.

Our activities are across three pillars;

- I. attraction and recruitment
- II. retention and development
- III. our policies and practices

These are underpinned by a commitment to inclusivity; an issue that has been brought sharply into focus by recent world events:

Examples of current initiatives include:

1. We are building a pipeline of future female talent in our entry-level roles, driving initiatives to attract more females into our business for the long-term
2. We continue to focus on attracting a 50:50 gender split of applicants when hiring, to help us to build a more balanced pipeline of talent for leadership roles. We have already implemented new techniques, such as anonymising applications and using a Gender Decoder for job descriptions, to help eliminate gender-specific language and unconscious bias
3. Digital transformation is a critical element of the future of our business and we have a number of initiatives underway to promote digital careers for women. We are proud signatories and supporters of the “Tech She Can” charter and we are launching a Women in Technology (WiT) mentoring scheme.

Creating a truly diverse and inclusive culture, and hence positively impacting our gender pay gap, remains an absolute priority for us and I am confident that we are making good progress in creating an environment where everyone can thrive and embrace their individuality

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.



James Reader, CEO, Covéa Insurance



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Registered in England and Wales No. 613259
Authorised by the Prudential Regulation Authority and regulated by the
Financial Conduct Authority and the Prudential Regulation Authority No. 202277

