

## 2018 Gender Pay Gap report



Privilege.





Often women won't naturally push themselves forward and as we progress through our careers, it's important that we are challenged and supported in equal measure. As a company we recognise that to enable women to fulfil their potential, we need to offer support throughout their different career stages. This year we've launched several initiatives to give women the best environment to succeed. Our pay and bonus gaps reflect the uneven distribution of women across all levels of the business. It is this talent gap that we are working hard to tackle. I am determined to build on the progress we've already made and reduce our gender pay gap. It's not only the right thing to do but it will make for a better and more successful business.

I can confirm Direct Line Group's gender pay gap calculations to be accurate.



**PENNY JAMES**  
CHIEF FINANCIAL OFFICER  
AND CEO-DESIGNATE

## 2018 Gender Pay Gap Data

Our 2018 gender pay gap is broadly comparable to last year. The median has increased by a small proportion, while the mean has decreased, implying less extremes in the data. The median bonus gap has increased on last year. This is a result of less female representation at the levels that pay bonuses as well as more women working part time which means that bonuses are prorated.

<b>Pay gap</b>	Mean	17.1% ↓ (2017: 18.7%)	Median	15.4% ↑ (2017: 14.7%)
	Mean	67.3% ↑ (2017: 66.4%)	Median	36.6% ↑ (2017: 31.0%)
<b>% of employees receiving bonus</b>	Males	71.2% ↓ (2017: 71.4%)	Females	59.3% ↑ (2017: 57.7%)

### % of employees in each pay quartile

In pay quartile 4 (highest paid)



In pay quartile 3



In pay quartile 2



In pay quartile 1 (lowest paid)



# Underrepresentation of women in our Accident Repair Centres

We recognise that our Accident Repair Centres have a higher pay gap than the rest of our business, and are working to increase diversity among the people we employ there.

One of the ways we are working towards increasing diversity in Accident Repair Centres is by raising greater awareness of our Engineering Graduate Programme to drive diversity in the bodyshop industry. This will highlight to potential future candidates what Direct Line Group has to offer in the engineering and car technology space with the aim of recruiting a more diverse group of employees with varied experiences and knowledge: the engineers of the future.

Nuzhat Zumla is one of our current engineering graduates, and says she has found the programme rewarding and valuable in exposing her to different aspects of the automotive industry.

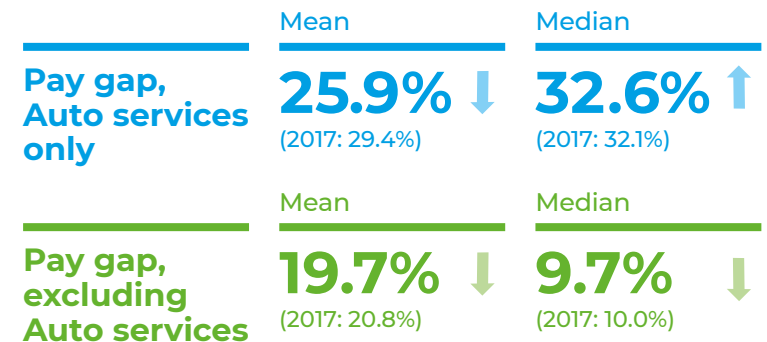
“My first placement was in the technical team where one of my objectives was to organise a technology event held in December at our new Birmingham site. Working as a team to bring this event together and watch it come to life was really exciting. I have met with different companies and suppliers in the automotive industry, giving me insight into how significantly technology is changing within this sector.”

Nuzhat has also found the contacts and support networks she’s developed during the programme invaluable, saying, “I am also now part of the Women’s Engineering Society and have attended Auto Body Professionals networking events. For the Women’s Engineering Society I worked with female students on the STEM scheme. The Auto Body Professionals conference gave me the chance to network with many women from the body shop industry. Since joining the programme the other graduates and I have attended many events, and we are now also part of the Formula Student sponsorship where we communicate with potential applicants who want to join the automotive industry.”



**NUZHAT ZUMLA**  
ENGINEERING GRADUATE

“ My experience of the programme so far has been great, especially all the training that I have completed such as Thatcham Research. I have had hands on experience, travelled to different sites and have a better knowledge about motoring and future cars.



# Women in Leadership

Direct Line Group's commitment to achieving its diversity targets is reflected in their inclusion as one of three people-related factors influencing Directors' pay, under their Strategic objectives. As part of this commitment, we are signatories to the Women in Finance Charter and have put specific measures in place to help develop a sustainable pipeline of female leaders.

## Hampton Alexander review

The Hampton Alexander Review set targets for FTSE 350 companies to have at least 33 per cent women on their Board and in leadership positions by 2020. This year's report found that the number of women on FTSE 100 Boards has exceeded 30 per cent for the first time.

Direct Line Group is ranked 13th in the FTSE 100 for female Board representation, with 41.7 per cent of the Board being female. This exceeds the target ahead of time. Within the FTSE 350 Non-Life Insurance sector, we are ranked 1st for female Board representation and 4th for combined Executive Committee and direct reports to the Board.

## Women in Finance Charter

The Group made significant progress against the Women in Finance charter commitment of 30 per cent females in senior leadership positions by 2019, and this year, Direct Line Group has achieved 28 per cent. This is significant progress when compared with our initial position in 2016 when we became signatories to the charter and had 22 per cent females in senior leadership roles. The improvement has come from a combination of external hires utilising methods such as gender balanced shortlists, and internal promotions, which will continue to be driven by our cross-functional talent mobility forum.

To maintain the female talent pipeline, Direct Line Group are considering using methods such as gender balanced shortlists where appropriate, for recruiting at all levels of the organisation, not just senior leadership roles. This will build a sustainable pool of future female leaders to develop.

## Female leadership development programmes

This year, Direct Line Group invested in high potential females by sending them on a three day residential programme to support them in progressing into senior leadership roles. The programme focuses on challenges that research shows are more commonly faced by females, such as attracting sponsors and building confidence, a personal brand and narrative.



**JON GREENWOOD**  
MANAGING DIRECTOR, COMMERCIAL

There is still a lot that needs to be done to ensure that there are higher levels of female C-suite representation. We understand the importance of women in senior leadership roles and are working towards increasing this number at Direct Line Group. It is only with greater parity that we will be able to showcase and utilise the full range of talented women in our business.



**NICKY KLEIN**  
CHIEF DATA OFFICER

Our Chief Data Officer, Nicky Klein, has been recognised as one of Female Lead's inspirational role models in data and technology for 2018. The campaign celebrates women in leadership positions across the world and showcases their achievements to support and encourage the next generation of female leaders.

# Initiatives supporting female talent

We are proud to support a number of initiatives aimed at attracting and retaining female talent in our business. These include reviews of our recruitment practices, and groups supporting women and workplace diversity like Thrive and DNA.

## Attracting new female talent

Direct Line Group recruitment teams have worked hard to understand how to be more attractive to external female talent, for example, by putting job descriptions through gender decoders so that the language and terminology used does not put off potential candidates. We have also started to measure diversity traits at application stage so we can analyse this information and understand where in the process different types of candidates can be lost. Finally, in order to address areas of under-representation, such as in engineering, we run recruitment campaigns specifically targeting female candidates.

## Thrive

This year we launched Thrive, an initiative set up by women at Direct Line Group with support from the company, to provide a community where female colleagues have a network through which they share experiences of their careers and help each other overcome challenges to be the best that they can be.

## DNA

Direct Line Group's gender Diversity Network Alliance group has had guest speakers throughout the year to try and build greater understanding on topics like menopause and working fathers. We recognise there are sometimes different challenges for men that we need to address to progress gender diversity, and we want to bring out into the open the more 'taboo' topics like menopause or disabilities and make it easier to discuss the impact it could be having on our people.



**KATIE LOMAS**  
DIRECTOR OF  
HOME OWN BRAND TRADING

“ Myself and a small team of like-minded women have set up ‘Thrive’, a forward movement aimed at inspiring Direct Line Group women to be the best they can be through storytelling, tools, guidance and community, with our first event being all about confidence.



**JENNIFER THOMAS**  
HEAD OF INTERNAL COMMUNICATIONS,  
EXPERIENCE & SUSTAINABILITY

“ Having communities within Direct Line Group that come together to showcase and celebrate diversity and inclusion is an extremely valuable part of our culture. The Diversity Network Alliance (DNA) work collectively to provide a platform for sharing experiences and challenges as well as raising awareness of key diversity topics. We are also a consultative network for the business, providing advice and insight into key business decisions from a D&I point of view. We have a voice within Direct Line Group and work effectively with the business to ensure every colleague feels they can truly bring all of themselves to work.

# Our policies and commitments



It is important to our identity that we reflect an ever-changing Britain and that is why we encourage everyone to bring their whole selves to work. It is also why we developed our parental leave policies to support our people to do the things that matter most to them and their families by offering a range of options that are simple, flexible and supportive. We are committed to creating an inclusive environment for everyone who works here.



**SIMON LINARES**

GROUP HUMAN RESOURCES OFFICER

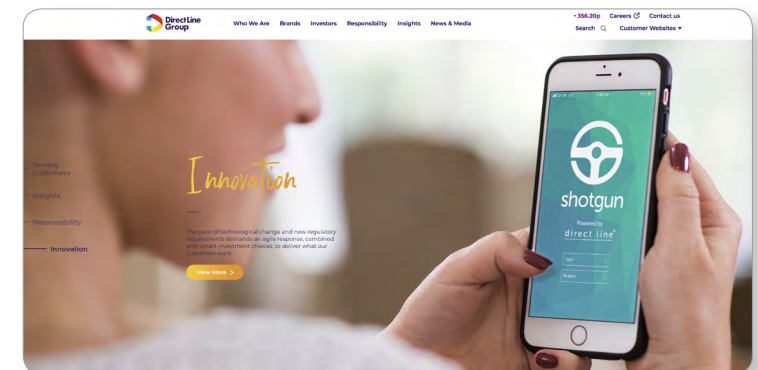
## My Life

Direct Line Group published our 'My Life' policies on parental leave online and were one of the first 10 organisations supporting Jo Swinson's Private Member's bill calling for companies to have greater parental leave transparency. The improvements to our maternity and shared parental leave provision, as well as the changes to our flexible working policies, are elements of our employee value proposition that we hope will help us retain our existing employees and be more attractive to new talent.

Following the launch of the My Life policies, Direct Line Group will be sharing examples of how our people have used the policies to help encourage others to take up the offering and improve access to role models. This will encourage a more inclusive, integrated approach, and inspire more allies to champion the diversity cause across Direct Line Group.

## Diversity and inclusion commitments

A major piece of work this year has been to understand our diversity profile as a business, where we are doing well and where we have challenges. Our teams were asked to share their diversity data with us as part of our annual employee opinion survey, and from this we built diversity and inclusion data packs for all our senior leaders. Based on their differing data, each leadership team are making commitments to improve the things that will have the most impact in their area, with all areas creating a commitment to gender diversity.



For more information please visit [www.directlinegroup.com](http://www.directlinegroup.com)