



ENSTAR UK GENDER PAY GAP REPORT 2021



“Diversity & Inclusion remains at the heart of Enstar’s strategic goals and is a constant consideration in how we build, develop and support our colleagues.”



Enstar values its diverse, inclusive corporate culture and we are committed to nurturing an environment of mutual respect amongst colleagues, with employees recognised for their unique contributions to the business.

We focus on employee safety and wellbeing and have implemented initiatives to foster mental and physical health, increase engagement, provide fair and equal opportunities for career growth and celebrate the differences amongst our employees. These important measures help ensure that Enstar attracts and retains the wide range of talented people needed to accomplish our strategic goals.

Since our first Gender Pay Gap report in 2018, Enstar has continued to progress Diversity & Inclusion (D&I) practices, but we recognise there is more to do in this space. This year’s report covers a year of change, with the restructure of Enstar’s live underwriting business, StarStone. Over this reporting period, headcount increased 28%, with 35% of this year’s relevant population new to Enstar. The restructure led to higher than usual ‘churn’ (e.g. new hires and exits) in areas including Underwriting, Finance and Claims. While those exiting the business were evenly split by gender, new hires were 60% male and 40% female, driven by a higher ratio of males hired into Underwriting, Finance, IT, HR and Actuarial roles. The largest number of new hires joined in Claims roles and were almost evenly split by gender (51% female).

The high level of headcount changes impacted our Gender Pay Gap, which increased 3% at the mean and 2% at the median after three consecutive years of decrease.

We recognise that a diverse new hire population is fundamental to maintaining an inclusive and talented employee base. Appreciating that, in 2020 we:

- Launched a D&I Survey and focus groups to review our progress and gather insight in this important area;

- Required all employees to attend training in unconscious bias and embedded diversity skills into interview training for managers;
- Required all recruiting participants to attend training on making fair and objective decisions; and
- Improved outreach to qualified diverse candidates for all senior roles.

We are focused on creating a more adaptable work experience in support of a diverse workforce which will be rolled-out across our global office network when it’s safe to do so. While this shift was accelerated by the global COVID-19 pandemic, our flexible working and telecommuting policies pre-crisis positioned us well and we moved seamlessly to working from home.

The report that follows highlights the activities undertaken in 2020 to support Enstar’s Global D&I practices:

- D&I commitments towards talent acquisition and leadership development;
- D&I Focus Groups;
- Global Wellness;
- Learning and Development; and
- Agile Working.

D&I remains at the heart of Enstar’s strategic goals and is a constant consideration in how we build, develop and support our colleagues.

DARREN TRUMAN, CEO OF ENSTAR EU LTD



ENSTAR UK GENDER PAY GAP REPORT FOR 2020

As a UK company employing more than 250 employees, we are required to publish our gender pay gap data. This is Enstar's fourth year of reporting this information. This gender pay gap report provides a 'snapshot' of pay balance, by gender, as at 5 April 2020. It quantifies the difference between the average and mean earnings of men and women, irrespective of role or seniority.

WHAT IS "GENDER PAY GAP" AND IS IT DIFFERENT TO EQUAL PAY?

The gender pay gap measures the differences between the average and median pay of male and female employees irrespective of job role or seniority. Equal pay issues focus on pay differences between male and female employees performing the same or similar work, or work of equal value.

For example, where an employer delivers the same pay for employees in comparable roles, but the leadership team is comprised of 78% males, assuming these are higher-paid roles, this will generally give rise to a gender pay gap but not an equal pay issue.

Enstar determines pay based on role requirements including, but not limited to, accountability, responsibilities, specialised or technical expertise, location, education, qualifications, years of experience, working hours and individual performance. We are confident that our pay gap is not a result of paying men and women differently for the same or similar work, or work of equal value.

MEASURING THE GENDER PAY GAP

MEAN PAY GAP

The mean gender pay gap is an average comparison. It is calculated by adding together the hourly pay rates of male full-pay relevant employees and dividing this figure by the number of male full-pay employees to determine the mean hourly pay rate for men. The same figure is calculated for women. The calculation then subtracts the mean hourly pay rate for women from the mean hourly pay rate for men, divides the result by the mean hourly pay rate for men and multiplies the result by 100. This gives us the mean gender pay gap in hourly pay as a percentage of men's pay.

MEDIAN PAY GAP

The median gender pay gap is a comparison of the middle of the hourly pay rate range for men and women. It is calculated by arranging hourly pay rates for male full-pay relevant employees from highest to lowest and taking the hourly pay rate for the middle-ranked man. This same figure is calculated for women. The calculation then subtracts the median hourly pay rate for women from the median hourly pay rate for men, divides the result by the median hourly pay rate for men and multiplies the result by 100.

WHAT IS DRIVING THE GAP?

While our median gender pay gap has reduced from 34.3% to 29.6% since 2018, the mean and median gender pay gap increased over 2019 reported figures after three consecutive years of decrease.

The gender pay increase was driven by a significant number of additions to staff (35% of this year's relevant population) of whom 60% were male. Where females were hired, 54% were positioned in the lowest pay grouping leading to this year's pay gap increase.

Factors leading to this year's gender pay gap include:

- **New Hires:** 35% of the full-pay relevant population was newly hired, representing a 28% increase in headcount. While the largest number of new employees were hired into Claims roles, there was also a significant number of hires into Underwriting, Finance and IT roles (more typically filled by males and often higher paying roles). New hires increased the proportion of males from 58% to 60% of total headcount.
- **Representation:** Lower representation of women in senior leadership roles, which by their nature will be higher paying roles.
- **Sector:** Historically, the insurance sector attracted a higher proportion of males to females. Enstar is positioned better than the sector in which it operates, with the Financial Services and Insurance sector having one of the largest median gender pay gap at 33.2%.
- **Acquisitions:** Enstar operates an acquisitive business model with employees hired along with the business acquired. Given this, gender representation is often heavily influenced by the legacy employer.
- **Location:** Enstar UK offices are in Guildford, Horsham and London, with London being the highest paying location. Outside of London, headcount is almost equally split between males and females. In London, 63% of headcount is male and 37% female. A higher portion of males in London increases mean average pay and bonus for men.

The bonus gap is driven by increasing variable pay opportunity with seniority, at which levels there is higher male representation as illustrated by the pay quartiles. Additionally, Enstar offers part-time schedules which have a higher take-up amongst females (79% of part-time employees are female), which also impacts the bonus pay gap. Bonus pay gap uses actual bonuses paid, rather than a full-time equivalent value, so a higher percentage of women in part-time roles will directly reduce the mean bonus for females. While part-time working will have a negative impact on the bonus pay gap, Enstar is committed to support an Agile work approach.

Enstar will continue to seek diverse candidates in an Agile environment to support and strengthen equal opportunity.



35%
of full-pay relevant
population was newly hired

60%
of workforce is male

79%
of part-time employees
are female

29.6%
median Gender Pay Gap
impacted by strategic
business restructure



Senior leadership roles held by women across the group

GROUP COO & ACTING CFO, ENSTAR GROUP
GROUP GENERAL COUNSEL, ENSTAR GROUP
GROUP CHIEF RISK OFFICER, ENSTAR GROUP
GROUP HEAD OF INTERNAL AUDIT, ENSTAR GROUP
GROUP TAX DIRECTOR, ENSTAR GROUP
CHIEF TRANSACTION ACTUARY M&A, ENSTAR GROUP
SVP CORPORATE AND LEGAL MANAGEMENT, ENSTAR GROUP
SVP, GROUP LITIGATION DIRECTOR, ENSTAR GROUP
HEAD OF FINANCE, ENSTAR (EU)
CFO, ENSTAR US
SVP, HEAD OF CLAIMS, ENSTAR US
CEO/CFO, ENSTAR AUSTRALIA
PRESIDENT, MORSE TEC
CEO, ALPHA INSURANCE

SUMMARY OF OUR NUMBERS

ENSTAR PAY GAP

Mean (average): 39.8% (47.3% when we first started reporting in 2018), meaning that on average, our female employees' hourly rates of pay are 39.8% lower than our male employees' hourly rates of pay. We are pleased that the mean gap has reduced over the last four years and continue to work hard to close the pay gap.

Median (middle): 29.6% (34.3% when we first started reporting in 2018). We are pleased that the median gap has reduced over the last four years and continue to work hard to close the pay gap. Enstar's figures compare favourably in the industry, but we do recognise that there is still a work to be done.

ENSTAR BONUS GAP

The average bonus pay is 68.2% higher for male staff compared to average bonus pay for female staff. This is a positive improvement from 72.7% first reported in 2018.

Median bonus pay (the middle bonus pay level of all males and all females) is 50.1% higher for male staff compared to mid-level for female staff. A small improvement from the 51.8% when we first started reporting in 2018.

ENSTAR QUANTILES

In comparing quartile data to 2018 (when we first started reporting gender pay gap), we see a reduction from 60.2% to 54.1% in the portion of females in the lower quartile. At the same time, females in the upper-middle quartile increased from 28% to 37.6% and in the upper quartile increased from 20.4% to 21.1%. This is a positive shift across all quartiles for female pay distribution.

ENSTAR'S GENDER PAY GAP

Year	Mean	Median
April 2020	39.8%	29.6%
April 2019	36.6%	27.3%
April 2018	46.4%	34.1%
April 2017	47.3%	34.3%

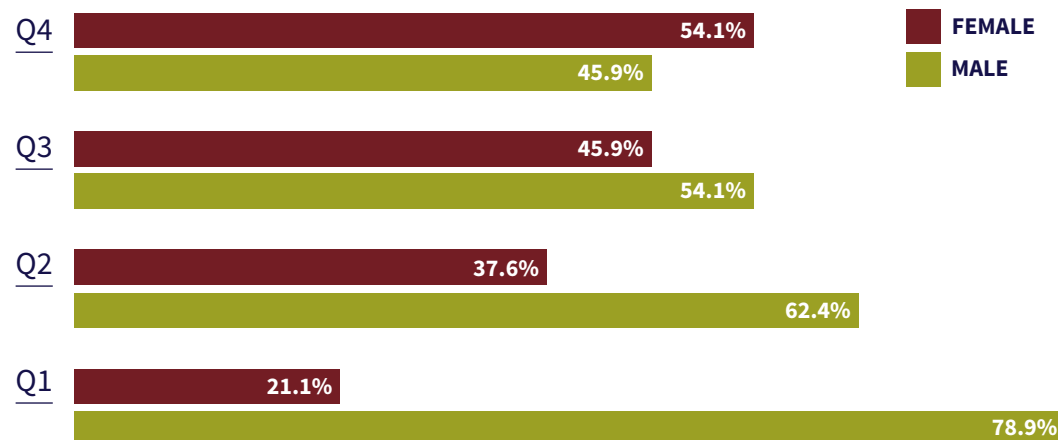
BONUS PAY GAP


Year	Mean	Median
April 2020	68.2%	50.1%
April 2019	67.6%	49.3%
April 2018	80.5%	55.8%
April 2017	72.7%	51.8%

% EMPLOYEES RECEIVING A BONUS

Year	Male	Female
April 2020	79.3%	83.3%
April 2019	81.9%	89.0%
April 2018	82.7%	86.8%
April 2017	84.0%	82.7%

PROPORTION OF MALES AND FEMALES BY PAY (2020)



A close-up photograph of two women, one with short blonde hair and the other with short dark hair, both smiling warmly at each other. The woman on the left is wearing a yellow top, and the woman on the right is wearing a dark blue top with a yellow necklace. The background is bright and out of focus.

Enstar determines pay based on role requirements including, but not limited to, accountability, responsibilities, specialised or technical expertise, location, education, qualifications, years of experience, working hours and individual performance. We are confident that our pay gap is not a result of paying men and women differently for the same or similar work, or work of equal value.

We are determined to tackle the gender pay gap. Our response falls into three main areas: How We Build, How We Develop and How We Support our workforce.

HOW WE BUILD

Enstar strives to improve the recruitment and selection process, by continuing to strengthen how we attract female candidates. In 2020, all employees involved in recruiting completed training to strengthen their ability to make fair and objective hiring decisions and recognise the importance of diversity. Additionally, qualified diverse candidates were required for all senior roles.

Pay is and promotions are assessed via a role-based evaluation, grading and benchmarking approach to deliver market competitive pay and equal pay for equal work. This approach supports consistency and sound decision-making across the organisation.

The philosophy behind Enstar's reward program is to provide an attractive, flexible, market-based total reward program tied to individual performance and aligned with company and shareholder interests. Enstar seeks to maintain reward practices which support business objectives and reward employees in relation to company and individual achievements.

HOW WE DEVELOP

Enstar is committed to building a training culture, to enable all employees to develop and progress their careers.

In 2020, 20% of the workforce identified and agreed training needs with their manager as part of the annual performance review process. To respond to this need and the pandemic driven challenge of remote working, Enstar launched a digital learning platform. At the time this report was written, more than 4,700 learning resources had been accessed, 31% of employees with training needs had accessed and 31% had completed their online training.

We are committed to identifying and developing our leaders and managers and we are passionate about ensuring that key individuals are equipped to successfully execute the business strategy both now and, in the future, and deliver on career ambitions. In 2020, we introduced the Business Excellence Leadership Programme to develop talent within the organisation. The programme provides holistic support, learning and development enabling individuals to build upon their strengths and enhance their leadership capabilities. The 8-month long programme will be offered throughout the year enabling opportunity and ongoing commitment to develop existing and new employees joining Enstar. To date, 10 female employees have taken part in the Business Excellent Leadership Programme.

HOW WE SUPPORT

DIVERSITY & INCLUSION

The Enstar Group Board and Executive Team is deeply committed to ensuring all employees are valued and can bring their true self to work. The Board of Directors Diversity Policy outlines the approach to achieving and maintaining diversity on the Board. The Group Diversity and Inclusion Policy provides guidance on employee level responsibility and outlines the positive business impact of D&I.

In 2020, Enstar launched a D&I intranet site and Action Group, focused on communication, engagement and activities to build an inclusive culture and raise multicultural awareness. Mandatory online Unconscious Bias Training was rolled-out to all employees and embedded into interview skills training for managers. Enstar will roll-out more comprehensive, facilitator-led Unconscious Bias Training for managers later this year.



HOW WE SUPPORT

CONTINUED

AGILE WORKING

During 2018, Enstar undertook an initiative to assess individual working preferences, interests and non-work responsibilities of employees. In 2019, the company began to evolve a more flexible Agile working approach, considering where and when work is completed to create an environment that works efficiently and benefits both employee, employer and shareholder.

While we couldn't have envisioned the global pandemic, this work enabled us to complete a comprehensive review of policies, practices and technology to move from on-site to fully remote working in a matter of days, enabling all to work in a manner that did not expose them to undue risk. Females were disproportionately affected by the pandemic, with responsibilities for childcare still being handled more often by female parents. Flexible remote working has been a way that Enstar has been able to support our female employees.



WELLNESS (MENTAL, PHYSICAL AND FINANCIAL)

In 2020, we recognised the toll that fully remote working could have on the wellbeing of our colleagues, and acted with global initiatives that included:

- Enstar Wellness: annual reimbursement of expenses which support mental or physical wellness;
- Wellbeing Intranet site: launched to provide support around physical, emotional and financial wellbeing;
- Coronavirus Wellbeing site: launched to provide information for employees on working from home and dealing with life during the pandemic;
- Wellness Webinars: live webinars were held on topics including stress and anxiety, resilience and mindfulness;
- Take a Break on Us: employees received an award for dinner at home on Enstar;
- Covid Exceptional Work Ethic Award: employees received an additional award that was 15% of their annual bonus target, to recognise the exceptional work ethic in a challenging pandemic environment which enabled us to have our best year ever; and
- Social Activities: sponsored virtual events to provide an outlet for personal interaction, ranging from coffee breaks to bingo and parental support groups.

As part of our 2021 Wellness commitment, a new employee survey will be launched to solicit recommendations for additional actions which can be taken to support Wellness.

For more information, please contact:

HR.Europe@enstargroup.com