



UK Gender Pay Gap

2018

TALBOT

An **AIG** company

At Talbot Underwriting Ltd (Talbot, an AIG company) we are committed to an inclusive, fair and respectful workplace. That commitment includes being transparent about our gender pay gap.

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.

The analysis of our April 2018 gender pay and bonus gaps shows that whilst we see a reduction in the mean gaps there is still a significant opportunity for improvement. We see a pay gap due to a higher proportion of men in senior positions. There is still more work to be done however, we have increased the number of women in the middle and top quartiles which over time will see the gap close still further.

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 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 objectively against our chosen markets/peer group to ensure that our package is fair and competitive in the market.

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

Diversity and Inclusion

Talbot is an Equal Opportunities employer and is committed to eliminating discrimination of all types and actively promotes equality, diversity and inclusivity. A more inclusive approach to all aspects of the employee lifecycle creates an environment that allows talent to flourish, more effective collaboration, greater productivity and strong employee engagement.

Our policy is firstly to ensure that all individuals at all levels of the organisation understand Talbot's expectations in terms of fair treatment of colleagues. We proactively develop and implement strategies that drive our ambition to have a significantly more diverse and inclusive employee population.

Recruitment Activity

We appoint people to roles based entirely on merit and regardless of age, race, gender, marital status, sexual orientation, gender identity, disability or religion and belief. However we do recognise that some groups are under-represented in our business. We will continue to work hard to ensure that equal opportunities are available to all groups. We are making sure our recruitment processes are transparent and that we deploy strategies to reduce any unconscious bias in the selection process.

UK 2018 GENDER PAY GAP REPORT

What is the 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 of the 5th of April every year. Companies must disclose the gender pay gap and the gender bonus gap based on the mean and the median, the proportion of men and women that receive a bonus, and the proportion of men and women in each 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, incentive or commission.

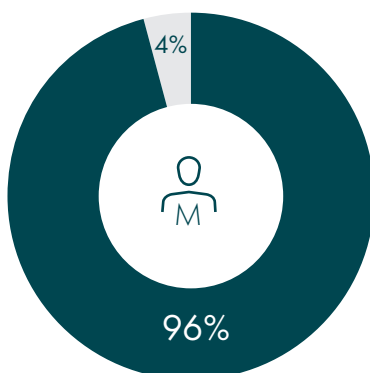
Pay Gap

The percentage difference in pay between men and women

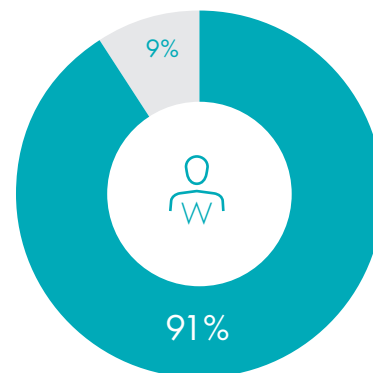
	Mean 2017	Mean 2018	Median 2017	Median 2018
Hourly fixed pay	35%	33%	28%	30%
Bonus paid	78%	75%	47%	46%

The mean average pay gap, mean average bonus gap and median average bonus gap have all improved. The median pay gap has widened slightly.

Employees awarded a bonus for 2017



● Bonus ● No bonus

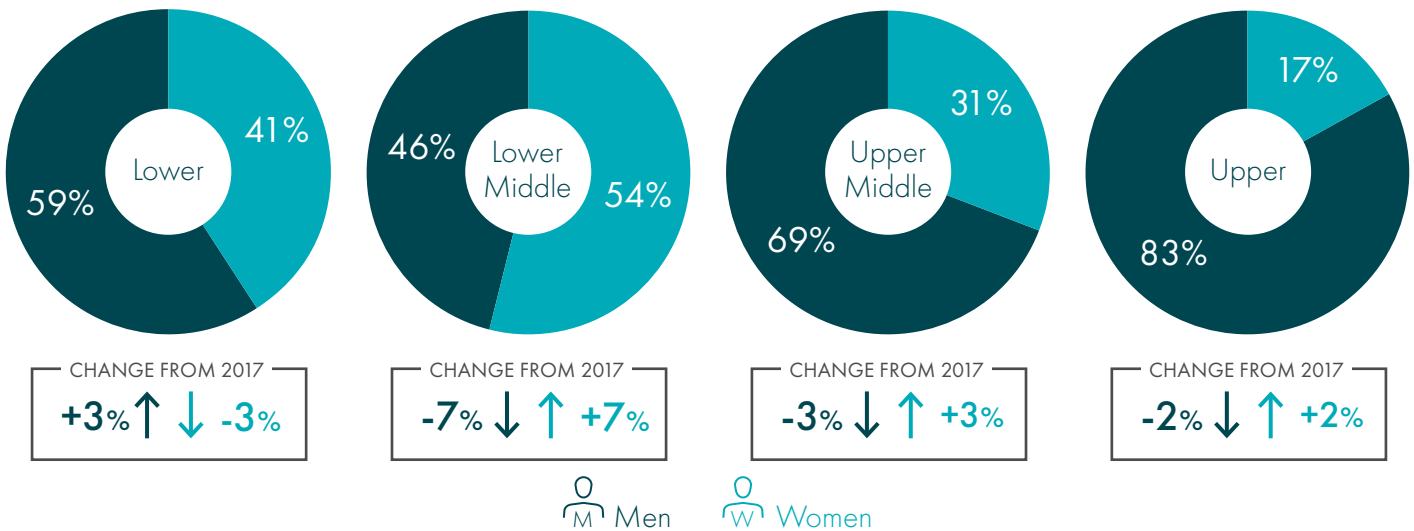


● Bonus ● No bonus

These percentages for men and women remained unchanged from the previous year. The difference between the number of men and women who received a bonus during the reporting period is due to the fact more women hired during the period were not eligible to receive a bonus as they joined the business too late in the year to qualify for consideration. We are confident as a business that men and women have an equal opportunity to participate in the various bonus schemes.

Pay Quartiles

Quartiles are calculated by ranking the hourly pay for each employee from highest to lowest. The list is then divided into 4 equal sized groups of men and women. The graph below shows the percentage of men and women in each group. We are pleased that we have seen an increase in the percentage of women in the 3 top quartiles.



What we are doing to address the gender gap:

Since reporting our gender pay gap last year, we have continued to focus on driving greater gender balance within our organisation. We know that our gender pay gap is driven by a lack of women in senior positions and we have worked hard in the past year to address this imbalance. We have implemented the following:

- Introduced a Diversity and Inclusion steering group working towards improving diversity at Talbot
- Created Diversity and Inclusion statement/policy
- Mandatory Management Development Programme for all line managers
- Reviewed and implemented new competencies, e.g. to remove unconscious bias
- Actively promoting parental leave policies by improving communication and awareness
- Ensuring a diverse and inclusive recruitment selection process
- Encouraging flexible working

We recognise the social and commercial benefits of having a truly diverse workforce and remain committed to equal opportunities. We will continue to monitor the effect our initiatives are having and course correcting if the impact is not significant.

Meaningful change takes time. Our aim is to achieve gender equality across our organisation. Finally we confirm that the data reported is accurate.

Peter Bilsby
Chief Executive Officer

Dominic Scarlett
Chief Corporate Services Officer