

Pinnacle Insurance Management Services Plc.

Gender Pay Gap Report 2022



Introduction

Our staff represent the diverse customer base we serve. Our cultural and personal differences provide broader perspective, deeper insight and better outcomes for our people and our customers. We work together on the basis of mutual respect, understanding and acceptance and this is one of our great strengths as a business. It is a strength which is highly valued by our people and it is a core driver of our success.

40% of our executive team is female and our gender balance is broadly equal across the Company. I am pleased to see our 2022 Gender Pay Gap Report shows improvements in the mean pay gap and in our mean and median bonus gap since last reported. However, we recognise we have more to do to achieve stronger female representation in more specialist areas within the business, which tend to command higher levels of compensation.

Gender equality, together with a commitment to diversity and inclusion are part of our culture. We continue to take steps towards achieving a more gender-balanced workforce in all areas of the business and to reducing our gender pay gap.

There is not an overnight solution to this challenge. It takes time and we are fully committed to the journey in delivering a positive outcome. "



A handwritten signature in blue ink, appearing to read 'Andrew Wigg'.

Andrew Wigg
Chief Executive Officer

Pinnacle Insurance is now part of the Pinnacle Pet Group (PPG), a joint venture between BNP Paribas Cardif and JAB Holding Company. We as a company along with our newly formed group, remain steadfastly committed to providing equal opportunities to all our people. We believe we thrive both individually and as a business, when we work in an environment where we feel safe and accepted as our authentic selves.

Understanding the Gender Pay Gap

Is the gender pay gap the same as equal pay?

No. They are two separate matters, as explained below.

What is the gender pay gap?

The gender pay gap concerns the average hourly pay of all males who work in a company compared with the average hourly pay of all females who work in the same company. It does not account for different types of jobs or levels of seniority.

What is equal pay?

Equal pay is when a male and a female are paid the same for doing the same or similar work. We take our moral and legal responsibilities on equal pay extremely seriously and conduct reviews regularly to ensure salary and bonus decisions are fair and gender neutral.

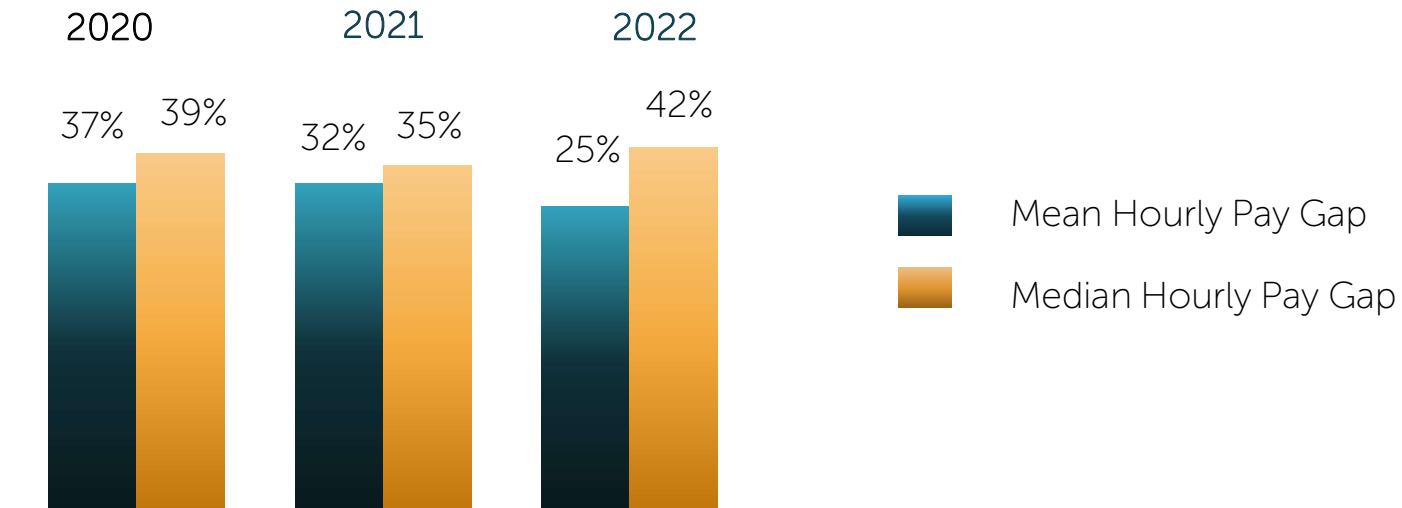
How we calculate the mean hourly pay gap



How we calculate the median hourly pay gap



Results: our Gender Pay Gap



There are three main reasons for the gender pay gap, both across the financial services industry and at Pinnacle Insurance:

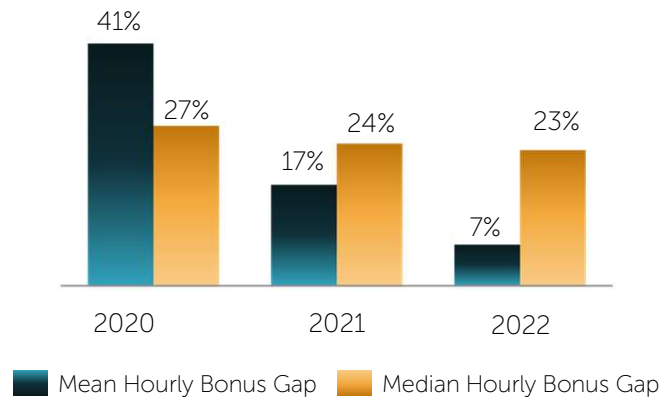
1. There are more males than females in senior and technically specialist positions.
2. Senior and technical specialist roles attract higher rates of pay relative to other positions. This therefore significantly increases average male pay, both in the market and at Pinnacle Insurance.
3. There is a significantly higher proportion of females than males in less senior roles, which pay lower level salaries.

Compared with the results for 2021, we see a reduction in the mean hourly pay gap over the last three years' reporting but an increase in the median hourly pay gap between men and women.

We have a higher proportion of females in lower paying operational roles than males and a higher proportion of males in more technical and specialist roles which tend to sit within the upper quartiles of pay. More male outliers in the data are creating a bigger gap in the 2022 median data between male and female hourly pay.

Results: our Gender Bonus Gap

Gender Bonus Gap

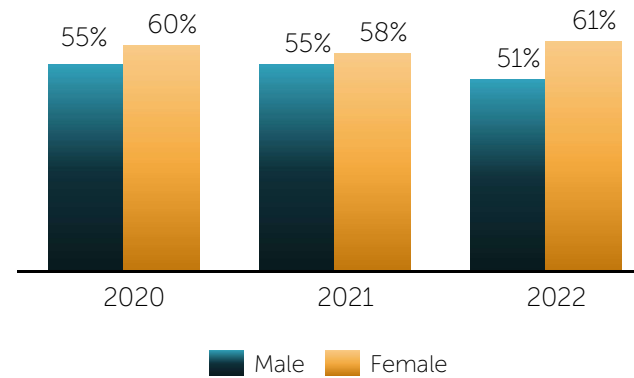


The gap we see in mean and median gender bonus are because:

- Bonus amounts tend to increase with seniority and technical specialisation. We currently have more men than women in senior and technically specialist roles and roles which typically attract larger bonus opportunities.
- There is a higher proportion of females than males in less senior or technically specialist roles where bonuses tend to be lower.

Compared with the results for 2021, the mean and median bonus gaps reduced between men and women, as we are seeing a higher percentage of females receiving bonuses.

Proportion of each gender receiving a bonus



Overall, there is a higher proportion of women receiving a bonus than men. Since the 2020 Gender Pay Gap Review, the percentage of men receiving a bonus has reduced as a percentage of the male population, while the percentage of women receiving a bonus has increased.

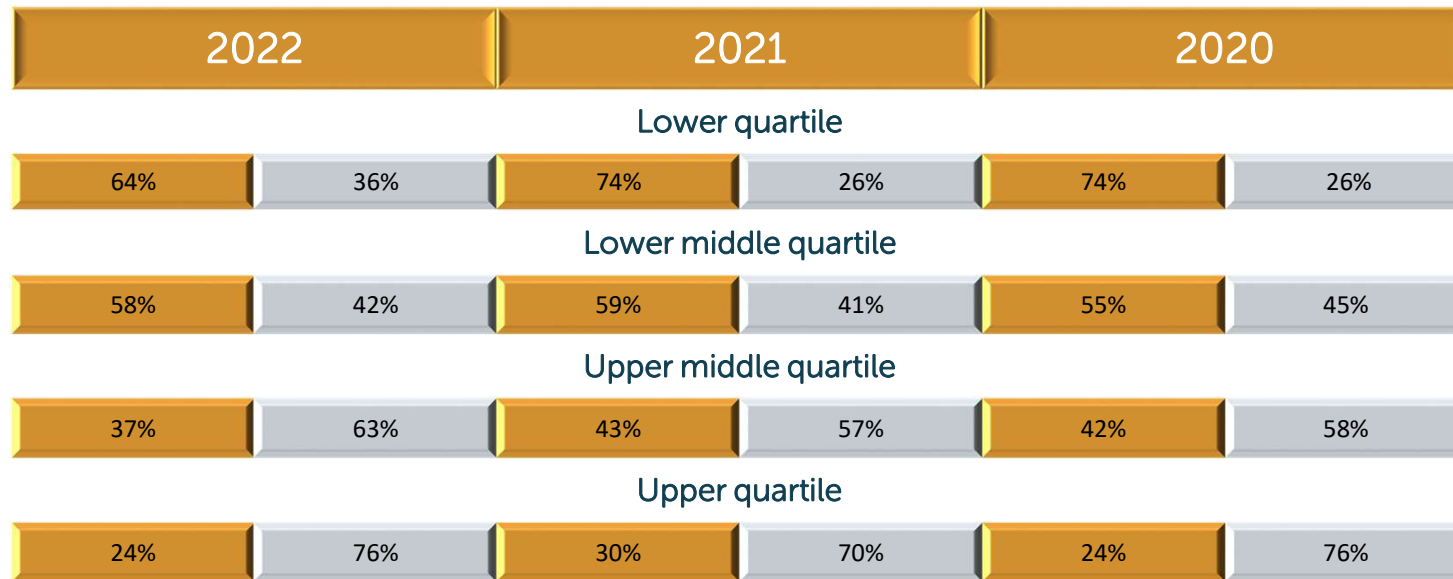
Population split by quartile

Pay quartiles are calculated by ranking the hourly pay of all staff, then splitting the range into four equal quartiles and calculating the proportion of men and women in each quartile.

The higher proportion of men in the upper quartiles reflects the fact that there are more males than females in senior positions and specialist technical roles, which attract higher rates of pay.

We have seen the percentage of women in the upper quartile increase in 2021 and then revert to the same percentage figure as the 2020 report, however, as reported previously, we are seeing a higher proportion of women receiving bonuses, together with a narrowing in the gap overall between male and female mean hourly pay and bonuses.

However, we have not yet achieved a balanced female/male representation at different levels within the business.



DECLARATION

I confirm the information and data reported is accurate as of the snapshot date 5 April 2022.

Andrew Wigg
Chief Executive Officer



What we're doing to address the Gender Pay Gap

The Gender pay gap analysis remains an invaluable tool which helps us to monitor and identify the gaps between male and female pay, together with the reasons which contribute to any disparities. We at Pinnacle are proud of our diversity. It brings a broad range of perspectives and experiences which make us stronger as a united team, committed to successfully serving the diverse needs of our customers.

Achieving gender balance is important to us. We have 40% female representation within our leadership team but there is still much for us to do in addressing the gender balance across all teams which in turn addresses differences between what is being paid to males and females. We are seeing more females in operationally administrative roles and stronger male representation in more technically specialist roles which tend to pay more.

Improving gender balance and reducing the gender pay gap takes time. We are not alone in facing this challenge which is experienced across the financial services sector. With a broader demographic coming into roles at more junior levels within the industry, this feeds the pipeline for future more senior and specialist roles. We continue to try to improve the balance of male/female representation in the upper quartiles where we see more specialist skills.

We are pleased that we have seen improvements in our mean and median bonus gap results, together with the mean pay gap compared with previous Gender Pay Gap reports, however, our median Gender Pay Gap has increased. While a higher percentage of females received a bonus this year compared with previous years and in fact the total number of females receiving a bonus was marginally higher than males, we have a higher proportion of females in lower paying roles and a higher proportion of males at the higher levels of pay, which is affecting the median pay levels.

While the mean pay gap has been consistently reducing since we began reporting, we see a higher proportion of anomalies in the male hourly pay data in this year's report and this is creating a greater gap in the median pay for males in comparison with female median pay.

We must do more. We are committed to maintaining gender balance at the executive level and overall across the Company.

We believe it is important that our senior people act as role models who encourage inclusive aspiration. It is fundamental to our continued success that we enable all of our people to flourish, without fear of bias, in a truly inclusive environment.

Our gender strategy encompasses recruitment, talent development and organisational culture. Our D&I agenda is key to our ESG strategy and we continue to build our D&I Matters network to represent our diverse workforce and drive ideas and initiatives which are important to our people.

We are continuing our efforts to reduce the gap between male and female hourly pay. We draw on external benchmarking information to ensure we pay a fair market rate for the roles and experience we recruit, irrespective of gender or identity. We are vigilant in monitoring Equal Pay to ensure we pay fairly and equitably for males and females performing equivalent roles.

Supporting and promoting greater gender balance are integral to our continued sustainable growth, combined with a truly inclusive culture of respect and equality of opportunity for our entire workforce.

Helen Rennie
People Director

What we're doing to address the Gender Pay Gap

Recruitment

- External recruitment partners requested to submit gender-balanced shortlists for all roles where possible.
- Interviewing at least one female for each role, or asking recruitment partners to provide a valid reason why this was not possible.
- Training staff and managers involved in the hiring process on interview skills to reduce bias in decision-making.
- Initiated a process to anonymise CV's.

Talent development

- Senior female role models to mentor and inspire more junior talent.
- Including a strong representation of females within our succession plan and supporting their development.
- Identifying emerging female talent and ensuring they receive the focus and individualised attention to support and accelerate their growth.

Culture

- Creating a supportive culture for colleagues with family responsibilities through our Flexible Working Policy, Shared Parental Leave Policy and enhanced parental leave benefits.
- D&I Matters Group with a range of representatives including Parents and Carers.
- Support services provided for the symptoms of menopause.
- Hybrid working for appropriate roles enabling colleagues to work remotely.
- Regular updates, information and learning opportunities for staff, providing information on Diversity and Inclusion, to increase awareness, understanding and engagement with diversity.
- Training provided for all staff on inclusion and unconscious bias.