



Gender Pay Gap Report UK 2021



People are the cornerstone of our business and the key to our success. That is why attracting, retaining and developing top talent remains a key strategic priority.

Publishing the gender pay gap report encourages businesses to take gender equality seriously – transparency can positively impact change. It helps us to better understand the challenges we face and to accelerate the pace of change within our organisation.

To achieve our goal of a genuinely inclusive and diverse workforce we must **work together** over the long term to remove the barriers that exist within our organisation and our industry. We cater to a diverse customer base and we will only improve, innovate and exceed our customers' expectations when we encourage diversity of thought/ different perspectives in the workplace. We all know it is the right thing to do.

However, as you know, this sort of change takes time and commitment from all of us.

Since we made the commitment to publish our gender pay gap report in 2017, we have been moving in the right direction but acknowledge that there's more to do. We remain ambitious as a leadership team to continue to improve our gender pay gap. Progress is disappointingly slow but it is steady – we will not take our foot off the gas.

What is the gender pay gap?

The gender pay gap is a measure of the difference in the average pay between men and women across our UK workforce and should not be confused with equal pay.

What is equal pay?

Equal pay is the legal requirement to provide equal pay to men and women performing equal work.



**We will not
take our foot
off the gas.**

Our 2021 gender pay gap

We've had a 3% improvement in our average gender pay gap from 2017 to 2021 with no change in our average bonus gap during the same period. Meanwhile, from 2017 to 2021, we've seen some minor but positive adjustments to our median gender pay gap and median gender bonus gap figures.

The **median gender pay gap** shows the difference in the midpoints of the ranges of hourly rates of pay for men and women by ordering individual rates of pay from highest to lowest and comparing the middle value.

The **mean gender pay gap** is the difference in average hourly rates that male and female employees receive.

The **median gender bonus gap** shows the difference in the midpoints of the ranges of bonus pay received by men and women.

The **mean gender bonus gap** is the difference in average bonus pay received by men and women.

Gender pay gap

Mean 2021

31%

Mean 2017

34%

Median 2021

29%

Median 2017

34%

Gender bonus gap

Mean 2021

63%

Mean 2017

63%

Median 2021

46%

Median 2017

57%

Proportion of males and females receiving a bonus - 2021-22:



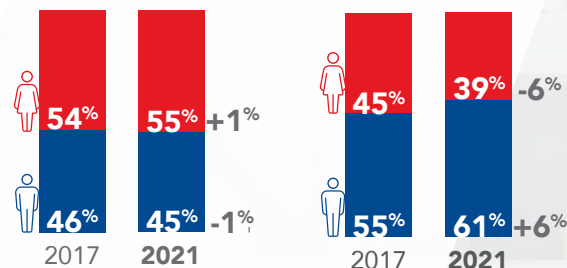
88%

89%



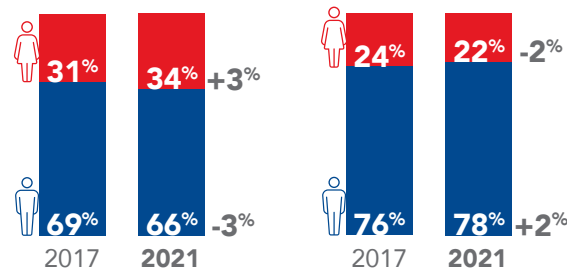
One of the challenges at CNA and across the industry is the gender imbalance in senior leadership positions:

Gender representation by workforce quartile:



Lower

Mid Lower



Mid Upper

Upper

Our 2021 figures show a nominal increase (3%) in female representation in the upper middle quartile. As we continue to modify our policies and recruitment strategy in response to the challenge to improve gender diversity at senior levels, we hope to continue to close gender pay and bonus gaps, over time.

Why does the gap exist?

Our median pay gap for 2021 is **29%**

The primary reasons for our gap are:

1. We have fewer women in senior and executive roles, which is generally consistent with employee demographics of the Financial Services sector
2. We have a higher proportion of women in our more junior roles
3. We have a higher proportion of women working part-time hours

Why does the gap exist?

Our median bonus gap for 2021 is **46%**

This is driven by two factors:

1. A larger proportion of men (than women) are in our Underwriting roles, which typically attract higher levels of annual incentives in line with market forces. 69% of our Underwriting roles are held by men
2. A larger proportion of men are in senior leadership and executive roles, which attract higher bonus targets and qualify for annual long-term incentives

Taking action to close the gap

- Our Diversity, Equity and Inclusion Council continue to work co-operatively towards a more inclusive culture and have prioritised data driven decision making as one of the drivers of change.
- We're constantly reviewing and adjusting our recruitment strategy to attract a diverse, high quality talent pool.
- Our recently introduced Early Careers Programme proactively seeks out fresh, new future talent who are encouraged to visualise their trajectory at CNA through their exposure to our business units and our business leaders.
- We work in close partnership with recruitment companies that have committed to diversity, equity and inclusion, leading to more gender diverse candidates and hires.

Gender hiring distribution:

RECRUITMENT 2nd April 2020 – 1st April - 2021

Underwriting



Business Functions



Legal requirements

Companies with more than 250 employees in the UK are required to report on the following metrics:

- Mean and median gender pay gap
- Mean and median gender bonus gap
- Proportion of males and females receiving a bonus
- Proportion of males and females by quartile

We reported on 376 employees, which was our UK employee population as at 1 April 2021 with a split of **39%** female, **61%** male.

Declaration

We confirm that CNA Hardy's gender pay gap calculations are accurate and meet the requirements of the Regulations.



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