

THE
Ardonagh
GROUP

GENDER PAY GAP REPORT 2023



INTRODUCTION

Since its foundation in 2017, Ardonagh has been on a remarkable journey, growing organically and through the acquisition of best-in-class businesses, we have developed a leading independent insurance broking platform, with more than 11,000 talented people across more than 30 territories powering our vision.

In a world where increased volatility brought disruption and displacement to many in 2023, there has never been a stronger emphasis on the great responsibility we hold as an employer. As outlined in our sustainability charter, Ardonagh has and continues to be a responsible industry leader, and we take seriously our commitment to building an inclusive workplace that fully represents the diversity of the communities and clients we serve around the globe. We understand that building an equitable pay environment between males and females is critical not only to the success of our own portfolio, but to the industry as a whole.

Across our portfolio of businesses all employees continue to be paid for the role they have, the value they add to the business, and their performance. Our businesses are Equal Pay employers, meaning that men and women performing equivalent work receive equal pay, regardless of gender, race, belief, or any other factor. Equality of opportunity is practised across the Group, and we firmly believe in appointing the best candidate into all roles in accordance with the Equality Act.

In 2023, the mean gender pay gap of our combined reportable UK operations was 42%, reflecting an 8% increase from 2022's pay gap figure of 34%. Our median gender pay gap increased from 18% in 2022 to 27% in 2023. During the snapshot period in April 2022, a special ad hoc payment was made to all eligible colleagues to recognise their contributions to the company's success following an equity raise event. This recognition exercise had an uplifting effect on women's pay within the business, and the year-on-year increase we see in this year's report can be attributed in part to this. There was also a slight decrease in the percentage of women in the upper middle pay quartile, and the percentage of men and women at the most senior levels of our businesses remains imbalanced. The changing shape of our gender pay gap in 2023 reflects the continued growth of Ardonagh through acquisition. As new businesses continue to join our platforms, we expect our workforce and leadership structure will continue to evolve, in turn driving changes to our gender pay gap. Newly joined members of Ardonagh, alongside our well established and embedded businesses, understand the importance of reducing the gap and together we agree more work is needed.

As the scale and size of Ardonagh continues to grow, we employ a variety of measures alongside this report to understand our progress towards creating a more equitable working environment and address the structural gender imbalance that drives our gender pay gap.

One of these is our annual pulse check survey, which was most recently conducted in October 2023 to measure the sentiment and engagement of our colleagues across the Group. It was encouraging to see that the percentage of favourable responses increased by 3% to 84%, and remained high across our businesses

CONTINUED

INTRODUCTION

and that employees particularly felt that ours is an inclusive environment, where people, irrespective of culture, background and gender are respected and able to work with dignity. Our colleagues also reported high levels of engagement when it came to understanding the purpose of our organisation. Further segmentation of the data showed there was little or no difference in the positive sentiment of women in respect of our inclusive working environment.

Further measures, initiatives and progress towards our gender pay gap and our broader people strategy are summarised below and captured in more vivid colour in our 2023 Sustainability Report, available on our website. Of particular note is the progress being made via Ardonagh Academy, our commitment to sustainable leadership which continues to go from strength to strength. Last year we welcomed our first cohort of graduates, introduced our Ardonagh Academy Women in Leadership Programme and established more than 150 positive mentoring relationships across our global group of businesses. We believe that by creating diverse routes into the business and providing valuable development opportunities, we are helping to build greater equity and representation throughout the profession.

The regular addition of new businesses and colleagues with diverse perspectives continues to create a vibrant and dynamic working environment. Looking ahead to the next 12 months we will continue harness our portfolio of businesses' unique energy and ambition, so that together we can discover ways we can continue to improve our approach to diversity, equity and inclusion.

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



David Ross
CEO, The Ardonagh Group

SUMMARY OF PROGRESS

CULTURE AND ENGAGEMENT

Each year, we actively engage our employees through our pulse check survey, which is offered across the Group to give insight into our culture and to understand our people's sentiment around equity, diversity and inclusion at Ardonagh.

Our survey for 2023, conducted in October, saw overall favourability score¹ of 84% (+3% vs 2022) across the Group and its operating platforms, and majority of participants responded positively to the statement that they felt comfortable being themselves when at work.

ALL SURVEY PARTICIPANTS (AVERAGE SCORE ²)



When survey results based on engagement and belonging are segmented according to gender, there is minimal variation in positivity ratings. These measures indicate that our approach to equity, diversity and inclusion is well received by our colleagues and with our overall positivity scores increasing for 2023, we believe that this survey demonstrates progress across the Group.

SURVEY PARTICIPANTS WHO IDENTIFY AS FEMALE (AVERAGE SCORE ²)



Note ¹: % favourable highlights the percentage of responses to this statement that are rated 6 out of 10 and above.

Note ²: Average score is the mean of the responses provided to the statements outlined, scaled (1 – least positive to 10 most positive).

Based on an overall participation rate of 74%
Survey conducted by Hive

SUMMARY OF RESULTS

2023 PROGRESS SNAPSHOT

Across Ardonagh we are working to address the gender pay gap, but understand more needs to be done, not just within our portfolio of businesses, but across the profession as a whole. Last year, we undertook a number of activities to drive greater gender equity and support the progression of women into senior leadership roles across the Group. These activities included:

- Ongoing reviews and benchmarking exercise of reward and benefits across the Group to ensure remuneration is applied consistently and fairly across our portfolio of companies and teams.
- 20% of Ardonagh's c-suite roles are held by women, demonstrating above industry average representation.
- Continued development of our flexible working and family friendly policies piloting new ways of flexible working in different businesses and sharing best practice across the group.
- Continuation of mandatory Diversity, Equity and Inclusion training and additional Unconscious Bias Training modules rolled out across the Group.
- Campaigning to strengthen the data we have about the diversity of our people, which in 2023 resulted in an additional 1244 employees updating their profiles with answers to DE&I questions including ethnicity, gender identity and disability. This information will enable our businesses to better identify the steps they can take to better represent and support colleagues.
- Initiatives and events to recruit and attract female talent to Ardonagh and the profession, including sponsorship of Young Broker Day at the British Insurance Brokers Association Annual Conference, sponsorship and facilitation of a UK leadership summit hosted by Reach Next Generation to attract more women to the profession from a more diverse range of backgrounds, 'Kaleidoscope: Intersectionality In Action' - a deep dive exploration from our Retail platform of the multiple forms of inequality that compound to create barriers to progress, and the hosting of event for the Midlands Women in Tech Community to promote opportunities for women in the Irish tech industry.
- Employee-led diversity, equity, and inclusion (DE&I) networks remain active across The Ardonagh Group, with strategies and agendas driven by colleague chairs supported by senior leadership and HR teams.
- Recognition for the DE&I strategy of Atlanta Group, part of Ardonagh Retail, across several awards programmes in 2023, including the Insurance Times Awards, UK Broker Awards and Collaboration Network Awards.
- Ardonagh Advisory spearheaded and became a founding member of a new industry-wide Insurance X-Change Group, co-hosting the first event in London in November to over 100 attendees. Colleagues from Advisory are working alongside peers from AXA, PCL, AON, Aviva, Liberty Global, WTW focusing on the future of the insurance industry and how it will be shaped by diverse and multi-generational teams.

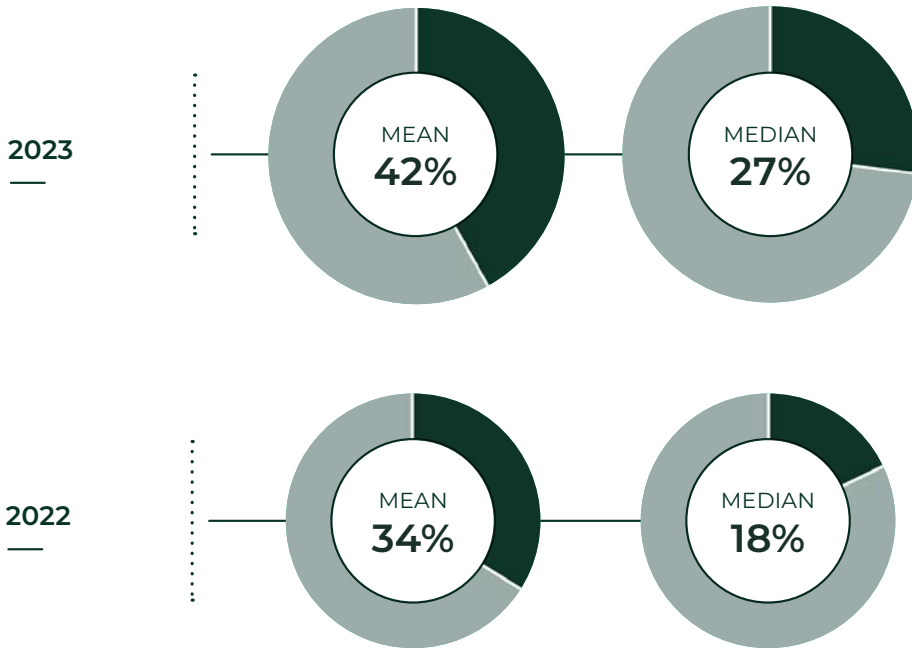
SUMMARY OF RESULTS

- The Group-wide expansion of an award-winning Women in Leadership Programme, originally run by Ardonagh's Advisory platform, supporting women to undertake specialist training and development designed to support their move into leadership roles.
- Concluded the first year of Ardonagh Academy's cross-company mentoring initiative, which matched 115 mentees with mentors from different businesses and functions and resulted in hundreds of hours of careers conversations globally.
- Continued to educate and provide a platform for colleagues to speak about DE&I topics and events via our internal communications channels, including a dedicated broadcast in 2023 for International Women's Day on the Group's internal radio channel.

SUMMARY OF RESULTS

This report details the gender pay gap data for The Ardonagh Group at the snapshot date of 5 April 2023.

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

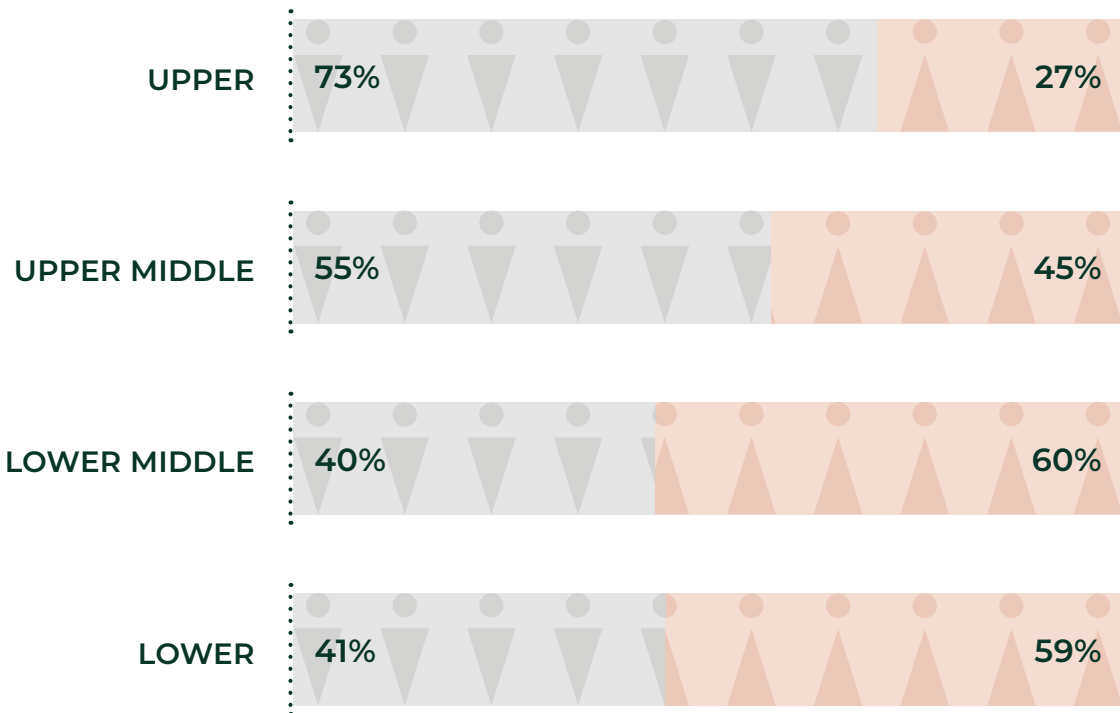
SUMMARY OF RESULTS

PAY QUARTILES

Within the business, male and female employees are split into quartile bands according to their Ordinary Pay. From the data below, it is clear that structurally, there are more men than women in the upper quartile, which reflects the fact that across our portfolio of businesses, there are more men than women in senior leadership roles, which. This suggests that a key driver of the ordinary gender pay gap is the structural make-up of the business.

Further analysis of the banding shows the proportion of male and female employees in the upper middle, lower middle and lower quartiles is broadly comparable, as a whole, across the business. This demonstrates that women are fairly represented at all other levels of the business, however, there is still work to be done in terms of furthering progression at the most senior levels of the business for women.

As a business that seeks to treat its employees with equity, it is vital that opportunities are accessible to women, ethnic minorities and other under represented groups and that senior positions are fairly distributed across all our businesses. An increase in the diversity of the makeup of our upper quartile would lead to positive progress in our gender pay gap in future years.

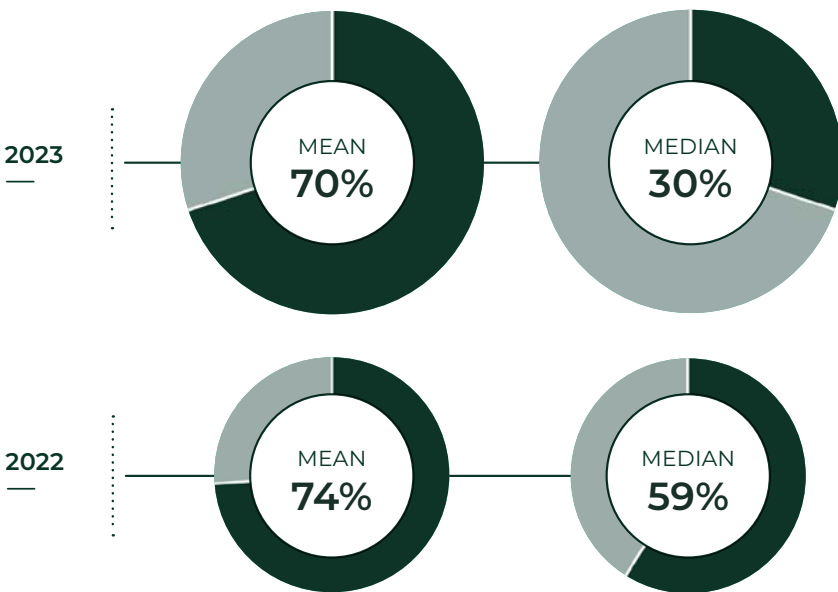


SUMMARY OF RESULTS

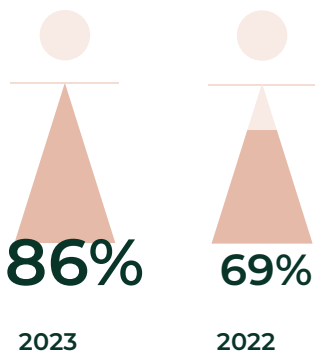
BONUS PAYMENTS

Bonus payments include bonus, commission and profit share schemes. In 2023, the proportion of men and women receiving payments is evenly split, with 86% of women and 85% of men receiving bonuses, which is encouraging. However, the variance between mean and median bonus payments between male and female employees is disproportionate, which we believe is due to the structural imbalance of men and women in the most senior positions within the business. The consequence of this is two-fold; not only are the bonus payments (typically) a function of a larger salary, but also 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 mean data. 2023 saw a decrease in the median bonus pay gap to 30% (vs 59% in 2022). This indicates that some positive progress has been made in the narrowing of the bonus gap between the average male and female employee. We continue to review the bonus framework to ensure that the alignment between role and bonus plan is fair, justifiable, and most importantly, equitable.

BONUS PAY GAP



2023 | 86% OF WOMEN RECEIVED A BONUS



2023 | 85% OF MEN RECEIVED A BONUS

