

Directors' Report continued

Customers and Suppliers

During 2020, customers were at the forefront of the Board's decision making. With the advent of the pandemic, the decision was immediately taken not to profit from the pandemic, this commitment was published on the website and communicated directly to customers. By way of action, a retention product was launched in April 2020 allowing customers to move to a low cost Essentials Cash plan, whilst protecting their underwriting. Other cash plan products were offered in addition to the two customer rebates which were effected.

Similarly, a commitment was made to our main suppliers and subsidiary companies were empowered to follow suit.

Energy and Carbon Information

WPA recognises its responsibilities for the protection of the environment and the impact its activities may have on the environment and became carbon neutral in 2020.

WPA is independently certified by the British Standards Institute to ISO14001, the Environmental Management Standard which provides a framework for setting the organisations environmental objectives and commitment to continual improvement. This includes a commitment to the prevention of pollution locally, regionally and globally.

During 2020 WPA has: increased the number of hybrid and electric vehicles in its fleet from 73% to 75%; completed a switch to LED lighting at Rivergate House; planted a wild meadow and put in a walking track for employee use. Additionally, during 2020 WPA became carbon neutral through initiatives to offset all of our carbon emissions.

During 2020, WPA consumed 576,625kWh of electricity (2019: 721,221KWh). This figure includes the regular recharging of the electric and hybrid vehicles which make up 75% of the Association's vehicle fleet. The remaining 25% of the vehicle fleet run on traditional petrol or diesel. The annual quantity of energy consumed for 2020 from stationary or mobile activities for which the business is responsible involving the combustion of gas was: 550,910 kWh (2019: 651,051KWh).

The 2020 annual quantity of emissions in tonnes of carbon dioxide equivalent (CO₂e) was: 238.8 made up of 101.3 tonnes of CO₂e for gas and 134.4 tonnes of CO₂e for electricity. The CO₂e figure for transport for the first quarter of the year was 3.1 tonnes of CO₂e but with the government restrictions and the move to remote working a reliable transport figure cannot be calculated for the remainder of 2020.

For its Intensity Ratio, as an insurer, WPA has adopted the tonnes of CO₂e per £ million of income ratio. For 2020, using the figures available this is: 2.31:£1m.

The carbon conversion methodology adopted, is GHG Reporting Protocol – Corporate Standard and ISO 14064-1:2018. WPA is also audited by Abricon to Energy Savings Opportunity Scheme and was last audited in November 2018. It is pertinent to highlight that the figures for 2020 are lower than that which they may have been as a result of the pandemic and the move to remote working.

Remuneration Committee
continued

Long-term Performance

The Remuneration Committee acts as the steward of the long-term incentive plan on behalf of the Board, including the making of any notional allocations and authorising the release of any payments at the end of the given allocation period as specified in the plan rules. The plan and its continuation is approved by the Board.

Employee Remuneration

Employees' base salary comprises the same elements as those for Executive Directors, albeit reflective of the role performed. The base salary is reviewed annually and for 2020 an increase reflecting CPI was implemented across the workforce. All employees of WPA can qualify for a Partnership for Excellence Scheme which is a percentage of base salary paid at the end of the year set with regard to the performance of the Company.

Non-Executive Director Remuneration

The remuneration of Non-Executive Directors is set and approved by the Board (Non-Executive Directors abstaining) upon the recommendation of the Committee and is then subject to final ratification by the members of WPA in General Meeting. As WPA is a private company limited by guarantee, the members of WPA are not remunerated but they have a limited nominal liability. Non-Executive Director remuneration reflects the time commitment and responsibilities of the role. No share options in WPA or any other WPA Group company are included as part of the remuneration package. The Non-Executive Directors confirm, as part of their annual independence declaration that they:

- Do not participate in any performance related remuneration scheme;
- Only receive their Non-Executive Director and any associated Committee fee from WPA;
- Are not dependent on their income received from WPA.

Benefits

All staff, after a qualifying period are entitled to enrol themselves and their family members in the health and wellbeing benefits provided by WPA. WPA operates a Corporate Healthcare Trust for staff and their families. All staff are provided with a defined contribution pension provision. Pension contributions are set in relation to basic salary only.

Historically, only Executive Directors and Senior Management qualified for the company car scheme or cash alternative. In 2020, the Committee reviewed the provision of company cars and determined that for Executive Directors and Senior Managers the provision to change vehicle be increased from biennial to triennial. Further, any company car must be electric or hybrid. 75% (2019: 40%) of company vehicles are electric or hybrid. Additionally, during 2020 a salary sacrifice car scheme was opened up to all employees with two or more years' service. The scheme gives colleagues access to fully electric and plug-in vehicles with less than 75 g/km CO₂.

Control Clawback provisions for Executive Directors and Senior Management were discussed during 2019 and introduced via new service contracts for 2020. The clawback provisions provide for three years of recovery in line with the short tail nature of the insurance business.