

MRSG UK Services Limited ('MRSGUKS')

Gender pay report 2022

We can confirm our latest median Gender Pay Gap result, based on April 2022 data, stands at 34.7%. Year on year, this has improved by 11.2 percentage points in comparison with our report in April 2020 (45.9%).

While we acknowledge a pay gap exists, we have full confidence in the steps we are taking which will positively impact and close our future Gender Pay Gap. As part of these steps, we have further reviewed our hiring processes and salary benchmarking to be as transparent and as fair as possible, using independent data where helpful. We have also implemented a Diversity, Equity and Inclusion (DEI) strategy, which will continue to deliver tangible, meaningful and lasting changes. This will enable everyone to realise their full potential while working for Munich Re Specialty Group.

Defining the Gender Pay Gap

The gender pay gap is the difference in the average hourly wage of men and women, regardless of the nature of their work. A gender pay gap is the result of gender imbalance in an organisation: having more women in junior roles or fewer women in senior roles, relative to men.

This means the pay gap is more than likely to persist until organisations have fair representation of men and women at every level; something we are working hard to address.

By understanding the gender pay gap we can gain valuable insights into gender representation across our organisation, which in turn can help us achieve greater representation of women in leadership roles.

Pay gap should not be confused with equal pay for equal work. This ensures that a man or woman doing the same or a similar role is paid equally and is different from the pay gap.

At MRSGUKS, as part of our overall remuneration management responsibilities, we regularly monitor our practices and pay at all levels and are committed to ensure that we meet our Equal Pay obligations as set out in the Equality Act (2010).

How do we calculate the Gender Pay Gap?

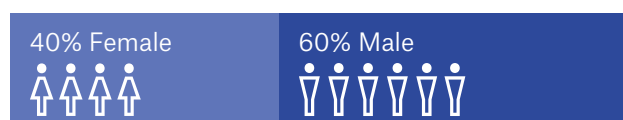
The gender pay gap is calculated using two figures, the mean and the median value:

The mean gender pay gap is the difference between the mean pay (average pay) for men versus women in an organisation. To calculate it, we convert all pay to an hourly rate, add this up and divide by the total number of relevant employees.

The median gender pay gap is the percentage difference between the midpoint of pay for all men versus women.

The mean and median bonus gender pay gap is calculated using the same method.

Our employee demographics MRSGUKS' combined demographic at the point of reporting:



MRSGUKS has several employees, including Executive members, working part-time:

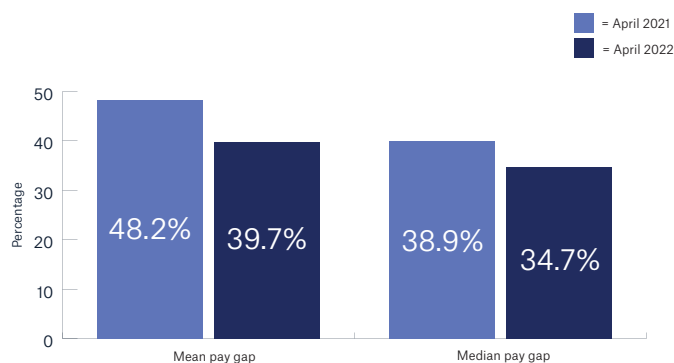


Gender Pay Gap Results

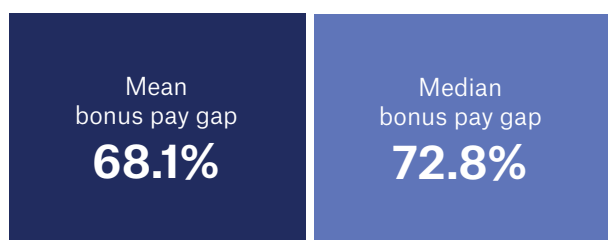
This report outlines our gender pay gap figures for the 12-month period between 6th April 2021 to 5th April 2022 and provides an update on our strategy to close the gap.

The gender pay gap calculations used in this report include payroll consolidated data across our Company and is based on hourly rates of pay within the snapshot date; i.e. 5th April 2022, and any bonuses paid in the preceding 12 month period.

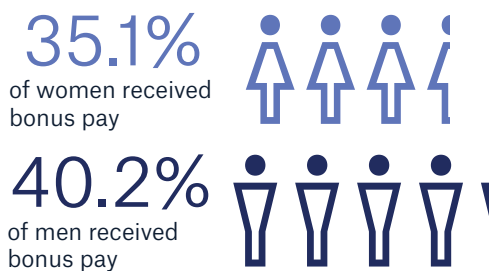
The overall gender pay gap as of 5th April 2022 at MRS GUKS is:



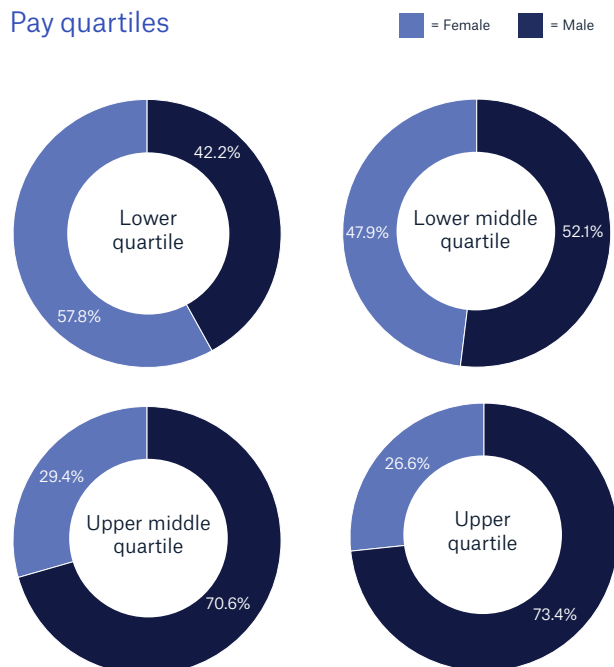
Bonus pay gap



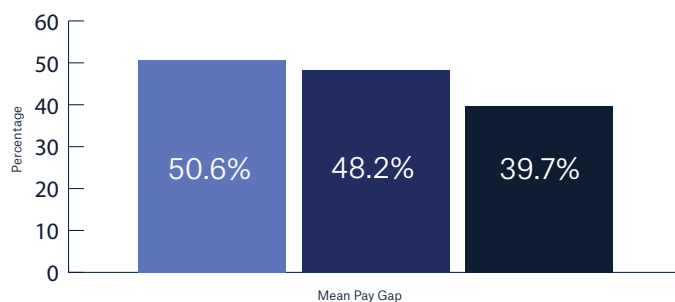
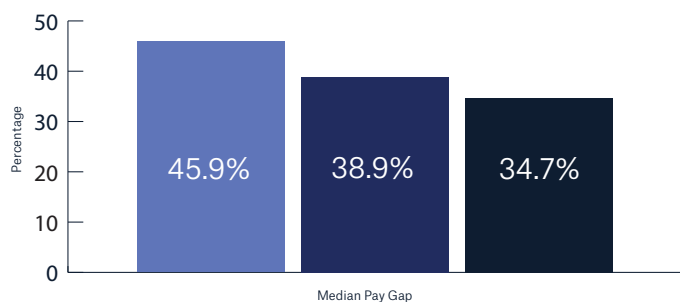
Who received bonus pay?



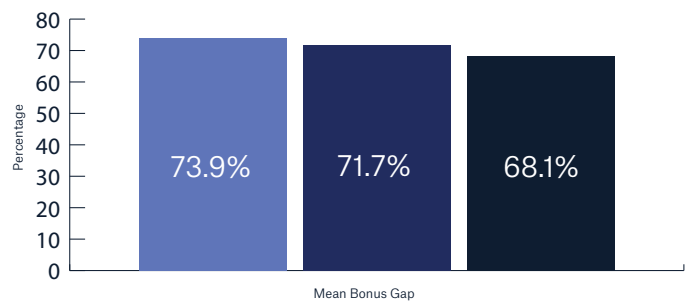
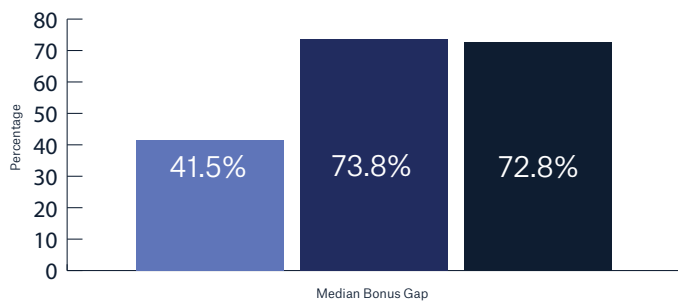
Pay quartiles



Pay Gap Measure

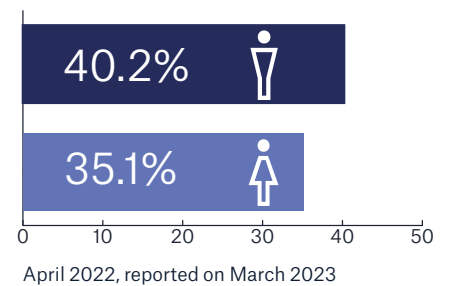
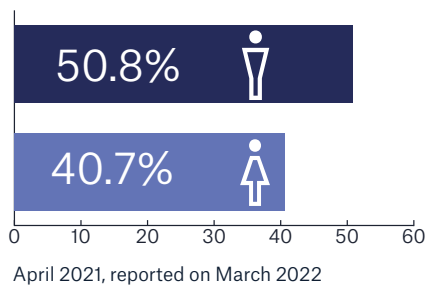
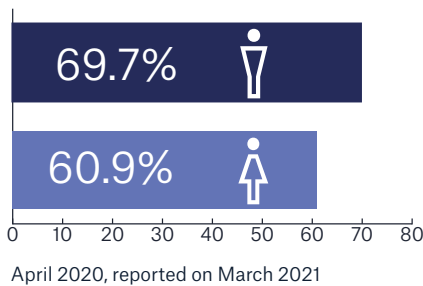


= April 2020, reported on March 2021
 = April 2021, reported on March 2022
 = April 2022, reported on March 2023



■ = April 2020, reported on March 2021
 ■ = April 2021, reported on March 2022
 ■ = April 2022, reported on March 2023

% of the total workforce who received a bonus payment



Only through measurable actions will we continue to reduce our Gender Pay Gap. Therefore, we have implemented the following pivotal initiatives which will be crucial to our future sustainable success.

1. Making Diversity, Equity, and Inclusion part of our DNA

As a Munich Re Group entity, we will align with the 2023 – 2025 Diversity, Equity and Inclusion ('DEI') strategy and governance structure for the UK and Ireland region. As part of this strategy our 2023 – 2025 mission is to start embedding diversity, equity and inclusion principles in the employee experience and set DEI as a personal priority for all people leaders.

Our multifaceted strategy establishes three strategic pillars to drive change and a core set of foundations to enable successful DEI outcomes:

- Attract workforce diversity through inclusive recruitment by creating a debiased and inclusive recruitment process and building a diverse, sustainable, and engaged pipeline of candidates to recruit from.
- Grow workplace equity through inclusive sponsorship by widening access to sponsorship to ensure that all colleagues, particularly those from marginalized backgrounds, have access to career sponsors who can support their development.
- Inspire an inclusive culture by supporting all colleagues in developing an inclusive mindset by positioning it as a core competency that we can all acquire through phased and sustainable learning opportunities.

The strategy is underpinned by four foundational elements:

- **Data:** our strategy will use workforce demographic data, obtained through self-identification, to determine which diversity dimensions are represented in our workforce and intentionally identify solutions that consider the unique experiences of each group at scale.
- **Multi-dimensionality and intersectionality:** with a multi-dimensional approach, we are able to see beyond one dimension of diversity and all possible forms of marginalisation and discrimination employees might face.
- **Active employee engagement:** our strategy is helmed by people leaders and to promote change from the top and underpinned by engagement from all employees because everyone has a part to play
- **Consistent communications:** to inform, educate and support all employees in contributing to our DEI efforts.

Governance is the structure through which we make progress and hold ourselves accountable for DEI. Our governance structure fosters collaboration and represents how dedicated groups support the execution of the strategy. We have a DEI steering committee, comprised of the CEOs of our UK&I region businesses, a DEI team, and a DEI Council and Champions Network, comprised of passionate employees that actively generate awareness and engagement for DEI.

2. Re-evaluating our Recruitment Processes

To ensure that DEI underpins how we attract, and hire, people, our Talent Acquisition function is continuing to focus on:

- Identifying more diverse candidate pools for advertised roles and new positions, specifically senior positions (as this is where we see there is larger differential). This includes ensuring that the recruitment agencies and job boards that we use are supporting us on this.
- Mitigating the risks of unconscious bias in the interview and selection processes, through
 - Using panel interviews and scorecards when we conduct interviews
 - Providing training for all hiring managers that aims to improve diverse hiring
- Ensuring that we are appealing to a broader range of people, including engaging with returners to the market and how we can best support them (i.e., maternity returners, mothers re-entering the workforce after time out, retired experienced professionals considering part-time work etc.) and giving real life examples of female colleagues who have obtained senior roles in our business
- Continuing to use specialist software in our recruitment process to identify bias and reduce gendered language in our job posts (Data People), and ensuring that we have gender-neutral job descriptions.

This will not yield overnight changes to our gender pay gap, but it is critical to our long-term plans to attract and retain the most talented and diverse workforce to meet the needs of our customers.

3. Ensuring that our Remuneration and benefits programme supports our Employee Value Proposition

Our remuneration policies and procedures are driven to ensure that pay is internally equitable and fair, Measuring and monitoring our Gender Pay Gap is a key part of this work alongside regular formal and transparent pay reviews and bonus decisions which are free of bias. In addition, our portfolio of employee benefits are constantly under review to ensure they support and represent our colleagues needs and circumstances.

Now more than ever, the value we offer our stakeholders really matters. Yet if we fall short in delivering a fair and equitable employee experience, we will be unable to attract the best people to Munich Re and fail in future proofing our important societal role. Minimising pay gaps within our business remains a priority for myself and the leadership team, and I'm confident in the steps we have outlined in order to achieve this.

Declaration: We confirm that the 2022 gender pay gap calculations for MRSGUKS is accurate, and meets the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



Christopher Simson, Chief Human Resources Officer,
MRSGUK Services