MARSH & McLENNAN COMPANIES

# Our 2019 UK Gender Pay Gap Report

## JLT

# Introduction

The greatest strength of Marsh & McLennan Companies (MMC) is the collective talent of our people and we are committed to accelerating the advancement of women. The more diverse the backgrounds and experiences of our colleagues, the more opportunity we have as a company. This is at the core of what we do and delivers the questioning environment and diversity of thought which provide us with our competitive advantage and reflect the client communities that we serve.

As of April 1, 2019, the companies that formerly made up JLT Group plc were acquired by Marsh & McLennan ('the transaction'). On April 5, 2019, the snapshot date for the Gender Pay Gap Information Regulations 2017, the majority of employees were still employed by their legacy JLT employing entities. This means that, while we are in the process of integrating into various Marsh & McLennan entities, we are reporting our gender pay gap figures in the same manner as in the last two reporting periods.

Previous JLT Group gender pay reports highlighted that there are fewer women than men in senior positions within the organisation, and we believe this to be a key factor in the current pay gap across the businesses. JLT Group had begun work on making changes to achieve a better balance through a focus on recruitment and talent development activities and programmes. We are now part of Marsh & McLennan which, in turn, believes the diversity of our people to be a fundamental pillar of our culture and integral to our success.

We recognise that the organisation is on a continuous journey to further women's career development in the workplace, and has implemented a range of practices to ensure our commitment translates into real and sustainable progress.

The Marsh & McLennan businesses in the UK (Marsh, Guy Carpenter, Mercer and Oliver Wyman) are all committed to building and maintaining a broad pipeline of talent as well as recruiting from a wide range of candidate pools. Early career and targeted support is offered to ensure that diverse colleagues are appropriately identified for development, including for Marsh's Global Diversity Talent Development Programme which focuses on female, BAME & LGBT talent. Mercer is also focused on enabling colleagues to balance work and life commitments, and actively encourages a policy that recognises that #AllRolesCanFlex. These efforts, as well as targets to ensure better representation of senior women in the organisation, are fundamental to achieving change. More information on these can be found in the respective gender pay reports.

# Context of This Year's Data

Given the specific circumstances of the transaction, there are a number of factors that should be considered when reviewing the JLT data this year. The hourly and bonus pay gaps in most of the JLT entities have increased, in some cases substantially since last year, and this is primarily due to the impact of the transaction as explained below.

In addition to the standard pay components that have been included in previous JLT gender pay reports in line with the regulations, there are two unusual 'one-off' elements included in the current report that have impacted both the hourly pay and bonus pay gap figures. These relate specifically to compensation arrangements agreed under the terms of the transaction.

As is usual in such transactions outstanding unvested employee share awards, which would normally have vested over the next several years, were vested and cashed out at the end of March 2019. This resulted in a specific one-off 'spike' in compensation. As senior employees typically receive a larger proportion of their compensation in share awards, and given the demographic profile of our business, this has resulted in an increase in the bonus pay gap.

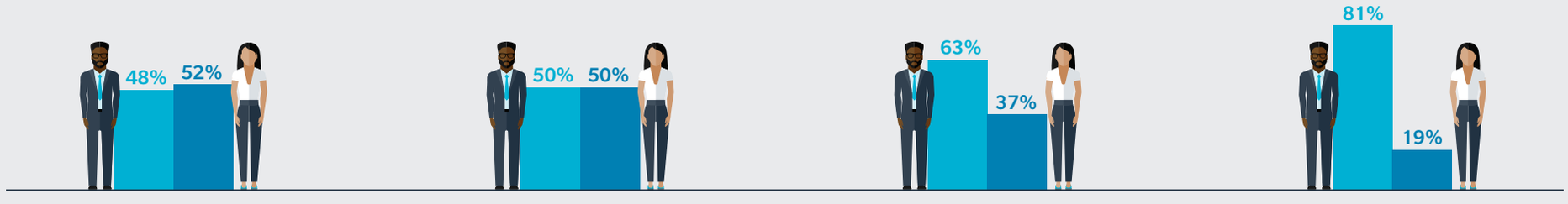
In addition, upon the announcement of the transaction in September 2018 it was agreed to make a number of retention awards to employees considered critical for the business in recognition of the uncertainty and risk to business continuity that can occur in these circumstances. These awards were paid in April 2019 following the transaction close and are therefore included in the hourly pay for the April 2019 report. These awards were targeted at roles considered key to customer and business retention and to delivery of critical projects and integration related activities, and again, due to the current demographics of the business, these have resulted in a one-off increase in the hourly pay gap.

# Our Gender Pay Gap

## Consolidated JLT in the UK

Results presented below show overall results for all UK entities, including those with less than 250 employees.

### PAY QUARTILES




| QUARTILE 1 | QUARTILE 2 | QUARTILE 3 | QUARTILE 4 |
|---|---|---|---|
| Lower | Lower Middle | Upper Middle | Higher |

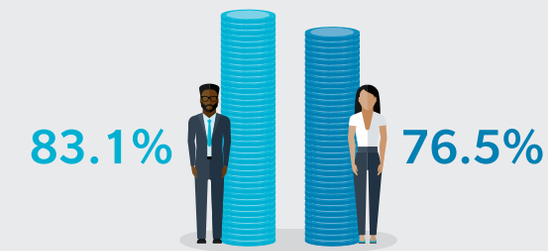
### GENDER PAY GAP

| | | MEAN | MEDIAN |
|---|---|---|---|
| 2019 | | 53.3% | 39.5% |
| 2018 | | 45.1% | 33.1% |

### GENDER BONUS GAP

| | MEAN | MEDIAN |
|---|---|---|
| 2019 | 81.8% | 64.3% |
| 2018 | 75.5% | 66.7% |

### PROPORTION OF MEN AND WOMEN RECEIVING A BONUS

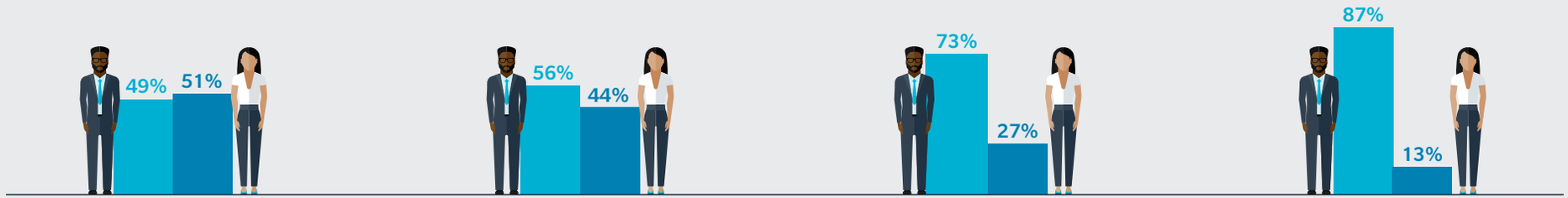



**With the exception of the Reinsurance business, the proportion of both men and women receiving a bonus increased across the organisation in the UK.**

# Our Gender Pay Gap

## JLT Specialty Limited

### PAY QUARTILES




| QUARTILE 1 | QUARTILE 2 | QUARTILE 3 | QUARTILE 4 |
|---|---|---|---|
| Lower | Lower Middle | Upper Middle | Higher |

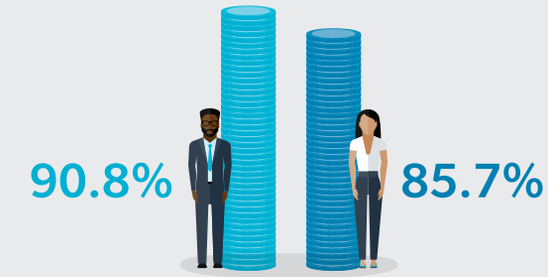
### GENDER PAY GAP

| | MEAN | MEDIAN |
|---|---|---|
| 2019 | 44.3% | 43.2% |
| 2018 | 42.3% | 39.1% |

### GENDER BONUS GAP

| | MEAN | MEDIAN |
|---|---|---|
| 2019 | 73.9% | 58.3% |
| 2018 | 68.4% | 63.9% |

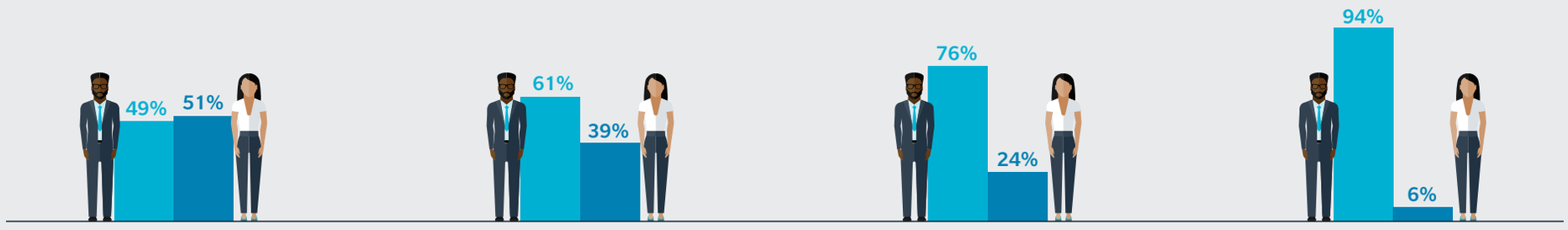
### PROPORTION OF MEN AND WOMEN RECEIVING A BONUS



# Our Gender Pay Gap

## JLT Reinsurance Brokers Limited

### PAY QUARTILES




**QUARTILE 1**
Lower

**QUARTILE 2**
Lower Middle

**QUARTILE 3**
Upper Middle

**QUARTILE 4**
Higher

### GENDER PAY GAP

| | | | |
|---|---|---|---|
| 2019 | 61.0% | MEAN | 50.7% MEDIAN |
| 2018 | 54.9% | MEAN | 51.9% MEDIAN |

### GENDER BONUS GAP

| | | | |
|---|---|---|---|
| 2019 | 77.1% | MEAN | 76.5% MEDIAN |
| 2018 | 77.4% | MEAN | 71.0% MEDIAN |

### PROPORTION OF MEN AND WOMEN RECEIVING A BONUS

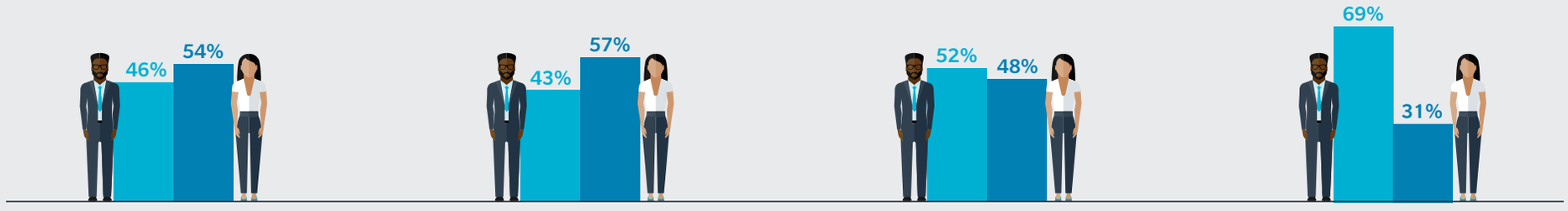
84.4%

77.5%

# Our Gender Pay Gap

## JLT Benefit Solutions Limited

### PAY QUARTILES




**QUARTILE 1**
Lower

**QUARTILE 2**
Lower Middle

**QUARTILE 3**
Upper Middle

**QUARTILE 4**
Higher

### GENDER PAY GAP

| | | | |
|---|---|---|---|
| 2019 | 37.9% | MEAN | 18.7% MEDIAN |
| 2018 | 29.6% | MEAN | 18.2% MEDIAN |

### GENDER BONUS GAP

| | | | |
|---|---|---|---|
| 2019 | 77.9% | MEAN | 52.5% MEDIAN |
| 2018 | 63.1% | MEAN | 44.4% MEDIAN |

### PROPORTION OF MEN AND WOMEN RECEIVING A BONUS

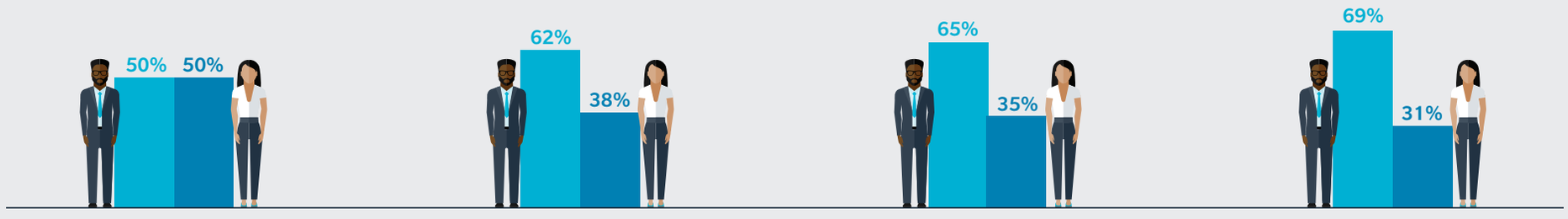
70.5%

68.0%

# Our Gender Pay Gap

## JLT Management Services Limited

### PAY QUARTILES




| QUARTILE 1 | QUARTILE 2 | QUARTILE 3 | QUARTILE 4 |
|---|---|---|---|
| Lower | Lower Middle | Upper Middle | Higher |

### GENDER PAY GAP

| | MEAN | MEDIAN |
|---|---|---|
| 2019 | 64.8% | 18.6% |
| 2018 | 41.6% | 10.6% |

### GENDER BONUS GAP

| | MEAN | MEDIAN |
|---|---|---|
| 2019 | 90.2% | 14.9% |
| 2018 | 78.9% | 25.0% |

### PROPORTION OF MEN AND WOMEN RECEIVING A BONUS

93.2% 94.9%

# Next Steps

While we have not yet fully integrated all legal and employing entities, we are on the journey to integrating fully into the Marsh & McLennan businesses from a business and people management perspective. As part of that integration, colleagues are increasingly able to benefit from the many career development and opportunities that exist in our new organisation.

Marsh & McLennan believes the diversity of our people to be a fundamental pillar of our culture that is integral to our success. Through a range of practices women who have worked for JLT are in an excellent position to further develop their careers.

Next year, depending on the progress of integration activities across the various JLT entities, it is expected that the majority of employees will be reported within one of the existing Marsh & McLennan businesses in the UK, as they will no longer be employed by a legacy JLT entity.

# Statutory Disclosure and Declaration

| | GENDER PAY GAP | | BONUS PAY GAP | | | | QUARTILE 1 (Lower) | | QUARTILE 2 (Lower Middle) | | QUARTILE 3 (Upper middle) | | QUARTILE 4 (Higher) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Mean | Median | Male Proportion | Female Proportion | Mean Gap | Median Gap | Male | Female | Male | Female | Male | Female | Male | Female |
| **JLT Specialty Limited** | 44.3% | 43.2% | 90.8% | 85.7% | 73.9% | 58.3% | 49% | 51% | 56% | 44% | 73% | 27% | 87% | 13% |
| **JLT Reinsurance Brokers Limited** | 61.0% | 50.7% | 84.4% | 77.5% | 77.1% | 76.5% | 49% | 51% | 61% | 39% | 76% | 24% | 94% | 6% |
| **JLT Benefit Solutions Limited** | 37.9% | 18.7% | 70.5% | 68.0% | 77.9% | 52.5% | 46% | 54% | 43% | 57% | 52% | 48% | 69% | 31% |
| **JLT Management Services Limited** | 64.8% | 18.6% | 93.2% | 94.9% | 90.2% | 14.9% | 50% | 50% | 62% | 38% | 65% | 35% | 69% | 31% |

## Declaration

We confirm that the gender pay gap calculations for each entity are accurate and meet the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**RUSSELL MARTIN**
**Global HR Director**

Insurance Brokers

Chartered

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