



Gender Pay Gap Report 2021

■ April 2022

A report detailing our latest UK
employee data in comparison to
the 2020 Canopus Gender Pay
Gap Report



Canopus 2021 Gender Pay Gap Report

Canopus has come a long way on its inclusion and diversity journey. But, while we are heading in the right direction, we understand that we have more work to do to achieve true gender parity at Canopus.

We also acknowledge that more strategic and meaningful action needs to be taken to help change our market's culture and address gender representation issues in our industry, which is still dominated by men.

Over the past few years, Canopus has focused its efforts on putting inclusion and diversity on all colleagues' radars. We are looking to understand where exclusion exists and to target the root cause, so that we can fix any issues directly at the source.

While we are pleased to report there has been a decrease in our mean gender pay gap from 25.2% to 23.3%, there has been a slight increase in our median gender pay gap by 0.7% to 21.3% in April 2021.

Similarly, I am disappointed to report that our median bonus pay gap has increased too - despite the fact that proportionally we have more women receiving a bonus, a greater proportion of senior men receiving a bonus has contributed to the widening of our gender bonus gap.

Although we continue to attract, develop and recruit women in Canopus, the majority are filling lower paid roles. We have continued to hire more women for management and leadership roles, however this has been at a slower rate than we would like. It is critical that we improve representation across the business to build a sustainable female senior management talent pipeline.

It is imperative we live our values and strengthen our culture of transparency and accountability to create an environment where we can all bring our whole selves to work and thrive. We commit to ensuring we adopt best practice across all aspects of the employee lifecycle from attraction, recruitment to progression and development as well as fostering an inclusive work environment so we improve the retention of talented women.

Many colleagues now have a better work life balance, and more freedom to decide when and where they do their best work. That is why we introduced progressive policies

around flexible and agile working to better support our employees, not just through the pandemic, but beyond.

By adjusting the ways in which we work to meet the needs of our people, we can get the best out of them and truly become a diverse and high-performing business that anyone would be happy to work for.

This report shows our latest data for Canopius UK in comparison to our 2020 gender pay gap report.

Neil Robertson,
Canopius Group Chief Executive Officer
April 5, 2022

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 2021, and the bonus gap data has been calculated on bonuses paid from 6th April 2020 to 5th April 2021. The report will appear on our company website and the government specialist website.

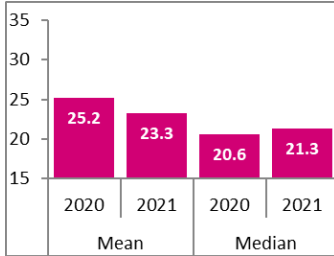
Key Definitions and Examples

- 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.

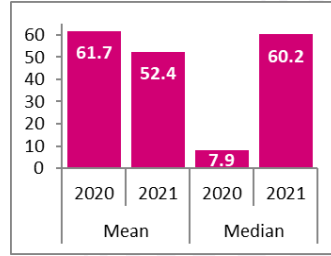
The mean can be skewed by a small number of high or low earners, but the median gives a good idea of how much a typical man or a typical woman is paid and is our preferred measure of average earnings as it is less affected by a relatively small number of very high earners and the skewed distribution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

A zero % gender pay gap would denote that there is no pay gap. A positive number e.g. 18% gender pay gap denotes that men earn 18 % more, on average, than women. A negative number e.g. - 5% gender pay gap would denote that women earn 5% more, on average than men.

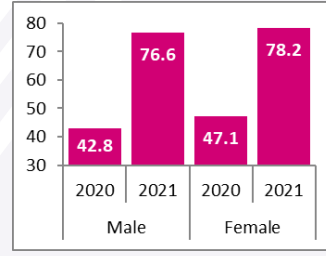
Gender Pay Gap Results



Pay Gap, as a %



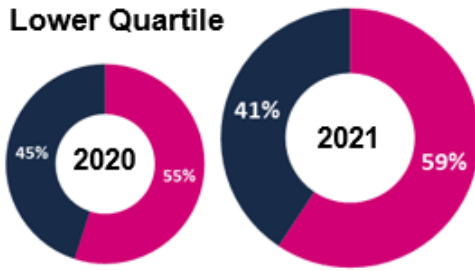
Bonus Gap, as a %



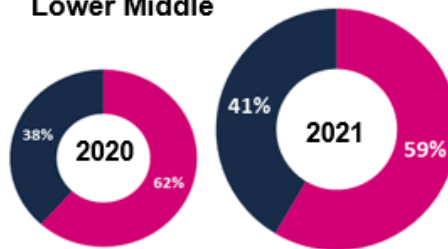
Proportion receiving a bonus, as a %

Gender splits, per quartile

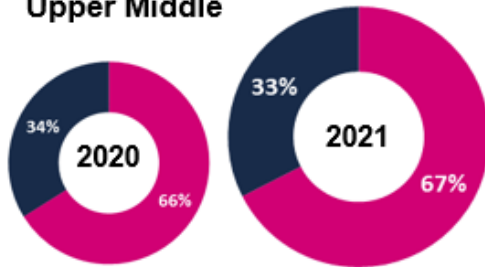
Lower Quartile



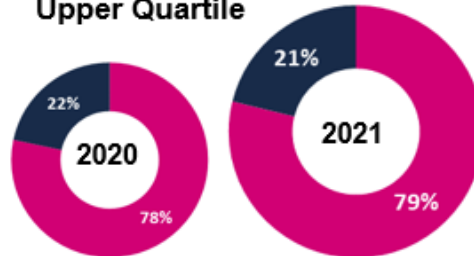
Lower Middle



Upper Middle



Upper Quartile



Notes:

- 2021 numbers use an active staff list as at 5th April 2021, with a headcount of 492 (Male 325; Female 167)
- Pay gap uses all payments made in April 2021 (including a proportion of any bonus payment).
- Bonus gap uses any bonus payments made between 6th April 2020 and 5th April 2021.

Understanding the pay gap

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

While we are pleased to report there has been a decrease by 1.08% in our mean gender pay gap to 23.3%, there has been a slight increase in our median gender pay gap by 0.7% to 21.3% in April 2021.

Our remuneration approach is gender neutral by design, but the profile of our organisation affects our pay and bonus gap. Across the UK economy, men are more likely than women to be working in senior roles. This pattern is reflected in the insurance industry and in the make-up of our organisation. Most of our managers and senior managers are men, which in 2021 was over 60% of our total managerial workforce in the UK.

The graphs above 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. 59% of the employees in the lower quartile are women and 41% are men. The proportional percentage of men increases throughout the remaining quartiles, from 67% in the upper middle quartile to 79% in the upper quartile, thereby demonstrating we have more senior men than senior women. This is affected by new joiners, leavers, and internal movements.

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 - 63.6% were men, from lower middle to upper middle quartiles - 78.9% were men, and from the upper middle to upper quartiles 69.2% were men.

Whilst we do have a gender pay gap, we are confident that 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 sex, gender, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, gender reassignment or disability. 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.

National gender pay gap data shows us gendered trends such as women are more likely to work part-time, and many of the jobs that are available across the UK on a part-time basis tend to have a lower salary, also known as occupational segregation. When deciding whether to leave their job, women are more likely than men to accept lower pay in favour of a shorter commute generally for caring reasons, contributing to the overall gender pay gap. Therefore, it is important to us that we offer flexible, agile and hybrid working, including compressed hours, job-share, and part-time working arrangements, for all roles at Canopius to meet the needs of diverse range of staff, and better attract, develop, progress and retain women in our workplace.

We are deeply disappointed to report that our median bonus pay gap has increased. In the 12 months up to 5 April 2021, 76.6% of men at our organisation received a bonus. This was slightly higher for women, with 78.2 per cent receiving a bonus. This is an improvement from 2020. However, because there are more men in senior management roles this contributed to the widening of our median bonus pay gap from 7.9% to 60.2%. Our profitability as a business will contribute to year-on-year bonus pay gap fluctuations, but we are committed to continuing to review and improve bonus transparency.

Historical mergers in recent years have also meant that our organisation has grown. The transfer of staff from a business that Canopius acquired in 2019 comprised more senior males than females, which shifted our overall gender balance. The impact of these types of organisational changes will continue to have a legacy effect on our gender pay gap.

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

It is challenging to compare Canopius to another (re)insurer, as each business it is difficult to compare like for like, but we do look to others to help 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 UK and both insurance and specialty (re)insurance industry gender pay gaps were as follows:

Year	UK		Insurance & Specialty (Re)insurance	
	Mean	Median	Mean	Median
2019	16.3	17.4	19.9	23.8
2020	13.9	14.9	18.2	17.8
2021	14.9	15.4	21.0	24.8

Source: [ONS](#)

Closing the pay gap - what we have been doing

I&D Audit Setting targets and action plan

In the summer of 2021, Canopius commissioned an external consultancy to conduct a diagnostic audit of our performance in relation to inclusion and diversity and the effectiveness of our approach for driving positive change in relation to workforce culture and representation. The audit produced a series of recommendations, which we will take forward. We have also committed to setting gender and ethnicity targets to help hold ourselves to account for the progress we are committed to making. These targets are underpinned by a new action plan that encompasses actions across key areas including inclusive leadership and, inclusive management practices.

Raising awareness of gender inclusion with Gender Special Interest Group

We continued to work closely with our Gender Special Interest Group (one of the sub-groups that make up the Canopius I&D Network) to focus on female development opportunities, reviewed our family friendly policies, hosted a series of webinars and networking events to raise awareness about gender diversity issues including female health and wellbeing matters.

We also established an I&D Calendar to mark key dates such as International Women's Day, where we invited Penny Power to host a talk.

Talent Development

We have also invested in talent development for our women. We partnered with the Insurance Breakfast Club to support the progression of some of our talented females with building their network and strengthening their career paths with us. We rolled out a custom-built leadership development initiative called Leading Our Way and integrated another powerful female speaker Tine Snels into our programme. As of April 2021, almost 30% of programme participants in the UK were females.

Apprenticeships

The launch of our inaugural Apprenticeship programme, which aims to supply our entry level talent for years to come, has helped to bring in female talent to the business where we are typically underrepresented. We will continue to develop and invest heavily in them as our potential future leaders. We hope to double our intake for the year ahead.

Wellbeing

We have developed our wellbeing strategy and invested in a range of wellbeing initiatives. This includes improving access to mental health specialists via our employee assistance programme, training Mental Health First Aiders and working with Self Space.

Reviewed policies

We created our People Policy, which covers the behaviours we expect to set the tone for an inclusive working environment for all staff to enjoy.

We are proud to have invested in state-of-the-art office environment with agile working at its heart, and in support of this various forms of flexible working options, which put us ahead of the market in appealing to the widest array of talent possible.

We developed the Domestic Abuse Policy. Domestic abuse impacts people of all genders and backgrounds. Lockdown saw an increase in domestic abuse incidents in the UK, which is why we wanted to ensure we were playing our role to support our staff.

Developed I&D training

We have derived and commenced the roll out of our mandatory training for all people managers. This aims to bring everyone to a base level of understanding of the importance of breaking down barriers where they currently may exist for all underrepresented groups.

Recruited a Head of Inclusion, Equality & Diversity

As part of our ongoing commitment to improving gender parity we recruited a Head of Inclusion and Diversity who oversees our work across the business. This was a deliberate choice for Canopius as we believe I&D is a strategic priority and ensures we are collectively working towards global gender parity in the workplace.

50/50 gender shortlist

We piloted 50/50 gender shortlists in Underwriting and found this to be a great success in achieving gender balanced shortlists for 70% of roles. We are continuing to use key learnings from this approach and intend to roll this out across other areas.

Reverse mentoring

We have been developing the reverse mentoring scheme in Underwriting and decided to pause the roll out if this to 2022 to coincide with the rolling out of our company wide mentoring programme.

Our plans for 2022

Our plans for 2022 are underpinned by the following long-term strategic objectives:

- Everyone at Canopus feels an equal sense of belonging and ability to be their authentic selves.
- Improve diversity representation among our general workforce, with a focus on senior management.
- Embedding I&D best practice through leadership and management working practices, policies, and processes to promote inclusive values and positive workplace culture.

We have worked closely with our Special Interest Groups and wider stakeholders across our global offices to develop a 2022 I&D action plan, which focuses on these six key commitments:

- Increase census completion rates to better understand the diversity make-up of our people.
- Establish gender and ethnicity targets, relevant to the locations in which we operate and develop positive action initiatives at recruitment and for development and progression of staff.
- Adopt, review and develop management working practices, policies and processes that promote a positive and inclusive workplace culture.
- Empower Special Interest Groups (SIGs) and Global Leads in their role to raise awareness of issues affecting representation, development, progression, and inclusion of staff.
- Build a community of allies and senior champions.
- Partner with organisations and specialist agencies to help promote and embed change

We also restate our commitment to tackling any inequality and barriers to the recruitment and progression of women and taking action to achieve gender parity. Here are some specific actions we will deliver this year to address our gender pay gap:

Actions
Sign Women in Finance Charter
Continued championing of agile and hybrid ways of working
Continued investment in talent development schemes for women across global offices
Launch reverse mentoring scheme
Use diversity specialist recruitment agencies
Review and improve monitoring of the promotions process and succession planning
Improve pay and bonus transparency
Review return to work process and experiences for staff returning from maternity and other types of caring leave
Create networking opportunities for women
Developing I&D data dashboard to improve data monitoring and understanding of issues affecting women at key stages of employee life cycle

Declaration

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



Neil Robertson,
Canopus Group Chief Executive Officer
April 5, 2022



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