

Building a Stronger Business

2019 gender pay gap report

TWG Services Limited was acquired by Assurant in May 2018, resulting in a large integration programme designed to bring the two businesses together in to a single operating model. During this time, a large change programme has occurred within the legacy TWG Services Limited business to harmonise processes, policies and ways of working. In time, the introduction of practices designed to deliver a more diverse population will start to reduce the gender and bonus gaps within the TWG Services Limited business but as of the snapshot date (April 2019) the impact of new ways of working were yet to be realised.

As part of the Assurant Group, we're thrilled to be working together to deliver our purpose to protect what matters most in an ever-changing and multi-cultural, global marketplace. As an organisation, we are committed to diversity and inclusion, not only because it helps to make Assurant a better place to work, but because it's essential in strengthening our client relationships, fostering innovative solutions, and ultimately, delivering sustained outperformance to ensure an ever-stronger Assurant for the future.

In 2017, Assurant signed the CEO Action for Diversity and Inclusion (D&I) Pledge and has remained committed to its initial goal to accelerate further conversation and action around diversity and inclusion. Our company's commitment to a diverse and inclusive culture is important to all of us.

Where we are globally

To help shape, reinforce and accelerate our D&I strategy, in 2018 we created Assurant's global **D&I Advisory Council** who are helping to evolve our culture by identifying the key activities we need to focus on.

We have also been recognised globally for our commitment to advancing D&I in the workplace.

- Assurant's office in Argentina received **2019 BEST WORKPLACES™ FOR WOMEN** recognition.
- Our Mexico office received a **2019 GREAT PLACE TO WORK®** award, recognizing an inclusive culture.
- 100 percent on the Human Rights Campaign (HRC) foundation's 2020 Corporate Equality Index (CEI), recognising Assurant as a **BEST PLACE TO WORK FOR LGBTQ EQUALITY IN 2019 & 2020**.
- We were named a **WINNING COMPANY** by 2020 Women on Boards again in 2019 for representation of women on Assurant's Board.

Where we are locally

TWG Services Limited has seen major changes following the acquisition by Assurant in May 2018. Organisational alignment between the two businesses has seen significant changes to the operating model as we work towards the optimum structure to continue to protect what matters most to our customers and our employees.

While we're making progress, there's work ahead to advance our efforts and bring our diversity and inclusion commitment to life throughout the Assurant Group. We ask our employees to influence a positive workplace culture by seeking a variety of perspectives and fostering a culture where they feel comfortable and valued for sharing their diverse experiences and ideas.



What is the gender pay gap legislation?

Companies with 250 employees or more are required to publish statutory calculations every year reporting the pay and bonus gap between their male and female employees. This analysis must be based on data from 5th April every year.

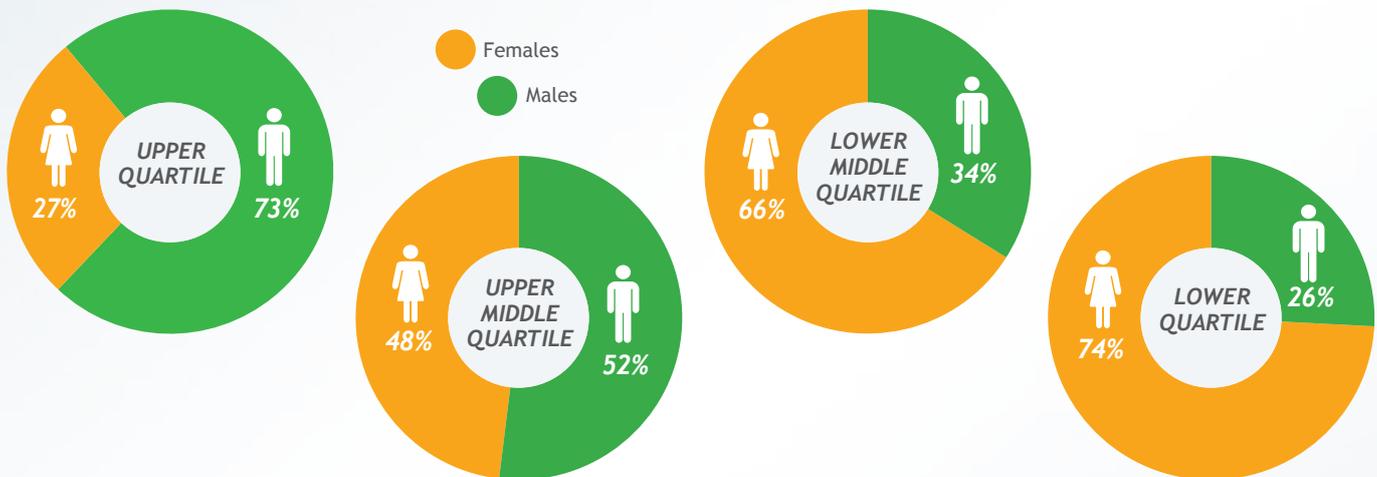
The gender pay gap shows the differences in the average pay between males and females across the whole organisation irrespective of their role or seniority.

This is different to equal pay. Equal pay requires that males and females who carry out the same or similar jobs; or work of equal value, are paid the same. Unequal pay, paying people differently because of their gender is unlawful.

Our progress to date

PAY DATA	Mean 2017	Mean 2018	Mean 2019	
	Difference in hourly rate paid to all male and female employees	48.6%	47.1%	56.3%
	Median 2017	Median 2018	Median 2019	
	Difference in hourly rate paid to all male and female employees	52.9%	52.6%	54.2%

Both the mean and median pay gaps have increased over this reporting period which reflects the number of males in senior roles compared to females.



We are starting to see an increase in the number of females in the upper quartiles which is a positive indication that new practices are beginning to make a difference.

The continuing evolution of our processes during 2019 should see further improvements in future reporting periods. During 2019, we increased our conversion rates of female candidates by 8% on the previous year, with diverse interview panels proving effective. We also held unconscious bias training for 126 people managers across the UK in 2019 resulting in greater awareness and understanding.

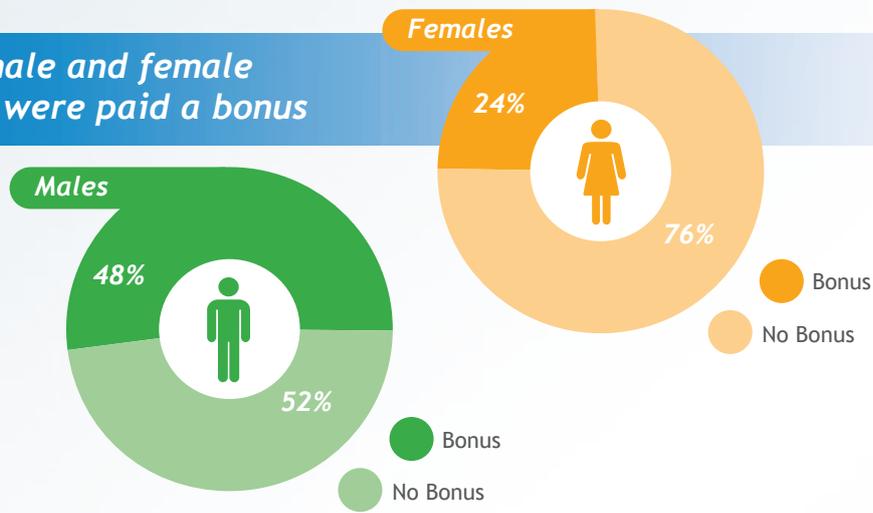
We hope to see further positive movement in the upper two quartiles showing progression and recruitment of females into more senior roles. This will continue to improve as we develop our emerging talent, 40% of which are female. We now have a UK-wide talent pool across both businesses (Assurant and The Warranty Group) giving greater opportunity for progression and skills development.

GENDER BONUS GAP

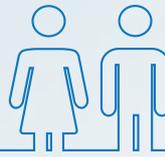
	Mean 2017	Mean 2018	Mean 2019
Difference in bonus pay paid to male and female employees	81%	81.5%	72.5%
	Median 2017	Median 2018	Median 2019
Difference in bonus pay paid to male and female employees	97%	98%	95%

The main reason driving the mean and median bonus gaps is the ratio of males in senior roles to females. As part of the integration there will be a transition to the Assurant variable pay schemes during 2019/2020. We have several variable bonus schemes with different/varying performance criteria linked to the area of the business being supported.

Proportion of male and female employees who were paid a bonus



In 2019 we introduced the Assurant All Employee Bonus Plan to the TWG Services Limited business which will impact the percentage of employees receiving a bonus in the next reporting period.



The journey continues

Diversity and Inclusion is one of the key People and Culture strategic priorities for Assurant in 2020. We are committed to further reducing our gender pay and bonus gaps and will continue to progress on our journey.

► **Talent** - To support diversity within our future leadership team

Our long-term aim is to increase the diversity of the business to reflect the broader European organisation and the markets in which we serve.

We have formed D&I workstreams focused on inclusive Talent Acquisition processes, talent development and progression, and building awareness and learning to support a diverse and inclusive culture. We have reached deeper into our organisation to identify a more diverse population with activities aimed at equipping them to take the next steps in their career, including a new talent development programme.

► **Recruitment** - Attracting and selecting the right talent for our business

We are very proud of our robust practices which are delivering an unbiased experience for our candidates and our employees. We are continuously identifying ways to better attract and retain more diverse talent. We continue to innovate and enhance our internal processes designed to deliver a diverse workforce. We are committed to; increasing the diversity of new hires (all characteristics); reviewing all job descriptions to ensure they are gender neutral; ensuring all demographic characteristics are removed from the shortlisting process to remove any bias; supporting our hiring managers by providing a diverse candidate shortlist; and working with likeminded partners who are committed to providing diverse candidates.

► **Policies and Procedures** - To enable greater understanding

We are well on the way to reviewing (and updating where appropriate) all our policies and procedures to ensure they reflect best practice. Policies now include Diversity statements, outlining our approach to D&I. We have introduced a Board Diversity policy which sets out the standard for D&I on the Board. Diversity of skills, background and personal strengths are an important driver of the Board's effectiveness, creating different perspectives amongst directors, and increasing the quality of decision-making.

We will focus on raising awareness and improving engagement with our policies and continue to embed practices reflecting an inclusive culture.

► **Networking Groups** - To support progression of our female talent

This is a key objective for 2020 with a focus on advancing female career progression.

► **Agile Working** - Aligning lifestyle choices with career aspirations

As we continue to support our workforce with agile working arrangements, flexible working is the focus for new tools and resources being introduced in 2020. Online workflows and decision trees will provide an innovative platform to support leaders in managing a flexible workforce.

Assurant strives to be a great place to learn and work, where individuals feel appreciated for their contributions. We value all employees for their diverse thoughts, ideas and experiences.

"We are passionate about creating an environment in which all employees can develop and thrive as we build a stronger Assurant, making us the best place to learn and work"

Christian Formby Hernandez
President, Europe

Unrestricted