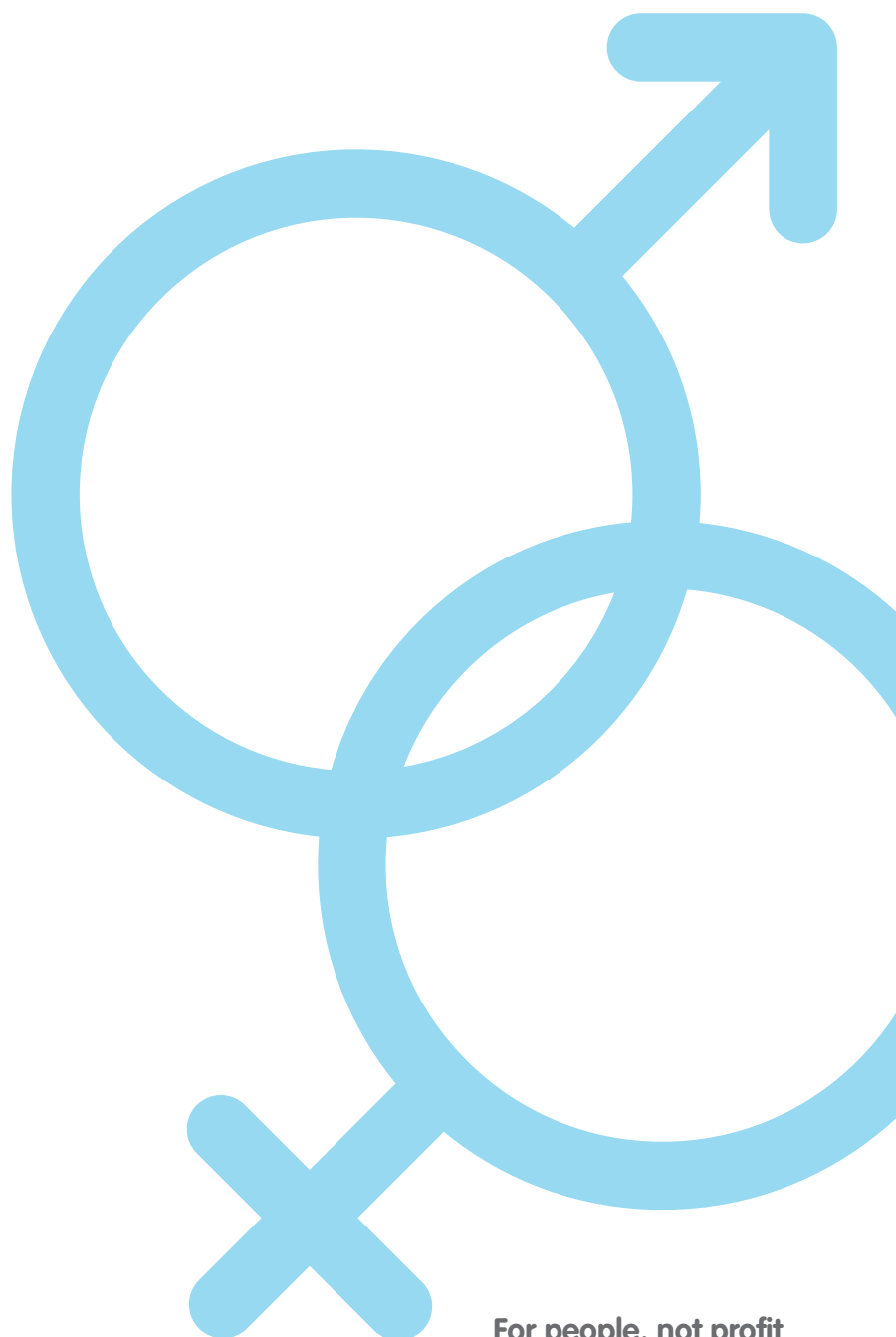




B&CE Gender Pay Gap report

We publish our gender pay gap figures on a government website each year and the purpose of this report is to summarise those results and to provide some further information about how we are doing against our long-term goals.

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For people, not profit

Introduction

At B&CE, it is our strong belief that a diverse and inclusive culture is crucial to the long-term success of our business. Bringing people together from a wide range of backgrounds with different experiences, expertise and skills is a critical element of the creation of a high-performing organisation.

In 2017, when we first reported our gender pay gap figures, we expected our results to reflect those of the main industry that B&CE's business is rooted in – financial services – an industry that has traditionally had very male-dominated senior managers. As an illustration, national statistics in April 2019 showed that the median gender pay gap for financial services was 27.8%; by comparison, our own current median gender pay gap is higher than that at 38.5%. In terms of gender balance in our company, an important goal we were hoping to achieve was to improve our ratio of male/female leaders to 60/40 by 2020 (and 50/50 by 2025). Whilst at the most senior executive levels the benchmark of 60/40 has been reached in 2020, our overall leadership ratio stands at 67/33 which, disappointingly, falls short of our target. The overall leadership ratios are clearly not the results we were hoping to see, despite the many initiatives we have been taking to improve our gender pay gap results, and as a leadership team we have tried to analyse in detail the reasons for this outcome.

We have identified a number of business factors that have resulted in these results:

1. At the very highest level of the company there continues to be more men than women in leadership positions, even if the direction of travel is positive, eg in 2017 there was only 1 female leader and in April 2020 there were 4.
2. The progress towards our goal of a 60/40 ratio of male to female leaders by 2020 has been impacted by the prior year's restructure and the critical need to focus on hiring key new senior level skills into technology roles, many of which are heavily male-dominated roles still. However, we are taking advantage of current vacancies to seek to improve our gender balance.
3. A concerted effort we took to enable more flexible and part-time working has been successful and resulted in significantly more women being hired by the company – we are now 59% female overall – but a disproportionate number of those new hires were at lower levels of seniority and pay.
4. As a not-for-profit organisation, bonuses at B&CE have been modest in the past and focused on a relatively small number of leaders. Our total bonus pool is just 2% of our total annual company-wide remuneration. Again, we saw an increase in our median bonus pay gap, which reflected the higher bonuses in absolute terms awarded at leader level.

All these factors have contributed to our gender pay gap increasing marginally since last year, and us not achieving our desired gender balance in leadership positions. So, as an executive team, we have agreed to redouble our efforts to address these issues head on. For example, to ensure that there is no gender bias in our recruitment process, we have introduced anonymised CVs for all recruitment across the company as well as actively seeking a better gender balance in candidates for key and senior roles. In June 2019, we introduced a new performance-based bonus scheme which covers all employees and enables all high performing staff to benefit through higher levels of reward. We are confident this will help to reduce our gender bonus gap in the longer term. We are continuing to invest heavily in the development of our staff to better prepare them for future management and leadership positions.

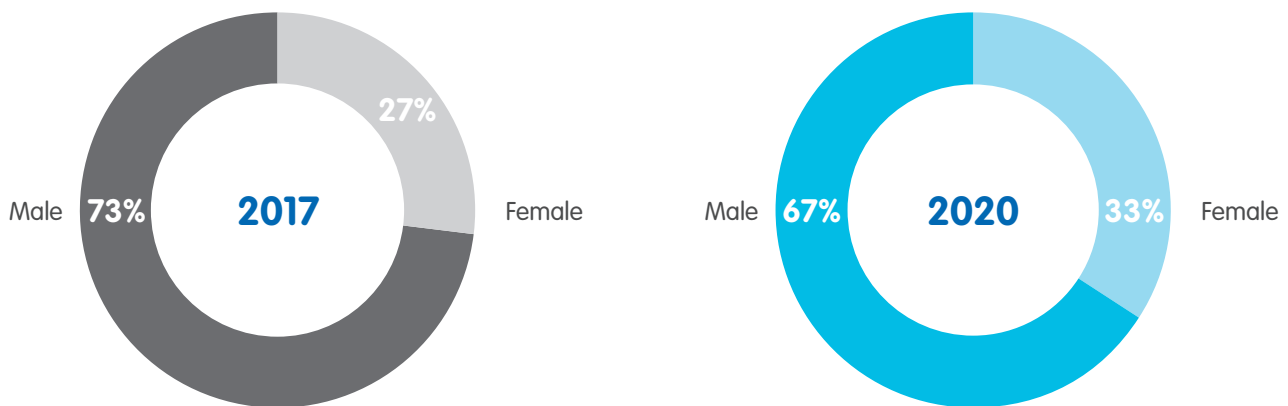
We are also looking closely at other areas where we can make improvements, and we remain committed to supporting all our employees as they strive to develop their careers at B&CE. I am personally very optimistic that the various measures we have put in place will enable us to continue to grow and be successful in the future and start to better reflect the vision for our organisation.

Patrick Heath-Lay
Chief Executive Officer
B&CE

Gender pay reporting summary

Progress towards our 2020 goal of 60/40 and 2025 goal of 50/50 in split of male and female leaders

Our ratio of male to female leaders has improved from 73% to 27% in 2017, to 67% to 33% in 2020.



1. Difference in women's hourly rate

Our mean gender pay gap at April 2020 was 33% - meaning that the mean male hourly rate is 33% higher than the mean female hourly rate. This reflects the 2 main points: first, that we have fewer women in higher paid roles than men and, secondly, the increased offering of flexible and part-time working has seen significantly more women hired into entry level and less senior salary roles.



Two years ago, we had close to a 50/50 split of men and women in the lower quartile roles, increasing to 25/75 in 2020.

B&CE is a growing organisation. We have strengthened key departments across the company, with a considerable number of senior hires in traditionally higher-paying, male-dominated sectors such as IT which have impacted our pay figures. Taking this, and our gender pay analysis into account, we undertake an annual equal pay audit to continue to ensure that we are maintaining a fair and equitable pay structure across the organisation.

2. Proportion of males and females in each pay quartile

	2017		2018		2019		2020	
	Male	Female	Male	Female	Male	Female	Male	Female
Upper quartile	69%	31%	65%	35%	63%	37%	67%	33%
Upper medium quartile	48%	52%	43%	57%	41%	59%	45%	55%
Lower medium quartile	23%	77%	33%	67%	32%	68%	29%	71%
Lower quartile	48%	52%	30%	70%	26%	74%	25%	75%

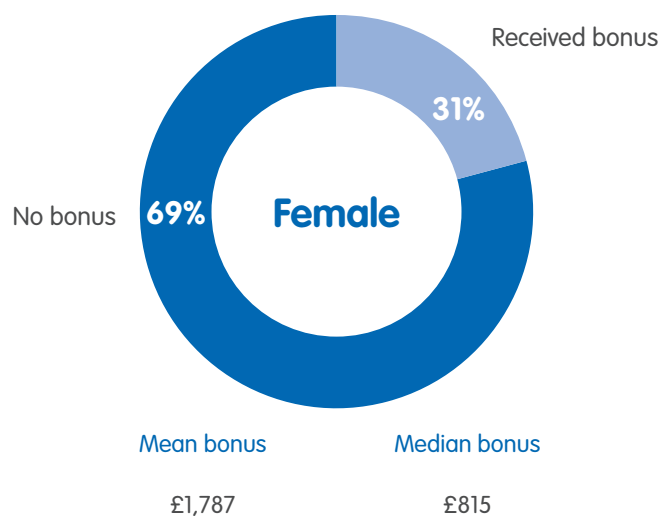
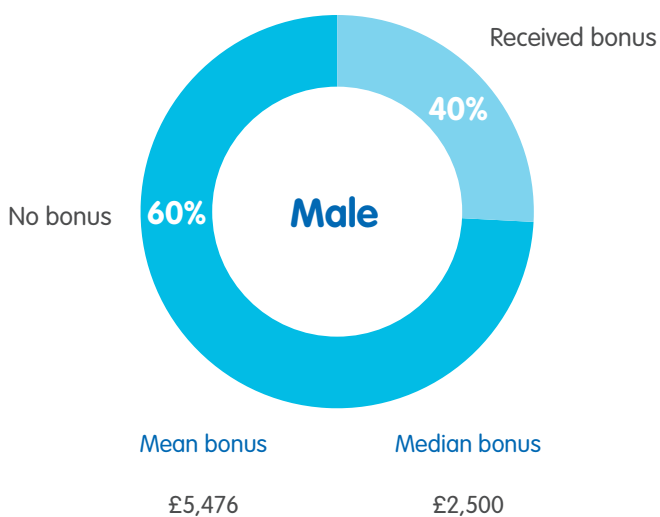
3. Bonus eligibility and awards; proportion of males and females

Male

Number of eligible employees	144	58	Number awarded a bonus
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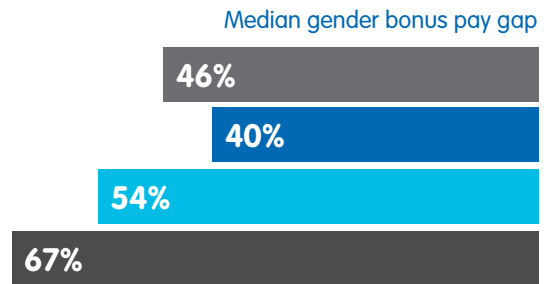
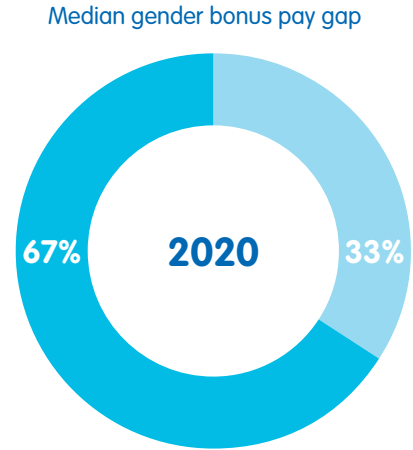
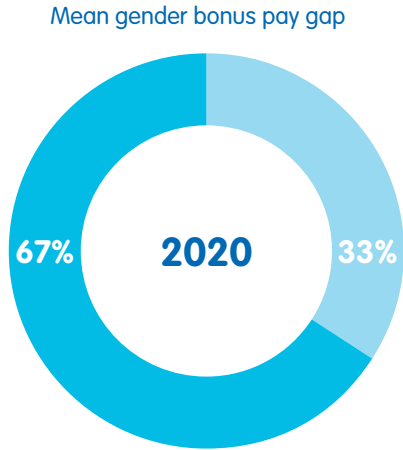
Female

Number of eligible employees	200	62	Number awarded a bonus
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4. Bonus eligibility and awards; gender pay gap

Of the individuals above, who were awarded a bonus, the first chart below shows the mean and median pay gap. The second chart shows the chronology from 2017 onwards.



Last year, we also saw an increase in our median bonus pay gap from 54% to 67% while our mean bonus gap remained similar. This reflects the increasing proportion of females in the lowest quartile of the workforce. As a not-for-profit organisation, bonuses are modest when compared with financial services more widely - with our bonus pool less than 2% of our total company-wide remuneration and concentrated at Director level.

We are working hard to address gender balance at B&CE

- **Enhanced flexible working arrangements:**

In 2018, we introduced enhanced flexible working options for all workers, including core hours working, enhanced home working and the opportunity of career breaks for long-serving employees. This year we have implemented IT and telephony equipment to further support staff working from home and now advertise all positions with the option to discuss working flexibly.

- **Improved recruitment process:**

In our recruitment process for senior roles, we continue to seek to ensure that, where possible, at least 50% of candidates put forward are women. We have also introduced anonymised CVs for all recruitment across the organisation.

- **New performance management process:**

We have standardised the performance management process and linked performance management to reward, to reduce the potential for subjectivity or bias.

- **Bonus arrangements:**

In April 2019 we introduced a bonus plan with eligibility for all employees, which will help to bring about a reduction in our bonus gap in future years.

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