
LIBERTY SPECIALTY
MARKETS LIMITED
GENDER PAY GAP REPORT

2019



Key data

2019 Reported Mean Hourly Pay Gap **37.2%**2018 Mean Hourly Pay Gap **36.9%**2019 Mean Hourly Pay excluding transfers **33.5%**

Inclusion for Mutual Advantage

We are committed to reducing our gender pay gap and driving a culture in which all colleagues can thrive. By building a diverse workforce and vibrant culture of inclusion, we create a stronger, high-performing company.

Our recent Employee Opinion Survey result showed that overall our people believe we are committed to providing equitable opportunities for all employees.

Our pay gap is due to higher proportions of men than women in senior roles across the company. This situation is common across the UK financial services sector, and one we're all striving to address.

In January 2019 we made several key senior level transfers from elsewhere within the Liberty Mutual group into Liberty Specialty Markets Ltd. These transferees were broadly paid within the upper quartile and were predominantly male. This has broadened our Mean Gender Pay Gap to 37.2%, which would otherwise have narrowed from 36.9% to 33.5%.

We are confident that our underlying policies and activities are making a positive difference for the long term. We have made progress against all six commitments made in 2018, and have added a number of additional initiatives to support women in their careers.

While our action in 2019 hasn't yet been reflected in our gender pay numbers, on behalf of the board, we remain committed to creating an environment which will impact on reducing our gender pay gap over the coming years.

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

Matthew Moore
Managing Director
and President

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 2019).

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.

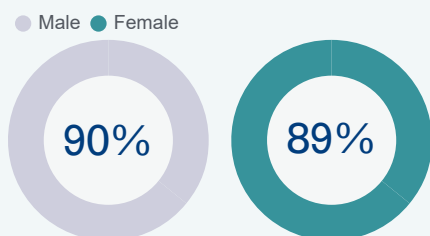
Our gender pay gap data are compiled in accordance with government guidelines.



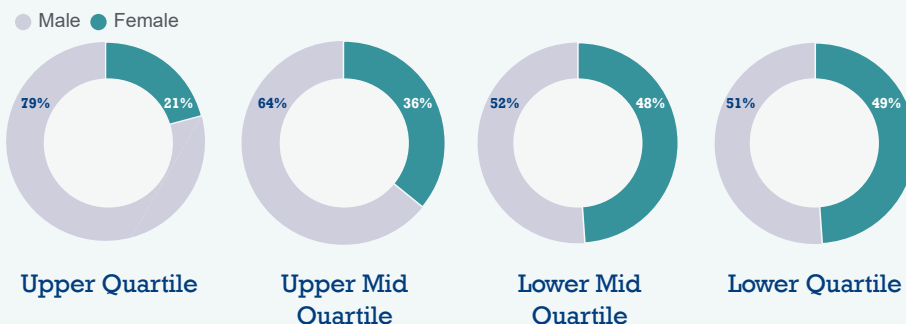
2019 Reported Gender Pay Gap Results, include transfers from Liberty Mutual

Year on Year Comparison			
Data Points	2018 Gap	2019 Gap	Change
Mean Hourly Gender Pay	36.9%	37.2%	+0.3%
Median Hourly Gender Pay	28.5%	30.1%	+1.6%
Mean Bonus Pay Gap	63.1%	69.2%	+6.1%
Median Bonus Pay Gap	49.8%	39.1%	-10.7%

Males/females who received a bonus



Proportion of males and females in each pay quartile



2018 / 2019 Like-for-Like Gender Pay Gap Results, excludes transfers from Liberty Mutual

Year on Year Comparison			
Data Points	2018 Gap	2019 Minus Transfers	Change without Transfers
Mean Hourly Gender Pay	36.9%	33.5%	-3.3%
Median Hourly Gender Pay	28.5%	29.9%	+1.4%
Mean Bonus Pay Gap	63.1%	67.9%	+4.9%
Median Bonus Pay Gap	49.8%	40.0%	-9.8%

Gender Pay Gap Drivers

There are three key drivers of our gender pay gap and for the slight increases in 2019:

- The most significant driver is the relative under-representation of women in senior leadership roles. This is evidenced, for example, in our pay quartile results.
- In January 2019 we made several senior level transfers. from elsewhere within the Liberty Mutual group. These transferees were broadly paid within the upper quartile and were predominantly male.
- The impact on our mean bonus pay gap increase was the exercise of our long-term bonus plan, which is only awarded to very senior employees, where we see a disproportionate gender balance of more males at this level.

We are confident that the strategies we have introduced (see pages 5 and 6) will make a positive different to reducing our gender pay gap over the long term. Had we not made the senior level transfers mentioned above – ie measuring like with like 2018-19 - we would have seen a marked improvement across some key measures.

Our Progress on our 2018 commitments

In our last report, we made six commitments for 2019. We've tracked progress as follows:

- We have continued to review and enhance our parental leave and **family friendly policies** and benefits. Our maternity policy is now enhanced and is competitive in our industry.
- We have **developed programmes** that support our **leaders** to deliver our D&I strategies. We introduced Inclusive Behaviours and Courageous Bystanders training; and we piloted Diversity and Inclusion (D&I) Fundamentals, ahead of rolling it out to all our managers from 2020.
- We have driven diversity awareness and accountability at senior levels by running focused sessions as part of our LSM Leadership Team meetings. We produce management **information dashboards** on a quarterly basis.
- We recruited more than 50% of females during our 2019 **graduate recruitment** process and have achieved 50:50 gender splits on both of our flagship talent programmes; the Liberty Business Academy and our Ignite programme. Our work experience programme has also broadly achieved a 50:50 gender split.
- We have continued to **support women to return to work** after maternity leave, providing flexible working policies and up-skilling our line managers.
- Our leadership team continues to **review our progress and consult with colleagues** on gender pay and D&I more broadly.

We have undertaken a number of further initiatives that support these commitments and contribute more generally to reducing the gender pay gap over the long term:

- We have evolved our **Inclusion Matters** taskforce and established six employee-led networks. Our Gender Matters network provides colleagues with a space to come together to connect, learn and engage.
- We have further refined and improved our **recruitment and promotion process** which ensures roles are advertised and interviews are undertaken by a diverse panel. We supported this with the introduction of accredited inclusive recruitment training which is mandatory for all hiring managers. And we now partner with Mumsnet to attract more diverse candidates.
- We have offered **development** programmes in order to strengthen the pipeline of future female talent. These initiatives include the Authentic Leading Women, the Lloyd's Advance programme, and the Insurance Breakfast Club.
- Since 2017 we have been a corporate sponsor of the Lord Mayor's Appeal 'She Can Be' and during 2019 we hosted two days for young women interested in City careers in our London office. This partnership will continue in 2020.
- Our **Remuneration Committee** continues to monitor key statistics around gender, e.g. the distribution of performance ratings for male and female colleagues, to ensure there is no bias.

Our commitments for 2020

- We will continue to enhance **our family friendly policies**. We are proud of the inclusive policies we have in place to support everyone be their unique self at work. We are adding a 'Working environment' section to our website, focusing on our family friendly and career development policies.
- We will roll out our **Diversity and Inclusion (D&I) Fundamentals one day training** course to all managers during 2020 and 2021.
- We will include further metrics and analysis in our diversity management **information dashboards** during 2020. This will help our leadership team to understand the most effective way to move our D&I strategy forward.
- We will continue to target a 50:50 gender split across our **early careers and talent programmes**.
- We will continue to grow our **Gender Matters network** through a calendar of engagement activities and events.
- We will continue to offer **development** programmes in order to strengthen the pipeline of future female talent. Including the launch of **Springboard**, our woman's personal development programme for individual contributors across all teams.
- We will partner with the **Everywoman in Insurance Forum**, giving access to all LSM employees. The forum brings together a wealth of female and male insurance professionals from across the globe who are committed to providing expertise, training and insight to help attract, develop and retain more women in the industry.
- Our leadership team will **continue to review our progress and consult with colleagues** on gender pay and D&I more broadly.