

THE
Ardonagh
GROUP

GENDER PAY GAP REPORT 2022



INTRODUCTION

In 2022 we celebrated five years of Ardonagh. In this time, as a result of continued organic and inorganic growth, we have welcomed many new businesses and colleagues to an increasingly global Group. We have been relentless in our focus on developing our ways of working to reflect the evolving shape of both our business and the wider world.

In amongst constant change and challenges, some things have always remained steadfast – our independence, the passion with which we serve our people with fairness, and our desire for progress, which we seek by providing equality of opportunity for all.

Across our businesses all employees continue to be paid for the role they have in the team, the value 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. Equality of opportunity is practised across the Group, and we firmly believe in appointing the best candidate into all roles regardless of the factors outlined above and in accordance with the Equality Act.

In 2022, the mean gender pay gap of our combined UK operations decreased from 42% in 2021 to 34%, and our median gender pay gap reduced from 23% to 18%. There has been a marginal increase in the percentage of women in the upper middle pay quartile, although the percentage of men and women at the most senior levels of our businesses remains imbalanced, and we acknowledge there is more work to be done in some of our brands to reduce our overall gender pay gap.

While we implement long-term initiatives to address the structural gender imbalance that drives this, we are continuing to use a variety of measures alongside this report to understand our progress and drive further gender diversity.

In 2022 we conducted our annual pulse survey to measure the sentiment and engagement of our colleagues across the Group. It was encouraging to see that our positivity scores remained high across our businesses and that employees particularly felt that ours is an inclusive environment, where people, irrespective of culture, background and gender are respected and able to work with dignity. Our colleagues also reported high levels of engagement when it came to understanding the purpose of our organisation. Further segmentation of the data showed there was little or no variance in the positive sentiment of women in respect of our inclusive working environment.

2022 continued to be a difficult year with a challenging global macroeconomic environment, the cost-of-living crisis and the lingering effects of the COVID pandemic impacting many of our employees. We have continued to offer support, by launching our financial wellbeing training, alongside existing physical and mental health wellbeing programmes, designed to help our people when they need it most. Our learnings from the COVID pandemic continue to have a profound effect on many of our businesses, where flexibility and family friendly policies are welcomed by colleagues, and hybrid working policies continue to drive diversity in our recruitment practices, supporting us to improve the representation of women at all levels of the business.

CONTINUED

INTRODUCTION

With the growth of hybrid and remote working, it is vital that we continue to ensure our hardworking people are able to maintain their working relationships, remain visible in their roles and are recognised for the work that they do. In 2022 we saw a resurgence across our businesses of face-to-face meetings and events, with our Group-wide employee recognition awards ceremony, Spotlight, returning to an in-person event for the first time in three years. It was an evening of celebration, where we were able to recognise the many achievements of our people, allowing us an opportunity to reconnect and renew our valued relationships.

Last year, we were proud to launch the Ardonagh Academy, our commitment to sustainable leadership, which aims to support people at all stages of their careers. The academy will provide a raft of development programmes, including mentoring, which will support our diverse workforce to access leadership development opportunities, helping to build greater equity and representation throughout the business.

Although there has been improvement in our ordinary pay gap for 2022, we know as a business that continues to grow and expand its footprint across the world, it is essential that we remain vigilant to ensure the representation of our diverse employee base at all levels of the business.

In 2022 we refreshed our sustainability charter with a view to building further robustness and transparency in our approach to sustainability, including our approach to creating more inclusive working environments. Looking to the next 12 months, we will be working across all our businesses and platforms to discover ways we can support equity, diversity and inclusion for the benefit of all our people.

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



David Ross
CEO, The Ardonagh Group

SUMMARY OF PROGRESS

CULTURE AND ENGAGEMENT

Each year, we actively seek to engage our employees by undertaking a pulse survey across the Group to give insight into our culture and how our people feel about equity, diversity and inclusion at Ardonagh.

Our survey for 2022, conducted in November, saw overall favourability scores¹ of 81% across the Group and its operating platforms, and 91% of participants responded positively to the statement that they felt comfortable being themselves when at work.

When survey results, based on engagement and belonging are segmented according to gender, there is little or no variation in positivity ratings. These measures indicate that our approach to equity, diversity and inclusion is well received by our colleagues and with our overall positivity scores increasing for 2022, we believe that this survey demonstrates progress across the Group.

ALL SURVEY PARTICIPANTS (% FAVOURABLE ¹)



SURVEY PARTICIPANTS WHO IDENTIFY AS FEMALE (% FAVOURABLE ¹)



Note ¹: % favourable highlights the percentage of responses to this statement that are rated 6 out of 10 and above.

Based on an overall participation rate of 75%
Survey conducted by Hive

SUMMARY OF RESULTS

2022 PROGRESS SNAPSHOT

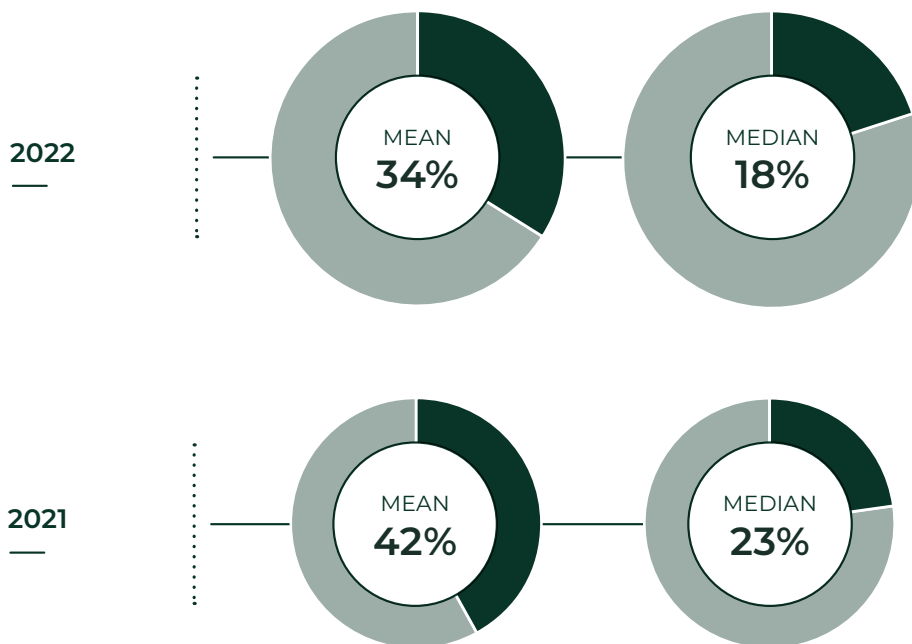
At Ardonagh we understand that more needs to be done to address the gender pay gap across our business and the profession as a whole, so that we can build a more inclusive and diverse industry for all. Below is an overview of some of the activities that have taken place in 2022 to drive greater gender equity and support the progression of women into senior leadership roles across the Group.

- Ongoing reviews of reward and benefits and across the new businesses acquired into the Group in 2022 to ensure consistency across our portfolio of companies and teams
- Continuation of mandatory Diversity, Equity and Inclusion training and additional Unconscious Bias Training modules in the training plan of all roles across the Group
- We provided guidance and resources for colleagues and line managers relating to menopause and menopause policy launched within Atlanta Group platform
- Ardonagh Academy launched in partnership with the Center for Creative Leadership, a global not for profit educational institution specialising in leadership research and development. Initial programmes include Graduate and Mentoring programmes to support progression across a diverse mix of experiences, ages and stages of career
- Atlanta Group is industry leading with more than 50% of executive committee roles held by women
- 25% of key SMF roles at Ardonagh are held by women, demonstrating above industry average representation
- Diane Cougill, Ardonagh Group CFO, increases visibility of female senior leaders in the industry by taking part in Insurance Age, Broker Diversity Push campaign
- Financial wellbeing course launched to support employees struggling with the effects of the cost-of-living crisis
- Membership of Insurance Supper Club, to help champion policies that will support the equal representation of women across the industry
- Advisory Women in Leadership programme continues to drive the progression of women into senior leadership roles, with plans for Ardonagh Academy to develop a Group-wide Women in Leadership programme in conjunction with the Insurance Supper Club in 2023
- Atlanta Group's diversity and inclusion forum holds minority ethnic professional networking event, open to all working in the insurance industry, to provide a platform to discuss the career challenges faced by minority ethnic professionals
- We continue to develop our flexible working and family friendly policies piloting new ways of flexible working in different businesses and sharing best practice across the group
- Radio Ardonagh, our Group-wide radio station, which aims to engage colleagues around the world, broadcasts an equity, diversity and inclusion inspired show for National Inclusion Week, sharing stories and content created by the Group's diversity and inclusion forums
- People of Ardonagh series continues to highlight the experiences and outlooks of a diverse range of employees to build understanding of the many varied perspectives and career journeys of our global employee base

SUMMARY OF RESULTS

This report details the gender pay gap data for The Ardonagh Group at the snapshot date of 5 April 2022.

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

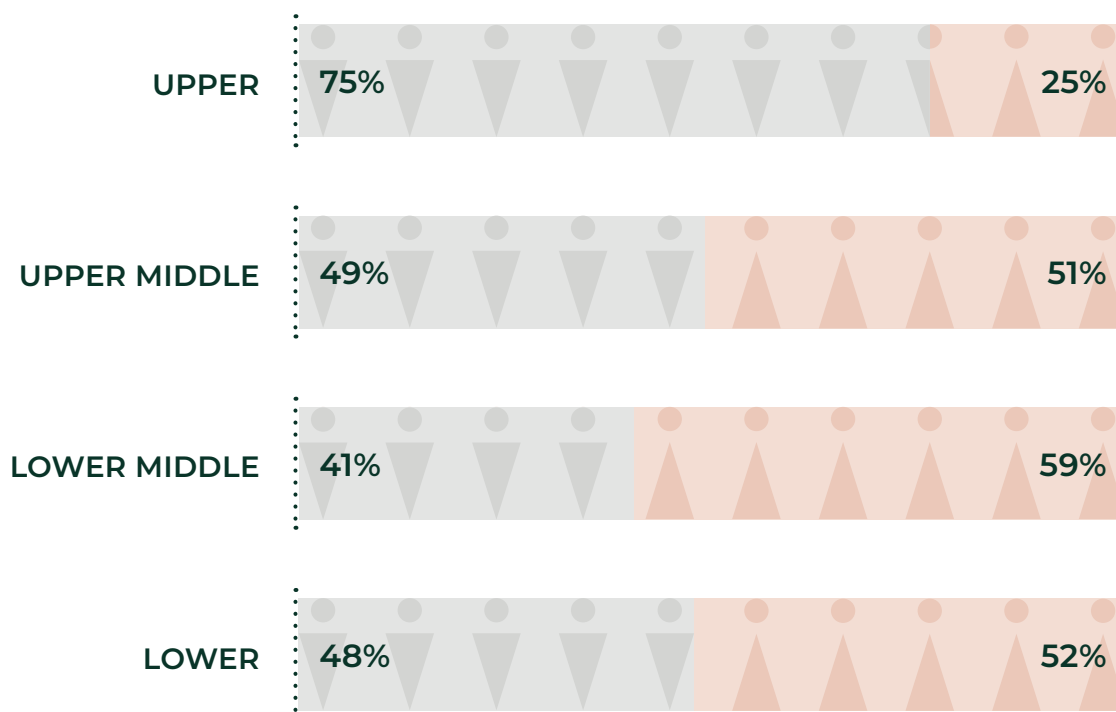
SUMMARY OF RESULTS

PAY QUARTILES

Within the business, male and female employees are split into quartile bands according to their Ordinary Pay. From analysis of the data below, it is evident that structurally, within the business there are more men than women in the upper quartile, which is indicative of the fact that there are more men than women in senior leadership roles. This suggests that a key driver of the ordinary gender pay gap is the structural make-up of the business.

Further analysis of the banding shows the proportion of male and female employees in the upper middle, lower middle and lower quartiles is broadly comparable, as a whole, across the business. This demonstrates that women are fairly represented at all other levels of the business, however, there is still work to be done in terms of furthering progression at the most senior levels of the business for women.

As a business that seeks to treat its employees with equity, it is vital that opportunities are accessible to women, ethnic minorities and other underrepresented groups and that senior positions are fairly distributed across all our businesses. An increase in the diversity of the makeup of our upper quartile would lead to positive progress in our gender pay gap in future years.

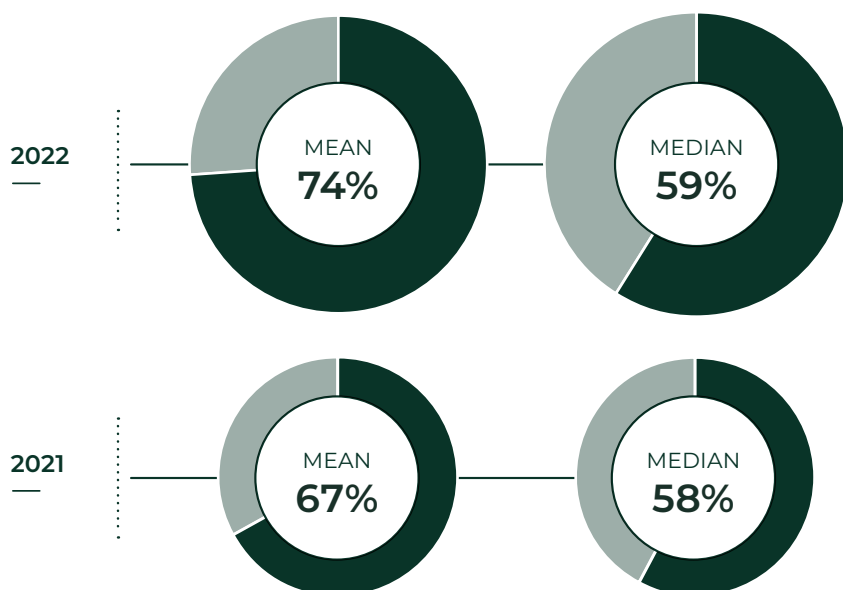


SUMMARY OF RESULTS

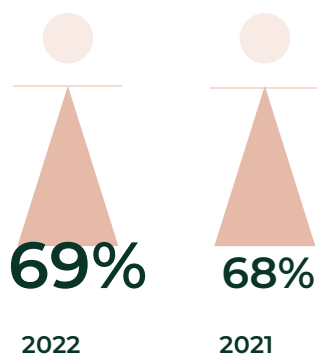
BONUS PAYMENTS

Bonus payments include bonus, commission and profit share schemes. In 2022, the proportion of men and women receiving payments is evenly split, with 69% of women and 70% of men receiving bonuses, which is encouraging. However, the variance of the mean and median bonus payments between male and female employees is disproportionate, which we believe is due to the structural imbalance of men and women 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. We continue to review the bonus framework to ensure that the alignment between role and bonus plan is fair, justifiable, and most importantly, equitable.

BONUS PAY GAP



2022 | 69% OF WOMEN RECEIVED A BONUS



2022 | 70% OF MEN RECEIVED A BONUS

