



# 2022 UK gender pay gap report

Mercer Limited

welcome to brighter



# We continue to deliver on the advancement of women at work

At Mercer we are committed to creating an inclusive business led with purpose. We value the differences within our firm and encourage our colleagues to live and work authentically and be true to themselves. This means being accepting of everyone regardless of gender, sexual orientation, societal background or race. We will continue to make progress on our diversity and inclusion agenda as this helps deliver the best outcomes for our people, our clients and society.

By understanding, valuing and leveraging the strengths of all colleagues, Mercer holds a differentiating advantage. Nurturing a culture where all can be themselves and feel that they belong leads to more engagement, retention of the best talent and is, simply, the right thing to do. Diverse teams generate richer discussions, more innovative ideas and bigger impact than teams where everyone is the same.

At Mercer, we make a difference in people's lives every day. We can only do this with the efforts of each and every one of our colleagues. That is why rewarding our employees fairly for the work that they do is fundamental to our business.

Our commitment is evident through our strong network of business resource groups, our commitment to HM Treasury's Women in Finance Charter and The Diversity Project, and through the continuing investment in our extensive global gender parity research project *When Women Thrive*.

In the UK, our target to increase our senior female population to over 35% by 2022 has been exceeded (currently 37.5%), and we are aspiring to reach 50% by 2027. This ambition is supported by our gender-balanced board and executive leadership team.

Our progress is driven by a strong culture of adaptive working. We keep a close eye on pay equity by monitoring promotions, pay and performance ratings to avoid gender bias, and by delivering specific training — for example, unconscious bias and managing for inclusion — to colleagues.

While we continue to make progress in closing our gender pay gap, like many organisations, we have more work to do. We are on a journey and we are committed to further women's progression in the workplace.

In this report, we highlight some of the activities already undertaken and those we are planning in order to achieve our objectives around gender parity.

## UK gender pay gap reporting

Through our detailed analysis, we know that our gender pay gap is largely caused by our workforce profile — that is, we continue to have more men than women in senior positions, for a myriad reasons, many historic. The fact that we are heading in the right direction, albeit with more work to do, tells us that the many actions we are taking to address gender balance in the workplace are having the right impact, and they must continue.



A handwritten signature in white ink, appearing to read 'Benoit Hudon', written over a dark background.

**Benoit Hudon**  
CEO, UK, Mercer Limited

## Our gender pay gap

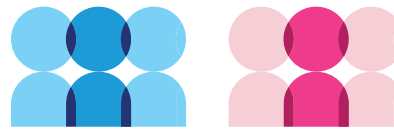
The gender pay gap shows the gap between the mean and median earnings of women and the mean and median earnings of men within a company, and the bonus pay gap shows the gap between the mean and median bonus paid to women and the mean and median bonus paid to men. The mean (or average) is calculated by adding up the gross hourly earnings of employees in the relevant group and dividing that figure by the number of employees in that group. The median is the number in the middle of a ranking of pay from lowest to highest.

In other words, gender pay gap and bonus pay gap look at the mean and median **across the entire company** for women and men. This is different from equal pay, which relates to any difference in individual pay between women and men **who perform the same job**.

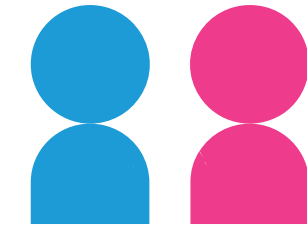
At Mercer, we monitor equal pay on an ongoing basis and have rigorous processes for reviewing and monitoring pay and promotions. It is a fundamental part of our annual compensation process.

These numbers tell a story... but not the complete story. We've undertaken further analysis to understand the root causes and identify how we can close the gap.

## The gender pay gap...



...not to be confused with...

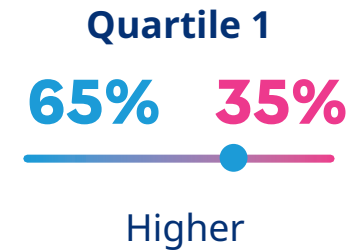
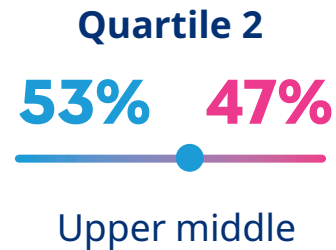
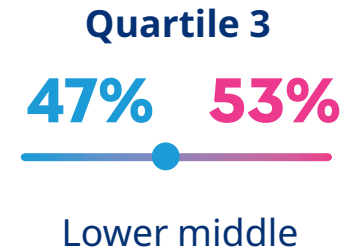
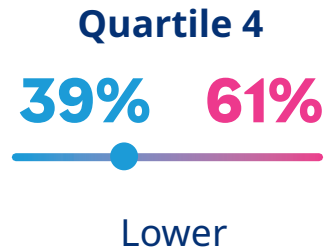
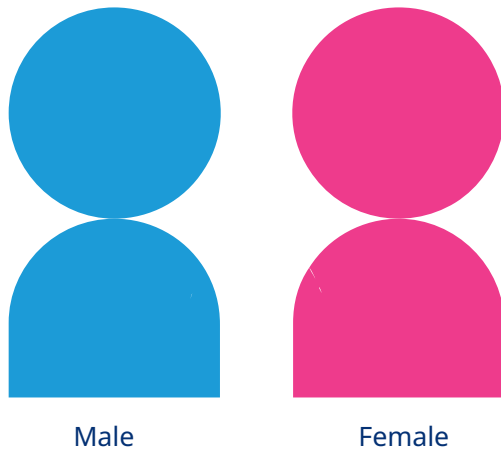


the difference between the gross hourly earnings for all men and the gross hourly earnings for all women

## Careful with comparisons

Mercer in the UK is a limited company, which means our gender pay gap takes into account all of our people across all levels of the organisation. Some other professional services firms are partnerships (e.g. an LLP or similar), and government regulations exclude Partners in these firms from the gender pay gap calculation. This can make it difficult to compare results between firms.

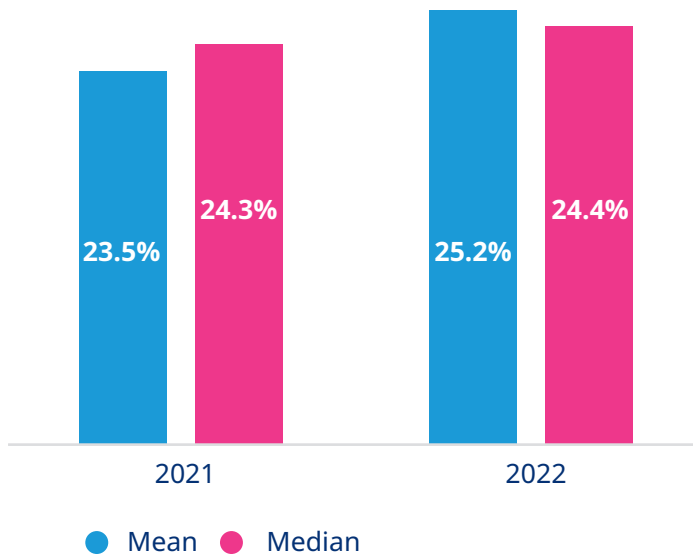
# Pay quartiles



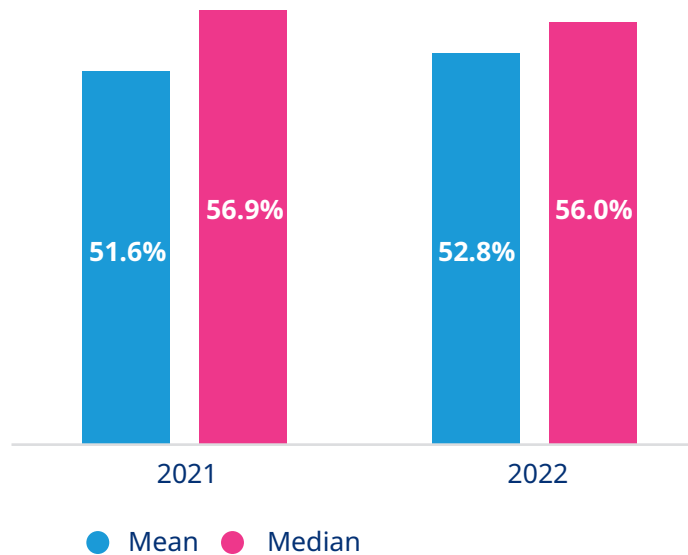
## What we know

- Overall, the gender balance across Mercer Limited has deviated from 50.0% male and 50.0% female in 2021 to 50.2% male and 49.8% female.
- There are more men in the most senior, higher-paid roles. However, the number of females in executive roles has increased from 6.0% to 9.0% year on year.
- We benchmark pay in every role in our organisation against the market.
- We are working to improve the gender balance at all levels of our business and continue to make positive progress.

## Gender pay gap



## Gender bonus gap



% of female receiving bonus  
**81.6%**

2021: 76.8%

% of male receiving bonus  
**83.0%**

2021: 79.1%

### What we know

We scrutinise pay against internal and external benchmarks, and compare pay for men and women in similar roles to identify and correct any unexplained difference.

### What we know

- Our gender bonus gap reflects our pay philosophy: in common with many companies in the market, employees at a more senior level have a larger percentage of their pay that is variable.
- We have 10 levels: A to J. Female representation has increased at every level from C to J, outstripping males at levels A to D and G, which has helped to narrow the gender bonus gap.
- Although the overall number receiving bonuses is still lower than their male colleagues, there has been 5.2 percentage points increase year on year in females receiving a bonus compared to their male counterparts at 3.9 percentage points.

## What we are doing to close our gap

Our reported gap is primarily driven by a greater representation of men in higher-paid, more senior roles, and we continue to work towards an equal gender split across all levels. Here are a few of the actions we're taking to further our objectives around gender parity:

- **Recruiting a diverse workforce** — it's critical that we build and maintain a broad and talented pipeline, and recruit from a wide range of candidates at all levels. For any of our graduate, intern or apprentice recruitment programmes, we look to achieve a gender-balanced offer rate each year, and we have taken a stance that we will only accept senior hires that were the result of diverse shortlists. As part of our ongoing strategy to achieve our diversity targets, we have also pledged our external senior hires will be gender-balanced. We will of course continue to hire the best candidates, but we won't be able to do this if we don't access the widest possible talent pool.
- **Promoting equally** — as part of our annual salary and promotion review process, we strictly evaluate reward and performance patterns by gender, race

and ethnicity at each level and within each part of the organisation to identify and address any biases. Promotions in recent annual reviews, including 2021, were equally split between women and men. Over time, this forms an important part of how we will achieve a better gender balance in more senior roles. Women currently occupy 37.5% of our senior positions. This exceeds our 2022 target and we want this progress to continue, so much so that we are stretching ourselves by aspiring to reach 50% by 2027.

- **Building an inclusive culture** — we are constantly striving to develop an inclusive culture where everyone feels that they can thrive. We encourage keep-in-touch (KIT) days for colleagues on parental leave to foster inclusivity and support their return to work. In addition, we have created development journeys for leaders, managers and colleagues to continually embed the right behaviours and drive the right outcomes. Some of the ways we cultivate this is by ensuring all colleagues take "unconscious bias" and "managing for inclusion" training. [Click here for more information on Mercer's D&I strategy and initiatives.](#)

- **Providing positive role models** — women want to see "people like me" leading the business. We're proud that our global President and CEO is a woman, and that within the UK, we have a gender-balanced board and executive leadership team.
- **Hybrid working** — enabling our people to balance work and life commitments is fundamental to retaining and promoting the best people. We have always encouraged colleagues to adopt flexible working and since the COVID pandemic, we have adopted a hybrid working approach as standard. We have invested in modernising our office spaces to maximise collaboration, learning and teamwork with new technology that supports flexibility. We actively encourage a policy that recognises flexible working and we have a very strong culture of flexibility enabling us to meet our many commitments while always maintaining the highest possible professional service. We offer training for managers to enable them to support colleagues who are working flexibly.

- **Developing our talent into senior positions** — we encourage colleagues to take part in our senior leadership programmes, taking care in selection to ensure appropriate gender representation. Programmes are available for colleagues to develop themselves, including our Mercer Management Development Programme and Women in Growth Programme, alongside our global Accelerated Leadership and Black Leadership programmes specifically designed to help accelerate the development of our female and diverse colleagues. We operate an open and transparent partnership progression model to develop and equally promote all talented individuals of any gender. This is supported by 1-2-1 leadership sponsorship and coaching.
- **Engaging across the business** — diversity and inclusion initiatives have the most impact when the entire organisation is behind them. For some years, we have been hosting open dialogue sessions, which feature

interactive discussions with senior leaders as panellists, addressing topics such as hybrid working and the role of men in creating a more inclusive environment for everyone at Mercer. In addition, our HR Director has hosted a podcast series on key, timely topics around diversity and inclusion (D&I). Our business resource group, The Vine, is Mercer's UK network actively promoting gender-related topics and is open to all colleagues seeking to drive positive change in the business.

- **Monitoring and accountability for our progress** — we analyse and report regularly on our progress at board level and hold our executive team and other senior colleagues accountable through their own rewards for delivering results. A portion of bonus awards for our senior leaders is linked to the achievement of gender diversity goals. It is worth noting that all colleagues' pay is linked to achievement of goals and performance, regardless of level. Depending on their role, I&D is a goal for many colleagues (e.g. people managers, hiring managers), all of whom support the wider UK I&D plan.



## Outward-looking diversity

We're committed to making a positive difference for our clients, in our communities and society at large.

For many of our clients, we are engaged as consultants to provide rigorous, regular workforce analysis. Our Internal Labour Market Analysis® framework is a way of quantifying and explaining internal labour market dynamics to accelerate the achievement of diversity objectives. The methodology relies upon a set of statistical models that quantify the drivers of the key workforce dynamics (e.g. pay, promotion, retention) and how these drivers vary by gender and race/ethnicity. By quantifying key relationships, organisations can objectively prioritise the actions to most effectively achieve their workforce goals.

Mercer has shown itself to be a thought leader in the push for gender diversity. Since 2014, we have published our *When Women Thrive, Businesses Thrive* research, in partnership with the World Economic Forum at Davos.

The most comprehensive research on women in the workplace, *When Women Thrive* is designed to help all organisations drive growth through the active and productive participation of their female workforce. More information is available at [www.whenwomenthrive.net](http://www.whenwomenthrive.net).

In the UK, we have engaged with a number of important external organisations that support career advancement for women, including:

- Creating Inclusive Cultures
- The Cherie Blair Foundation
- Women on Boards
- 30% Club
- The Business in the Community Workplace Gender Equality campaign
- Professional Women's Network
- HM Treasury's Women in Finance Charter, of which Mercer is a signatory
- International Women of Excellence



## Declaration

We confirm Mercer Limited's gender pay gap calculations are accurate and meet the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

**Benoit Hudon**  
CEO, UK, Mercer Limited



