

# Gender and Ethnicity Pay Gap Report

Canada Life UK 2020







# Foreword

In a year of unprecedented change for the world, Canada Life has embraced new ways of working. Steve Mason, our Chief People Officer reflects on this and our second Gender Pay Gap and Ethnicity Report.

By continuing to engage in conversations about reimagining our future – listening, hearing and caring about colleague and customer feedback – we’ve strengthened our commitment to building an inclusive and modern workplace so that our people can thrive, whatever their background or identity.

Our 2020 Gender Pay Gap and Ethnicity Report marks the second year we’ve voluntarily analysed ethnicity pay and bonus gaps, and our fourth year reporting on gender pay and bonus gaps. Understanding our pay gaps – and the reasons for them – matters to us. This valuable information ensures that we directly address any barriers that our colleagues face when joining us or progressing within Canada Life.

## Positive strides made

With 2020 findings continuing to show reductions in both our mean and median pay and bonus gap figures for both gender and ethnicity, I’m proud to say that we’ve made some strides in the right direction.

Along with our senior leadership team, I’m focused on embedding lasting change across our organisation. Recruiting to values and not type, focusing on building high-performing teams and reviewing annual Performance awards with an Inclusion lens are just some of the actions we’re taking. While we’ve achieved some positive movement over 12 months, it’s important to maintain our momentum, avoid complacency and challenge ourselves to always improve.

## Ongoing collaboration needed

As we continue to reimagine the ways we work and do business to best evolve with and support our customers and each other, collaboration, inclusion and a growth mindset are critical.

Hand in hand with this, having the best available talent working for us is absolutely essential. Whether offering our colleagues opportunities to develop their skills and grow into new roles, or recruiting externally, how we approach Talent and Inclusion is key.

Retaining top talent is also influenced by many factors including how we create roles and how we characterise the talent, through to how we benchmark and construct our offers. By working together with an eye on evidence-based decisions and continuous improvement, we’ll build our reputation as an employer of choice.

Overall, we’re making solid progress and by focusing on the right change, we expect make even greater progress over the coming year.

**On behalf of Canada Life UK, I can confirm that the gender and ethnicity pay and bonus gap data contained within this report is accurate.**



**Steve Mason**  
Chief People Officer of Canada Life Limited



# Gender Pay Gap

We've seen a year-on-year reduction in pay gaps between men and women since we began reporting in 2017.

## Gender Pay Gap

The charts below show two views. 'Mean' is expressed as the percentage difference between the average hourly earnings of women and men. 'Median' is expressed as the percentage difference between the middle points in the ranges of hourly earnings of women and men.

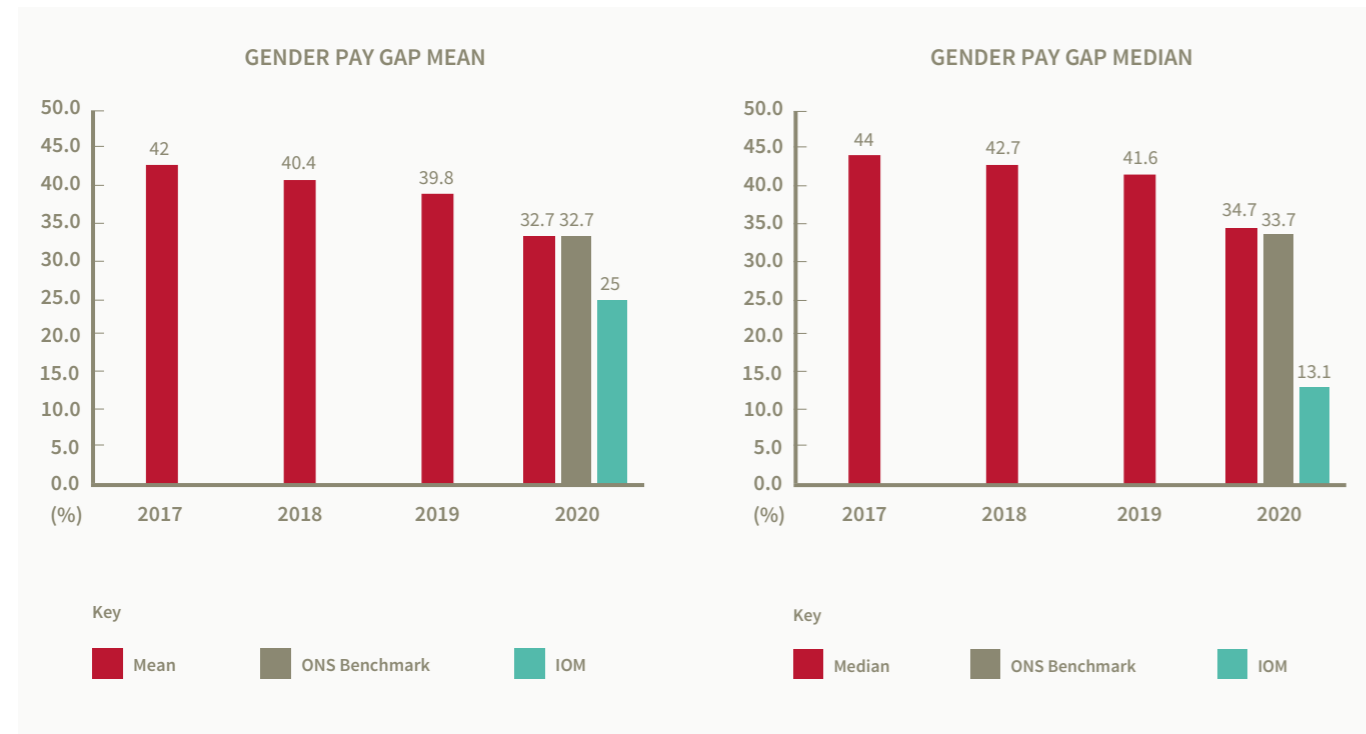


Figure 1: Movement of the gender pay gap mean (%)

For 2020, we're in line with the Office for National Statistics benchmark data for our mean gender pay gap (32.7%). Our analysis shows that the largest decrease has been between 2019 and 2020, where our mean pay gap reduced by just over 7%.

This is partly due to our commitment to the HM Treasury Women in Finance Charter, in 2019. As well, all starting salaries for senior leadership appointments are now reviewed by our Chief People Officer to ensure a consistent and fair approach.

Figure 2: Movement of the gender pay gap median (%)

It is not a legislative requirement to include Isle of Man (IOM) data. As a significant part of our business is based in IOM, we are voluntarily reporting on gender pay and bonus gaps. This marks the first time we're reporting this additional data for our IOM business. To share an accurate year-on-year comparison, we've highlighted IOM as a separate entry. The IOM business on its own is in line with local employment market data based on the 2019 IOM Earnings survey.

'Quartiles' refer to four different pay levels or ranges. The charts below show two views. The figure on the left outlines the percentage of women in minimum, medium, upper or maximum pay quartiles. It includes the year-over-year change. The figure on the right shows the average (mean) pay gap by percentage for minimum, medium, upper or maximum pay quartiles.

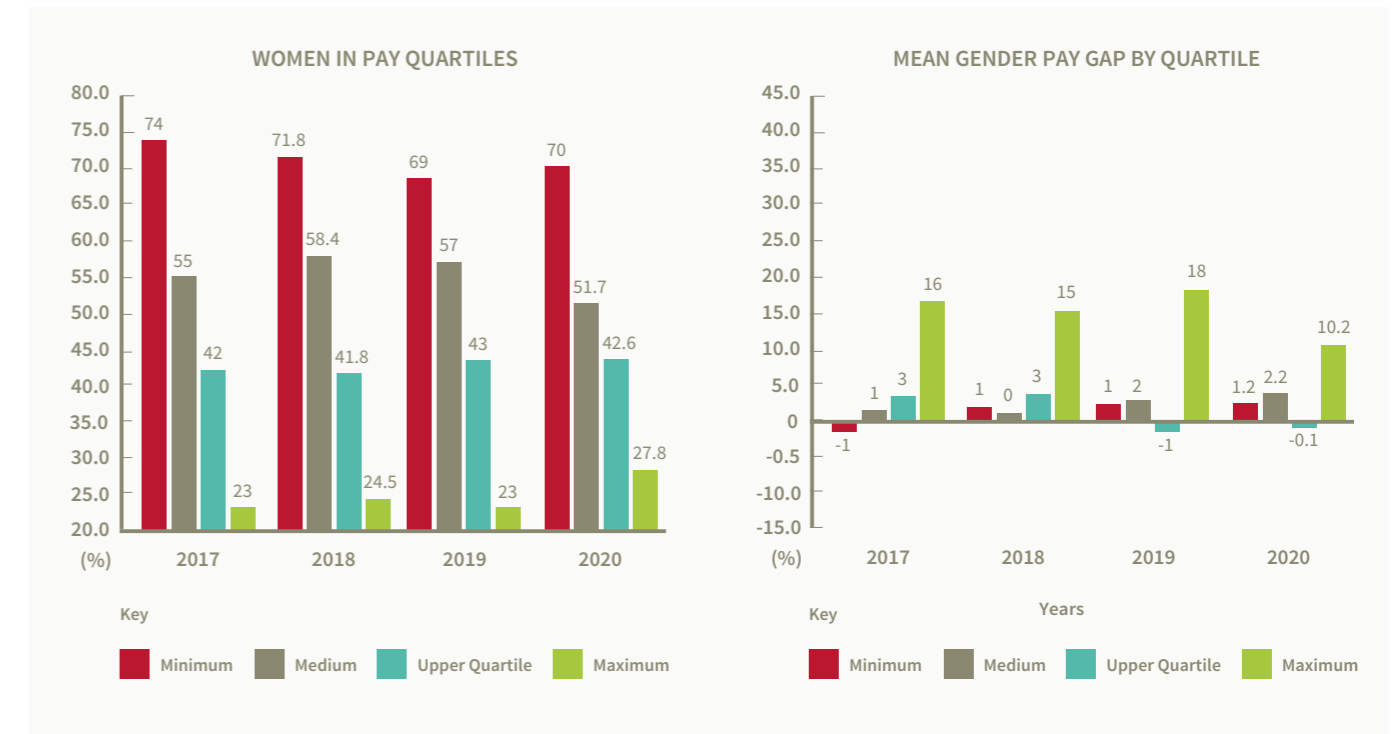


Figure 3: Tracking the progression of women in pay quartiles (%)

Figure 4: Gender pay gap mean by pay quartiles (%)



We're pleased to report that analysis between 2017 and 2020 shows that the largest change has been in the percentage of females in the maximum pay quartile (4.8% increase). An increase like this has helped close the pay gap in the maximum pay quartile. Between 2019 and 2020, we've seen our gender pay gap in the maximum pay quartile reduce by the largest amount - 7.8%. Also of note, we've had a negative mean pay gap in the upper quartile since 2019. This means that when looking at the average pay per hour for women and men in this quartile, women have earned more than men.

However, we still have a much higher proportion of women in the two lower-earning quartiles which continues to drive our gender pay gap.

# Gender Bonus Gap

We've seen a notable reduction in bonus gaps between men and women since we began reporting in 2017.

## Gender Bonus Gap

The charts below show two views. 'Mean' is expressed as the percentage difference between the average gross bonuses paid to women and men. 'Median' is expressed as the percentage difference between the middle points in the gross bonuses paid to women and men.

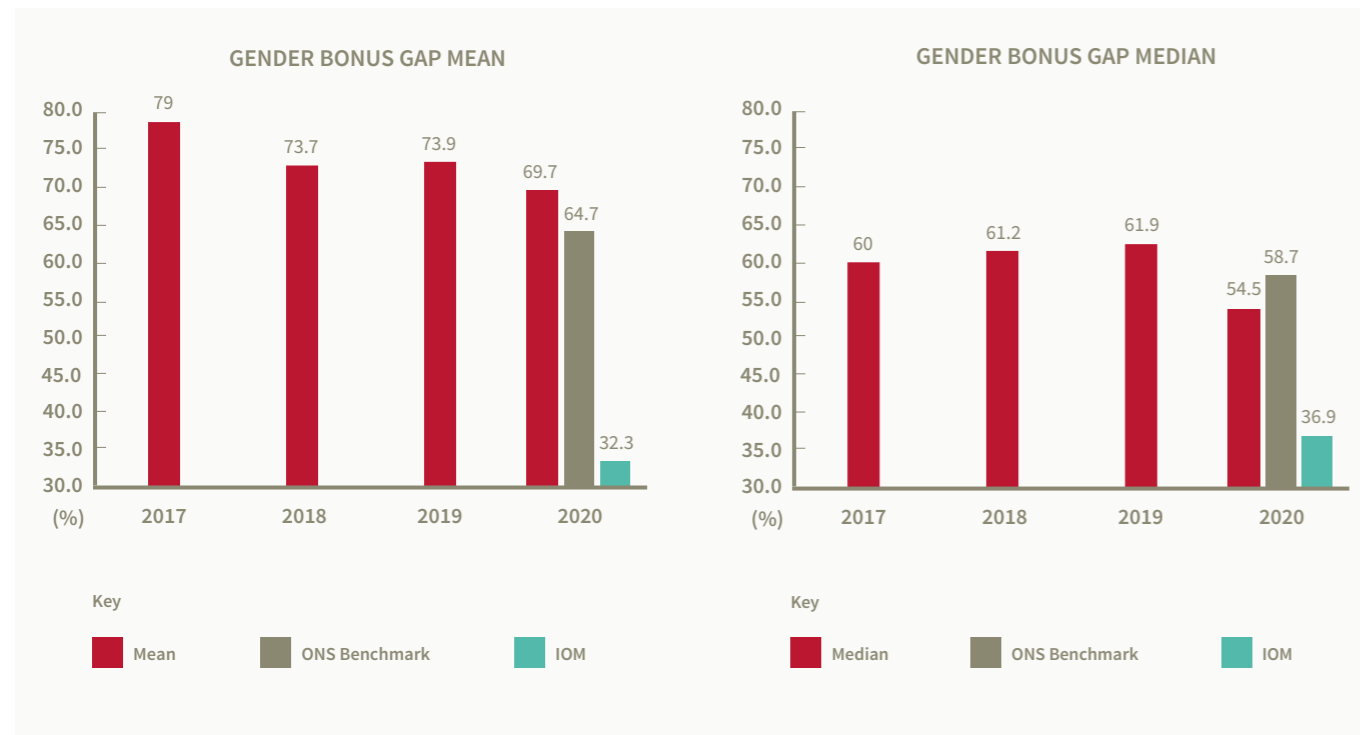


Figure 5: Movement of the gender bonus gap mean (%)

Based on the average gross bonus paid, our mean gender bonus gap has also reduced from 79% in 2017, to 69.7% in 2020. We note that we're some way from the available ONS Benchmark data (64.7%).

Figure 6: Movement of the gender bonus gap median (%)

Our data shows a much smaller median gender bonus gap than the available ONS benchmark data. The median bonus gap is the difference between the midpoints of bonuses paid to all men and all women. For 2020, our median gender bonus gap is 54.5%, and 36.9% within our IOM business.

This chart shows the year-over-year difference between women and men at Canada Life receiving bonuses.



Figure 7: Number of employees receiving a bonus (%)

All Canada Life colleagues have the opportunity to receive a bonus and our analysis shows that overall, more women receive bonuses.

The prevalence of women in the lower pay quartiles affects the average bonus paid to women, especially as bonus is based on a percentage of salary continues to have an impact upon our gender bonus gaps.

The data shows that since we commenced pay gap reporting, we are steadily reducing our gender pay gaps. The largest decrease has been between 2019 and 2020, where our mean gender pay gap reduced by over 7% to **32.7%**.

Analysis shows that our mean gender bonus gap has also reduced by just over 4% to **69.7%**

The majority of our part-time roles are held by women. Current gender pay gap legislation does not take into account the effect that part-time work has on bonus payments. Gender bonus gap figures are calculated on actual bonus paid, rather than on a full-time equivalent amount.

We continually build upon our pay and bonus processes, and in 2020 applied a variety of Inclusion lenses against pay and bonus recommendations to challenge decisions and ensure a fair and consistent approach to financial reward. With this approach we expect to see further reductions going forward.



# Why gender pay gap and ethnicity reporting matters



Reporting on gender and ethnicity pay forces companies to continually challenge themselves to do better if the report highlights a pay gap.

**Randeep Nandhra**  
Partial Internal Model (PIM) Credit Risk Actuary

## Breaking down stigma

I joined Canada Life five years ago as a student in the Corporate Actuarial department. Transitions in the team gave me an opportunity to step up and gain exposure to senior members of the department early on in my career here. I feel quite lucky to have had this opportunity as I was able to establish the reputation as a go-to colleague in my area. As a result, I was able to get involved in a lot more projects, work with more people, and ultimately gain more opportunities.

Just over a year ago I moved to a new role in an area acknowledged as disproportionately more male heavy, likely a result of historically male-dominated industries. I was first located on a floor where I was regularly the only female working there with the exception of the receptionists. This was a shock, and whilst it's good to feel like you're contributing to breaking down the stigma of it being a 'man's world' it shouldn't be so noticeable. After a few months I moved floors, and was happy to see a lot more women, albeit still less balanced to what I have experienced elsewhere.

## Challenging companies to do better

Reporting on gender and ethnicity pay forces companies to continually challenge themselves to do better if the report highlights a pay gap.

Working for an organisation that pushes itself on this subject is important for me as an employee, as it's ultimately an indicator of promoting equal opportunities and fair representation. For me, seeing a woman in a senior position in the company resonates with me more as a role model and someone I can aspire to be like one day, over a man. If you don't see women or stats of women in senior roles being shared, it's harder to relate to and process that this path is attainable. Without that representation the stigma of leadership being a man's world continues.

## Promoting transparency for gender and ethnicity

By increasing the detail of our last pay gap report and giving both gender and ethnicity even more transparency, Canada Life has given a really strong indicator that these topics are getting, and will get, more focus going forward. I believe there are a lot of steps in the right direction; I've attended management and unconscious bias training courses, and have also been able to attend the "Taking the Stage" women in leadership programme, and so know of very good training opportunities available at Canada Life that promote inclusion. I also know colleague-led groups have also been established to support employees from ethnic minorities. I hope to see the impacts of these and other programmes more noticeably in future gender and ethnicity pay gap reports.

# Committed to the Women in Finance Charter

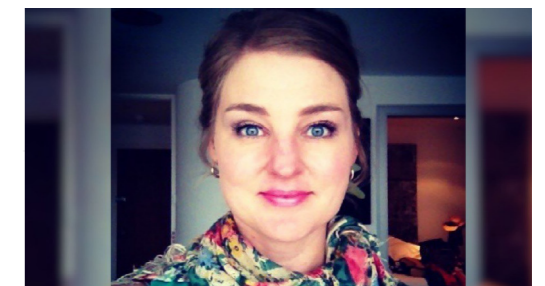
The Women in Finance Charter asks financial services firms to commit to implement key industry actions. As a signatory since 2019 we've set ourselves a target of 30% women represented in senior leadership roles by the end of 2020, rising to 35% by the end of 2023.

In our [2020 progress report](#), we proudly confirmed three key accomplishments made possible through direct support from our Chief Executive Officer and Senior Leadership team.

## In 2020 we:

- + Led a comprehensive talent and succession review for Canada Life UK's senior talent population – reviewing results through various D&I lenses
- + Championed Inclusive Talent Acquisition principles at all levels, but notably at Senior leadership and Executive Director level to increase the representation of women
- + Invested in coaching and the professional growth of senior-most women leaders who took on recently expanded, strategically significant roles. These were women who were directly coached by former CEO Doug Brown.

Good decisions are made when you have a balance of experience on either side of an argument. That's why improving women's voices in the decision-making process is so important. Women offer fresh perspective on decisions and challenges in the organisation through their diversity of experience – balancing arguments and creating the environment for great decisions.



**Shauna Arnott**  
Financial Accounting and Reporting Director





A photograph of two women of different ethnicities smiling and talking. The woman on the left is younger, with dark hair pulled back, wearing a dark blue polka-dot shirt and holding a coffee cup. The woman on the right is older, with short white hair, wearing a yellow jacket. The background is blurred, suggesting an indoor setting like a cafe or office.

# Ethnicity



# Ethnicity Pay Gap

This is the second year we're voluntarily reporting on our ethnicity pay and bonus gap data. This helps us understand and measure how we remove barriers to progression within the company.

Analysing ethnicity pay and bonus gap data is the right step to take so we can continually focus on improving the representation of ethnic minorities within our organisation.

With this in mind, we supported the Business in the Community (BITC) call for mandatory ethnicity pay and bonus gap reporting by signing an [open letter to the UK Prime Minister](#) in October 2020.

We've also been a proud signatory of the [Race at Work Charter](#) since 2019, demonstrating our commitment to the charter's five principles and enabling us to take practical steps to overcome the barriers ethnic minorities face in the recruitment process and in their own career progression.

## The five Race at Work Charter principles:

1. Appoint an Executive Sponsor for race
2. Capture ethnicity data and publicise progress
3. Commit at board level for zero tolerance of harassment and bullying
4. Make clear that supporting equality in the workplace is the responsibility of all leaders and managers
5. Take action that supports ethnic minority career progression

Canada Life is firmly committed to providing our employees with opportunities to grow, develop and build long term careers with us. We want to create a high performance culture that is collaborative, inclusive and most of all empowering for all our space.

We continue to push ourselves to achieve more, evidenced by our voluntary analysis and publication of our ethnicity and bonus gap data for 2019 and 2020. Our Executive Board is committed to identifying and implementing actions to reduce the gaps that certain demographic groups of our population experience.

We're also enhancing our Talent management processes with an Inclusion lens, ensuring we identify potential from within our ethnic minority communities and developing the skills of those employees with the intention of progression into senior management roles.

As Executive lead for the Canada Life Ethnicity Network, I believe that as an organisation we must continue to build our understanding of ethnic minority employee experiences and, armed with this knowledge, challenge ourselves to implement and develop processes and interventions that provide fair opportunities for this population on pay, progression and development.



**Richard Priestley,**  
Executive sponsor for The Ethnicity Network (TEN) at Canada Life

## Ethnicity pay gap findings

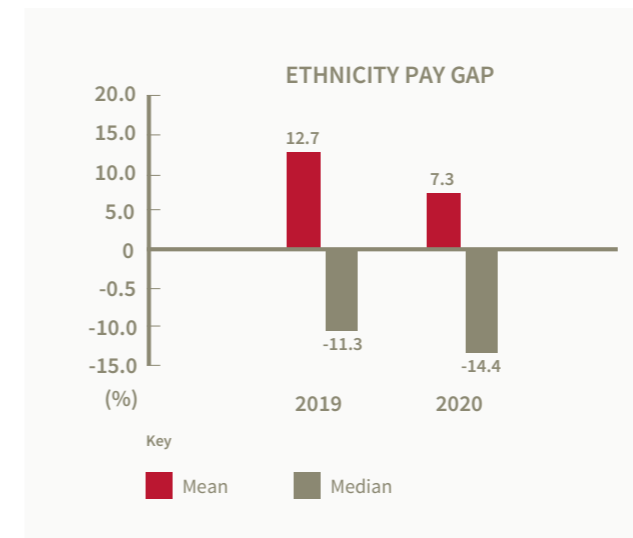


Figure 8: Ethnicity pay gap (%)

Our data shows we're reducing ethnicity pay gaps across Canada Life. In 2019, we had a negative median ethnicity pay gap, which showed that our manager/specialist grades have the highest concentration of ethnic minority colleagues.

For 2020, we've seen an increase in ethnic minority representation in the upper and maximum pay quartiles. The data presented here shows our overall mean and median ethnicity pay and bonus gaps across since we began reporting on these 2019. We've chosen to analyse our data using the same approach widely followed for gender pay and bonus analysis. We've also deliberately chosen to reflect the pay gaps by aggregating all ethnic minority groups.

**Our calculations are based on an ethnicity disclosure rate of 99%.** Due to how data is captured in Isle of Man, it has not been possible to include it in the analysis presented here. Our year-on-year analysis shows an increase in ethnic minority representation at senior management levels. We expect this to rise with our concentrated efforts in Talent Acquisition and Talent Management as we continue to review the attraction, development and progression of our people.

Looking at the average ('mean') ethnicity pay gap data by pay range/quartile we're pleased to report a reduction of over 3% in the maximum pay quartile for 2020 for 2020. Disappointingly, there still remains a pay gap of more than 20.9% in the maximum quartile, due to the lower number of ethnic minority colleagues in senior management positions.

We've taken steps to address this by implementing a comprehensive review of our annual Performance process in 2020, challenging pay and bonus outcomes with a variety of Inclusion lenses applied to the data. As of 2020, all senior leadership starting salaries are subject to Chief People Officer review to ensure fairness and consistency.

	2019 % of Ethnic Minorities in pay quartile	2020 % of Ethnic Minorities in pay quartiles
Minimum	11	11
Medium	15	14
Upper Quartile	19	23
Maximum	12	14

Figure 9a: Ethnic minority representation by pay quartile (%)

	2019 Mean ethnicity pay gap by quartile (%)	2020 Mean ethnicity pay gap by quartile (%)
Minimum	1	3.3
Medium	1	0.2
Upper Quartile	2	2.1
Maximum	24	20.9

Figure 9b: Mean ethnicity pay gap by quartile (%)

# Ethnicity Bonus Gap

We're seeing a reduction in the mean and median ethnicity bonus gaps since our voluntary disclosure commenced in 2019.

'Mean' is expressed as the percentage difference between the average gross bonuses paid to women and men. 'Median' is expressed as the percentage difference between the middle points in the gross bonuses paid to women and men.



Figure 10: Ethnicity bonus gap (%)

As with our gender bonus gap our ethnicity bonus gap, is primarily due to the lower representation of ethnic minority colleagues in senior leadership positions which tend to attract higher bonuses.

% of employees who receive a bonus		
	2019	2020
Ethnic Minority	96.7	92.7
White	99.3	94.6

Figure 11: Bonus receivers by Ethnicity (%)

Compared to white colleagues, a slightly lower proportion of ethnic minority colleagues received bonus pay in the 12 months leading up to 31 March 2020. With the natural cycle of leavers and joiners, and a number of ethnic minority colleagues joining outside of the bonus eligibility period, this has meant an overall drop in bonus receivers from 2019.

Ethnic Minority progression within grade bands		
	2019	2020
Employee	13	14
Manager/Specialist	17	19
Senior Management	7	8

Figure 12: Ethnic Minority progression within grade bands (%)

Despite the COVID-19 pandemic, we chose to continue our talent acquisition activity. The figure above shows our increase in ethnic minority representation across all levels of the organisation. We're pleased to be making steady progress in our senior management grade bands, largely due to our efforts to identify talent and potential in our people to support their progression.

# The Ethnicity Network (TEN)

The Ethnicity Network (TEN) at Canada Life continues to provide instrumental support for both our voluntary ethnicity pay gap and our Race at Work Charter submissions.

Earlier this year, TEN boldly established a Black Lives Matter Action Group – populated entirely by volunteers from across the organisation committed to effecting lasting, impactful change.

The group was established following sessions for our Black and ethnic minority colleagues to share their experiences and thoughts on institutional and systemic racism, microaggressions, racism or discrimination and the actions we can all take to be actively anti-racist.

In 2020 our BLM Action Group covered themes including:

1. Learning and Development
2. Establishment of Development Programmes
3. Fair and Unbiased Recruitment Process
4. Race Equity
5. Representation at Senior Management

## Enhancing our work environment

We're building an inclusive work environment where all colleagues can act as change agents for positive action in the workplace.

Colleagues from our TEN network gathered strong support from across the organisation to recommend actions to implement in the coming year.

The courage and respect demonstrated by all participants during the open-talk sessions was powerful, especially the bravery of our Black colleagues in sharing their experiences, feelings and thoughts. There was specific acknowledgement that while we may be worried about saying the wrong thing, it's important to remember that mistakes are part of the learning process. All participants remained respectful and kind when sharing their own perspectives.

The experiences shared by colleagues were deeply impactful and at times difficult to hear. These sessions demonstrated the importance of creating a safe space that allowed everyone to voice their feelings/concerns, to support each other and to educate ourselves.

Colleagues from our Bristol office also hosted a series of conversations focused on the momentous events of 2020, Bristol's relationship with its past and some of the individuals and organisations who are committed to changing Bristol.

As a result of these open discussions, passionate volunteers formed a Black Lives Matter Action Group to formulate an action plan and recommendation for the change we want to see at Canada Life. These recommendations will be presented to the Executive Board for implementation to commence from 2021.

The Ethnicity Network (TEN)





# Our action plan to address gender and ethnicity pay gaps



The way to address our pay gaps is by removing barriers to progression, increasing representation and enhancing our inclusive culture. This is at the heart of our D&I strategy.

**Jeni Thakrar**  
Talent & Inclusion Partner

We believe that the way to address our pay gaps is by removing barriers to progression, increasing representation and enhancing our inclusive culture. This is at the heart of our future focused Diversity & Inclusion strategy. We've started a wide menu of Inclusion focused activity that we're monitoring closely for impact and outcome in future pay gap analysis and reporting.

This activity focuses on how we attract and recruit talent into the organisation, and how we develop and retain colleagues when they join us.

## Removing barriers to progression

Throughout this report, we've highlighted the steps taken to review annual Performance awards with an Inclusion lens. These are actions we'll continue in the coming years to ensure our approach to pay is fair.

All starting salaries for senior level appointments will continue to be reviewed by our Chief People Officer for consistency and fairness in approach.

We have also enhanced our Talent Management processes by reviewing our talent population through a variety of Inclusion lenses, including ethnicity and gender, to identify our future leaders and introduce opportunities to nurture and develop this talent within the company.

People who will succeed in the Canada Life of tomorrow are those who are united in purpose – building better futures for our customers.

**Gavin Withers**  
Head of Talent Acquisition



## Increasing representation by attracting great people

At the heart of our Talent Acquisition (TA) strategy is identifying, attracting, engaging and introducing great people to our organisation. How do we characterise 'Great People'? In the Canada Life sense I think it's people who will contribute to, and drive an inspiring culture. People who will succeed in the Canada Life of tomorrow. People who are united in purpose – building better futures for our customers.

The guiding principles of our TA strategy are:

- + **Recruit to values and not type;**  
Everyone who lives our values can belong and has the potential to succeed. Identify and engage with model leaders of tomorrow – people who will continue to build on the principles and example set by our current Executive Team;
- + **A relentless focus on building high performing teams**  
It's a universal truth that the most diverse teams are the most successful in today's world - after all, our customers come from every corner of the globe and all walks of life. I strongly believe that inclusivity isn't just about a set of actions, processes or methods. That's why we have looked at every part of the Talent Acquisition journey, from the genesis of the role, and how we characterise the market of suitable talent, through to how we benchmark and construct our offers – ensuring that everyone gets a fair deal. And quite literally everything in between.

We're early on in our journey, and there will always be room for improvement. There's great feedback from our candidates and new joiners about the recruitment experience, and the collaboration from our colleagues in the process is enabling us all to think differently, and challenge our own perceptions as to what's possible.

Our messaging is appealing to broader audiences, and our assessment approach drives robust, evidence based decisions, in a process that will always strive to be engaging, inclusive and innovative. And as a result, we are starting to see positive trends in the diverse representation of great people entering the organisation.



# Colleague Insight

My career spans 20 years and I can honestly say that I've never felt more proud to work for an organisation. My Canada Life colleagues have conducted some superb activity this year to draw attention to Black Lives Matter and place ethnicity front and centre of our Inclusion efforts.

This includes discussions on racism and strong data analysis to review progression and development of people from ethnic minorities. I've seen and heard these topics and action plans being discussed at employee, leadership and at Executive Director level, and it's really exciting and inspiring to be part of this change.

**Annette McIndoe,**  
Commercial Analyst, Finance



## [ Inclusive culture ]

### Enhancing our inclusive culture

Canada Life responded to the COVID-19 pandemic by swiftly investing in and enhancing our technology to enable all our colleagues to work remotely. We've also taken the opportunity during the pandemic to refurbish our work environment. This change has enabled us to reimagine the way we work in the future which aims to redefine how, where and when our people engage, making it easier to balance competing priorities.

Building an Inclusive culture at Canada Life is really important to us so in 2020 we invested in a large-scale cultural diagnostic survey. Whilst we can implement some recommendations quickly, others will take longer. Everything we introduce will help us achieve our ambition to become a high performance organisation, where all of our people can build great futures with us.