

2019 Gender Pay Gap report



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I'm delighted that yet again we've improved our gender pay gap and beat our target for women in senior leadership positions. It hasn't happened because of one single initiative but a determined effort across the business, allied with a deep understanding of the challenges a diverse company like ours faces. A dedicated senior leadership team, supportive policies to help women succeed and a dynamic employee-led diversity network have all contributed. I'm proud that each year our initiatives are becoming more established creating an empowering culture. We know we can't be complacent, especially when the business is undertaking a significant transformation programme. Our proud culture which encourages our people to bring all of themselves to work, combined with a focus on stretching targets are the best way to ensure that we make progress.

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



PENNY JAMES
CHIEF EXECUTIVE OFFICER

Our 2019 gender pay gap has improved from last year. Both the mean and median pay gap have decreased to their lowest levels since we started reporting which has been the result of a combination of new joiners to our business and our investment in female talent. The mean and median bonus gap have also decreased and while the proportion of men and women receiving a bonus remains broadly similar our Annual Incentive Plan has helped to close the gap.

Similarly, when excluding our Accident Repair Centres the mean and median have reduced to 18.6 per cent and 8.1 per cent respectively.

Pay gap ↓

Mean	Median
16.3% (2018: 17.1%)	13.7% (2018: 15.4%)

Bonus gap ↓

Mean	Median
44.1% (2018: 67.3%)	31.4% (2018: 36.6%)

% of employees receiving bonus

Males	Females
72.9% (2018: 71.2%)	59.2% (2018: 59.3%)

Pay Gap DLG (Excluding Auto Services)

Mean	Median
18.6%	8.1%

Pay Gap DLG (Auto Services only)

Mean	Median
26.5%	32.2%

% 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)



Women in leadership

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 Direct Line Group ranked 32nd in the FTSE 250 for female Board representation, which has increased from 41.7 per cent to 44.4 percent. We also ranked 1st for female Board representation in the FTSE 350 Non-Life Insurance sector.

Women in Finance Charter

We are proud to have achieved our commitment of 30 percent females in senior leadership positions by 2019. This has been achieved through measures including investment in female leadership development programmes including:

- Our Leadership Summit in which female middle managers attended residential programmes focused on developing impact and presence, as well as enhancing their personal brand.
- Our Emerge talent programme focused on high potential managers of the future which aims to increase gender balance in our pipeline.
- Our internal network Thrive in which colleagues share experiences, tips and guidance, supporting and inspiring each other to realise their potential.

Tech talent charter

We have also signed the Tech Talent Charter which aims to increase female representation in technology roles where women have been traditionally underrepresented. We are advocates of greater diversity and inclusivity among technology roles and have first-hand experience of the benefits this brings. Some of our most senior technology roles are held by women including Chief Technology Officer and Chief Information Officer. It's a strong foundation for the future providing powerful role models for others to follow.



KATE SYRED
MANAGING DIRECTOR OF
HOUSEHOLD, PARTNERSHIPS AND DATA

We are very proud of the progress we have made in increasing the number of women within our senior leadership team as we recognise the importance of this in achieving our vision of making insurance inclusive. We will continue working on this, increasing our ambition, as it is only through pushing ourselves that we will really be able to achieve gender parity.



SARAH GREASLEY
CHIEF TECHNOLOGY OFFICER

We are delighted to be signatories of the Tech Talent Charter. Our participation makes a real difference in shaping the future agenda for women in technology. As we move to a more customer centric world, understanding all your customers will become a source of competitive advantage, and we can only achieve this by having a representative and diverse workforce.



KELLY MADELEY
HR BUSINESS PARTNER, PERSONAL LINES

Since launching Thrive last year we have seen growing momentum behind this forward movement aimed at inspiring and equipping women with the tools they need to open up about their career hopes and fears as well as build a community in which we address some of the most common obstacles women face in the workplace. Over 500 colleagues have now attended events across our different sites and benefited from the advice of external speakers as well as coaching from colleagues within our company.

Women in finance event



The only way we can address the challenges faced in the financial services sector is by getting the right leadership. In the past year, I have been delighted to see more women being appointed to senior level positions and the sector taking meaningful action as a result of the Women in Finance Charter.



JOHN GLEN MP
ECONOMIC SECRETARY TO THE
TREASURY AND CITY MINISTER

We were delighted to sponsor HM Treasury's first panel event celebrating women who were newly appointed CEOs in financial services. Attendees heard an honest discussion from the panellists about their varied careers, personal journeys and tips about how to succeed. It was another example of how sharing insight opens up a candid discussion about the barriers women face and how progress can be achieved. It was also a timely reminder about the importance of the Women in Finance Charter and how firms have used it to guide their internal policies.

As a Group we recognise that despite progress we must strive for continuous improvement. We have found that a twofold approach of successful board level commitments that filters down to the rest of the company, as well as ground up initiatives have embedded real change throughout the Group. We're honest about leaning into challenges when they arise by identifying distinct challenges and openly addressing them. A combination of policies, recruitment practices and employee led programmes have all made an impact.

One challenge is our 21 Accident Repair Centres where we have a higher pay gap than the rest of our business. This is a big industry wide challenge, but we are determined to address it by raising greater awareness of our engineering graduate programme, encouraging more women to think about careers in the bodyshop industry and looking at how we can use some of the activities that have helped across other parts of the business.



Policies and commitments



As our commitment to creating an inclusive and diverse workplace for all our people continues, we are seeing the impact of the measures that we have implemented and they are making a real difference to our colleagues. From our My Life policies through to our Diversity and inclusion commitments we are supporting our people to enable them to succeed at all stages of their careers and not be inhibited by changing life circumstances.



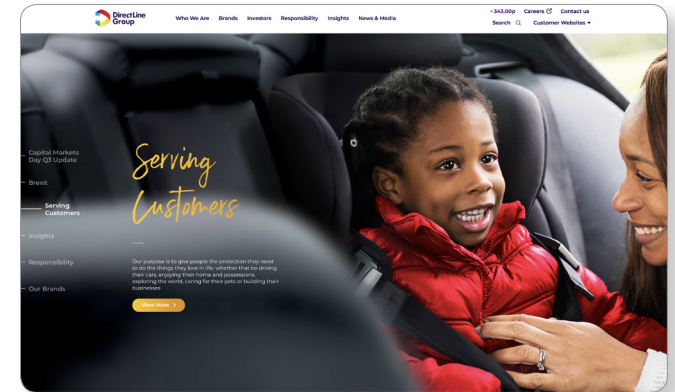
SIMON LINARES
GROUP HUMAN RESOURCES
OFFICER

My Life

Last year, through insight from our Employee Representative Body, we improved our maternity and shared parental leave provisions as well as updated our flexible working policies so that they better catered for the changing needs of our people. From 20 weeks full pay for co-parents on shared parental leave, to lifestyle leave which offers colleagues up to 12 months unpaid leave to pursue something significant to them, our policies embody our values and enable our people to bring all of themselves to work. We know that successful businesses are the ones that offer greater flexibility and these meaningful steps are aimed at assisting our people manage different aspects of their life without feeling constrained by workplace requirements. By publishing our policies online we are also transparent to potential future employees about what we offer from the outset.

Diversity and inclusion commitments

Our senior leadership team have all made commitments for measures they will take to improve diversity and inclusion within their areas. These differ according to the individual make-up and needs of the team although, all areas have committed to gender diversity and there is a strong link to their annual incentive plan.



For more information please visit
www.directlinegroup.co.uk