

Canopus Managing Agents Ltd.

Gender Pay Gap Report
2018



Introduction from the CEO

I am pleased to be able to report on our progress for the second Canopus Managing Agents Gender Pay Gap Report.

We continue to believe that this requirement to publish these figures will be a positive move to help remove any differences between the way men and women progress within businesses.

We are pleased to have made some positive changes, which have resulted in a drop in our mean salary gap. Canopus is committed to a diverse and balanced workforce, based on our talented pool of people. We are confident that we pay our staff equally, but like others in the insurance industry, women have been underrepresented in the most senior and revenue generating roles in our business. We have taken steps to address this and have promoted 23 women in the last 12 months, consequently working on closing the gap. More work still needs to be done and we are committed to achieving an improved gender pay balance on an ongoing basis.

This report shows our new data in comparison to our last report to demonstrate how we have reduced the gender pay gap. We will continue to look closely at these commitments and work hard to address them.

A handwritten signature in black ink that reads "M. Duffy". The signature is written in a cursive, slightly stylized font.

Mike Duffy,
CEO

Gender pay gap: Outline and requirements

As from April 2018, public, private and voluntary sector organisations with 250 or more employees had to report on their gender pay gaps. This is our second annual report.

The snapshot date to calculate pay data for this report is 5th April 2018, with the bonus gap data being calculated on bonuses paid from 6th April 2017 to 5th April 2018.

Employers have to publish the results for each of the following benchmarks:

- the mean gender pay gap;
- the median gender pay gap;
- the mean gender bonus gap;
- the median gender bonus gap;
- the proportion of men and women receiving a bonus payment; and
- the proportion of men and women in each of four pay bands

The report will appear on our company website and the government specialist website.

Background: Canopus

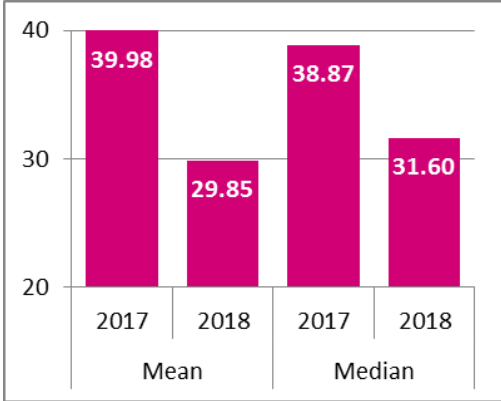
Canopus is a dynamic, privately owned and independently minded global specialty (re)insurer. We believe that our people make us different.

We have a policy of paying employees equally for the same or equivalent work, regardless of their gender or any other characteristic. Therefore, this is not about promoting one group of people above another, but about ensuring everyone has an equal opportunity to thrive.

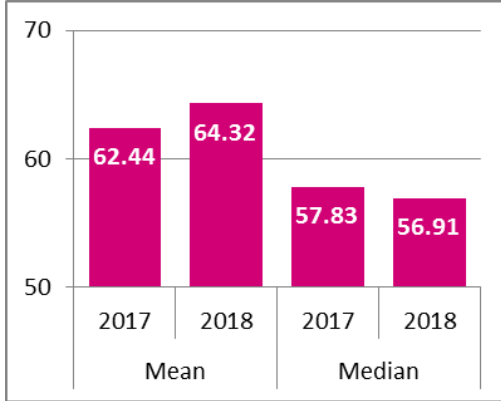
Our 2018 gender pay gap report has highlighted that we have improved on where we were. Our mean gender pay gap has reduced by just over 10%, but we are still not where we want to be. Whilst we do not believe there is an easy, instant solution, we will continue with initiatives already in place and address this more rigorously. We have also introduced a number of new initiatives in recognition that there is still a long way to go, and we have explained this further in the following pages.

Gender pay gap results

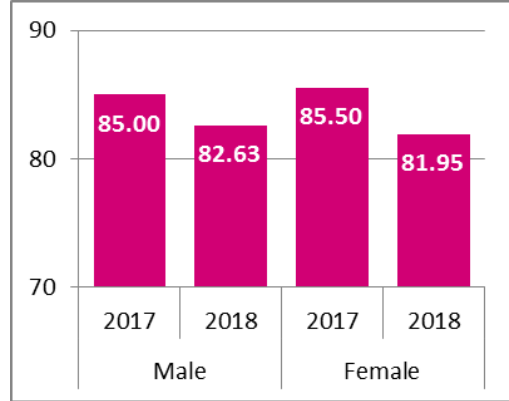
Pay Gap %



Bonus Gap %

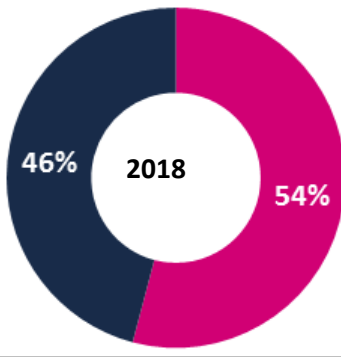
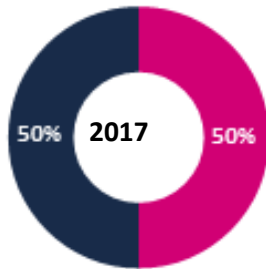


Proportion Receiving a Bonus %

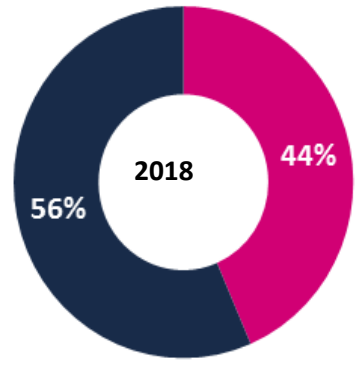
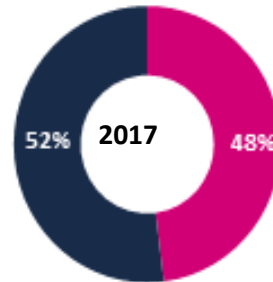


Gender split by pay quartiles

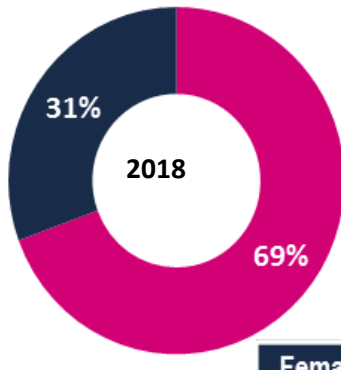
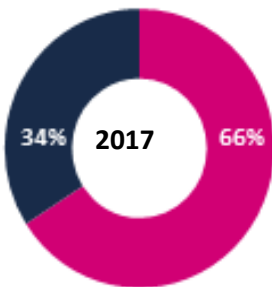
Lower quartile



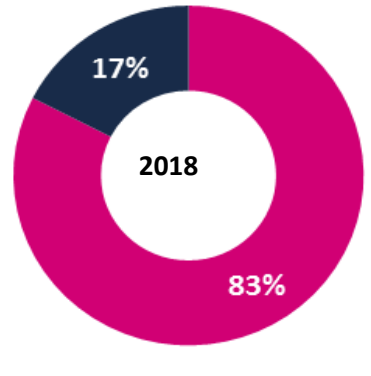
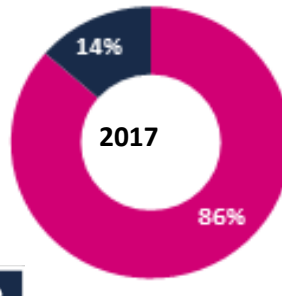
Lower middle



Upper middle



Upper quartile



Female
Male

Understanding our gap

Our analysis shows that our gender pay and bonus gaps are the result of the roles in which men and women work within the organisation, and the pay and incentives that these roles attract.

Our remuneration approach is gender neutral by design, but the profile of our organisation impacts our pay gap, in the same way it does our bonus gap.

We are pleased to report that our mean gender pay gap has reduced by more than 10% since our 2018 report. Whilst our bonus gap has increased slightly by 1.88% on the mean range, the median percentage has reduced slightly since last year.

As we have previously stated, the makeup of our organisation and representation of women in senior positions drives our gender pay gap. In terms of the pay by quartiles, the 'lower' and 'upper middle' quartiles have reduced in female representation since our 2018 report, and although this is not ideal, these are the areas where there is more female representation overall, compared to the upper middle and upper quartiles.

As the more senior roles in the upper quartile attract additional incentive awards, the lack of female representation here adversely impacts our pay and bonus gaps. However, due to a number of internal promotions and recruitment in the past year, we are pleased to see a slight increase in female representation in the upper quartile. This will be a continued focus moving forward.

Although some ground has been achieved, Canopus will continue to create more opportunities to develop and elevate women into senior positions, particularly into the upper middle and upper quartiles, where female representation remains at its lowest.

Another factor exacerbating our gap is that the majority of our part-time positions are filled by women and the calculations on pro rated salaries negatively impact the picture.

The snapshot date we must use has adversely impacted our pay gap in two ways:

- It includes a pro-rated bonus element that would not otherwise be included if we did not pay bonuses in April.
- The figures are skewed by a number of incentive payments paid throughout the period to those senior positions, largely filled by men.

Actions taken and actions planned to address our gap

The gap, in both our mean pay and mean bonus, shows there's more work to be done despite the improvement on the mean gap this year. We are committed to a number of actions that have either been started already or will be initiated, as detailed below:

Remuneration

- We will conduct periodic checks and internal salary benchmarking to ensure we are continuing our approach to **pay employees equally** for the same or equivalent work, regardless of their gender or any other characteristic.

Family friendly policies have been improved to incentivise female staff to return to work following maternity leave, and to reduce any adverse impact this may have previously had on their careers.

- We enhanced our **shared parental leave** pay by aligning to enhanced payments made for maternity leave. A further review will be conducted as we monitor take up in Canopus. This benefits both parents and enables careers to continue without any impact to career opportunities.
- Canopus has introduced and continues to work towards **buddying** for expectant and returning mothers and fathers. We have already successfully paired a number of individuals with more prospective partnerships identified.
- We will conduct a further review of our maternity offerings which will consequently reflect in shared parental leave.

Recruitment and selection changes have been implemented to reduce bias and widen opportunities to a more diverse talent pools.

- **Unconscious bias** managerial training has taken place in an effort to reduce bias in the recruitment process. We have also committed to utilising competency based assessment tools as part of the recruitment process and panel interviews to provide a range of opinions on candidates.
- **Diversity and inclusion** has been instilled into the recruitment process through more extensive manager guidance at the point of resource planning.
- Canopus has signed up to The 'Inclusive Insurance Pledge' through Lloyds.
- We will conduct a review of our current **recruitment agency usage** and advertising platforms to ensure we broaden our access to a wider range of talent.
- We will adopt a process of exploring our internal talent first to encourage upward movement through the organisation.
- Canopus is proud to support **internships** through The Brokerage, helping young people from disadvantaged backgrounds develop work experience and build their skills and knowledge to enhance their desired career. We hosted 4 female interns through this process which was very positively received and we shall continue our partnership with The Brokerage in 2019.
- Canopus will look at introducing blind CVs and a balanced sheet of candidates per role to reduce unconscious bias.

Talent development - We will continue to look at a range of options to develop talent which has already been enhanced through increased use of internships, secondments and lateral rotations.

- Canopus is committed to offering mentoring and opportunities to be a mentor to all staff.
- We will introduce a female leaders mentoring scheme whereby senior leaders mentor female future leaders to increase the number of women in senior management positions within the next 3 years.

- We will use the talent review as an opportunity to elevate opportunities and share aspirations for our people with the Exec team.
- We have enhanced managers abilities to have coaching conversations with their teams, through extensive training as part of our new approach to managing performance, ensuring there is a renewed focus on development and progression.

Canopus will continue to report its progress towards closing the gender pay gap.

Declaration

I confirm that the data contained within this report is accurate and meets the requirements of the gender pay gap reporting regulations.



Mike Duffy

Chief Executive Officer

Canopus Managing Agents Ltd.