Our Commitment

We are committed to reducing our gender pay gap and driving a culture in which all colleagues can thrive.

We recognise and encourage the values of diversity, inclusion and collaboration. We know that working together to share our unique perspectives helps us make better decisions and deliver innovative solutions to achieve our goals. We believe that empowering colleagues to be their unique selves at work helps us all to reach our full potential and in turn this enables us to improve our gender pay gap.

Our recent Employee Opinion Survey result showed that overall our colleagues feel they are treated equally and fairly regardless of gender, gender identity, age, race, disability, religion, or sexual orientation.

We are also pleased to announce that compared with 2017, our mean hourly pay gap, mean bonus pay gap and median hourly pay gap have all reduced.

Our pay gap is driven by the fact there are higher proportions of men than women in senior roles across the company, a feature which is common across the UK financial services sector more broadly.

Our talent management strategy, which is based around inclusion, will drive continued improvement across all areas.

The Board and I are, and will remain, committed to creating an environment which will impact on the Gender Pay Gap. As a management team, we are

just as committed to helping each other internally, as we are to helping our customers, communities and shareholders externally. We will continue to focus on further reducing our gender pay gap over the coming years.

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

Matthew Moore





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 (ie 5 April 2018).

This 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 regularly monitor key statistics to ensure 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.

More information on the methodology can be found on the Acas website.

Liberty Specialty Markets UK Gender Pay Gap Statistics 2018

The mean gender pay gap of 36.9% represents the difference between the average pay for a male employee, compared with the average pay of a woman. The gap shows a year-on-year reduction of 2.8% points.

The median gender pay gap of 28.5% represents the difference in the midpoints of the ranges of hourly rates of pay for men and women. We determine this by ordering individual rates of pay from highest to lowest and comparing the middle value. In 2018 this gap shows a year-on-year reduction of 4.8% points.

The mean bonus pay gap of 63.1% is the difference in average bonus pay received by men and women. This reduced by 4.5% points in 2018.

The median bonus pay gap is the only measure on which we were unable to report a reduction in 2018. The median gender bonus pay gap shows the difference in the midpoints of the ranges of bonus pay received by men and women. In 2018 the gap was 49.8%, 2.8% points greater than in 2017.

UK Gender Pay Gap ('GPG') Data

Year on Year Comparison

DATA POINTS	2017 Gap	2018 Gap	Change
Mean Hourly Gender Pay	39.6%	36.9%	-2.8%
Median Hourly Gender Pay	33.3%	28.5%	-4.8 %
Mean Bonus Pay Gap	67.6%	63.1%	-4.5%
Median Bonus Pay Gap	47.0%	49.8%	2.8%

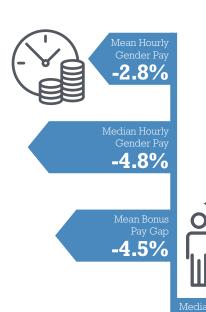
Male/Female Bonus Recipients

Gender	Received a bonus	Did not receive a bonus	
Female	90.7%	9.3%	
Male	93.0%	7.0%	

Headcount Distribution by Pay Quartile

2018							
Numbers in each pay quartile	Quartile One	Quartile Two	Quartile Three	Quartile Four			
Female	47.3%	50.0%	38.5%	20.1%			
Male	52.7%	50.0%	61.5%	79.9%			

2017							
Numbers in each pay quartile	Quartile One	Quartile Two	Quartile Three	Quartile Four			
Female	55.2%	48.6%	39.3%	19.7%			
Male	44.8%	51.4%	60.7%	80.3%			



Gender pay gap drivers

The key driver of our gender pay gap is the relative under-representation of women in senior leadership roles. This is evidenced, for example, in our pay quartile results.

Our progress so far

In our last report, we made three initial commitments:

- · Creating a diversity and inclusion strategy (D&I)
 - We have introduced Inclusion Matters, a new element in our D&I strategy, this has been approved by our executive leadership team and is supported by a senior leadership task force which is embedding it throughout the business via a network of champions and allies. The strategy is built out into five key areas of focus, one of which, Gender Matters, has improving gender balance as a key objective.
- Improving people policies to help everyone achieve balance between work, family and other commitments
 - Our parental leave policies have been reviewed and improved, with changes made to the qualifying periods and leave packages available to both men and women.
- Introducing an improved and more inclusive hiring and appointments process.
 - We have introduced a more structured recruitment and promotion process which features interviews undertaken by a diverse panel.
 - We have also undertaken unconscious bias training for all management

I am delighted to say that we have also undertaken a number of further initiatives that support these commitments and contribute more generally to progress on reducing the gender pay gap:

- The introduction of the flexible working arrangements has been supported by 78% of our UK based female employees.
- We have offered mentoring programmes in order to strengthen the pipeline of future female talent. These initiatives include the Authentic Leading Women and the Lloyd's Advance programme.
- We have been a corporate sponsor of the Lord Mayor's Appeal 'She Can Be' since 2017 and will continue this relationship in 2019, including hosting two days for young women interested in City careers in our London office.
- Our Remuneration Committee continue 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 2019

- We will develop programmes that support our leaders on the delivery of our D&I and leadership development strategies over 2019 and 2020.
- We will drive diversity awareness and accountability at senior levels by updating appropriate management information dashboards on a quarterly basis.
 This will support our leadership team's efforts to understand the most effective way to move our D&I strategy forward.
- We will aim to have a 50/50 gender split in our graduate recruitment and continue with our internal mentoring programmes.
- We will continue to review and enhance our parental leave and family friendly policies and benefits.
- We will continue to support women to return to work by making sure that colleagues who go on maternity leave are set up for success and supported in their return to work by up-skilling our line managers. We will also look to trial returnships in order to help talented females return to the workplace after an extended absence.
- Our leadership team will continually review our progress and consult with colleagues on gender pay and D&I more broadly.

