

Gender Pay Gap Report

Pinnacle Insurance Management Services PLC

2023



Introduction

As a business, we have grown considerably over recent years and are privileged to be partnering some of the most respected and prestigious companies and charities across the UK. They have selected us as their partner because of our vision, expertise and shared values.

For our customers we believe we are better able to understand and empathise with their many and diverse needs, because we are a team of pet lovers and also because we share the diversity of our customer base. The diversity among our colleagues provides us with a broader perspective, deeper insight and informs our ability to understand, respect and support each other and our customers.

This report focuses on one aspect of our diversity – the relative representation of men and women within different pay levels across the Company. We are committed to ensuring we pay our males and females fairly and equitably for the roles they perform. This is different from the Gender Pay Gap which arises as a result of us having a higher proportion of males versus females in senior and specialist roles which tend to pay more highly.

Pleasingly, this year's Gender Pay Gap Report shows improvements on last year's report, with a reduction in the mean and median pay gap. The mean has reduced steadily each year since we began reporting and the median gap is down on last year's. This is good news but there is much more to do and we continue to make a concerted effort to reduce the gap and increase female representation within senior and specialist roles which command higher pay and bonus levels.

I am proud of our team and of the diversity, talent, creativity and commitment they demonstrate on a daily basis. We are growing together and our success is based on our ability to thrive as our authentic selves at work. We are fully committed to the journey of reducing our Gender Pay Gap over time.



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

Andrew Wigg
Chief Executive Officer

Understanding the Gender Pay Gap

Is the gender pay gap the same as equal pay?

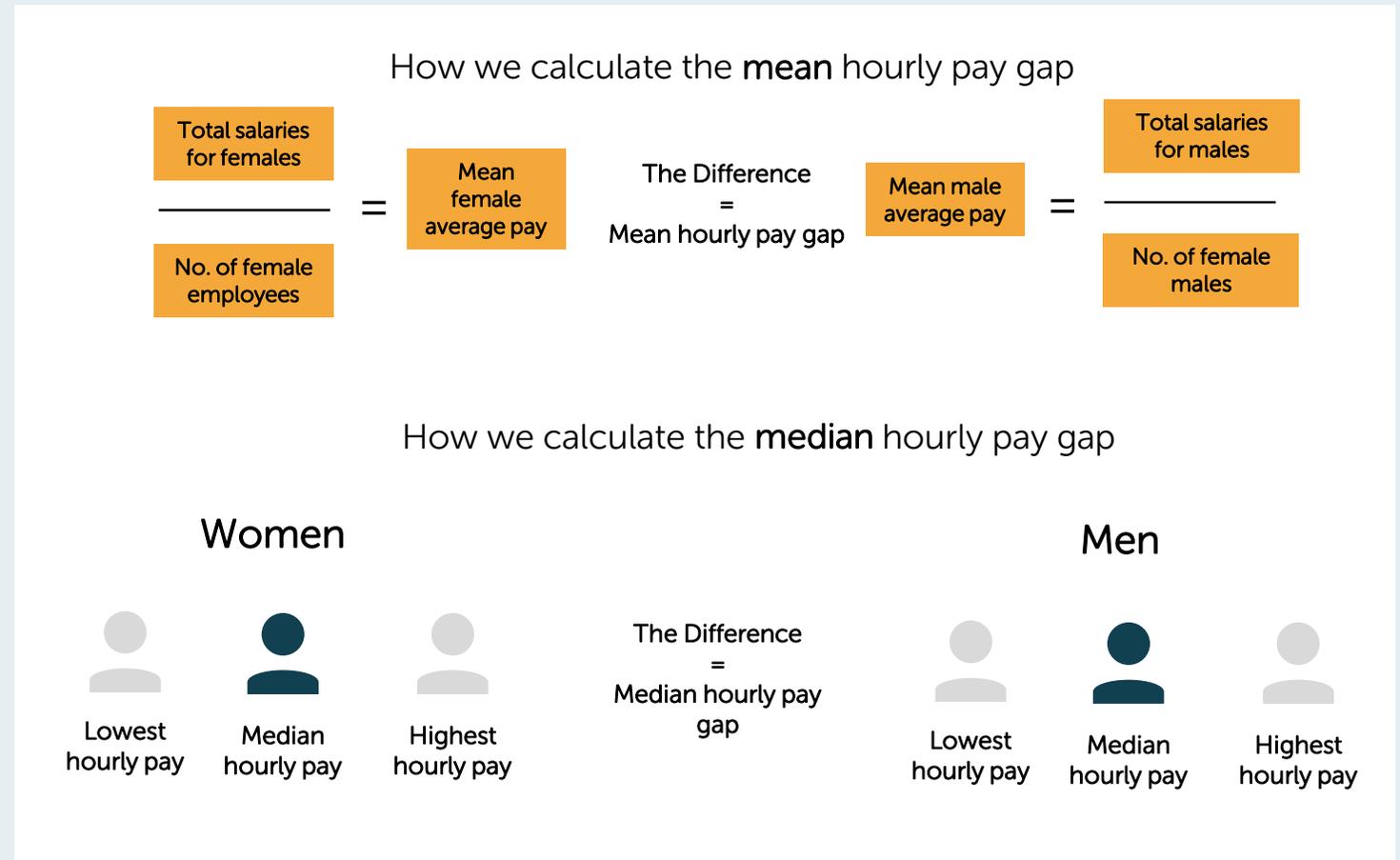
No. They are two separate matters, as explained below.

What is the gender pay gap?

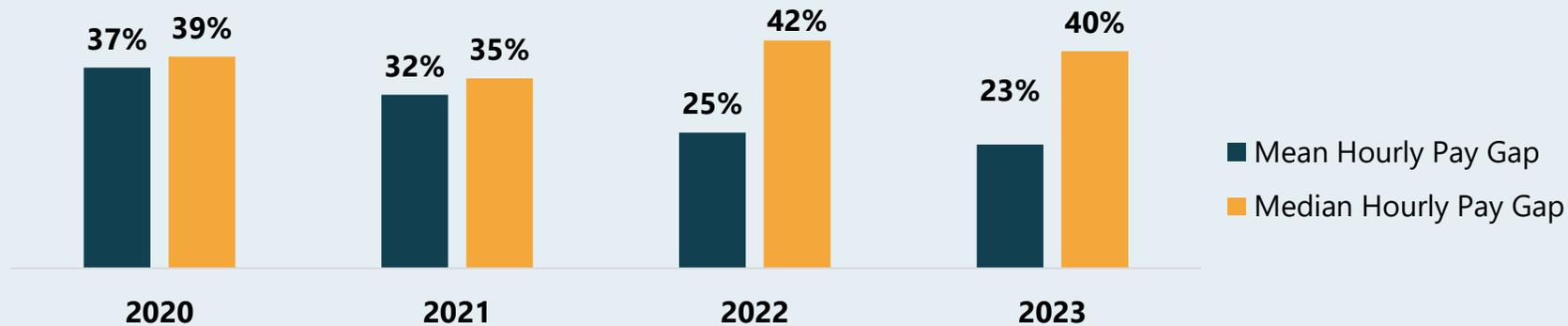
The gender pay gap concerns the average hourly pay of all males who work in a company compared with the average hourly pay of all females who work in the same company. It does not account for different types of jobs or levels of seniority.

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



Results: our Gender Pay Gap



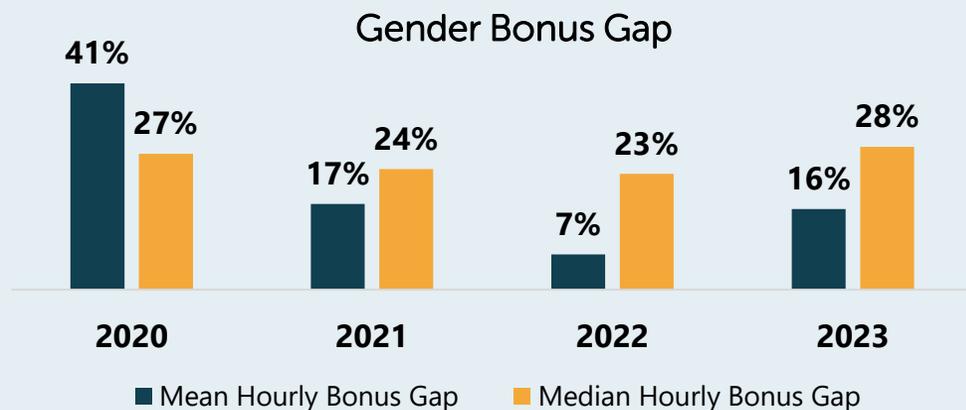
There are three main reasons for the gender pay gap, both across the financial services industry and at Pinnacle Insurance:

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 higher proportion of females than males in less senior roles, which pay lower level salaries

Compared with the results for 2022, we see a reduction in both the mean hourly pay gap and the median hourly pay gap between men and women. The mean average pay gap continues to trend downwards since we started to report on the Gender Pay Gap. The median has fluctuated from year to year but has reduced from last year's level.

The data reflects the higher proportion of females in operational roles than males and greater number of males in more technical and specialist roles. Operational roles tend to pay at a lower level than technical and specialist roles. The median gap has decreased since last year but shows that there are still more male outliers in the data which is what is contributing to the median pay gap.

Results: Our Gender Bonus Gap



Compared with the results for 2022, the mean and median bonus gaps have increased between men and women. This reflects the higher bonus payments to our most senior and specialist roles which command higher bonuses. There is a higher proportion of males in these roles.

Bonus amounts tend to increase with seniority and technical specialisation. We currently have more men than women across more senior and technically specialist roles and roles which typically attract larger bonus opportunities.

Conversely, there is a higher proportion of females than males in less senior or technically specialist roles where bonuses tend to be lower.

Overall, there is a higher proportion of women receiving a bonus than men. Since the 2022 Gender Pay Gap Review, the percentage of men and women receiving a bonus has increased, with a higher increase in the female population receiving a bonus than males of the male population.

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 2023 versus 2022 and the number of women in the lowest paying roles decrease as a percentage. The percentage of women in the lowest quartile pay bracket has been trending downwards with more men appearing in this pay group since we began reporting on the Gender Pay Gap. The number of women in the Upper Quartile has been fluctuating since we began reporting in 2020 but is on an upwards trajectory since 2022.

However, we have not yet achieved a balanced female/male representation at each quartile level.

Declaration

I confirm the information and data reported is accurate as of the snapshot.



Andrew Wigg
Chief Executive Officer

2020		2021		2022		2023	
Lower Quartile		Lower Quartile		Lower Quartile		Lower Quartile	
74%	26%	74%	26%	64%	36%	62%	38%
Lower Middle Quartile		Lower Middle Quartile		Lower Middle Quartile		Lower Middle Quartile	
55%	45%	59%	41%	58%	42%	63%	37%
Upper Middle Quartile		Upper Middle Quartile		Upper Middle Quartile		Upper Middle Quartile	
42%	58%	43%	57%	37%	63%	37%	63%
Upper Quartile		Upper Quartile		Upper Quartile		Upper Quartile	
24%	76%	30%	70%	24%	76%	29%	71%

Female Employees

Male Employees

Our Gender Pay Gap Journey

We have experienced a significant amount of change over the last few years and despite external challenges including the pandemic, economic turmoil and high interest rates, we have grown and are continuing to do so – at a rapid rate. We are incredibly proud of what we have achieved through harnessing individual capabilities, insight and experience to thrive as a team in the face of challenge.

Our people describe our Company as having a family culture. This drives our team ethic. We embrace individual difference of opinion and perspective and we feel safe and accepted as our authentic selves. Social connection is an important aspect of our team culture. Through socialising, brainstorming, group update sessions and collaboration, colleagues at every level are encouraged to have a voice. This helps to build our relationships, increase our understanding and broaden our outlook.

Our diversity of culture, background and perspective is a huge strength for us and we have continued to focus on diversity initiatives to increase our understanding and open our minds to the experience of others. Equality is core to our Diversity commitment. We are committed to equal pay for males and females performing equivalent roles. We continue our journey to reduce the Gender Pay Gap. This is not something we can achieve instantaneously but we will reduce our gap over time through continued focus and effort.

This year's Gender Pay Gap figures have improved on last year's and we are seeing the number of women increasing in the upper quartile and reducing in the lower quartile. However, our Gender Bonus Gap has increased as we have seen more males in specialist and senior roles where the bonus payments tend to be greater.

More women are receiving a bonus as a percentage of the female population compared with last year's data and, indeed, the proportion of females receiving a bonus is greater than males.

Within our Executive Management team, 40% are female. This sets the tone from the top and provides clear female role models to our pipeline of aspiring female talent. Across the organisation, we have identified strong female emerging talent and have supported them through training, sponsorship programmes, coaching and career progression.

We continue to champion topics which are important in helping us to attract and retain diverse female talent. These include flexible and hybrid working, our ED&I network promoting a broad range of interests including parents and carers, learning and discussion sessions, menopause information and support links, Inclusion & Unconscious Bias training, information updates promoting female role-models (including feature articles on important women in history as a focus of our last Black History Month initiatives) and social media articles promoting female colleagues and their pets.

We actively seek female applicants where possible within our shortlists for senior and technical roles, the focus being to increase female representation in the areas of imbalance within the upper quartile pay brackets and to grow female aspiring talent. We know we have more work to do.

We are on a journey and will continue to reduce the gap.

Helen Rennie

People Director 7

What Action We're Taking

Talent Acquisition

- External recruitment partners are required to submit gender-balanced shortlists for all roles where possible.
- At least one female interviewed for each role, or if not possible, our recruitment partners are required to explain why.
- Training provided to staff and managers involved in the hiring process on interview skills to reduce bias in decision-making.
- A range of new talent being sought across the business to support our growth. A key focus will be to increase the representation of females in our talent pipeline.

Talent Development

- Senior female role models to mentor and inspire more junior talent.
- Target to provide a balanced female representation within our succession plan which focuses on our most senior and key roles, together with identifying ways of supporting their development.
- Identifying emerging female talent and building a programme designed to ensure they receive the focus, attention and development to support and accelerate their growth.
- Coaching and access to learning in support of specific skills development to strengthen our female talent.

Culture

- Target - 30% gender diversity in Executive Leadership Team by 2025 – we have already exceeded this target.
- Flexible working and hybrid working to support colleagues with family responsibilities and dependents, Shared Parental Leave Policy and enhanced parental leave benefits.
- D&I Matters Group with a range of representatives including Parents & Carers. Events hosted throughout the year, including a talk with colleagues who are parents of neuro-diverse children.
- Menopause policy and support services provided for employees experiencing the symptoms of menopause – directly or through loved ones.
- Regular updates, information and learning opportunities on ED&I, to increase awareness, understanding and engagement.
- Compulsory Inclusion & Unconscious bias training for all staff.

Our Values and Behaviours

We put **PETS** at the heart of everything we do.

P	E	T	S
Performance	Exploration	Togetherness	Sustainability

We deliver above and beyond, doing the right thing even in challenging circumstances. We show the courage to make pragmatic decisions and take calculated risks to drive progress.

We seek diversity of thought to challenge the status quo. We try new ways of doing things to make our business better and satisfy our customer. We learn from both our successes and our mistakes.

We build a collaborative and inclusive community where everyone assumes positive intent and brings their true selves to work. We celebrate our achievements and have fun together.

We value the long-term success of our business, our customers and ourselves. We each take ownership of our actions and contribute to the growth of our business.



Pinnacle Insurance Management Services PLC

