

EULER HERMES UK 2018 GENDER PAY GAP REPORT

In April 2017, Gender Pay Reporting legislation came into force. Any employer with more than 250 employees now has to report each year on six key measures, including pay and bonus gaps.

At Euler Hermes UK we are committed to having a diverse, inclusive workforce made up of employees from a wide range of backgrounds. This will give us a competitive advantage, helping us to drive innovation, challenge existing processes and deliver outstanding service.

PAY EQUALITY AT EULER HERMES UK

To support equality we must have fair pay. We are confident that men and women are paid equally for doing the same job at Euler Hermes UK. However, we have fewer women in senior roles, which creates a gender pay gap. Equal pay and gender pay gap both deal with the levels of pay females get at work and both are very important but they are two different measures.

WHAT IS A GENDER PAY GAP?

A gender pay gap measures the difference between male and female average hourly earnings across a whole organisation, irrespective of their role or seniority. It is expressed as a percentage of male pay. It does not look at 'like for like' role comparisons, so if an organisation has more men in senior roles and/or more women in junior roles, it will have a gender pay gap.

WHY REPORT ON GENDER PAY?

Gender Pay Reporting legislation came into force in April 2017. It requires employers with 250 or more employees to report annually on the six key measures on the right. The purpose of this legislation is to put a spotlight on gender pay. It aims to encourage larger employers to put solutions in place to

reduce the gap, whilst acknowledging the strategic importance of gender balance and equality for ongoing organisational success.

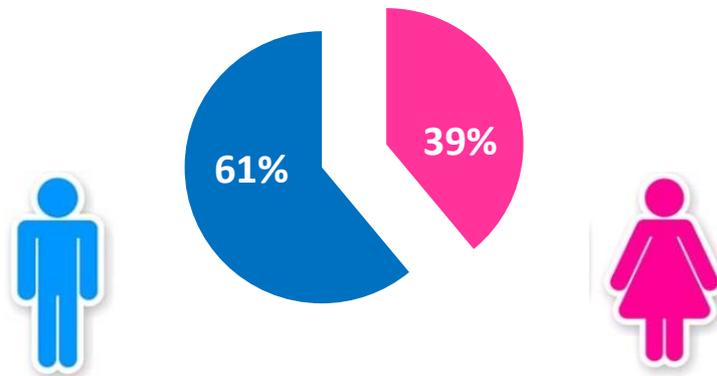
Closing a gender pay gap makes good business sense, supports women to fulfil their potential and is the right thing to do. It's essential organisations seize the opportunity to address the causes of any gender pay gap.

GENDER PAY GAP – THE SIX UK GOVERNMENT MEASURES

1. Mean gender pay gap – difference between average hourly earnings of men and women.
2. Median gender pay gap – difference between the midpoints in the ranges of hourly earnings of men and women, lines up all salaries in that sample in order from lowest to highest and picks the middle point.
3. Quartile pay bands – the proportions of males and females in the lower, lower middle, upper middle and upper pay ranges.
4. Mean bonus gap – as above, but looking at average bonuses paid rather than salary.
5. Median bonus gap – as above but for bonuses rather than salary.
6. Bonus proportions – percentage of men and women receiving a bonus (performance award) payment.

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UK WORKFORCE (AS AT APRIL 2018)



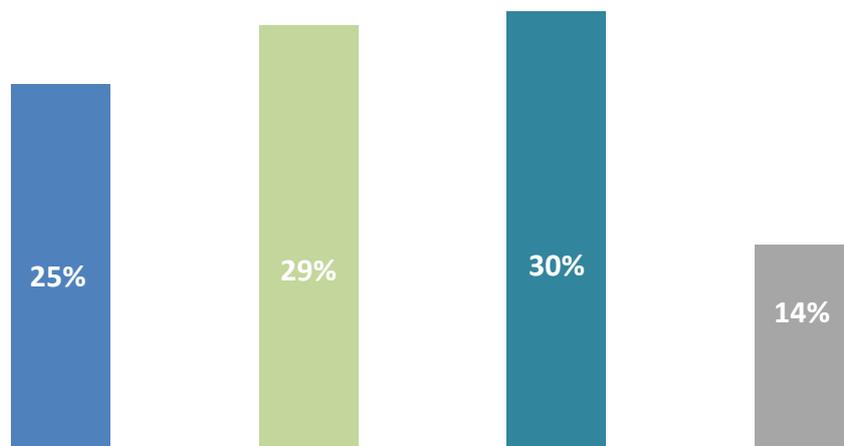
OUR 2018 GENDER PAY GAP FIGURES

Our gender pay gap based on hourly rates of pay (as at 5 April 2018) was



This graph shows our overall **median gender pay gap** based on hourly rates of pay (as at 5 April 2018) compared to the industry and UK.

■ Euler Hermes UK
 ■ Insurance Industry¹
 ■ Financial Services¹
 ■ National¹



Overall Median

The difference between the midpoints in the ranges of hourly earnings of men and women

¹PWC Gender Pay Gap Reporting: Spotlight on Insurance

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BONUS PAY

The figures below show our mean and median bonus pay gap in the 12 months leading to 5 April 2018. There was a mean bonus pay gap of 56.4% favouring males.

The proportion of employees receiving a bonus was 89.33% for males and 93.94% for females.

56.4%

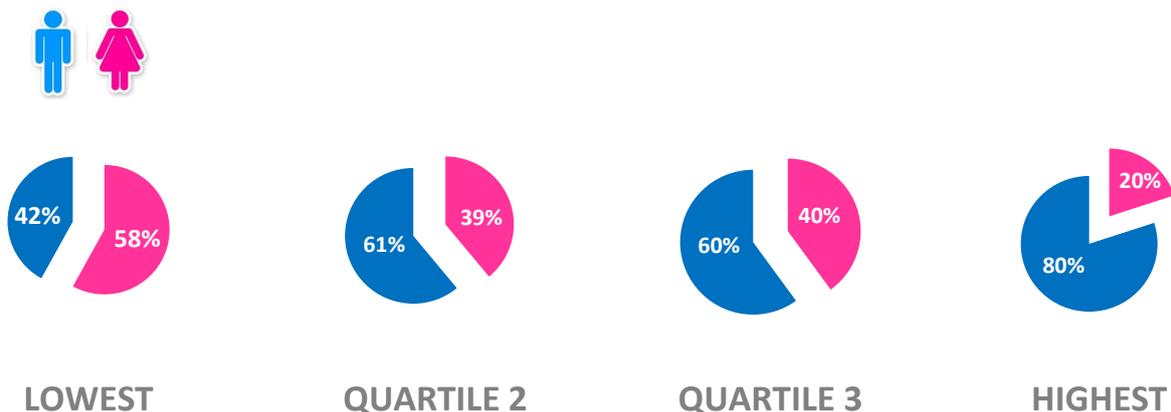
OVERALL MEAN

53.9%

OVERALL MEDIAN

GENDER DISTRIBUTION BY PAY QUARTILE

If we take our total number of employees and divide them into four equal groups, with those earning the least in the lowest quartile and those earning the most in the highest quartile, you'll see that our gender pay gap is the result of having fewer females in senior level roles.



Each quartile contains 104 employees.

WHAT ARE WE DOING TO ENSURE THERE IS NOT A GAP IN THE FUTURE?

It's essential for the ongoing success of our business that we do all we can to attract, develop and retain the best talent available. This means ensuring we're not only creating opportunities for careers to grow, but that we're consciously developing a diverse talent pool to make the most of these opportunities.

Fewer women than men apply for senior roles – we believe our flexible work policy, which enables almost all roles in the company to work partly from home, will help attract more women into senior roles. We also try to develop female employees so that they are ready for senior roles. As part of our annual talent management process, we identify female employees who we believe have the potential to progress to senior roles in the organisation and appoint mentors for them.

We've also appointed Diversity Ambassadors across the business to help drive our diversity initiatives and engage the business further in diversity & inclusion initiatives, including the networking and development programmes, such as Allianz Women in the City and the new JET Women's programme. The Allianz Women in the City Network aims to provide a place to connect with colleagues, support the

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professional development of members and increase the visibility of female talent across the Allianz businesses in the UK. The network also encourages employees of all genders to engage with the economic case for gender equality and diversity. The JET programme is designed to support women to identify their core strengths and careers goals, and to start finding and creating opportunities for themselves. JET provides women with a guided approach into navigating and driving their career development, providing them with tools, knowledge and advice, as well as the opportunities to network with leaders from across the Allianz Group.

Our Diversity Ambassadors are also participating in a careers fair at a local girls' school with the Chartered Institute of Insurance, with the aim of encouraging the next generation of female talent to consider insurance as a career option. We believe in creating a culture where people and performance matter and closing the gender pay gap is the right thing to do. We need to inspire women to enter industries like insurance and ensure that hard work pays off regardless of gender.

We are confident that males and females are paid equally for doing equivalent jobs across Euler Hermes UK. We have always, and will continue to, appoint, promote and reward on merit. We have a firm commitment to equal opportunities for all and ensuring that hard work pays off, regardless of gender.



Milo Bogaerts, CEO