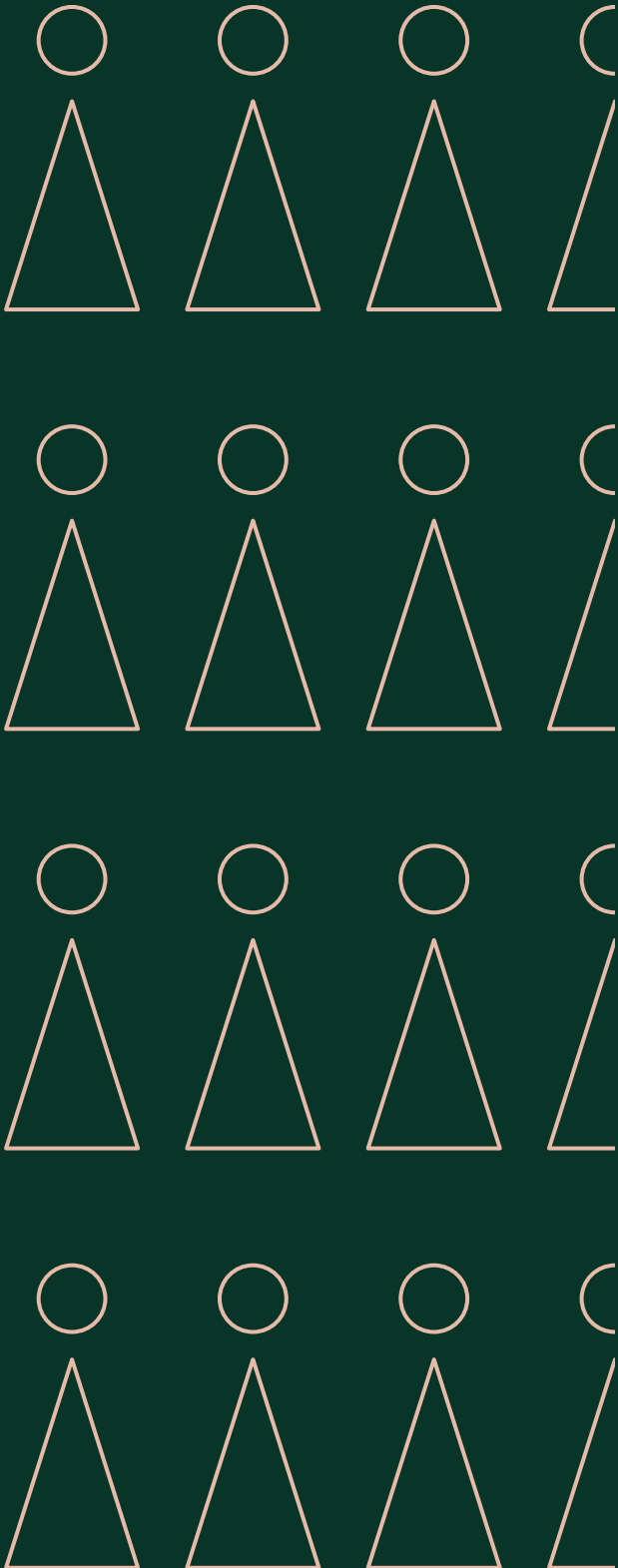
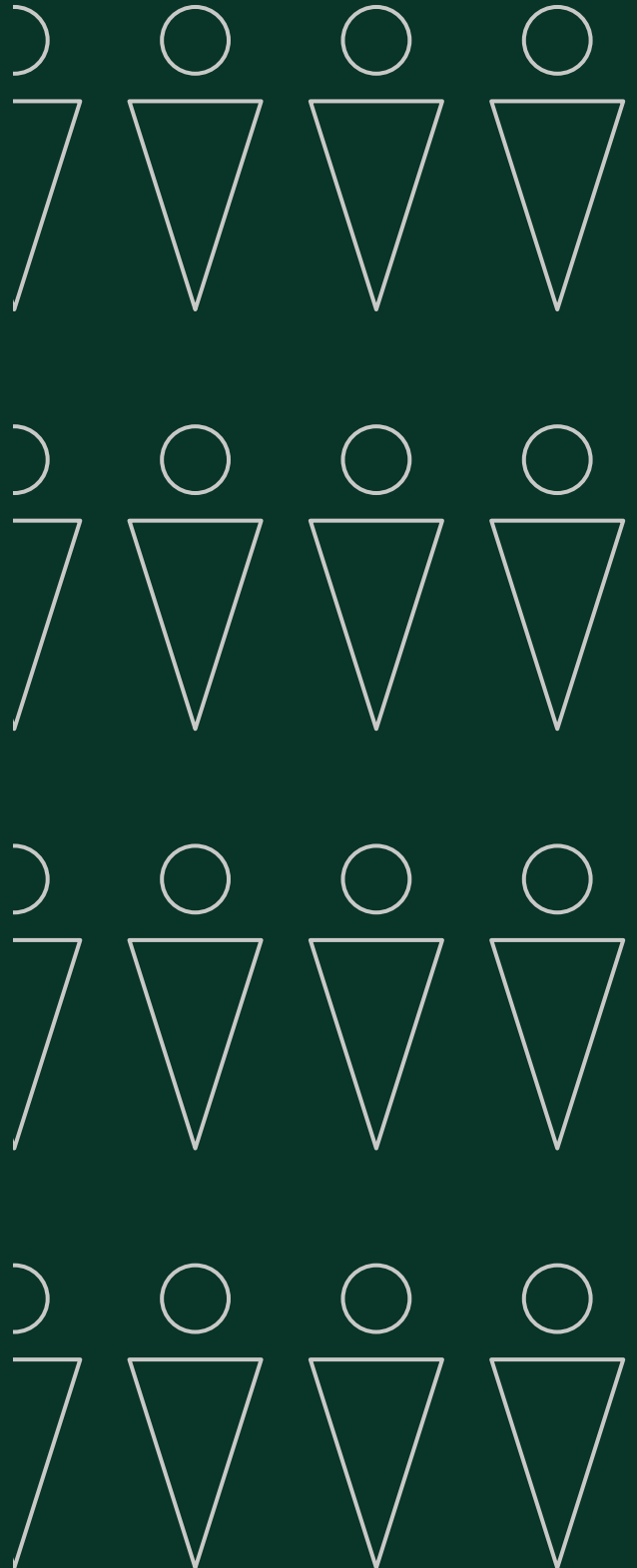


THE
Ardonagh
GROUP



GENDER PAY GAP REPORT 2020



INTRODUCTION

As the UK's largest independent insurance broker with fast-growing global presence, The Ardonagh Group is committed to providing a respectful, inclusive environment and a working culture which is productive, positive and fair for all employees.

Across Ardonagh, everyone is paid for the role they have in the team, the value that they add to the business, and their performance in their role. We are an Equal Pay employer meaning that men and women performing equivalent work receive equal pay, regardless of gender, race, belief, or any other factor. We also practice equal opportunities and across our brands, firmly believe in appointing the best candidate into a role regardless of the factors outlined above and in the Equality Act.

For 2020, The Ardonagh Group's UK operations have continued to report a Gender Pay Gap, reflective of our overall gender imbalance and lack of women in senior roles. While we are pleased to see our median Gender Pay Gap has decreased over consecutive reporting periods (2020: 26%, 2019: 31%, 2018: 40%) illustrating that the direction of travel is the right one, there is still much to be done before we see a meaningful reduction in our gender pay gap.

A key driver towards this continues to be addressing our gender balance and increasing the number of women in leadership roles in key parts of the Group; something we will continue working harder to do. Alongside this, our businesses continue to add to the long-term initiatives they are taking to ensure Ardonagh, and the broader insurance industry, evolves to attract the very best talent from all backgrounds to ensure a more diverse workforce into the future.

As the Group continues to grow through acquisition, our future Gender Pay Gap reports are likely to include data for businesses which are yet to adopt the actions and initiatives we have implemented over previous years. Because of this, Ardonagh will use a variety of measures, alongside the Gender Pay Gap reporting, to understand our progress and drive further gender diversity across all our brands and all role levels.

We are a collection of leading insurance sector businesses each with unique histories, areas of expertise and ways of working, and it is this diversity that makes the Group greater than the sum of its parts. With this in mind, we firmly believe the more diverse the backgrounds and experience of our colleagues, the more successful Ardonagh as a whole will be.

We are committed to regularly sharing our progress on this with our colleagues, shareholders and the wider community over the coming years.

I confirm that the data published in this report is accurate.



David Ross
Group Chief Executive Officer

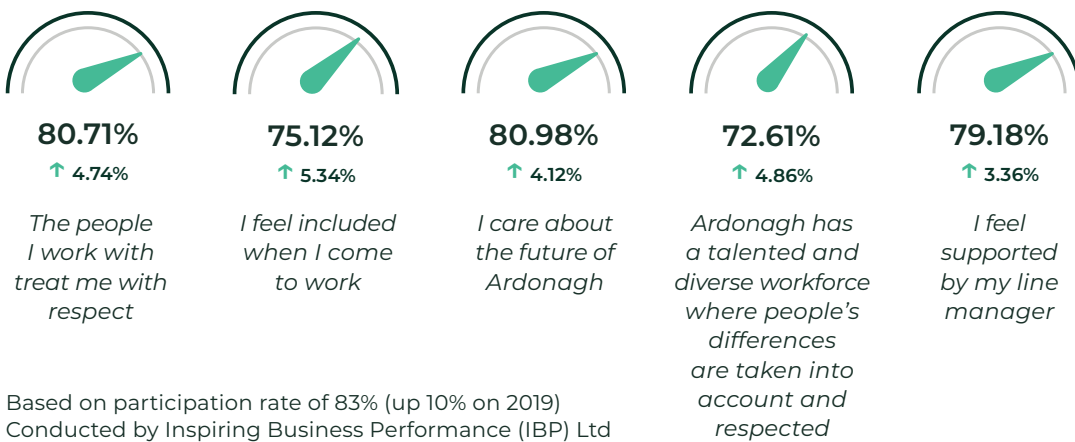
SUMMARY OF PROGRESS

CULTURE AND ENGAGEMENT

We undertake a pulse survey each year across the Group which provides our executive committees and local leadership teams with important insights into our culture and how our people feel about diversity and inclusion at Ardonagh.

Our 2020 survey (conducted in January 2021 due to impacts of the pandemic) saw an increase in overall positivity scores for the Group and its individual operating segments.

We consider this survey an important measure of success for our diversity and inclusion strategy, with an increase in how positively our colleagues rate the Group across a number of key questions:



Based on participation rate of 83% (up 10% on 2019)
Conducted by Inspiring Business Performance (IBP) Ltd

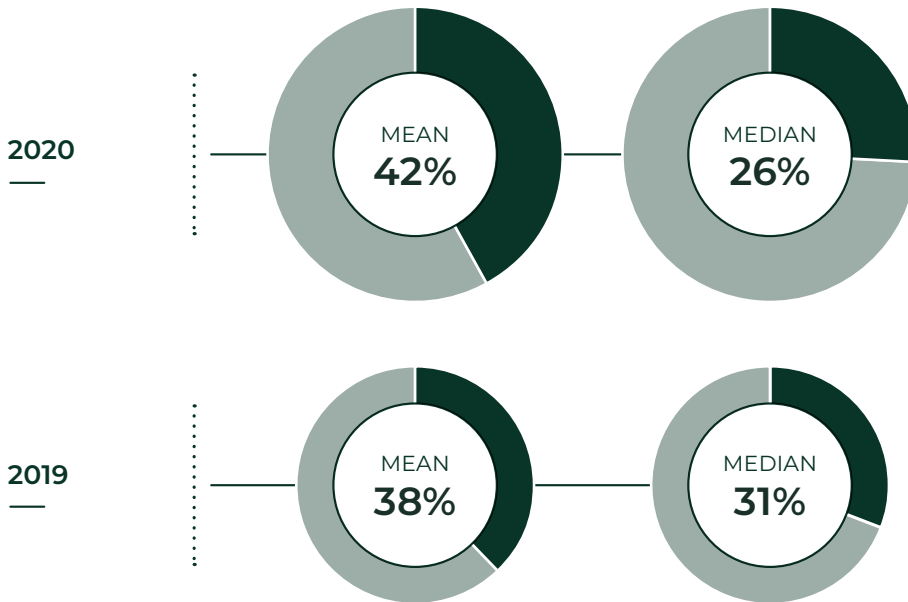
2020 ACTIONS AND INITIATIVES

- Introduced mandatory diversity, equality and inclusion and unconscious training modules into the training plan of all roles across the Group
- Established gender-focused committees amongst our segment-level diversity and inclusion forums
- Flexible working practices rolled out during 2020/21 across our businesses
- Expanded our successful career development programmes – Women in Leadership and 6x6 Equal Talent Coaching – into all businesses in the Group
- All HR policies reviewed to ensure they are family and flexible working compatible
- 16+ attendees of our female-focused career development programmes promoted following completion of their course
- Centralised our vacancy advertisements to give our colleagues greater visibility of roles outside their immediate business
- Achieved minimum standard of at least three months basic salary maternity pay across our businesses alongside developing enhanced maternity pay policies in many parts of the Group
- Established job families and role grading framework across the Group to create more consistency and clearer paths for progression
- Expanded on-the-go leadership training on a range of topics to support line managers with practical inclusive behaviours
- Continued to review reward and benefits across the Group and at segment level to ensure consistency across businesses, teams and the Group

SUMMARY OF RESULTS

This report details the gender pay gap data for The Ardonagh Group at the snapshot date of 5 April 2020.

ORDINARY PAY GAP



Mean: The sum of all earnings in a dataset divided by the number of employees in the dataset

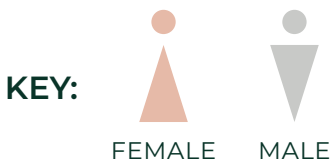
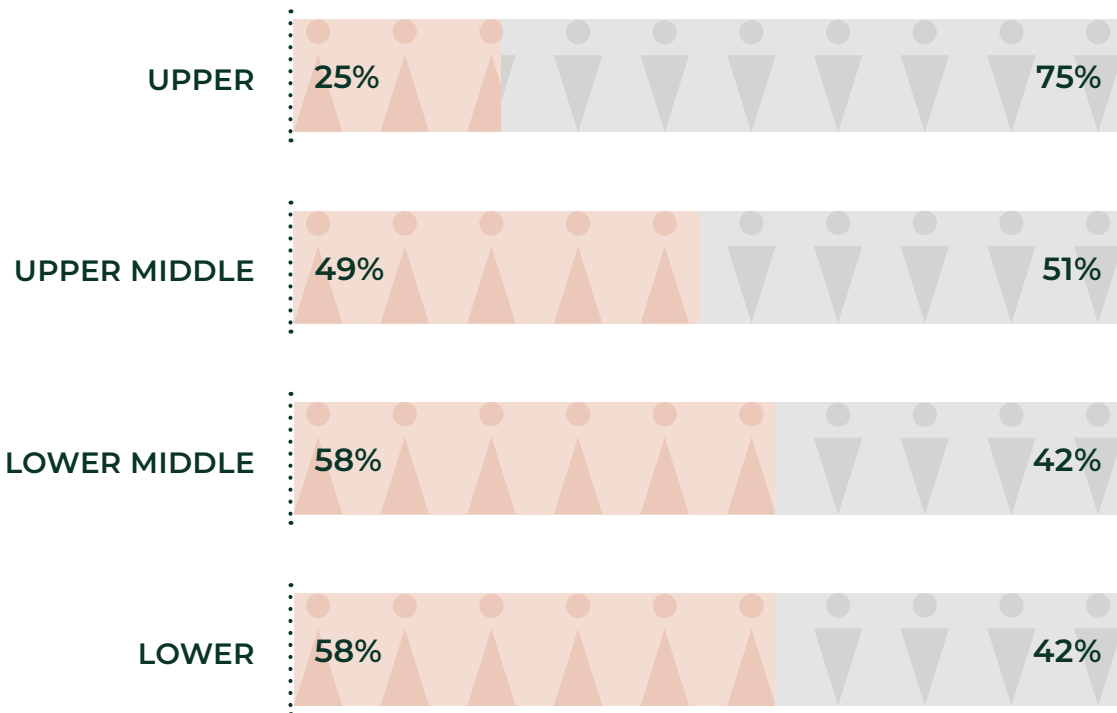
Median: The mid-point earning in a dataset

SUMMARY OF RESULTS

PAY QUARTILES

The proportion of male and female employees are split into quartile bands based on their Ordinary Pay. The banding illustrates that there are significantly more men than women in the upper quartile, as a result of more men than women in senior leadership roles. This would suggest that a significant driver of the ordinary pay gap as shown above is the structural make-up of the business. It is reassuring to see, and certainly a positive take-away for the future, that all other quartiles are broadly comparable.

Collectively, we must ensure that opportunities are fairly distributed, and that accessibility for women, and other ethnic minorities, to the most senior positions across the business is improved, to allow for increased diversity in the upper quartile in years to come. In each year that accessibility is improved, the Gender Pay Gap will reduce.



SUMMARY OF RESULTS

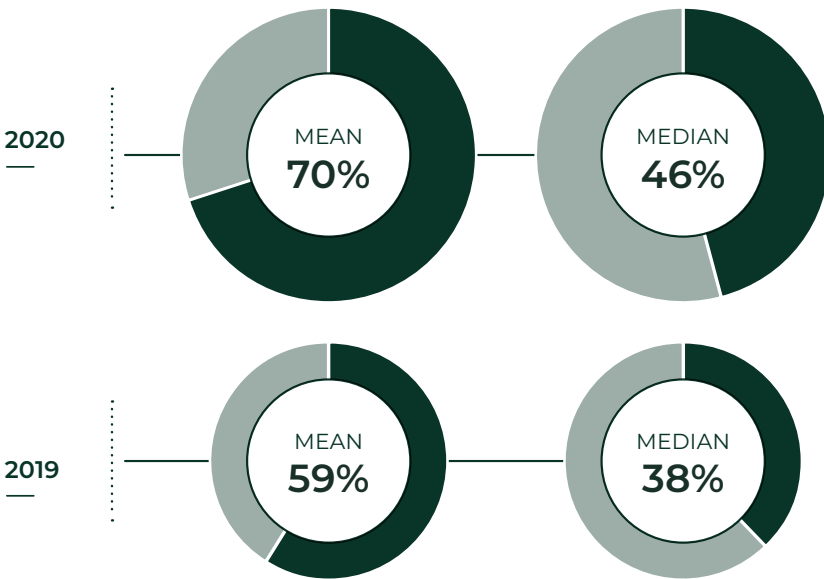
BONUS PAYMENTS

Bonus payments include bonus, commission and profit share schemes. The proportion of men and women receiving payments are almost identical, with **73%** of women and **73%** of men receiving bonuses in the year. This is a significant increase on prior year which reported **44%** of women and **48%** of men.

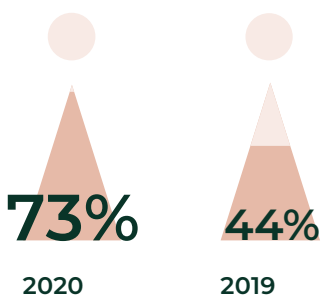
However, the variance of the mean and median bonus payments between male and female employees is significant, largely due to the structurally disproportionate employment of men in the most senior positions within the business. The consequence of this is two-fold; not only are the bonus payments (typically) computed off a larger salary, but bonus plans for the more senior individuals intrinsically benefit from higher on-target percentages than more junior colleagues. The result is a large mean and median bonus pay gap, with the most senior outliers causing a strong positive skew in the data.

Time is being invested in reviewing the bonus framework to ensure that the alignment between role and bonus plan is fair, justifiable, and most importantly, equitable.

BONUS PAY GAP



2020 | 73% OF WOMEN RECEIVED A BONUS



2020 | 73% OF MEN RECEIVED A BONUS

