

Covéa Insurance GENDER PAY GAP REPORT 2021

www.coveainsurance.co.uk



Our story so far...

At Covéa Insurance, diversity and inclusion is a fundamental priority for us. Our strength as an organisation lies in the diversity of our people. It is through their different skills, talents and experience that we will succeed in achieving our goals. Not only is it vital to our business performance, it is simply the right thing to do. Diversity and inclusion underpins our key strategic priorities by creating a great place to work and thrive, enabling innovation driven by diverse thinking, positioning us to deliver the best solutions for our customers.

Attracting people from diverse talent pools ensures we foster a high-performance culture and drives forward our ambition to become the most trusted insurer in the UK. We are committed to creating a workplace where all our people have the opportunity to excel; where the only measures of whether someone fits and thrives within our organisation are what they do and how they do it – not who they are; and where our team reflects the diversity of the communities it operates in and serves.

Our approach is authentic because it's driven by the passion of our people and we believe that diversity should run through everything we do every day. Our aim is always to listen, learn, understand, educate and empower colleagues as we believe this is the best way to ensure we will achieve our aspiration to be a truly inclusive organisation.

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. But we cannot change what we cannot see which is why we have welcomed gender pay reporting from the outset and the opportunity it brings to challenge ourselves and make the changes required to achieve true balance and a better workplace for the future.

Our strategy aims to promote gender balance at all levels of the business and ensure our culture and practices support all our people to develop their talents and aspirations. We're working hard to accelerate that pace of change in the balance of gender representation throughout our organisation, including at a senior level, as we recognise this is key to making a meaningful difference.

During 2020, our diversity and inclusion work has been more important than ever as most of our colleagues have been working remotely and our inclusivity work has not just focused on gender, but on ethnicity, disability and sexual orientation inclusion with an aim to build stronger foundations for change across our whole workforce.

Our initiatives are focused on ensuring our organisation is a great place to work, for everyone. We've still got work to do, but I continue to be inspired by the commitment and will of our people to drive this change across our organisation and the positive steps we're taking for a better tomorrow.



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*Lisa Meigh,
People Director, Covéa Insurance*

Gender Pay Statistics

Pay Gap

Mean (Average)

31.7%

(29.1% in 2020)

Median (Midpoint)

35.3%

(32.3% in 2020)

Bonus Gap

Mean (Average)

51.9%

(69.7% in 2020)

Median (Midpoint)

51.4%

(0% in 2020)

Percentage of employees receiving a bonus

2021

87%

male

89%

female

2020

25%

male

30%

female

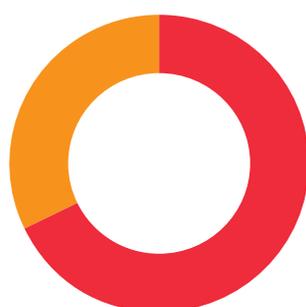
Population by pay quartiles

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
31.3%
(31.2% in 2020)

 Females
68.7%
(68.8% in 2020)



Lower Middle Quartile

 Males
33.3%
(32.8% in 2020)

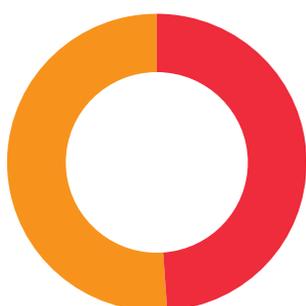
 Females
66.7%
(67.2% in 2020)



Upper Middle Quartile

 Males
49.6%
(47.0% in 2020)

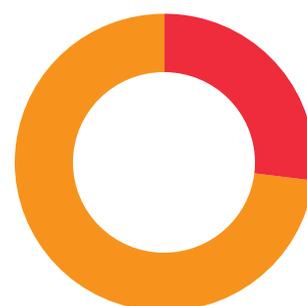
 Females
50.4%
(53.0% in 2020)



Upper Quartile

 Males
71.1%
(67.6% in 2020)

 Females
28.9%
(32.4% in 2020)



Key figures

Our mean pay gap increased from 29.1% to 31.7% and our median pay gap increased from 32.3% to 35.3% in 2021.

Why? Despite the challenges throughout Covid-19, we have continued to attract and recruit females to our organisation, building the critical pipeline of future female talent. Our initiatives are working and we are attracting more females to join us, however, in 2021 the proportion of males has increased in the upper two quartiles, but minimal change in the lower two quartiles which continues to have an impact on the mean and median pay gaps.

Like every other organisation, we too have been dealing with the impact of the pandemic and it is no surprise that this backdrop of complete change and shifts in working patterns, the need for caution and self-isolation and the many people forced into caring roles has had an adverse impact on our pay gap.

A new report has found that gender parity across the UK's biggest 350 listed firms has been pushed back to 2036 by the pandemic. The annual *Women Count study by gender diversity consultancy The Pipeline* has found that progress in boosting gender diversity slowed over the past year. The annual study of the number of roles held by women at executive committee level or higher, found that just 15 companies in the FTSE 350 had female chief executives. It showed that men now hold 78% of all executive committee roles in the FTSE 350 and women 22%, while the increase in roles held by women slowed to 2.5% in 2021, down from 2.7% the previous year. The report estimates that the predicted moment when there will be an equal split of women and men on executive teams has been pushed back by four years due to the coronavirus crisis.

Our executive team balance is now 50% male / female

Our gender pay gap is also influenced by the higher market rates of pay for certain specialist underwriting and digital roles. We have been working hard to encourage more females into those technical roles which typically command higher salaries. We are optimistic that our focus and energy in attracting more women to these roles will be reflected in our future figures.

Our mean bonus gap decreased to 51.9% and our median gap increased to 51.4%.

Why? There is more balance in the proportion of bonus receivers for this year compared to last. As has been the case for most businesses, our financial performance in 2020 was dominated by the impact of the Covid-19 pandemic. The gap for both genders was therefore nil last year, reflective of the fact that a performance bonus was not paid to the vast majority of our people last year. In 2021 we recognised the exceptional and unprecedented circumstances, and the fantastic efforts that our people made to continue to deliver for our business and our customers in a very difficult environment. Therefore bonus payments were made under both the individual and business performance elements of the scheme.

We know that the bonus gap continues to be affected by the following factors, as cited in previous years:

- Annual performance bonuses were paid to 88% of our employees in 2021 (28% in 2020), but clearly, higher payments were made to those in senior roles, where there is an over-representation of males has impacted the bonus gap.
- There are significantly more females than males doing part-time roles with 34% of females working part-time, compared to 6% of males. This impacts our gap, as bonus payments are pro-rated to account for working hours.

Our gender diversity story “at a glance”

- Providing leadership development and stretch challenges to enable our female talent to reach their potential through our World class leadership Programme and our coaching as a leadership style program.
- Continuing to enhance gender monitoring within our performance, pay and bonus processes.
- Continuing to encourage our male colleagues to take advantage of our increased 6 week full pay paternity benefit knowing that if we can create more equality at home, we can create more equality in the workplace.
- Created a coding club with the aim of upskilling people across the business and giving them the opportunity to step into the digital world. We've targeted some of our D&I communities and tried to ensure a diverse group where we can as part of our work around bringing more diverse talent into tech.
- Investing in an inclusion decoder (Ongig) in 2020 and now analyse all role profiles and adverts, removing removing any bias from all adverts and profiles to help us attract balanced candidate pools. All vacancies are advertised as having flexible working options available.
- Having signed up to charters such as #TechSheCan, we now have a dedicated group of people who are committed to meeting our targets, working with young stemettes and promoting opportunities for females with our digital teams.
- We have committed to the ABI Making Work Flexible charter to promote and support opportunities for all of our people to access flexible working options.
- Using FindYourFlex as our main jobs board, which was created by the founders of mummyjobs.co.uk and drives a more balanced approach to recruitment.
- Clearly setting out and embedding our commitment to diversity within our stand out culture model and our activities including ensuring this was a core part of our leadership conference in January 2021 with a follow up Inclusion Hackathon mid-2021.
- Enhancing how we gather and report personal data and running workshops and engagement activities to encourage people to share information that helps us measure progress with our diversity and equality goals and commitments.
- Enhancing awareness of inclusivity by regularly running unconscious bias training for all, including 'explore your thinking' microbites and respectful workplace workshops.
- Creation of community groups that have grown organically and are driving more inclusion through Covéa pride, inspiring colour at Covéa, gender balance channel, wellbeing and accessibility.
- Supporting people to grow their careers through our range of online and face 2 face development opportunities.

Future plans

During this last year, I couldn't be prouder of our people for their hard work, tenacity and commitment during an incredibly challenging year and for their continuing efforts and support in 2021. We know we are not yet out of the woods, but it does feel that there are some real reasons to be optimistic and to hope for brighter times ahead.

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.

There is no simple answer to creating a better gender balance in our organisation. So the solution will also require a range of actions taking effect over the short, medium and long term. 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.

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.

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.

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.

Adrian Furness

Adrian Furness, CEO, Covéa Insurance

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