

TALBOT
An  company

UK Gender Pay Gap **2021**





Talbot Underwriting Ltd (Talbot, an AIG company) is committed to fostering diversity, equity and inclusion for all its employees. We are actively working to reduce our gender pay gap and to achieve gender parity in our leadership pipeline.

AIG encourages a diverse and inclusive workforce and supports the advancement of women across its footprint. To see gender pay gap analysis of AIG's other UK entities, click [here](#) for AIG in the UK and [here](#) for AIG Life.

Our 2021 gender pay gap analysis shows an improvement in the mean average hourly pay gap. The proportion of women in the upper pay quartile has remained static. There is an increase in the proportion of women in the upper middle pay quartile, but there is also an increase in the proportion of females in the lower quartile.

Our Pay Strategy

Talbot is confident that men and women are paid equally for doing equivalent jobs across our business. We will continue to ensure our policies and processes are fair and equitable to all employees. This includes an annual review of our remuneration policy by our Remuneration Committee. We employ tools and practices that enable us to benchmark our total remuneration against our chosen markets/peer group to ensure that our package is fair and competitive in the market.

We continue to recognise, develop and reward the contribution of all our employees. In an ever-competitive market for talent, we strive to attract highly motivated people, keep them engaged and help them achieve their career aspirations.

Recruitment, Promotion and Succession Activity

We appoint people to roles based entirely on talent and merit, regardless of age, race, gender, marital status, sexual orientation, disability, gender identity, or religion and belief. However, we do recognise that some groups are under-represented in our business and we are diligently focused on identifying and removing any barriers to create equitable access to opportunity. The language and activities we adopt in our recruitment process reflect our inclusive culture.

We continue to work with external agencies and partners to ensure that our candidate pools are as diverse as possible. We focus on ensuring that candidate pools for both early careers and senior appointments have gender balance. We also measure gender balance for appointments and succession planning for key roles. The Talent & Diversity boards at global, international and local level together with the input from the Talent Diversity Council (an employee-led council) ensure a sharp focus on identifying and developing diverse talent and ensuring our processes are continuously reviewed for improvements. We have also introduced a shadow International Leadership Team to provide opportunities for diverse talent to develop the skills to succeed to the most senior roles. We continue to prioritise development activities that will help increase the proportion of women promoted. These activities include ensuring gender balance in the participants who attend our internal leadership programme, LAMP (Leadership Ambition Programme), nominating women for targeted programmes in AIG, such as ALD (Advanced Leadership Development) and participating in Lloyd's targeted programmes such as the Lloyd's Advance Programme for women.

Diversity, Equity & Inclusion

Through our diversity, equity and inclusion (DEI) framework, ALLin, we are creating a workplace that nurtures inclusivity, where everyone feels they belong and can bring their whole authentic selves to work.

As we continue to follow a strategic roadmap towards greater inclusivity, our initiatives are therefore focused on all aspects of diversity, rather than solely on gender balance. Our alignment with AIG enables us to participate in activities including:

Education and Awareness

We continued to promote opportunities for our managers and employees to increase their inclusive awareness through monthly DEI focused communications. We continued to promote access and contribution to the Employee Resource Groups (ERGs), with an ambitious 230+ events being run by our ERGs during 2021. With the support of our ERGs, we have also recently launched a Menopause Guide to support employees experiencing menopause and raise awareness with their managers and colleagues. Following on from the training programme on Racial Sensitivity and Inclusive leadership for all our executives and HR team in 2020, we commenced the roll out of Conscious Inclusion training for managers in 2021.

Development and Mentoring

We launched Leadership Connection, a global networking and development forum, to provide ongoing development for senior women. We continued our partnership with Everywoman, to provide online development for women through leadership-focused webinars, podcasts, workbooks and articles and the ISC Group to provide high-potential senior, mid and emerging women leaders with development, networking and mentoring opportunities.

Parental and Caring support

We partnered with Cityparents to provide resources, webinars and support groups to parents and carers. We continued to promote flexible working and run focused manager training. Our Working Families and Carers ERG ran supportive events for parents and carers, including a buddy scheme to support the different stages of parenting and to connect carers, and launched virtual coffees and round tables to raise awareness and support different parental and caring situations.

We continued to offer return to work coaching for all employees who have taken an extended leave of absence from work.

What is Gender Pay Gap?

UK government legislation requires employers with 250 staff or more to publish statistics outlining the difference between the average pay of male and female employees. The analysis is based on data as at April 5 every year.

Companies must disclose the gender pay gap and the gender bonus gap based on mean and median averages, the proportion of men and women that receive a bonus, and the proportion of men and women in each pay quartile.

This is different to Equal Pay, which legislates that men and women in the same employment performing equal work must receive equal pay, as set out in the Equality Act 2010. It is unlawful to pay men and women differently for performing the same job. Bonus pay for the purpose of gender pay gap reporting includes any rewards related to profit-sharing, productivity, performance, other incentives or commission.

UK 2021 Gender Pay Gap Report

Pay Gap

The percentage difference in pay between men and women

| | Mean | | | Median | | |
|------------------------------|------|------|------|--------|------|------|
| | 2021 | 2020 | 2019 | 2021 | 2020 | 2019 |
| Hourly fixed mean pay | 30% | 32% | 37% | 31% | 32% | 30% |
| Bonus paid | 55% | 71% | 86% | 39% | 56% | 38% |

The mean hourly pay gap has reduced each year since 2019, improving by 2% compared to last year. The median hourly pay gap has improved by 1% compared to last year.

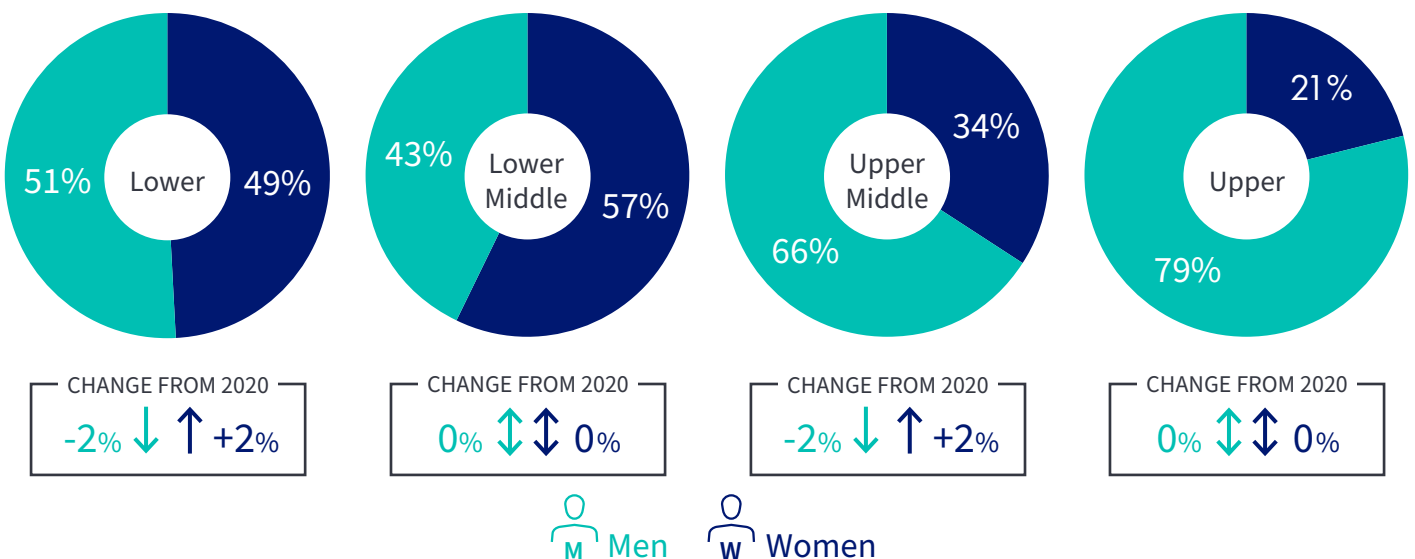
Employees Awarded a Bonus¹



Last year 100% of men and 97% of women received a bonus. This year, fewer employees overall received a bonus.

Pay Quartiles¹

Quartiles are calculated by ranking hourly pay for each employee from highest to lowest. The list is then divided into 4 equal sized groups of men and women. The graphs below show the percentage of men and women in each group. This data shows that we have more senior men than women in higher paying roles.

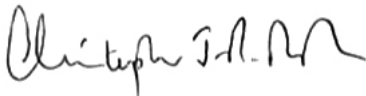


What we are doing to address this:

- Enhance our focus on ensuring a diverse slate of candidates when hiring and maintain an equitable and inclusive recruitment process, ensuring a diverse interview panel for all roles.
- Sponsor and support our under-represented groups in attending AIG Group development programmes and promote development opportunities across the Group.
- Ensure our diverse talent has career and development plans in place, aligned with their aspirations and our succession plans.
- Run a second cohort of our reverse mentoring programme with a focus on gender diversity, to increase the awareness of our leadership team around the challenges our diverse employees encounter.
- Sharpen our lens on diversity through our talent and succession planning processes.
- Continue to promote our inclusion training and associated tools available to employees.
- Actively promote our flexible working and parental leave policies through improved communication.
- Introduce mandatory people manager training with a focus on promoting flexible/agile working topics and role modelling the behaviours that build an inclusive environment.
- Continue to provide a support programme for all employees returning to work after a career break.
- Develop communication channels for experienced women to share their journey and be visible role models.
- Maintain, support and promote the ERGs, recognising the valuable contribution they make to building an inclusive culture.

At Talbot we are confident that men and women are paid equally for doing equivalent jobs. There remains an opportunity for further significant improvement and we are committed to investing in activities that will enable more women to reach senior positions, and to ensure that we encourage diversity at all levels of the organisation.

We confirm that the information in this report is accurate.



Chris Rash
Chief Executive Officer



Diane Gallacher
Human Resources Director