

TALBOT  
An  company

# UK Gender Pay Gap **2023**





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 gender representation parity in our leadership pipeline.

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

### 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 have been working towards gender targets with a deadline of 31 December 2023. These targets relate 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 towards the Lloyd's gender targets and we can 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 builds 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; and
- 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 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 employee 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. The majority of our vacancies 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 female employees and bring them into the process.

## 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 Lloyd's 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.

As we continue to follow a strategic roadmap towards greater inclusivity, our initiatives are focused on all aspects of diversity, rather than solely on gender balance. Activities include:

### 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.

All employees have a mandatory DEI goal as part of performance management which identifies 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.

Talbot employees are actively involved in AIG's Employee Resource Groups (ERG), of which there are eight in the UK, and are driving deeper connection between our ERGs across our global business to maximise our leverage and reach. Membership across the Group remains high with 40% of UK employees being a member of at least one ERG and this is higher for managers, at 46%.

We continue to support employees experiencing menopause. Alongside our menopause guide, activities include multiple awareness events run by our ERGs and the Wellness Committee, and bringing together a working group to look at further support initiatives. Following the launch of our new Employee Portal, all menopause resources are captured under one section on the landing page.

95% of Talbot employees have 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.

We also provide a Managing Flexible Teams programme to equip our managers to lead and support employees equitably in an in-person/virtual environment. We continue our Conscious Inclusion training for managers and 87% of Talbot's UK managers have been trained on how they can build an inclusive culture and flex their management style.

### Development and Mentoring

All our employees are actively encouraged to engage with the extensive learning materials and programmes that are available through AIG, Lloyd's and Talbot. We launched the *Women in Talbot* network to create a community of women to help each other with development and to grow their network. We nominate women for targeted programmes in AIG, such as the *Accelerated Leadership Development* programme for underrepresented talent, and we 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 with the ISC Group to provide high potential senior, mid and emerging women leaders with development, networking and mentoring opportunities.

### Parental and Caring Support

We 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 primarily, but also wider support on careers and wellbeing. We promote flexible working and run focused manager training on this topic.

Our Working Families and Carers ERG runs supportive events for parents and carers on topics such as health and wellbeing for carers, autism & neurodiversity, and online safety. We also hold round tables to raise awareness of and support different parental and caring situations plus group coaching sessions on parenting and work-life balance.

## 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 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 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 2023 Gender Pay Gap Report

## Pay Gap

The percentage difference in pay between men and women

	Mean				Median			
	2023	2022	2021	2020	2023	2022	2021	2020
Hourly fixed pay	27%	27%	30%	32%	26%	24%	31%	32%
Bonus paid	65%	64%	55%	71%	48%	39%	39%	56%

Our 2023 gender pay gap analysis shows a stable mean average fixed hourly pay gap, and a modest increase in the median average fixed hourly pay gap. The bonus pay gap, mean and median, increased. This is partly due to a change in the Long Term Incentive vesting schedule and a stronger share price than previous years. There was an increase in the proportion of women in the upper pay quartile.

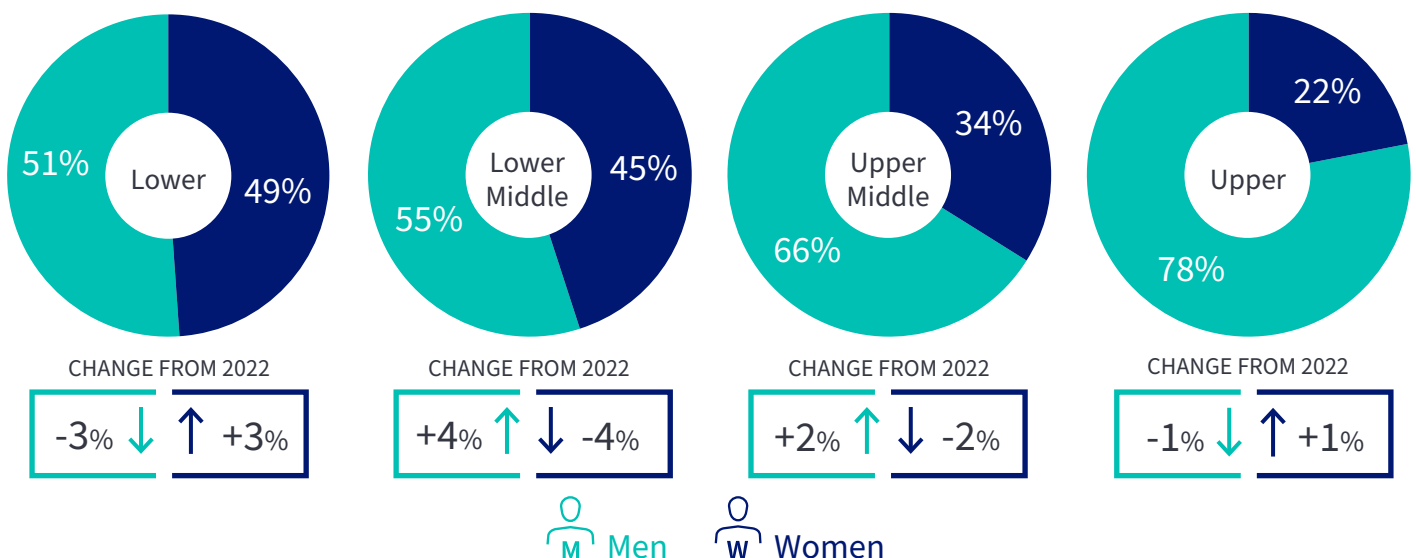
## Percentage of Employees Awarded a Bonus



In the previous year, 93% of men and 89% of women received a bonus, therefore there is a slight increase 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 four 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.

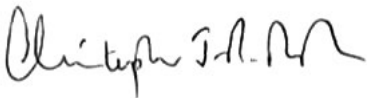


## What we are doing to address the gender pay gap:

- Engaging in activities to draw more women to the insurance market and to raise the profile and attractiveness of the insurance industry to a broader range of people; 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. Continuing to look for opportunities to make improvements in our recruitment, promotion and succession planning process and practices to reduce bias;
- Leveraging our senior women role models in the business, ensuring they present 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;
- Continuing to develop 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 those returning to work after a career break, and promoting our parental leave policies;
- Further developing our support of women's golf via the title sponsorship of the *AIG Women's Open & AIG Women's Golf Academy*, standing as an ally to women in sport, in business and beyond.

We continue to explore opportunities for further progress. 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.

I confirm that the information in this report is accurate.



**Chris Rash**

Chief Executive Officer