



Liberty
Specialty Markets

**LIBERTY SPECIALTY
MARKETS LIMITED
GENDER PAY GAP REPORT**

2022

Key data

2022 Mean Hourly Pay Gap **22.5%**2021 Mean Hourly Pay Gap **27.7%**% Change in Mean Hourly Pay Gap **-5.2%**

Inclusion for Mutual Advantage

We are committed to continue reducing our gender pay gap and driving a culture in which all colleagues can pursue their careers, unencumbered by biases. By building a diverse workforce and vibrant culture of inclusion, we create a stronger, high-performing company. Through the commitments we have made and a robust focus on delivering and embedding them, we continue to see meaningful, sustainable progress towards closing the gender pay gap.

We are pleased to have seen a marked decrease across our mean hourly pay gap, median hourly pay gap, and mean bonus pay gap. This was predominately driven by the continuation of hires and promotions of females at senior leadership levels and as a result of salary review programs that ensure employees' pay are kept in line with market.

We have made great progress against all the commitments we set out in 2021 and this has enabled us to achieve a decrease of 5.2% percentage points in our mean hourly gender pay rate.

Our progress over the past five years is undeniable, but there is more to be done. We still have a gender pay gap, due to a higher proportion of men than women in our most senior roles. This situation is not uncommon across the UK financial services sector, and one we all striving to address.

We know that long-term, sustainable change takes time and are positive that the new commitments we have set ourselves will continue to drive a more diverse and equitable working environment. The board remains committed to creating an inclusive environment that will reduce the gender pay gap still further in the coming years.

We confirm that the data contained within this report is accurate and meets the Gender Pay Gap Reporting regulations.

Seema Vadera Group Head of HR



About the Gender Pay Gap

The gender pay gap represents the difference between the average hourly pay of male and female employees as at the reporting snapshot date (i.e. 5 April 2022).

The gender pay gap is different from equal pay, which is the legal requirement to pay men and women equally for doing the same work, or work of equal value. We are confident we do not have an issue with equal pay.

The bonus gap is the difference in performance-related pay of all men and all women in an organisation in the twelve month period leading up to the snapshot date.

The difference between the proportion of male and female employees in receipt of a bonus is down to the dates on which employees join or leave the business. We expect this to vary year-on-year depending on such patterns.

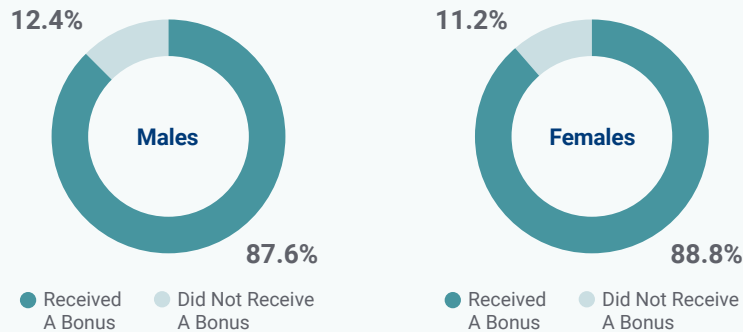
Our gender pay gap data are compiled in accordance with government guidelines.



2022 Reported Gender Pay Gap Results

Year on Year Comparison			
Data Points	2021 Gap	2022 Gap	% Change
Mean Hourly Gender Pay	27.7%	22.5%	-5.2%
Median Hourly Gender Pay	24.1%	18.3%	-5.8%
Mean Bonus Pay Gap	58.6%	45.5%	-13.1%
Median Bonus Pay Gap	27.5%	28.9%	+1.4%

Proportion of males and females receiving a bonus payment



Proportion of males and females in each pay quartile

	Upper Quartile	Upper Mid Quartile	Lower Mid Quartile	Lower Quartile
Female 2022	30.5%	37.5%	44.4%	50.0%
Male 2022	69.5%	62.5%	55.6%	50.0%
Female 2021	26.3%	40.4%	43.8%	54.5%
Male 2021	73.7%	59.6%	56.3%	45.5%
Change in Female %	+4.2%	-2.9%	+0.6%	+4.5%

Gender Pay Gap Drivers

There are three key drivers of our Gender Pay Gap:

- The reduction in the Mean Hourly Pay Gap and Median Hourly Pay Gap was driven by two primary factors; firstly, mirroring our progress from 2021, we again saw an increase in female representation in the upper pay quartile, achieved through the continuation of hires and promotions of females at senior leadership levels. And secondly, we continued with our salary adjustment programmes, which review salaries in line with market data and focus on retention of key talent. These factors also helped to drive the reduction in the mean bonus pay gap.
- While we continue to see an increase in female representation at this most senior level and substantial progress year-on-year has been made towards reducing our gender pay gap, the most significant driver of the gap remains the relative under-representation of women in senior management and leadership roles.
- The limited movement in the lower-mid pay quartile and a slight fall in representation in the upper-mid pay quartile suggests that we need to focus on strengthening our pipeline of future senior female leaders to drive further improvements towards reducing our gender pay gap.

We are positive that the strategies we have introduced (see pages 5 and 6) are making and will continue to make a positive change towards closing our gender pay gap over the long term.

Our Progress on our 2022 commitments

In our last report, we made six commitments for 2022. We've tracked progress as follows:

- 1. A new goal for female leadership representation**

We set a goal of 40% female representation among leadership roles globally by 2025. We have continued to make good progress and are currently at 36% female representation achieved. This represents a 3 point percentage increase from our 2021 baseline of 33%.
- 2. Introduction of minimum shortlist requirements**

Interview shortlists for management and leadership roles now should include at least one female candidate. We have already seen a positive impact from introducing this change and it is now an established part of our recruitment process.
- 3. Expanding our DEI training offering**

In 2022 our people managers attended our "Leading at Liberty" management development programme, designed with inclusive behaviours at the core. This is now part of our business as usual training and will continue to be attended by all new managers.
- 4. Bringing in more diverse talent at early careers stage**

We have made improvements across all our early career's programmes: Work Experience, Internships and Industrial Placements eg. 10,000 Black Interns Programme. We plan to measure the impact of these improvements over the longer term.
- 5. Expanding and deepening our partnerships with external organisations**

We strengthened our relationships with The Brokerage and Lord Mayor's Appeal and continued our focus on outreach and social mobility. We developed a calendar of events to make the insurance industry accessible to young people that might not normally consider a career in insurance. Our colleagues volunteered to support She Can Be, Bootcamps, Masterclasses, Work experience, and Mentoring events. We offered our people free, personalised, expert advice on fertility, pregnancy, early parenthood, and menopause through the health app Peppy. Already 130+ colleagues have signed up and feedback has been extremely positive.
- 6. Supporting external events and initiatives through our 'Gender Matters' Employee Network**

Our Gender Matters Employee Network has continued to mature and grow, hosting events internally for our colleagues but also supporting external events such as Dive In. In 2022 we took part in seven global events to promote this year's theme #BraverCultures. We have also created support groups for Menopause, Pregnancy and Returners to work, which have been very well received by our colleagues. We have continued to enhance our family friendly policies, for example adding neonatal and fertility leave.

Our Progress on our 2022 commitments continued

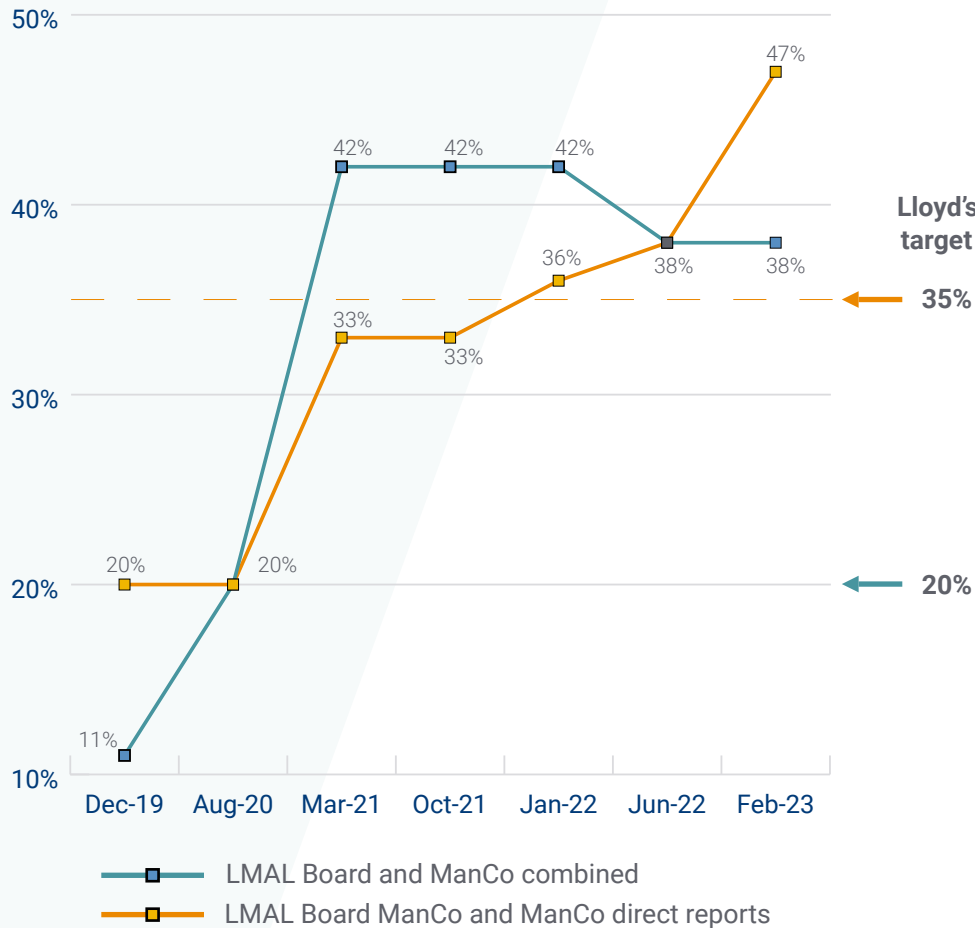
Lloyd's Female Representation Targets

We are also tracking female representation in leadership positions. Lloyd's has set the following female leadership targets to be reached across the market by the end of 2023:

- 1. 20% - Boards and Executive Committees combined
- 2. 35% - Board, Executive Committees, Executive Committee Direct Reports

We have already significantly exceeded both targets with 38% female representation for target 1, and 47% female representation for target 2.

Female Representation - LMAL Board, ManCo & ManCo Direct Reports



Our commitments for 2023

1. We are **committed to making further progress on reaching our goal of 40% female representation in leadership by 2025**. Our focus on inclusive recruitment practices remains a priority and includes our continued approach to shortlisting, gender neutral language and targeted job boards to attract diverse and underrepresented talent. We will also continue to monitor gender balance at all levels, from early careers to senior leadership.
2. We will continue to ensure that our **leadership development programmes target gender balance and diversity**. In addition, to increase the bench strength of our more junior female talent pipeline we will build upon our existing successful Springboard women's development programme and deliver further cohorts in 2023.
3. **Through our Early Careers programme**, we will continue to bring diversity into the company by working with our external partners to attract more diverse hiring. Working with The Brokerage, London Market Group and Vision Path to attract and engage with students from schools in deprived areas, who are not widely reached by the insurance market.
4. We will continue to **grow and evolve all our internal Networks** including our Gender Matters Network. Seeking out ways to continue to drive engagement through internal and external initiatives and influence the continuous enhancements to our family friendly policies.
5. We will **continue leveraging our external partners** like Peppy, City Parents and Insurance Supper Club, who provide our people with resources aligned to our DEI commitments. We will also seek new sponsorship opportunities to increase brand awareness, such as Careering into Motherhood.
6. We will run an exercise to **increase data collection on DEI characteristics**. This will enable us to understand our workforce from a truly intersectional lens and enable us to work on targeted inclusion programs and overall enhance employee experience and engagement.