THE Ardonagh GROUP

GENDER PAY GAP REPORT 2021

INTRODUCTION

In another transformative year for The Ardonagh Group, our commitment to providing a respectful, inclusive environment and a working culture which is productive, positive and fair for all employees remains.

Everyone continues to be paid for the role they have in the team, the value that they add to the business, and their performance in their role across our portfolio of companies. Our businesses are Equal Pay employers, meaning that men and women performing equivalent work receive equal pay, regardless of gender, race, belief, or any other factor. Equal opportunities are practiced across the Group and we firmly believe in appointing the best candidate into all roles regardless of the factors outlined above and in the Equality Act.

For 2021, the mean gender pay gap of our combined UK operations remained unchanged at 42% and our median gender pay gap continued to reduce further. Though incremental, we are pleased to see increases in the number of females in our top two pay quartiles, representing small steps towards a more balanced leadership cohort across the Group. In spite of this, we acknowledge there is far more work to be done in some of our businesses to reduce our overall gender pay gap.

While we implement long-term initiatives to address the gender imbalance that drives our gender pay gap, we are continuing to use a variety of measures alongside the Gender Pay Gap reporting to understand our progress and drive further gender diversity. In the two engagement surveys conducted throughout 2021, we were pleased to see strong positivity scores across our businesses in relation to our colleagues feeling included and respected when they come to work, and their view of Ardonagh as a talented and diverse workforce.

2021 was a year where many families continued to be severely impacted by the Covid pandemic and I am proud of the support provided to our employees during this period. Successive lockdowns during the reporting period specifically showed us that not all work needs to be performed from the office all of the time. We are proud to be carrying the learnings of the pandemic with us and believe hybrid working solutions can help us recruit more diversely. We see this as key for people to continue career progression after starting families and the flexibility offered by this kind of model will benefit women inside and outside our own organisation. Facilitating more face-to-face events for relationship building and learning will become a key priority for the Group over the next 12 months to ensure our colleagues can build strong connections with each other, and in turn, create further opportunities for career development and progression into senior roles. We also continue to invest in training and development, and in 2021 it was great to see Towergate named in the Princess Royal Training Awards in 2021 in recognition of the impact their Women in Leadership programme is having on the career paths of its participants. In 2022, we will explore new programmes to further encourage career opportunities between our businesses as the Group grows further.

CONTINUED

INTRODUCTION

The Ardonagh Group continues to succeed in its goals thanks to the diversity of our component businesses and the wide-ranging perspectives, backgrounds and expertise our colleagues bring to their roles each day. The past 12 months have seen significant expansion through M&A activity both in the UK and in new territories worldwide, with our workforce now nearing 10,000 people globally. We understand and are committed to the responsibility that comes with being one of the world's leading insurance brokers. This is why we have established our five-pillar Sustainability Charter to monitor the impact, both positive and negative, we have on the world around us, with diversity and inclusion forming a key tenant of progress we want to make under our People pillar.

From the formation of The Ardonagh Group in 2017 we set out to create an environment which could attract and develop the best talent and where entrepreneurial spirit was retained and harnessed. Increased gender diversity within this environment can only help us unlock further potential. Because of this Ardonagh strives to report increased action across our respective UK platforms to colleagues, shareholders and the wider community in years to come.

I confirm that the data published in this report is accurate.

David Ross
Group Chief Executive Officer

SUMMARY OF PROGRESS

CULTURE AND ENGAGEMENT

We undertake a pulse survey each year across the Group which provides our executive committees and local leadership teams with important insights into our culture and how our people feel about diversity and inclusion at Ardonagh.

Our 2021 survey (conducted in October) saw positivity scores maintained at above 70% for the Group and its individual operating segments.

We consider this survey an important measure of success for our diversity and inclusion strategy, with an increase in how positively our colleagues rate the Group across a number of key questions:

80.86%

The people I work with treat me with respect

75.18%

I feel included when I come to work

79.69%

I am made to feel comfortable when I come to work

72.87%

Ardonagh has a talented and diverse workforce where people's differences are taken into account and respected

81.21%

I feel supported by my line manager

79.82%

I feel comfortable raising feedback or concerns with my line manager

Based on participation rate of 81%
Conducted by Inspiring Business Performance (IBP) Ltd

2021 PROGRESS SNAPSHOT

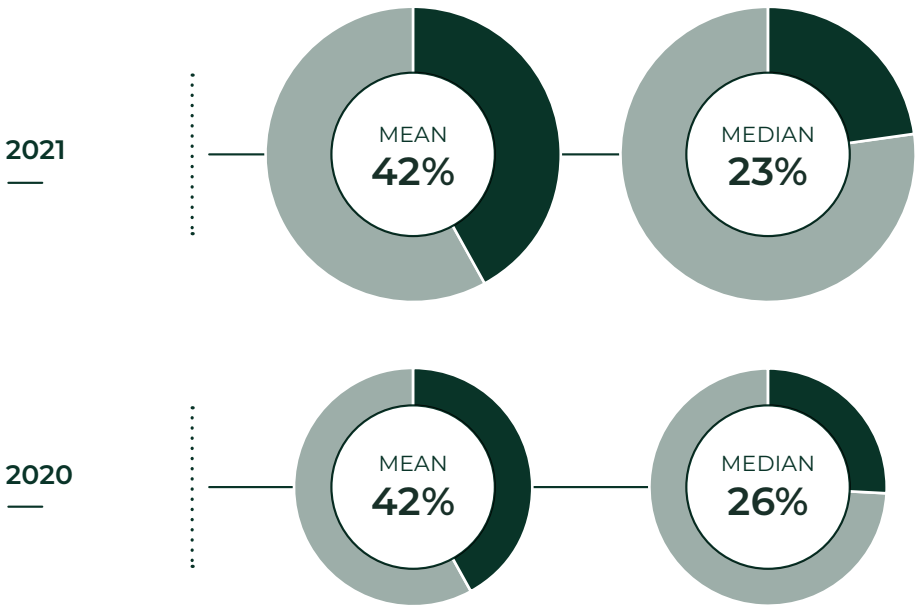
Below is a selection of actions taken in 2021 to build gender diversity across the Group and drive progression of women into senior leadership roles.

- Ongoing reviews of reward and benefits and across the 27 new businesses acquired into the Group in 2021 to ensure consistency across portfolio companies and teams
- Continued conducting mandatory diversity, equality and inclusion and unconscious training modules into the training plan of all roles across the Group
- Increased guidance and resources for colleagues and line managers relating to menopause including an upcoming menopause policy
- Industry leading female representation for our Ardonagh Retail platform executive committee with 40% of roles held by women
- Women in Leadership programme run by our Advisory platform drove an increase in promotion of its participants (also awarded Princess Royal Training Award)
- Permanently adopted flexible working practices to majority of our roles
- Rolled out gender neutral job adverts and a predictive hire fielding process for Retail roles roles to create fair selection process
- Rolled out an enhanced maternity pay policy to 6 months in our London market businesses where gender imbalance remains a market-wide issue
- Ongoing 'Day in the life' communications campaign to surface career path information and build shared understanding of the many interests, commitments, experiences and backgrounds our people bring to workwith them each day.

SUMMARY OF RESULTS

This report details the gender pay gap data for The Ardonagh Group at the snapshot date of 5 April 2021.

ORDINARY PAY GAP



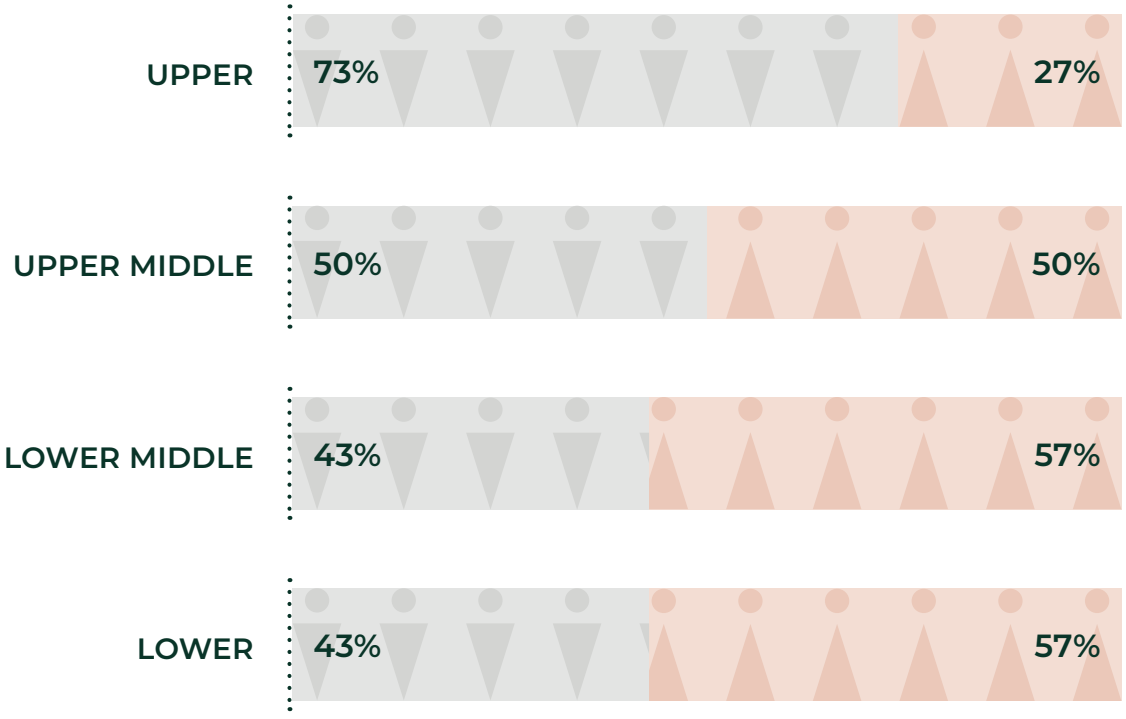
Mean: The sum of all earnings in a dataset divided by the number of employees in the dataset
Median: The mid-point earning in a dataset

SUMMARY OF RESULTS

PAY QUARTILES

The proportion of male and female employees are split into quartile bands based on their Ordinary Pay. The banding illustrates that there are significantly more men than women in the upper quartile, as a result of more men than women in senior leadership roles. This would suggest that a significant driver of the ordinary pay gap as shown above is the structural make-up of the business. It is reassuring to see, and certainly a positive take-away for the future, that all other quartiles are broadly comparable and indeed a marginal improvement can be observed in the balance of men and women in all quartiles when compared with prior-year data.

Collectively, we must ensure that opportunities are fairly distributed, and that accessibility for women, and other ethnic minorities, to the most senior positions across the business is improved, to allow for increased diversity in the upper quartile in years to come. In each year that accessibility is improved, the Gender Pay Gap will reduce.

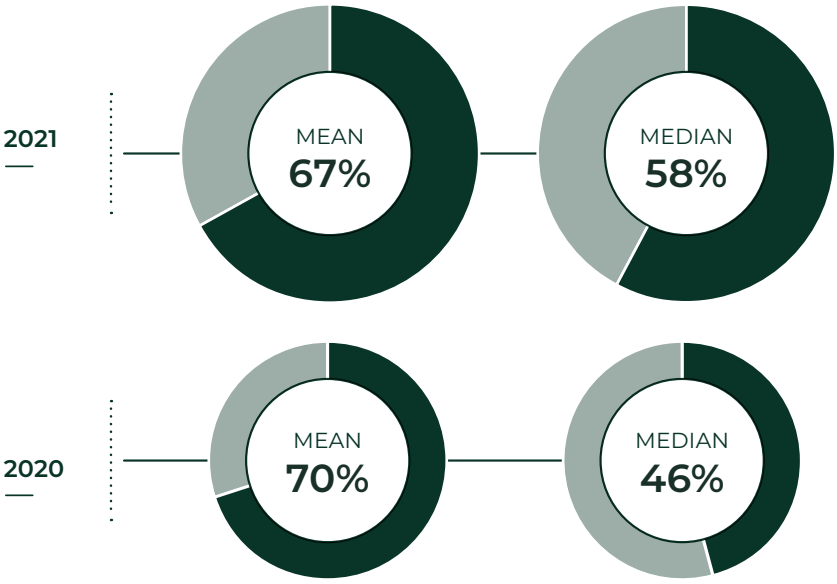


SUMMARY OF RESULTS

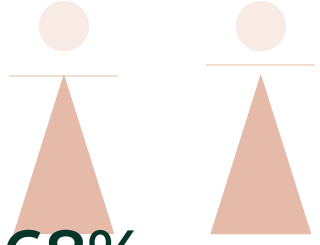
BONUS PAYMENTS

Bonus payments include bonus, commission and profit share schemes. The proportion of men and women receiving payments are comparable, with **68%** of women and **66%** of men receiving bonuses in the year, numbers which are once again encouraging. However, the variance of the mean and median bonus payments between male and female employees is significant, largely due to the structurally disproportionate employment of men in the most senior positions within the business. The consequence of this is two-fold; not only are the bonus payments (typically) a function of a larger salary, but also bonus plans for the more senior individuals intrinsically benefit from higher on-target percentages than more junior colleagues. The result is a large mean and median bonus pay gap, with the most senior outliers causing a strong positive skew in the data. Time is being invested in reviewing the bonus framework to ensure that the alignment between role and bonus plan is fair, justifiable, and most importantly, equitable.

BONUS PAY GAP



2021 | 68% OF WOMEN RECEIVED A BONUS



2021 2020

2021 | 66% OF MEN RECEIVED A BONUS

2021 2020