



ENSTAR UK GENDER PAY GAP REPORT 2022



Realising Value

FORWARD

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

We focus on employee safety and wellbeing and have implemented initiatives to foster mental and physical health, increase engagement, and celebrate the differences among our employees. These important actions help ensure that Enstar attracts and retains the diverse workforce needed to accomplish our strategic goals.

Since the first Gender Pay Gap report in 2018, Enstar continues to progress gender balance, but we recognise there is more to do in this space.

During 2021, we completed our exit from live underwriting and continued to successfully embed Agile working – a hybrid of home and remote working. These changes impacted our overall headcount, reducing it by 23% compared to 2020, with 60% of leavers being men. Meanwhile, it was a slower year for hiring, with only 9% of this year's population new to Enstar (split 55% men and 45% women). Given the small number of hires, the differential between men and women new hires was four employees (higher ratio of male hires in Finance, Claims/ Reinsurance, and IT).

We recognise that an inclusive and diverse workforce is fundamental to our success as an organisation. Appreciating that, in 2021, Enstar:

- Appointed a Group Executive to provide global Diversity, Equity & Inclusion (“DE&I”) leadership and focus;
- Redefined our DE&I structure and introduced an Action Group, comprising representatives from all levels of the organisation to lead strategy, with an established Working Group beneath it to address and execute our core initiatives.
- Required all new employees to complete unconscious bias training; and
- Required new managers to complete unconscious bias training before hiring their first direct report.

Enstar also distributed its annual DE&I and Engagement surveys and received the following index scores from employees who participated:

- 79% Inclusion Index score
- 89% Engagement Index score

Enstar spent much of last year communicating what it means to work in an Agile way as we defined and improved the adaptable work experience for all employees. We made considerable progress embedding and introducing initiatives that prioritise employee mental and physical wellbeing into our core human capital strategies. We are committed to taking proactive action to continually enhance our DE&I efforts to benefit our colleagues, the company and shareholders, and have more work in progress in this space.

The report that follows highlights the activities undertaken in 2021 to support Enstar's Global DE&I practices:

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

Diversity, Equity & Inclusion 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

We are committed to taking proactive action to continually enhance our DE&I efforts to benefit our colleagues, the company, and shareholders.

WHAT IS DRIVING THE GAP?

The 2021 figures show an improvement in both our gender pay gap and gender bonus gap. We understand that it may take a few years before we can realistically expect a tangible shift in the data. However, we are committed to putting in the effort to bridge the gap and have seen reductions in our mean and median gender pay gap and bonus gap since we started reporting in 2018.

The change continues to be incremental, and we appreciate that representation drives our results.

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

Business Winddown

The exit from live underwriting over this reporting period, resulted in a headcount reduction of 23% of which 60% were men. Given the live underwriting exit and very low turnover due to COVID-19, we only had 9% new hires of which 55% were men and 45% women, driven by a higher ratio of men hired into Claims, Finance and IT roles. These new hires were often senior roles for new positions added to the organisation rather than to replace departing staff.

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 men to women. 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 and London, with London being the highest paying location. Outside of London, headcount is almost equally split between men and women. In London, 63% of headcount is men and 37% women. A higher portion of men in London increases the 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 representation of men as illustrated by the pay quartiles. Additionally, Enstar offers part-time schedules which have a higher take-up amongst women (78% of part-time employees are women), 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 supporting flexible working.

Enstar provides opportunities for employees to make responsible financial decisions where possible. One such program is to give employees the choice to put their annual bonus into pension. 15% of the bonus eligible women chose to do so in 2021. While this has a negative impact on the percent of women receiving bonus under the bonus pay gap reporting, we are committed to offering employees the choice to make financially sound decisions where possible.





Senior leadership roles held by women across the group

GROUP COO, ENSTAR GROUP
GROUP HEAD OF INTERNAL AUDIT
CFO, ENSTAR US
GROUP TAX DIRECTOR
GROUP GENERAL COUNSEL
CEO, ALPHA INSURANCE
GROUP CHIEF RISK OFFICER
CEO/CFO, ENSTAR AUSTRALIA
SVP & HEAD OF MANUFACTURING LIABILITIES
DIRECTOR OF OPERATIONS & LEGAL MGT.
CHIEF TRANSACTION ACTUARY M&A
SVP, HEAD OF CLAIMS, ENSTAR US
SVP, GROUP LITIGATION DIRECTOR
HEAD OF FINANCE, ENSTAR (EU)
PRESIDENT, DCO LLC
SENIOR TRANSACTION ACTUARY

ENSTAR UK GENDER PAY GAP REPORT FOR 2022

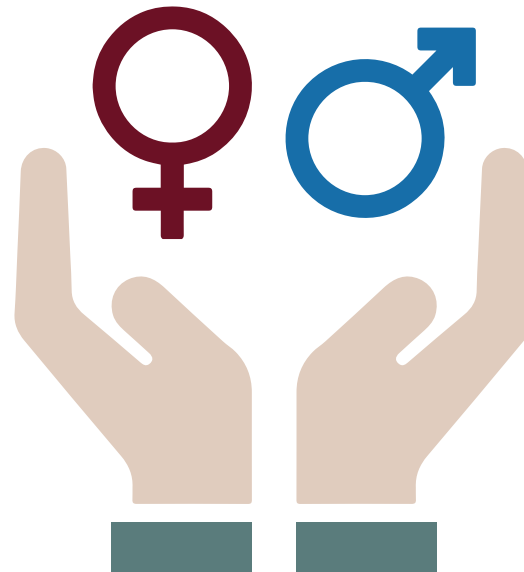
As a UK company employing more than 250 employees, we are required to publish our gender pay gap data. This is Enstar's fourth year of reporting this information. This gender pay gap report provides a 'snapshot' of pay balance, by gender, as of 5 April 2021. It quantifies the difference between the average 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 is different from 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% men, 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 male 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.

SUMMARY OF OUR NUMBERS

PAY GAP

Mean (average): 36.7% (47.3% when we first started reporting in 2018), meaning that on average, our women employees’ hourly rates of pay are 36.7% lower than our men 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): 24.7% (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.

The Financial and insurance sector has one of the largest median gender pay gap rates (33.2%). Enstar’s figures are below that, and we recognise that there is more work to be done and the shift we would like to see will take time.

BONUS GAP

The average bonus pay is 58.6% higher for male staff compared to average bonus pay for staff who are female. A positive improvement from the 68.2% reported last year and the 72.7% when we first started reporting in 2018.

Median bonus pay (the middle bonus pay level of all male and all female) is 31% higher for staff who are men compared to mid-level staff who are women. A positive improvement from the 51.8% when we first started reporting in 2018.

QUARTILES

In comparing quartile data to 2018 when we first started reporting gender pay gap, we see a slight increase from 60.2% to 60.6% in the portion of women in the lower quartile. At the same time, women in the upper-middle quartile increased from 28% to 37% and in the upper quartile increased from 20.4% to 24.2%. This is a positive shift across all quartiles for pay distribution among women.

GENDER PAY GAP

Year	Mean	Median
April 2021	36.7%	24.7%
April 2020	39.8%	29.6%
April 2019	36.6%	27.3%
April 2018	46.4%	34.1%
April 2017	47.3%	34.3%

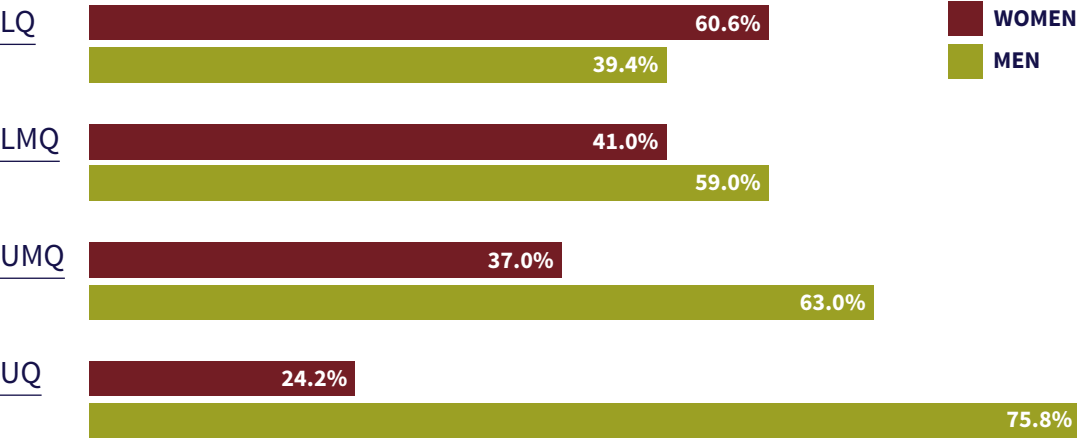
BONUS PAY GAP

Year	Mean	Median
April 2021	58.6%	31.0%
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	Men	Women
April 2021	89.5%	84.7%
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 MEN AND WOMEN BY PAY



A photograph of two women in a professional setting. An older woman with short blonde hair and glasses is looking down at a tablet held by a younger woman with dark hair tied back. The younger woman is looking at the tablet and appears to be speaking. They are both wearing dark blue blouses. The background is a blurred office environment.

Enstar is committed to building a learning culture to enable employees of all genders to develop and process their careers.

OUR FOCUS

We are determined to tackle the gender pay gap. Our response falls into three main areas: how we build, develop and support a gender diverse workforce.

HOW WE BUILD

Enstar strives for a gender-neutral recruitment and selection process and continues to strengthen processes to fairly assess candidates. In 2021, the focus was on driving diversity, especially for senior hires, by developing our hiring managers through training to strengthen their ability to make fair and objective hiring decisions. We require gender diverse shortlists for all senior roles, and plan for this to be a part of our global recruitment process at all levels.

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 organization, which is gender neutral.

Where an employee is out on Family Leave (maternity, paternity, adoption or family care), the first 91 days of that leave are bonus eligible.

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 gender neutral 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 learning culture to enable employees of all genders to develop and progress their careers.

We have implemented several learning and talent initiatives to support continuous learning whilst working remotely. A focus on identifying development needs as part of performance discussion, saw a 79.5% increase in the number of employees identifying and agreeing a development plan with their manager. More than 50% of these needs were met through our digital learning resources. As at end of 2021, more than 11,700 digital learning resources had been accessed, with a completion rate of more than 80%.

We continue to identify and invest in our leaders and managers through development programmes so that key individuals are equipped to successfully execute the business strategy, both now and in the future. In 2021, we expanded participants in our Business Excellence Leadership Programme, which aims to develop future business leaders. To date, 35% of the attendees that have taken part in the Business Excellence Leadership Programme are from underrepresented groups.

In 2022, we will transition from an annual to continuous performance management approach, to further embed a focus on digital-enabled development.

HOW WE SUPPORT

DIVERSITY, EQUITY & INCLUSION (DE&I) AND ENGAGEMENT

The Enstar Group Board and Executive Team are deeply committed to ensuring employees of all genders 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, Equity and Inclusion Policy provides guidance on employee level responsibility and outlines the positive business impact of DE&I.

In 2021, Enstar appointed a woman as Group Executive to provide DE&I leadership and focus across the organization. This appointment led to the development of a redefined DE&I structure with an Action Group leading strategy and approvals, a Working Group leading execution and, in 2022, local market Champions providing insights and local delivery. For 2022, the DE&I agenda includes setting targets for diverse shortlisting, hiring and people development and conducting employee focus groups to gather feedback to refine the DE&I agenda.

Our DE&I focus starts from hire, with all new employees required to complete unconscious bias training. We reinforce the message for managers, with required unconscious bias training attendance before hiring their first direct report. Additionally, a facilitator-led unconscious bias training pilot was completed at the end of 2021, for roll-out to managers in 2022.



DE&I AND ENGAGEMENT CONTINUED

In 2021, the annual all employee DE&I survey recorded a response rate of 80%, an improvement from the prior year inaugural survey. A key survey output was a 79% inclusion index score (4% improvement over the prior year). The inclusion index score is derived from employee responses to the questions, “I feel I can be my true self at work” (82%) and “I can see how people with backgrounds similar to mine are able to succeed here” (77%).

In addition to the DE&I survey, employees also participated in our first Engagement Survey to gauge employee views toward Enstar as an employer. Our Engagement Index was 89%; determined as a composite of employees’ feelings of pride in and intention to continue working at Enstar, willingness to go the extra mile, recommend Enstar as a place to work, and caring about the company’s future.

AGILE WORKING

We recognize that work/life balance is key for many working women and are committed to job flexibility, with 23% of our employees working remotely, 75% following an ‘Agile’ working approach and the balance of on-site jobs being those that require on-site presence. Our ‘Agile’ working approach is a manager-led consideration of where and when work is completed to create an environment that works efficiently and benefits both employee, employer and shareholder. There is an equal split of men and women working in Agile and remote jobs.



WELLNESS (MENTAL, PHYSICAL AND FINANCIAL)

Wellness is a key part of our Employee Value Proposition, with initiatives including:

- Enstar Wellness: an annual reimbursement of expenses which support mental or physical wellness;
- Wellbeing platform: to provide consistent and wide-ranging support in the areas of physical, emotional and financial wellbeing;
- Enstar Wellness Day: all employees received an additional day of vacation in 2021 in consideration of the COVID-19 challenged work environment;
- Employee Assistance Programmes: available to all employees;
- Mental Health First Aiders: trained staff members who are available to other employees as a first line of support; and
- Mental Health Awareness Training: 82% of managers undertook mental health awareness training to help identify signs of colleagues or their own mental health challenges and provide guidance on coping and self-help techniques.



For more information, please contact:
HR.Europe@enstargroup.com

Realising Value