

# MRSG UK Services Limited ('MRSGUKS')

## Gender pay report 2021

In 2017, the UK Government introduced a requirement for employers with 250 or more employees to report annually on their gender pay gap. In April 2021 we published our first gender pay gap report and we are pleased to see that our median gender pay gap has improved this year by 7 percentage points and the mean gender pay gap by 2.4 percentage points. Whilst we are not yet where we want to be, we are confident that we are moving in the right direction.

Diversity and Inclusion is a key priority for MRSGUKS and we are passionate about having a diverse workplace. We are committed to fostering a culture and environment of equality, where all employees can have the opportunity to realise their respective full potential.

We are continuing to work towards closing the gap and know that this will not happen overnight, but by measuring our progress against our commitments, we will be able to continue to drive change that is focused and impactful. By publicly sharing our data, we are holding ourselves accountable to our commitments.

### How is Gender Pay Gap different from Equal Pay?

The gender pay gap shows the difference in the average hourly pay between all men and women across a whole workforce.

**Mean and median hourly pay gap (%)** - difference between male and female as proportion of male value

**Mean and median bonus pay gap (%)** - difference between male and female as proportion of male value

**Quartile pay bands (%)** - difference between male and female as proportion of male value

**Percentage receiving a bonus (%)** - proportion of male and female relevant employees who received bonus pay

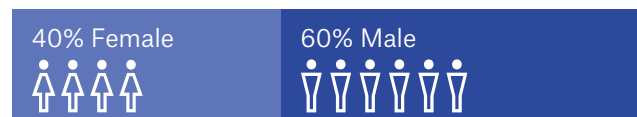
Please note that the gender pay gap is not the same as Equal Pay, which is about ensuring our people are paid equally for doing equivalent jobs across our business.

Employers can have a gender pay gap without having Equal Pay issues.

At MRSGUKS, we are committed to ensure that we meet our Equal Pay obligations as set out in the Equality Act

(2010). We regularly monitor our practices and pay at all levels to ensure we meet our obligations.

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 2020 to 5th April 2021 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

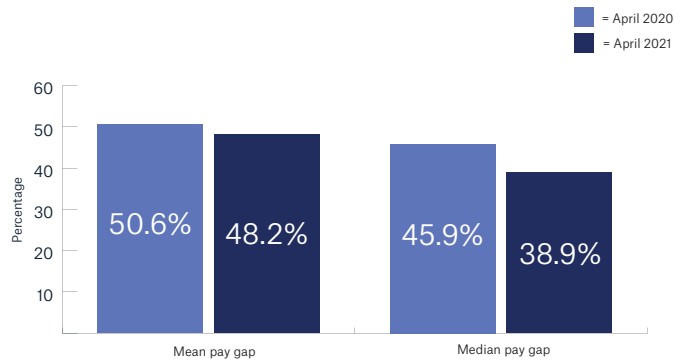
is based on hourly rates of pay within the snapshot date; i.e. 5th April 2021 and any bonuses paid in the 12-month period in scope.

Mean pay gap is the difference between the average hourly pay rate of men and women. This is calculated by adding together the hourly rate of pay for all male employees and dividing this by the number of relevant male employees and doing the same for all relevant female employees. This gives the mean hourly pay rate for men and the mean hourly pay rate for women. The difference between the hourly pay rates is then expressed as a percentage of men's pay to give the mean gender pay gap.

Median pay gap is the difference between the median hourly pay rates of men and women. It is calculated by arranging the hourly pay rates of all relevant male employees (from highest to lowest) and finding the middle of the range, to get the median hourly pay rate for men. The same calculation is done for all relevant female employees. The difference between the

median hourly pay rates of both the men and women is then expressed as a percentage of men's pay to give the median gender pay gap.

**The overall gender pay gap as of 5 April 2021 at MRSGUKS is:**



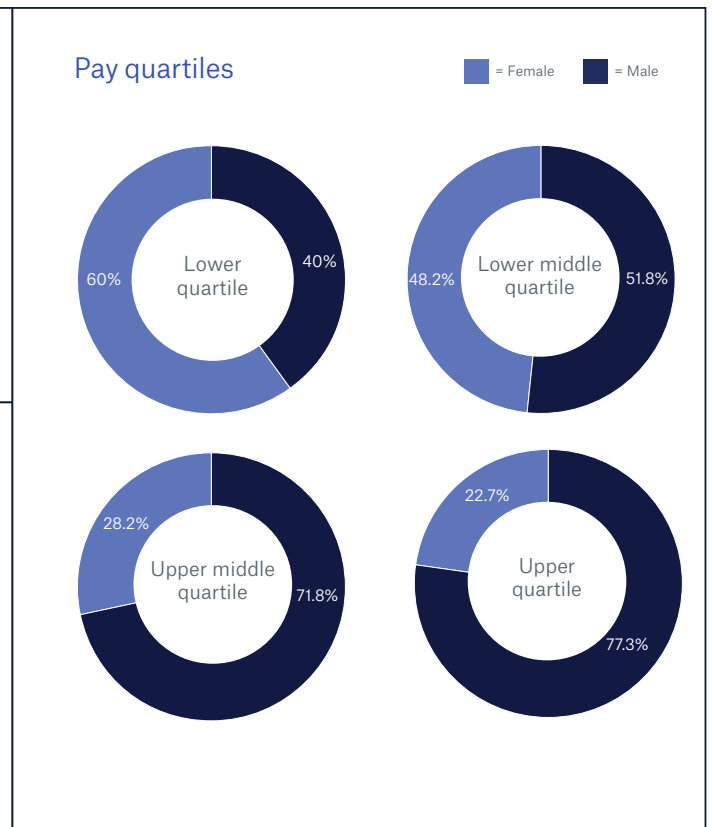
### Bonus pay gap

|                      |       |
|----------------------|-------|
| Mean bonus pay gap   | 71.7% |
| Median bonus pay gap | 73.8% |

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### Who received bonus pay?

|                                   |  |
|-----------------------------------|--|
| 40.7% of women received bonus pay |  |
| 50.8% of men received bonus pay   |  |



There are several factors that influence the overall result:

The biggest driver of our gender pay gap is the makeup of our workforce; we have proportionally more men in senior positions and since pay and bonuses are higher for senior positions, it means that the average pay for men across our Company is higher than for women. We also have more women in junior roles which impacts the gap further.

Additionally, 8% of our employees work part time, 78% who are female. While being a part-time employee does not have an impact on the hourly pay gap (the gender pay gap calculations consider the standard weekly number of hours worked by individuals and use this to calculate their hourly pay, therefore pay is compared on a like-for-like basis), the bonus gap calculations do not account for individuals who were part-time or received a pro-rated bonus due to long-term leave. Therefore, this may impact the bonus gap calculations.

## What are we doing to address the gender pay gap?

We are committed to working towards narrowing our gender pay gap further each year and know that driving an increasingly inclusive culture is critical to the continued success and growth of MRSGUKS.

Reducing the gender pay gap will take a long-term commitment to significantly change the structure of our workforce and see these effects to materialise within our figures. However, we acknowledge that we need to do more to speed up the pace of change and increase diversity across all levels.

We are committed to driving change through tangible actions within our within our DEI strategy and the gender pay gap is one of the various tools we use to measure and to track progress on our commitments.

### In 2021, we made several commitments, and this is what has been accomplished:

- A dedicated DEI intranet page was launched in October 2020 to provide colleagues with educational resources including our newly formed DEI statement, our approach, reading materials, topics and videos to support the education of upskill of the importance of DEI.
- Specific KPIs were identified and launched in January 2021 to track and measure DEI metrics. Below are some of the metrics which were met/exceeded as at 31st December 2021.

| Metric   | Updated as of Jan. 1 2022 | Benchmark /Target |
|--|---------------------------|-------------------|
| MRSB percentage of female ML 1/2s**              | 25%                       | T - 15%           |
| % of MRSL females in leadership roles GG*** 15+* | 35%                       | T2023 - 35%       |
| % MRSL female ExCo/ Board members*               | 33%                       | T2023 - 20%       |

\*Lloyds gender targets \*\*MRe gender targets \*\*\* Global grades

- Launch of the Catalyst platform in May 2021 which provides employees with a variety of learning resources including innovative research, the tools to make change, stories of success
- Participation in the Lloyd's Dive In #Active Allyship Promise 2021 campaign to create and empower D&I allies who can turn commitments into action and take responsibility for making change
- Raising awareness and education through LinkedIn Learning Paths to understand how Diversity, Inclusion and Belonging (DIB) can create change, help us individually contribute to building a better workplace and reinforce this which was launched March 2021
- We also launched the training sessions 'Managing with Respect' (for line managers) as well as 'Working with Respect' for all colleagues around the importance of behaviour in the workplace and creating psychological safety. Both training sessions are compulsory for colleagues to complete.

### In 2022, we are continuing to address the gender pay gap, and inclusion and diversity beyond gender:

#### 1. Make Diversity, Equity, and Inclusion part of our DNA

As a Munich Re Group entity, we will be leveraging the new 2022 Diversity, Equity and Inclusion ('DEI') operational structure:

- A regional Head of Diversity & Inclusion, Catalina Hernandez, joined us in January 2022 and will support us in creating a strategy to help our workplace be more equitable, inclusive and diverse.
- The new structure will include a way for employees to be involved in increasing awareness and engagement for DEI across the region. Employees will also have the opportunity to become DEI champions in their everyday roles
- Inclusive Leadership and Unconscious Bias Modules are to be launched in 2022 to support colleagues on concepts of inclusive leadership and unconscious bias
- We intend to partner with Inclusion@Lloyd's Networks (Insurance Cultural Awareness Network, Insurance Families Partner Network, Insurance Disability and Wellbeing Network, Next Generation Insurance Network) to get involved in industry-wide efforts to promote and enhance DEI initiatives.

#### 2. Identify and Develop a Pipeline of more Female Leaders and Succession Planning

We are committed to creating an environment where women can ascend into senior positions and feel supported to do so;

- We are working with Talent Acquisition to identify more diverse candidate pools for advertised roles and new positions
- We have female representation on both leadership development programmes
- We are liaising with Lloyd's and other professional bodies to encourage female representation on external talent development programmes
- Between April 2021 and March 2022, we promoted 10% of our overall workforce, 53% of the promotions were female.
- Succession plans have been reviewed and updated. Focus of conversations with managers and senior leadership has been on identifying a more diverse pool of candidates, including female talent

### 3. Increased Learning & Development

- We launched the training session 'Seeing the bigger picture, Moving Beyond Unconscious Bias' and we strongly encourage all colleagues to complete this training

### 4. Re-evaluate the Recruitment Processes

To ensure that we are maximising the breath of our potential talent pool and mitigating risks of unconscious bias:

- We are working with Talent Acquisition to identify more diverse candidate pools for advertised roles and new positions, specifically senior positions (as this is where we see there is larger differential)
- We are working with external providers to ensure that where they are supporting the Talent Acquisition Team with candidate attraction and hiring, they are also providing diverse candidate pools
- Roles are benchmarked based on gender-neutral job descriptions to minimise pay differentials
- We are continuing to use specialist software in our recruitment process to identify bias and reduce gendered language in our job posts (Textio)

### 5. Remuneration Reviews

- With effect from 1st January 2020, MRSGUKS announced a new Munich Re-wide annual profit share scheme to replace the previous discretionary annual bonus scheme. This new scheme removed the possibility of management discretion for bonus pay out. We expect this change will have a positive impact within our gender pay figures from 2022 reporting.
- Additionally, there are various times within the year where pay may be reviewed, such as during the recruitment process or when new positions are created within the organisation which existing employees may fill.

Our gender pay gap is higher than we would like and is not reflective of the Company that we aspire to be. Diversity and inclusion are a priority for our leadership team, whilst meaningful changes take time and focus, we will continue to hold these initiatives at the heart of our business strategy. These commitments are a collective responsibility, and we will also need the support of our colleagues to stay open to change and support our activities.

### **We're all in this journey together.**

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



Alison Maxwell, Director Munich Re Syndicate Limited



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