

Gender pay gap report 2021

CFC Underwriting

April 2022



Introduction

CFC is committed to building a culture that promotes diversity, equality of opportunity and inclusion for all employees. We want to build an organisation that is as diverse as the customers that we serve and believe this is crucial to enhancing business performance, driving continued innovation in our markets, and fundamental to our long-term success.



Dave Walsh
Founder & Group CEO

In this report (snapshot 5th April 2021), we provide analysis of our gender pay gap and comment on the key reasons behind it, outlining the ongoing work needed to close the gender pay gap. In 2021 we made solid progress with our diversity and inclusion objectives and fully adopted hybrid working practices across the business. We remain confident that by giving employees greater flexibility in how they work this helps us to attract and retain the best talent at CFC.

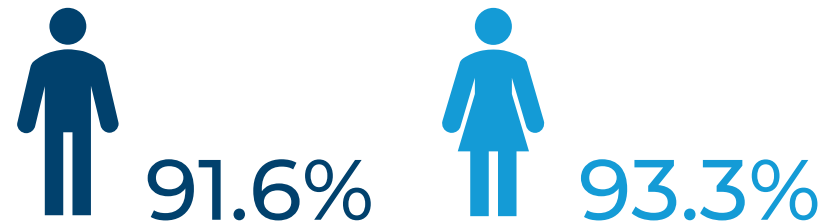
We continually strive to create a workplace where all employees may reach their full potential, regardless of their gender. Our leadership and management team composition is now 38% women, and 24% at Board & ExCo level. We know that there are significantly less women in our most senior roles, and we still have much more work to do to redress our gender pay gap. We continue to focus on improving our policies, processes and practices in areas such as talent acquisition, learning & development, and talent management to promote the advancement of women at CFC.

Our 2021 numbers

	Mean	Median
Gender pay gap	21.8% 2021 (26.6% 2020)	19.8% 2021 (22.1% 2020)
Gender bonus gap	56.6% 2021 (59.2% 2020)	30.0% 2021 (35.2% 2020)

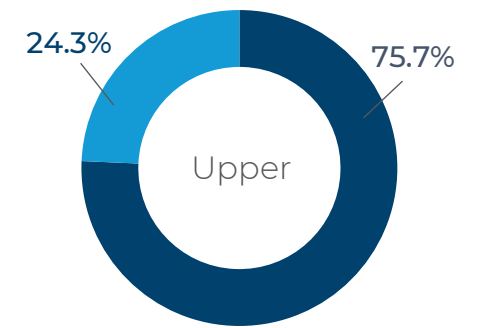
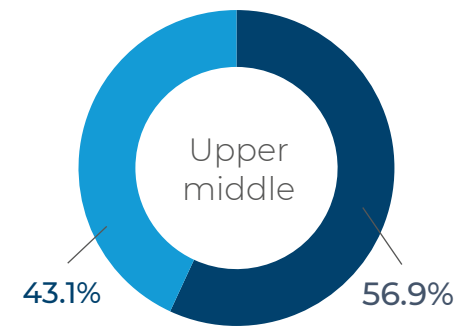
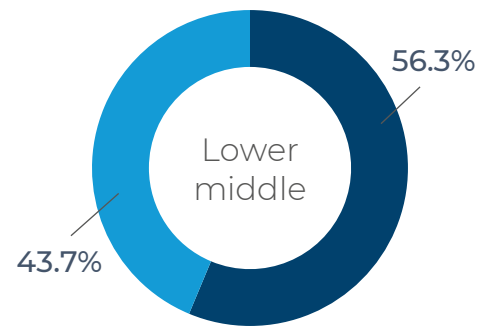
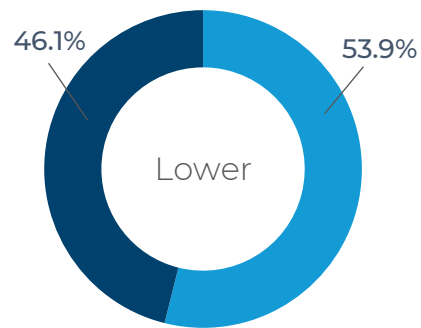
Proportion of employees receiving a bonus

CFC operates a single group wide performance based annual cash bonus plan that is available to all staff. In each year, some employees join after the cut-off date for bonus eligibility which means they do not receive a bonus.



Male and female pay quartiles

- Men
- Women



Our findings

CFC's gender pay gap reduced to 21.8% (from 26.6% in 2020) and the bonus gap also reduced to 56.6% (from 59.2% in 2020). Women now make up 41% of our workforce (up from 40% in 2020) and the number of women in leadership & management roles has increased to 38% in 2021 (from 35% in 2020). We know that there are no quick fixes to redress the gender pay gap and that we will need to appoint more women into the most senior roles to materially reduce our gender pay gap further.

Gender pay gap

Our gender pay gap exists because we have significantly less women in the most senior and highest paid roles at ExCo and Executive Director level. This is illustrated in our upper pay quartile data with 24.3% representation of women. Whilst we made progress in 2021 appointing more women into senior leadership roles (such as new 'Head of underwriting titles), we still need to employ more women into the most senior and highest paid roles to close the gender pay gap further. There are still more women than men in junior and entry level roles where women account for 54% of our lower pay quartile.

Women now represent 24% of our combined ExCo and Board level roles. Although remuneration for non-executive directors does not impact gender pay data, we would like to note that CFC appointed a new female non-executive director (Louise O'Shea, CEO of Confused.com) in 2021 and we recognise that we have a gender imbalance at executive board level.

Our findings

Bonus pay gap

We operate a single bonus plan for all CFC employees where everyone, regardless of gender, has an equal opportunity to be rewarded for their performance and contribution to the business. Variable bonus pay is significantly higher for those in ExCo and Executive Director roles, and this is where there is a much higher (76%) representation of men than women (24%). CFC has to reward its senior leadership & executive team with competitive variable pay in order to attract and retain the best talent.

Our median bonus gap reduced to 30% (from 35.2% in 2020). This gap is driven by having more male employees than female (41% women), and with more men than women receiving a bonus, with more women in the lower pay quartile, with a much smaller bonus potential than for more senior positions.



Closing the gap

What have we been doing?



Career advancement

- 26% of internal promotions in FY21 were women into management roles. This included roles at Underwriting Team leader, Underwriting Manager, Practice leader and support function management title level.



Leadership development

- 44% of leadership development participants in FY21 were women (29% in 2020).
- We continue to deliver our leadership development program with Franklin Covey to support recently promoted employees and those transitioning to management roles.



Talent acquisition

- We continued to focus on driving more diversity within hiring through our external graduate partnerships with 'The Brokerage' and 'Bright Networks' and both partners support us in our ambitions for improving early careers diversity at CFC.
- In 2021 we ran our first Intern scheme with 45% women participants. The scheme will also feed future talent into our underwriting, claims and business support teams.

Closing the gap

What we are doing next?



Recruitment

- In 2022 our talent acquisition team will continue to drive change in our recruitment policies, processes and practices that support our diversity ambitions when hiring.
- We will continue to champion and identify 'Women in Tech' events and initiatives that allow us to promote career opportunities for women in tech/insurance at CFC.
- We will review our hiring technology to ensure that any new tech platform will better enable us to build, track and manage talent pipelines and diverse candidate pools.



Supporting female talent advancement

- We are expanding our leadership development program in 2022 to include a new 'Aspiring Leaders' program to help nurture and support emerging talent, and this program will help develop more women to be ready for future management roles.



Early careers training, mentoring & development

- We continue to invest a significant proportion of our training budget in professional training and development (such as CII certifications) to ensure that staff, regardless of gender have the opportunity to fulfil their true potential at CFC.
- We will regularly track metrics for promotions, talent acquisition and development to provide visibility of how we are doing supporting the advancement of female talent.

Gender pay gap reporting

All UK employers with 250 or more employees are required to report their gender pay gap under The Gender Pay Gap Reporting Regulations 2017. The figures in this report are based on the calculations set out in the Regulations and must be reported every year.

About the gender pay gap:

The gender pay gap is the difference in pay/bonus earnings for all men and all women within the Company.

The **mean** pay gap number represents the difference in **average** pay between all male and all female employees.

The **median** pay gap number represents the difference in pay between the **middle point** of all male employees, and the middle point of pay for all female employees.

Gender pay gap reporting does not measure equal pay (relating to what men and women are paid for performing equal work). The principle of equal pay is a legal UK requirement and CFC is committed to meeting its equal pay obligations, and to the principle of equal opportunities and equal treatment for all employees, regardless of sex, race, religion or belief, age, marriage or civil partnership, pregnancy/maternity, sexual orientation, disability or gender reassignment. We confirm that the data provided for CFC Underwriting Limited in this 2021 report is accurate and in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



David Walsh
Founder & Group CEO



Peter Samuel
HR Director