

UK Gender Pay Gap and Women in Finance Charter 2018

Introduction

“Since we reported last year, we have reduced our gender pay gap from 31.33% to 29.23% and continue to press ahead with our plans to reduce it further.

Women make up almost two-thirds of our workforce and while they are spread across junior and senior roles, proportionally we have more females in junior roles. We are extremely proud of the number of women we employ and of the flexible and part-time employment opportunities we provide and recognise that this attracts more women to junior roles and for some, this suits their lifestyle choices and commitments outside of work.

We regularly benchmark our pay and grading approach to ensure that we pay our roles proportionately to the skills, experience and responsibility required of them regardless of who occupies them.

In 2016 we signed up to the Women in Finance Charter and are committed to reaching our target of 33% of women in senior positions by 2021. The Women in Finance Charter is so important and integral to our ways of working at Principality, as there is a clear link to one of our core values of ‘Doing the right thing’, that it only seemed right to make our CEO the accountable executive. For us, the charter is a positive step in continuing to achieve a balanced workforce and we believe that by making diversity a business

deliverable, it will bring an enhanced level of focus to drive change.

When we signed up to the Charter in 2016, 23% of our senior leadership team was made up of females. As of July 2018, that figure has increased to 28% which in turn helps with the Gender Pay Gap. Although this represents a significant step in the right direction and places us firmly on target to meet our deadline, we still have work to do as we deliver our Diversity and Inclusion strategy.

Our focus in the first two years of our strategy roll-out has been to embed our diversity and inclusion approach throughout our organisation. We’ve worked hard to educate our colleagues through a programme of education and awareness and we promote the benefits of having a workforce that reflects the communities we serve. We know this not only enhances our service to our Members but also creates a culture which enables all colleagues to reach their full potential. In recognition of the change we continue to drive in our culture, we’re delighted to have been recognised as a Great Place to Work in 2018.

2019–2021 will see our Diversity and Inclusion strategy move into the next phase. I am excited that we are taking a multi-faceted approach starting with recruitment and running right through to colleague development, talent and succession planning and our flexible working approach to continue to build our inclusive culture.

I confirm that the information contained in Principality’s gender pay report is accurate.”

**Rhian Langham,
Chief People Officer**



Definitions

Mean Figure

The mean figure is the difference between the average of the pay for men and women. The mean is calculated by adding up each pay rate or bonus and dividing by the number of total employees.

Median Figure

The median figure is middle value of all of the pay rates or bonuses, when all of these figures are arranged in order.

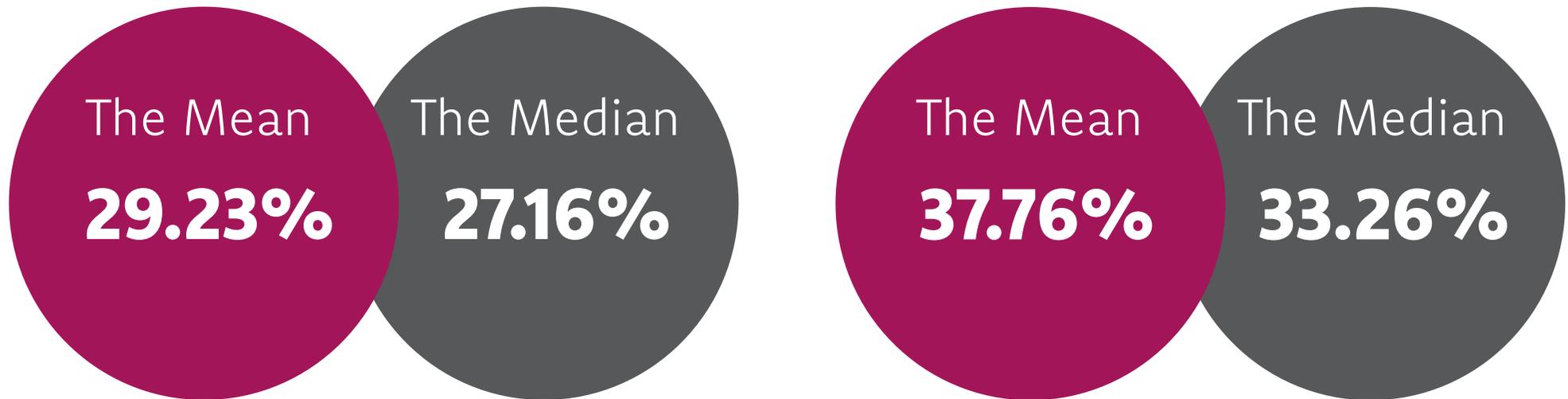
Gender Pay

The gender pay gap looks at the difference in the average pay between all men and all women in an organisation and describes this difference in a single number. The gender pay gap data includes pay across all levels and roles.

Equal Pay

Equal pay looks at the differences between men and women who carry out the same jobs, similar work or work of equal value. Legislation on equal pay has been in place in the UK for more than 40 years and makes it unlawful to pay people unequally.

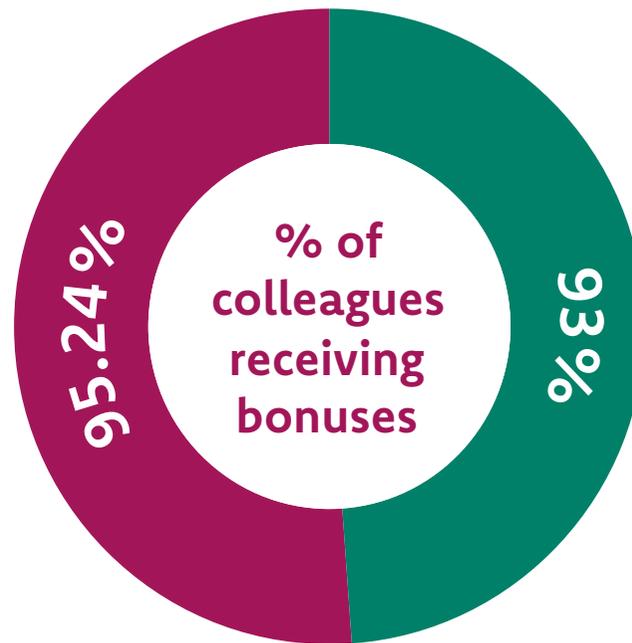
Gender pay gap difference



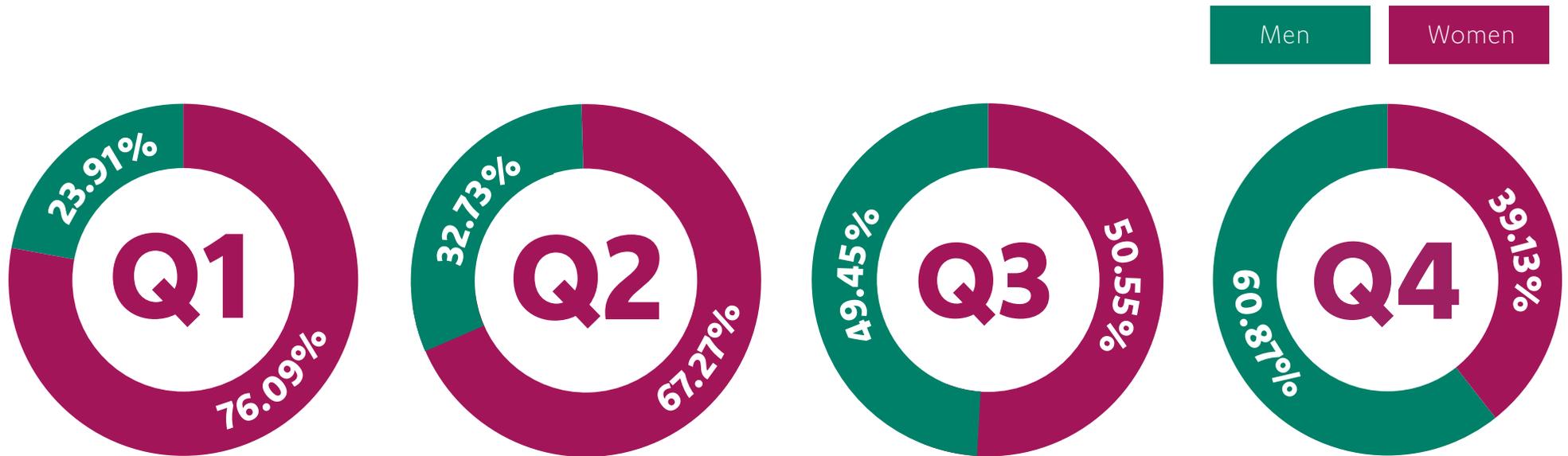
Gender pay gap

Bonus gender pay gap

Proportion of men and women receiving a bonus



Percentage of employees in quartile pay bands



Pay quartiles definition - Pay quartiles are calculated by listing all salaries from highest to lowest and separating into 4 equal parts

Case study

I've experienced a diverse and progressive career to date, spending several years working as a Management Accountant and Internal Auditor, in conjunction with being a Data Protection Officer (DPO). While I've been fortunate enough to enjoy all of my previous roles, the Data Protection Officer role has been the most satisfying one. This is why I made the decision to join Principality to focus solely on it, knowing that the skills I acquired working in finance would be easily transferable to the financial services sector.

As the DPO, I'm responsible for overseeing Principality's compliance with data protection legislation and to inform, advise and translate the regulation to help the business make better decisions around their personal data processing requirements. It's a tremendously demanding and fulfilling role, but one I thoroughly enjoy.

My experience at Principality so far has been extremely positive. Everyone has been really welcoming and supportive, which has made the transition very smooth. What has impressed me the most is everyone's level of understanding about data protection and

their willingness to do the right thing. My goal now is to focus on creating a privacy-aware culture, embedding data privacy in to business-as-usual and driving the business forward.

Rachel Indge,
Data Protection Officer



Case study

I've been fortunate to have a varied career in finance, firstly through qualifying and working as an accountant in professional services and more recently in the building society sector with Nationwide and now Principality. My skills have developed through on the job experience, training and most importantly from learning from the wide range of people I've met along the way.

In each step of my career I have always put a strong emphasis on working for businesses with strong values and a clear purpose that allows people to grow as an individual and progress their careers. For me, Principality ticks all of those boxes.

Principality has a strong track record of supporting the financial skills development of women and I'm looking forward to passing on to colleagues the knowledge that I've built up through my own career to date.

Annelie Grey,
Head of Financial Reporting and Control



Our priorities

We are committed to increasing diversity throughout our organisation

We recognise that the profile of our workforce has a big impact on our gender pay gap so our work is focussed on increasing our gender diversity throughout our organisation. 2019-2021 will see our Diversity and Inclusion strategy move into the next phase

We've rolled out unconscious bias training to our people managers and we'll continue to educate our workforce about the importance of unconscious bias and the impact it can have on our organisation

We run targeted professional development to our female population in conjunction with Chwarae Teg

We have made a public commitment through the Women in Finance charter with a target to have 33% of women in senior positions by 2021