

TALBOT
An  company

UK Gender Pay Gap **2022**





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

AIG encourages a diverse and inclusive workforce and supports the advancement of women across its footprint.

Our 2022 gender pay gap analysis shows an improvement in the mean average hourly pay gap of 3% to 27%. The median pay gap also improved by 7% to 24%. The proportion of women in the upper pay quartile has remained constant. There is an increase in the proportion of women in the upper middle pay quartile, and there is a decrease in the proportion of women in the lower middle and lower quartiles. The proportion of men in the population has increased to 62% from 60%.

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. 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. The language and activities we adopt in our recruitment process reflect our inclusive culture.

As a Managing Agent within the Lloyd's market, we are working towards gender targets with a deadline of 31 December 2023. These targets are in relation to the proportion of women who are Board and Executive Committee members, and direct reports of the Executive Committee. Our recruitment, promotion and succession activities are geared towards making progress on the Lloyd's gender targets and we are starting to see the impact of these, particularly in recruitment where we are seeing more gender-balanced appointments at all levels of the organisation.

Our Talent Acquisition team proactively build diverse candidate slates, from both within and outside the sector. When working with agencies, we brief them on the necessity for diverse slates and if necessary, we extend the recruitment timescales to ensure inclusion of diverse candidates.

At each contact point with candidates, we share positive stories about our culture and the way we work, emphasising:

- Our Employee Resource Groups (ERGs), the high level of participation, their profile and influence across the wider AIG. All new employees learn about the importance of ERGs and allyship at their corporate induction
- Career progression, and the opportunity for challenging and exciting moves both within Talbot and AIG
- The culture characterised by collaboration, inclusion and support
- Professional development for all, either via programmes available through AIG, or on an individual basis

Our succession and talent planning activities include a focus on diverse talent, such as by considering 'emerging' diverse talent whose development we can accelerate. All outputs of succession and talent planning are analysed to ensure we understand the demographic of the talent pipeline and where to target our efforts to help increase the diversity of the population as a whole.

We actively support employees in their career development and progression, such as through mentoring, technical and leadership development programmes and the opportunity to play a meaningful role in the execution of our strategic priorities for all employees. All promotion opportunities are advertised internally, and we actively support lateral and cross-departmental moves, both within Talbot and across the wider AIG, that help employees broaden their skills. We put in place structured support when employees do take on new roles, so that they are set up to succeed. Whilst these activities benefit all employees, we ensure that we actively engage our employees who are women and bring them into the processes.

Diversity, Equity & Inclusion

Through our diversity, equity and inclusion (DEI) framework, we focus on fostering an inclusive culture that enables all employees to fulfil their potential and feel a strong sense of belonging. We have increased the formal and informal channels of communication between senior leaders and the wider employee population to encourage open sharing of different perspectives. As a Managing Agent within the Lloyds market, we have taken great steps to ensure our Culture Action Plan focuses on shaping a culture of high performance where diverse talent flourishes, and its execution is overseen by the Board and Executive Committee.

Education and Awareness

We continue to promote opportunities for our managers and employees to increase their awareness of inclusion through our monthly DEI-focused communications. Talbot employees are actively involved in AIG's Employee Resource Groups (ERG), the eighth was launched in 2022.

Following the launch of our menopause guide in January, 2022, we have continued to support employees experiencing menopause and raise awareness with their managers and colleagues through running manager awareness training. We also launched a Managing Flexible Teams programme to equip our managers to lead and support employees equitably in an in-person/virtual environment. Following on from the training programme on Racial Sensitivity and Inclusive Leadership for all our executives and HR team, we continued the roll out of Conscious Inclusion training for managers and have now trained over 83% across the UK on how to build an inclusive culture and flex their management style. 80% of Talbot managers have also attended Active Bystander training which aims to equip them with the skills and confidence to recognise when and how to intervene effectively to support colleagues.

Development and Mentoring

All of our employees are actively encouraged to engage with the extensive learning materials and programmes that are available through AIG, Lloyd's and within Talbot. We nominate women for targeted programmes in AIG, such as ALD (Accelerated Leadership Development) a programme for underrepresented talent and ensure gender balance in participant groups in our internal leadership programmes. Our Reverse Mentoring Programme pairs senior executives and Board members with emerging, diverse talent, with a focus on 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.

All employees have a mandatory DEI goal as part of performance management; example goals are sent out at the beginning of the year to support people in identifying how they can personally contribute to our DEI ambitions. Their performance against the goal is evaluated at year-end and contributes to their overall rating, which in turn is linked to remuneration.

Parental and Caring support

We continue to offer return to work coaching for all employees who have taken an extended leave of absence from work. We also continue to partner with Work Life Central to provide resources, webinars and support groups to parents and carers. We continue to promote flexible working and to run focused manager training on this topic.

Our Working Families and Carers ERG delivers events to support parents and carers, including a buddy scheme to support the different stages of parenting and to connect carers. Virtual coffees and round tables were launched to raise awareness and resources are regularly circulated to provide useful, practical information.

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 men and women employees. The analysis is based on data as of 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 from 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 2022 Gender Pay Gap Report

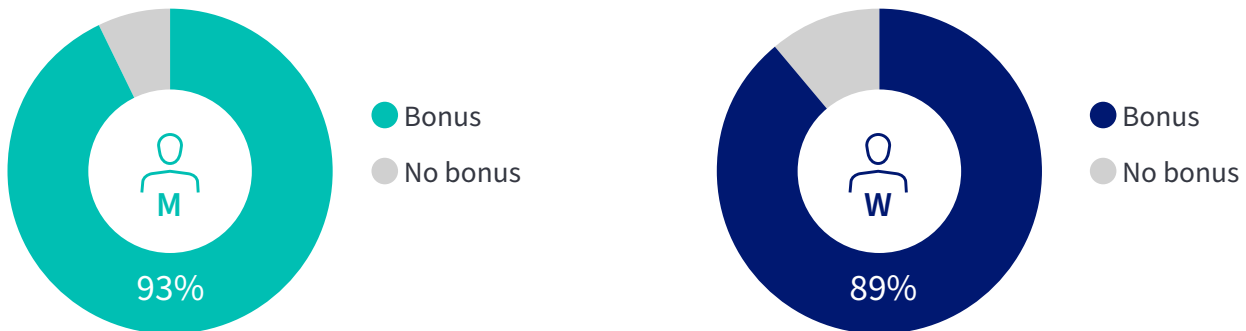
Pay Gap

The percentage difference in pay between men and women

	Mean			Median		
	2022	2021	2020	2022	2021	2020
Hourly fixed mean pay	27%	30%	32%	24%	31%	32%
Bonus paid	64%	55%	71%	39%	39%	56%

The mean hourly pay gap has reduced each year since 2020, with the largest improvement of 3% from 2021 to 2022. The 2022 median hourly pay gap has improved significantly, by 7% compared to 2021.

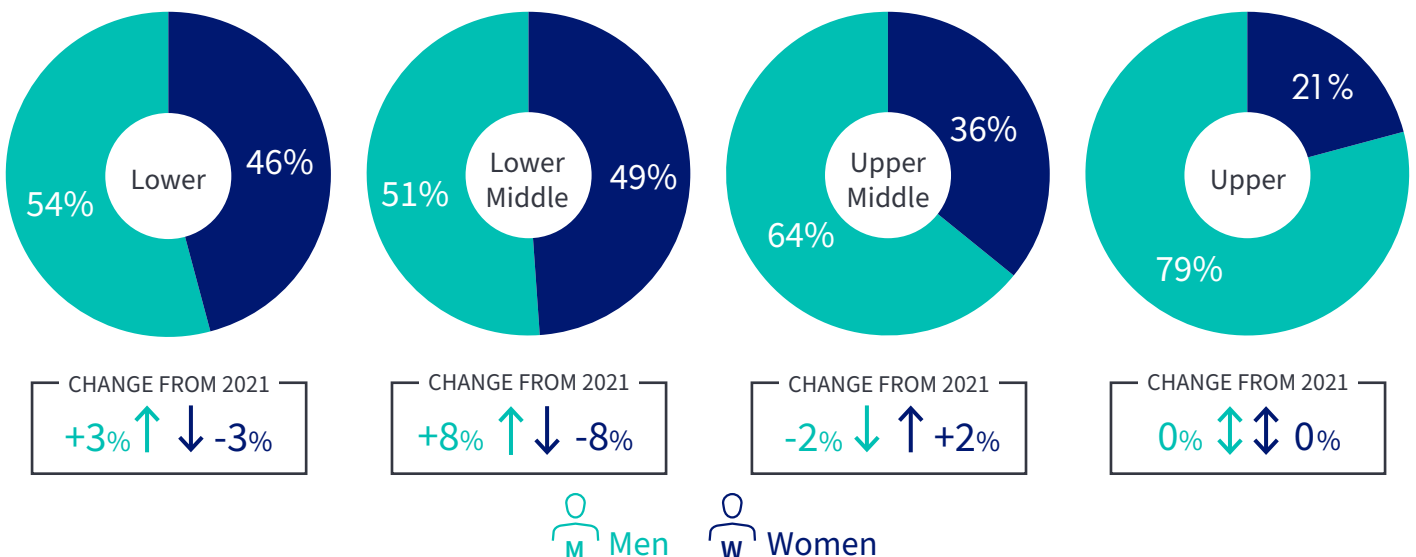
Percentage of Employees Awarded a Bonus



In the previous year, 93% of men and 91% of women received a bonus, therefore there is a slight reduction in the percentage of women awarded a bonus.

Pay Quartiles

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.

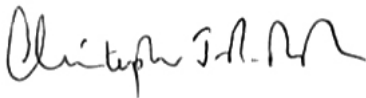


What we are doing to address the gender pay gap:

- Engaging in activities to attract more women to the insurance market and to raise the profile and attractiveness of Insurance to under-utilised talent markets; for example, our senior leaders speak at school careers events and participate in coaching programmes for young people from disadvantaged backgrounds
- Maintaining our focus on ensuring a gender diverse slate of candidates and an equitable and inclusive recruitment experience for all candidates, with structured interviews conducted by managers trained in inclusive hiring
- Leveraging our senior women role models in the business, such as by presenting at meetings when we bring together the whole organisation, connecting them with prospective candidates in the recruitment process and showcasing their career progression through various communication channels
- Ensuring our high potential women have career and development plans in place, aligned with their aspirations and our talent and succession planning outputs
- Creating the Women at Talbot network to help build connections and to engage with colleagues across the organisation to help women raise their profile and develop their careers
- Continuing to support flexible/agile working and to support those returning to work after a career break and promoting our parental leave policies.

We continue to explore opportunities for further progress, 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