

Gender Pay Gap Report 2022

April 2023

A report detailing our latest UK employee data in comparison to the 2021 Canopius Gender Pay Gap Report

canopius 

Canopus Gender Pay Gap Report 2022

Over the last few years, we have worked incredibly hard to promote and support an inclusive culture at Canopus as it underpins everything we do.

Driven by our commitment to inclusion, equality and diversity, last year we set clear goals and actions aligned with our strategic ambition to improve the gender representation of our workforce.

Whilst I am confident that these efforts will deliver meaningful improvements over time, I am disappointed that our mean gender pay gap has increased from 23.3% to 28.2%. This is largely due to the impact of historical employment commitments, which would otherwise have resulted in a narrowing of our gender pay gap. The mean figure is skewed by a few highly paid individuals, whereas the median represents pay of the average earner. I am pleased to report that our median gender pay gap has decreased slightly from 21.3% to 21.1%. Whilst it is not as much as I hoped, I am encouraged we are moving in the right direction and through the actions already underway we will continue to reduce the median gender pay gap.

Similarly in line with above, it is disappointing to report that our mean bonus pay gap has increased from 52.4% to 64.9%. I am pleased to report the median bonus pay gap has decreased from 60.2% to 44.4%. Whilst this is a positive declining trend, we need to consistently reduce the bonus pay gap, which we already know fluctuates depending on how we have performed as a business. Our remuneration and reward approach is gender neutral by design and although we now have a greater proportion of women receiving a bonus, the profile of our organisation affects our reported pay and bonus gap. We will continue to use equality impact analysis to inform remuneration and reward related decision making.

Publishing our gender pay gap report enables us to better track our progress and set targeted actions. Our organisational transformation coupled with changes in our Leadership Team structure and size affected our gender pay gap too. Our approach to improving gender representation has entailed setting targets to increase female representation across all levels. Last year, and for the first time ever in our Canopus history, our global leadership team achieved a 50/50 gender balance as we focused on hiring the best people for the job. This has brought different leadership perspectives which have added to the quality of decision making.

Encouragingly we have seen a general improvement in the representation of women. However, some of this growth has been in lower paid jobs. It is critical that we improve representation across all levels of the business to build a female leadership talent pipeline. We have been and continue to commit to ensuring we adopt best practice across all aspects of our colleague's lifecycle from attraction, recruitment to career progression and development. This is why we have invested in female leadership development programmes and mentoring and continue to further evolve our family friendly policies.

To improve transparency and accountability, we are committing to undertaking regular gender pay gap reporting and ethnicity pay gap reporting at Group and regional levels. By improving reporting, working with our Special Interest Groups and listening to our colleagues to inform our goals and actions, we aspire to further accelerate inclusion and making Canopus an employer of choice.

This report shows our latest data for Canopus UK in comparison to our 2021 gender pay gap report.



Kate Roy,

UK Chief Executive Officer

April 4, 2023

Methodology

How we calculate the pay gap across our organisation

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 fourth annual report.

Employers are required 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.

We calculate our gender pay gaps, in line with UK Government regulations, to ensure we provide the clearest picture. The snapshot date to calculate pay data for this report is 5th April 2022, and the bonus gap data has been calculated on bonuses paid from 6th April 2021 to 5th April 2022.

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

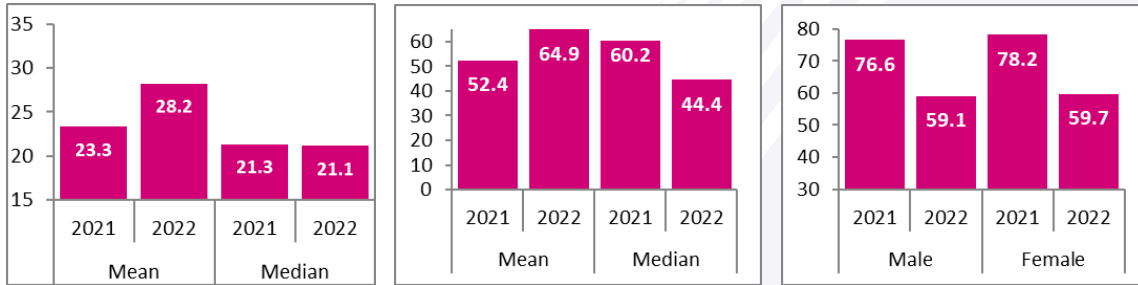
Key Definitions and Examples

- Mean: This is the difference in average hourly pay between men and women.
- Median: This is the difference between the middle-paid woman and the middle-paid man.
- Quartiles: We use quartiles to rank pay from lowest to highest, dividing our employees into four evenly sized groups.

The mean can be skewed by a small number of high or low earners, but the median gives a good idea of how much a typical man or a typical woman is paid and is our preferred measure of average earnings as it is less affected by a relatively small number of very high earners and the skewed distribution of earnings. It therefore gives a better indication of typical pay than the mean.

Zero % gender pay gap would denote that there is no pay gap. A positive number e.g. 20 % gender pay gap denotes that men earn 20 % more, on average, than women. A negative number e.g. - 10 % gender pay gap would denote that women earn 10 % more, on average than men.

Gender Pay Gap Results

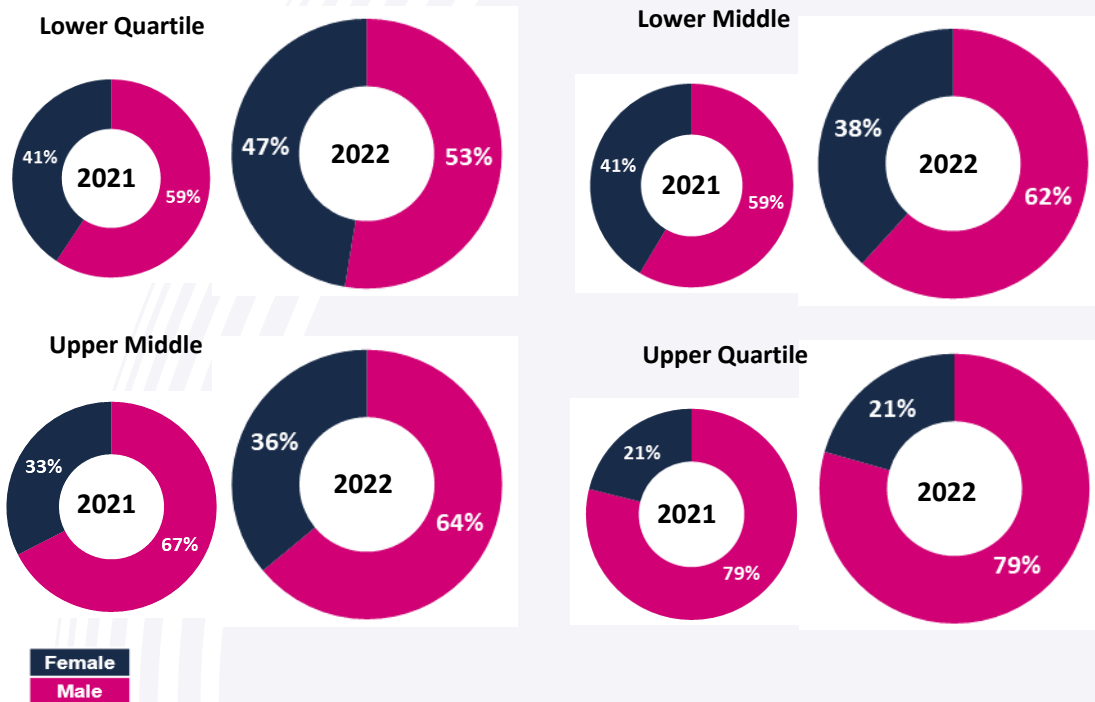


Pay Gap %

Bonus Gap %

Proportion receiving a bonus %

Gender splits, per quartile



Notes:

- 2022 numbers use an active staff list as at 5th April 2022, with a headcount of 543 (Female 193; Male 350).
- Pay gap uses all payments made in April 2022 (including a proportion of any bonus payment).
- Bonus gap uses any bonus payments made between 6th April 2021 and 5th April 2022.

Understanding the pay gap

Whilst we are disappointed to report there has been an increase in our mean gender pay gap from 23.3% to 28.2% we know that the Mean is easily distorted by historical commitments which occurred in this reporting period. However there has been a slight decrease in our median gender pay gap from 21.3% to 21.1% but we know that this is still not good enough.

Our analysis shows that our gender pay and bonus pay gap are the result of the roles in which men and women typically work within Canopius. Men and women generally work in different roles and those roles have different salaries and incentives.

Our gender pay gap is not because we pay men and women differently for the same or equivalent work, and it is something we continuously monitor. We are committed to equal opportunities and equal treatment for all employees, irrespective of gender. We have a clear policy of paying employees equally for the same or broadly similar work; work rated as equivalent under a job evaluation scheme; or work of equal value.

In the insurance industry, men are more likely than women to be working in senior roles. This pattern is true for our organisation. In April 2022, 35.9% of our overall UK workforce population were women. Most of our managers and senior managers were men too. In April 2022 72.3% of our senior managers were men.

The gender split charts show our workforce divided into four equal-sized quartiles based on hourly pay rate.

The lower quartile includes the lowest paid 25% of employees and the upper quartile covers the highest paid 25%. The proportion of women and men in each quartile varies, with men better represented in each quartile. 47% of the employees in the lower quartile are women and 53% are men. The proportional percentage of men increases throughout the remaining quartiles, from 62% in the lower middle quartile to 64% in the upper middle quartile and 79% in the upper quartile, thereby demonstrating we have more senior men than senior women. The proportion of men and women in the upper quartile has remained static between 2021 and 2022, which is causing the biggest impact on our gender pay gap.

In terms of new joiners, we had more men joining each quartile compared to women, but we also had more men leaving between the lower middle to upper quartiles. In terms of internal movements between quartiles, our data shows us more men moved between quartiles and this generally increases with seniority. Of the employees who moved from the lower to lower middle quartiles - 77.8% were men, from lower middle to upper middle quartiles - 60.0% were men, and from the upper middle to upper quartiles 75.0% were men.

In the UK, gender pay gap data is affected by occupational trends in the workplace that can have a gender bias. At Canopius, of the population who work part time, 86.5% are women. We must do more to enable all types of flexible and agile working to help

attract and retain diverse talent through condensed working hours and job share work arrangements.

Our bonus pay gap data paints a mixed picture too. We are deeply disappointed to report that our mean bonus pay gap has increased. In the 12 months leading up to 5 April 2022, a slightly higher proportion of women received a bonus compared to men. However, because there are more men in senior management roles this contributed to the widening of our mean bonus pay gap from 52.4% to 64.9%. We are pleased to report the median bonus pay gap has decreased from 60.2% to 44.4%, which presents a more representative picture of what the bonus pay was for the average man compared to the average woman. However, this is still not good enough.

Historical commitments continue to impact our bonus pay gap figures. We cannot change the past but we must change our working practices in relation to discretionary packages or else our gender bonus pay gap will continue to widen.

How does our gender pay gap compare with that of others?

It is challenging to compare Canopus to another re-insurance company, as it is difficult to compare like for like, but we do look to others across and beyond the insurance industry to learn and adopt best practice in achieving gender parity.

For reference, according to the Office for National Statistics (ONS) Annual Survey of Hours and Earnings the Insurance and Reinsurance industry gender pay gaps were as follows:

Year	Canopus		Insurance & Reinsurance for all employee jobs	
	Mean	Median	Mean	Median
2019	27.9	26.0	19.9	23.8
2020	25.2	20.6	18.2	17.8
2021	23.3	21.3	21.2	27.6
2022	28.2	21.1	11.8	17.0

Source: [ONS](#) & Lloyd's

Please note the ONS 2022 figures are provisional and subject to change. The 2021 figures have been updated to reflect the revised dataset available.

Closing the pay gap - what we have been doing

Improving the representation of women across the whole organisation

We want to make sure talented women are represented across all our pay grades. To do this, we benchmarked ourselves against the market, other insurance and financial organisations and according to the communities we are based in. Using that we established baseline and stretch gender targets at Board, LT, senior manager and manager levels. We have been actively monitoring our performance and reporting progress to the I&D Committee.

We developed our first I&D data dashboard to improve data monitoring and understanding of issues affecting women at key stages of employee life cycle. We also used our Employee Engagement Survey to look at the Inclusion Index of women and have continued to monitor employee survey results through a gender lens to identify if there are any gender disparities.

Improving our understanding of gender inclusion, diversity and equality issues

We continued to work closely with our Gender Special Interest Group to focus on improving gender inclusion matters and improving the visibility of women at Canopus. For International Women's Day 2021, the Gender SIG organised two panels with speakers of varied seniority from the UK, APAC and US & Bermuda regions. The Gender SIG have continued to raise awareness of women's health issues and introduced menstruation products for women across all regional offices.

Inspiring the next generation

We want to inspire young women and girls to pursue a career in insurance. We have been doing this by:

- running an apprenticeship programme in a range of business areas
- working with The Brokerage, social mobility charity to deliver early careers outreach and internship opportunities. Over 5 key outreach events, 59 young people attended, 49% of whom were female.
- reviewing our work experience opportunities to open these up to all young people, and not just those who may be connected to someone who works at Canopus

Investing in the professional development of our female talent pipeline

We are pleased to have sponsored three high performing women onto the prestigious Lloyds Advance development programme.

We wanted to further enhance the opportunities available to support career development of women who are at emerging and aspiring levels to build our talent pipeline for the long term. We became corporate members of the ISC Group, who specialise in female empowerment in the insurance industry and are providing tailored development support to 19 women. The network provides access to mentoring, with the aim to help women further their practical skills and have inspiring role models.

We also launched another cycle of our mentoring programme, that engaged 45 employees people across all offices. Over 50% of our mentees were women. We have also incorporated the principles of reverse mentoring into our Excel Leadership Development Programme, and whilst this is not gender focused, we will review and build on this pilot to inform future thinking.

Women in Finance Charter signatory

As part of our ongoing commitment to gender inclusion we are pleased to have signed the Women in Finance Charter. The Charter asks financial services firms to commit to implement four key industry-wide actions. It has helped us actively work towards our goal to support the progression of women into senior roles in the financial services sector by focusing on the mid-tier level. A key aspect of being a signatory has entailed publicly reporting on our progress to deliver against our internal targets to support the transparency and accountability needed to drive change.

Recruitment and marketing

We have been reviewing our recruitment practices to help women access development opportunities and ensure we hire the right person for the job. The kind of actions we are undertaking include:

- making sure that recruitment panels are gender-balanced
- introducing an interview scorecard to help ensure decisions are objective and
- using diversity-specialist recruitment agencies, and encouraging others to provide gender balanced shortlists
- enabling our managers to take inclusion and diversity training to address unconscious bias.

Our plans for 2023

As we continue to embed the commitments we set out in our last report, we will bolster our efforts in our 2023 plans. Here are some specific actions we will deliver this year to address our gender pay gap. Updates regarding our progress against this plan will be reported to the I&D Steering Committee.

New I&D corporate strategy and action plan:

With the support of our Special Interest Groups and wider stakeholders we are developing a new long-term I&D strategy and action plan that will help improve our organisational maturity. We are keen to continue being led by data and be insights-driven to improve transparency and accountability. This will include undertaking voluntary Group and Regional gender pay and ethnicity gap reporting on a more regular basis.

Our plans include building on support available for those returning from maternity leave, as well as review our paternity leave and carers leave, and our approach to fertility treatment to support working families. We have recently launched a new Special Interest Group to help improve our focus on this area.

Employee Value Proposition

We must strengthen our employee value proposition to develop an effective long term retention strategy of diverse talent. We want to better understand and use our leaver's data to attract and retain employees, as well as apply a gender equality impact lens into all aspects of our decision-making processes.

Pay and bonus transparency

We are developing an all-encompassing Career Framework. The aim is to identify and increase development of skills and hence progression internally for all colleagues. Linked to this will be clear career bands which explain the different skills and capabilities required at each level of seniority and map out a path to get there. We hope this transparency will encourage more women to put themselves forward for more senior positions to improve our representation of women in more senior positions.

We are also introducing a new annual bonus plan, which clearly sets out personal and company performance metrics and targets, to bring full transparency across the business.

Succession and talent management

Linked to our career framework we will take a more rigorous approach to actively improving female representation in our talent pipelines at all levels but with a particular emphasis on senior manager positions

We will commit to continuing to participate in shared learning and networking opportunities that the LMA and Lloyds have created, in order to ensure we are sharing and learning from other best practices across the market in talent and succession planning and inclusive practices more generally.

Declaration

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



Kate Roy,

UK Chief Executive Officer

April 4, 2023



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