



LIBERTY SPECIALTY
MARKETS LIMITED
GENDER PAY GAP REPORT

2021

Key data

2021 Mean Hourly Pay Gap **27.7%**2020 Mean Hourly Pay Gap **32.0%**2019 Mean Hourly Pay Gap **37.2%**

Inclusion for Mutual Advantage

We are committed to continue reducing our gender pay gap and driving a culture in which all colleagues can be themselves and thrive. By building a diverse workforce and vibrant culture of inclusion, we create a stronger, high-performing company. Through the commitments we have set out and delivered in recent years, we continue to see meaningful, sustainable change towards closing the gender pay gap.

We are pleased to have seen a marked decrease across our mean hourly pay gap, mean bonus pay gap, and median bonus pay gap. This was predominately driven by several hires and promotions of females at our most senior leadership levels.

We have made great progress against all the commitments we set out in 2020 and this has enabled us achieve a decrease of 4.3% in our mean hourly gender pay rate. In addition, we continue to see an increase in female representation in our Career Professional and Specialist/ Manager population which represents a strong pipeline of female talent for senior leadership roles in the future.

While our numbers demonstrate a step change in the right direction, 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 six 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 further in 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 2021).

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.

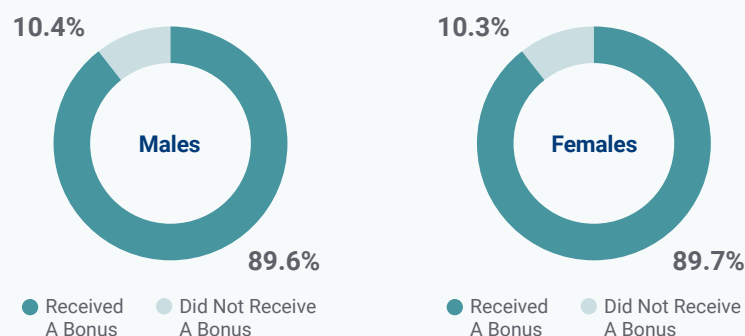
Our gender pay gap data are compiled in accordance with government guidelines.



2021 Reported Gender Pay Gap Results

Year on Year Comparison			
Data Points	2020 Gap	2021 Gap	% Change
Mean Hourly Gender Pay	32%	27.7%	-4.3%
Median Hourly Gender Pay	23.7%	24.1%	0.4%
Mean Bonus Pay Gap	63.4%	58.6%	-4.8%
Median Bonus Pay Gap	36.8%	27.5%	-9.3%

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 2021	26.3%	40.4%	43.8%	54.5%
Male 2021	73.7%	59.6%	56.3%	45.5%
Female 2020	25%	41%	46%	50%
Male 2020	75%	59%	54%	50%
Change in Female %	+1.3%	-0.6%	-5.6%	+4.5%

Gender Pay Gap Drivers

There are three key drivers of our Gender Pay Gap:

- The reduction in the Mean Hourly Pay Gap was predominately driven by female representation increasing in the upper pay quartile, achieved through hiring and promotions of several females at our most senior leadership levels. These factors also helped to drive the reduction in the mean and median bonus pay gaps, by 4.8% and 9.3% respectively.
- Whilst significant progress has been made in 2021 towards closing the gender pay gap, the most significant driver of the gap remains the relative under-representation of women in our most senior leadership roles. However, as we continue to see an increase in female representation in our Career Professional and Specialist/ Manager population, we are confident this represents a strong pipeline of female talent for senior leadership roles in the future.
- The slight increase in the Median Pay Gap is because female representation is still highest in the lowest pay quartile, at 54.5%, which mostly represents support and operational roles.

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 reducing our gender pay gap over the long term.

Our Progress on our 2021 commitments

In our last report, we made six commitments for 2021. We've tracked progress as follows:

1. We deployed **Diversity, Equity, and Inclusion (DEI) Global Fundamentals** to our people managers. This programme lays the foundation for our **Leading at Liberty** programme; a management development programme designed with inclusive behaviours at the core, with all people managers scheduled to attend from 2022.
2. We have worked to design an e-learning module based on **Diversity, Equity, and Inclusion (DEI) Global Fundamentals** for all individual contributors. This programme will form part of our mandatory training curriculum from 2022.
3. We delivered virtual **Springboard** connector sessions, our woman's personal development programme for individual contributors across all teams, with positive feedback. Springboard is one of our **development programmes** in order to strengthen the pipeline of future female talent. The participants will be invited to take part in the full face-to-face training from 2022.
4. We grew our **Gender Matters network** with an expanded offering of virtual engagement activities and events, which saw 15% growth in committee members and increased participation in events.
5. All Liberty Specialty Markets (LSM) managers were assigned a **mandatory objective** for 2021 designed to drive inclusive leadership. And all Exec members personally committed to a DEI objective to role model and address specific challenges within their functions, many choosing to focus on increasing representation of woman in leadership roles.
6. We have enhanced our **support resources for Maternity, Paternity, Adoption and Parental Leave** for colleagues before, during, and after these extended periods of leave. This includes highlighting the extensive resources we already had available, along with new initiatives such as parental coaching and a returns buddy system. We have continued to evolve our **family friendly policies**, including enhancements to our maternity leave policy and creating a new menopause policy.

Our Progress on our 2021 commitments continued

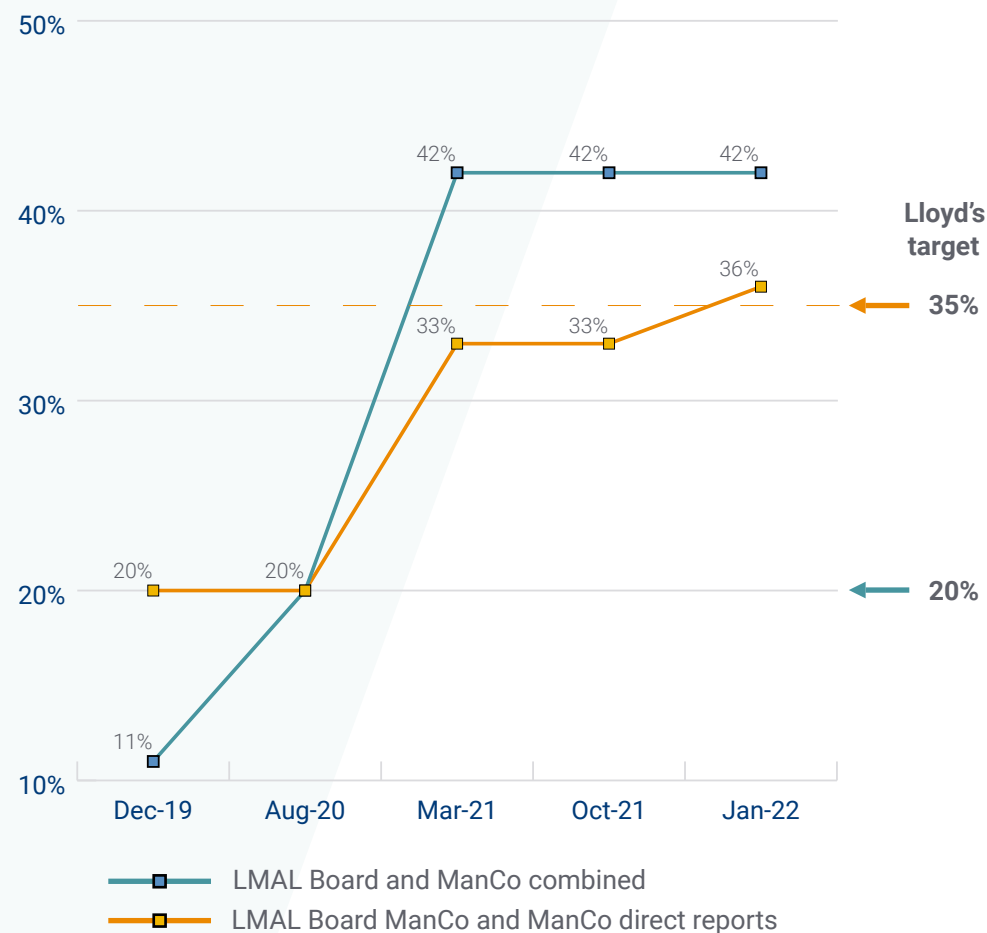
Lloyd's Female Representation Targets

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

When considering the LMAL Board and the Management Committee, we have already exceeded target 1 with 42% female representation, and have just surpassed target 2 with 36% female representation. Target 2's figures have improved from 33%, within less than a year, whilst Target 1 has remained at a steady 42%.

Female Representation - LMAL Board, ManCo & ManCo Direct Reports



Our six new commitments for 2022

1. **We have set a new goal for female leadership representation** — LSM has set a goal of 40% female representation among leadership roles globally by 2025. This represents a 7-point increase from our 2021 baseline of 33%. Having a clear, established goal will help us focus on continuing to make sustained progress.
2. **Introduction of minimum shortlist requirements** — to help us achieve our gender representation goals, we will introduce minimum interview shortlist requirements. This means interview shortlists for all management and leadership roles should include at least one female candidate. The most qualified candidate for the role will be hired.
3. **We will expand our DEI training offering** — all individual contributors will complete a mandatory digital learning module: “Diversity, Equity, and Inclusion (DEI) Global Fundamentals”. Managers will also attend our “Leading at Liberty” management development programme, designed with inclusive behaviours at the core.
4. **We will bring in more diverse talent at early careers stage** — our current graduate cohort has a 50/50 gender balance, but there is more we can do for our other early careers programmes: Work Experience, Internships and Industrial Placements. Working with our internal and external partners, we will take further action to drive diversity among these cohorts.
5. **We will expand and deepen our partnerships with external organisations** — our new partnership with [The Brokerage](#) will improve access to opportunities at LSM for under-represented groups in society, and offer our colleagues the opportunity to contribute to these efforts. In addition, several of our DEI partners are Gender focused, such as Peppy, Cityparents, and Insurance Supper Club, providing access to a range of organisations that advise and provide resources to support our commitments.
6. **Through our ‘Gender Matters’ Employee Network we will continue to support a range of external events and initiatives** — doing so helps provoke thought and inspire action. Our visibility here makes a public commitment to gender diversity at LSM and confirms our support for transformation in the market. Key examples include Lloyd’s Dive In Festival and 50 over Fifty.

