

# UK gender pay gap report

2021



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

At Mercer, we are committed to accelerating the advancement of women at work, both inside and outside our firm. We know that when women thrive, businesses and societies thrive.

We are proud to be delivering on our mission to ensure our colleagues reach their own full potential – through bringing their whole selves to work, providing career development opportunities, having diverse successful role models to look up to, and being rewarded fairly and equally.

At Mercer we make a difference in people's lives every day around the world. We know that we can do this only because of 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 purpose. As a company, we review pay equity through regular statistical analyses of promotions, pay and performance to avoid gender bias.

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

Our commitment is evident through the continuing investment in our extensive global gender parity research project "When Women Thrive", and supported by our commitment to HM Treasury's Women in Finance Charter . In the UK, our target to increase our senior female population to **30% by 2020** has been soundly exceeded and is currently **35%**. We are continuing this journey with an aspiration to reach **45% by 2025 and 50% senior female representation by 2030** for senior roles across the organisation. We have a gender balanced Board and Executive Leadership Team, and will continue to champion the promotion of women to senior positions.

In this report we highlight some of the activities already undertaken and those we are planning to further 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 of reasons. That we're heading in the right direction, albeit with more work to do, tells us that the many actions we're taking to address gender balance in the workplace are having the right impact and must continue.



A handwritten signature in black ink that reads "Sylvia Pozezanac".

Sylvia Pozezanac  
President and CEO,  
UK, Mercer Limited

# Our gender pay gap

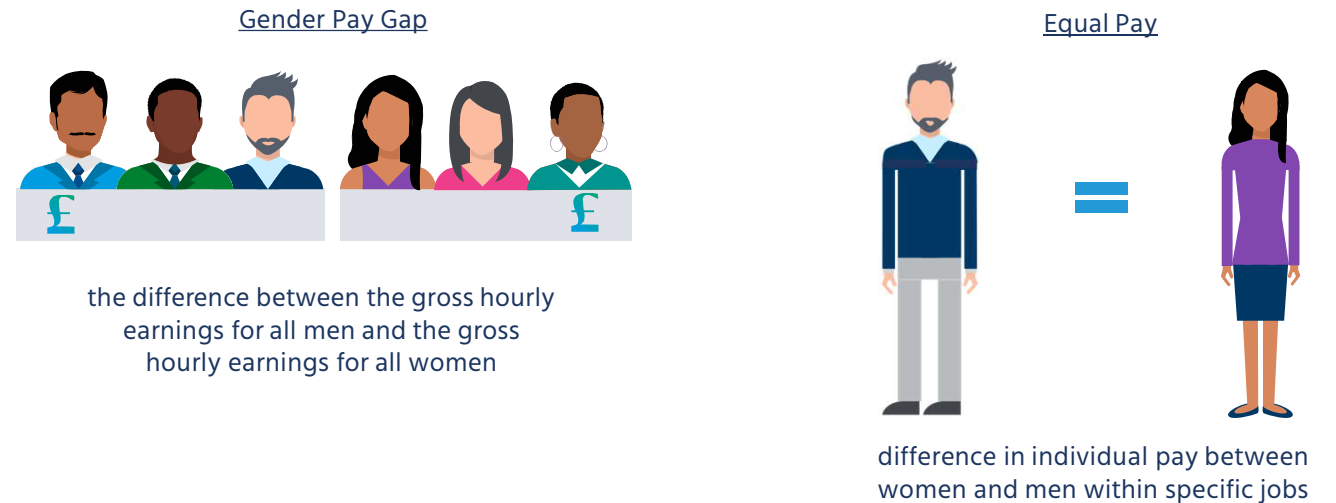
The Gender Pay Gap shows the gap between the mean and median earnings of women and the mean and median earnings of men within the company, and the Bonus Pay Gap shows the gap between the mean and median bonus paid to women and the mean and median bonus paid to men. The mean (or average) is calculated 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 **within specific jobs**.

At Mercer, we monitor equal pay on an ongoing basis and have rigorous processes for reviewing and monitoring pay and promotions as 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 Equal Pay

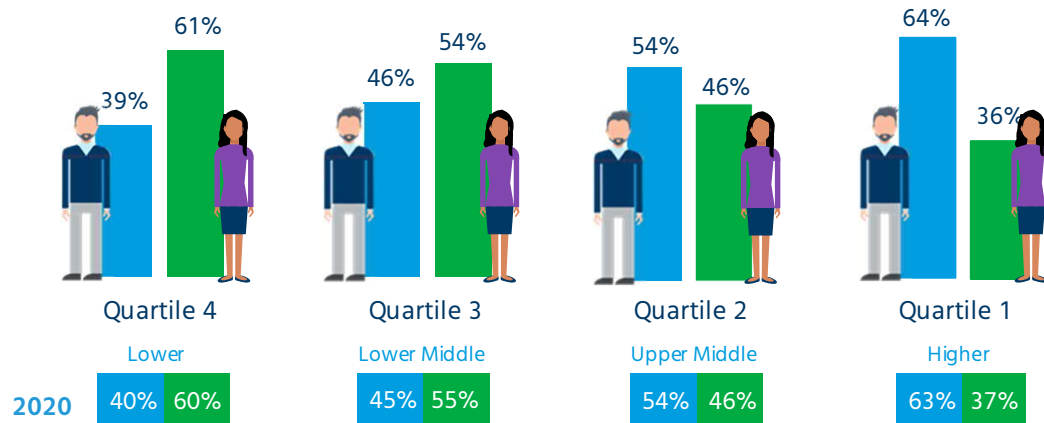


### Careful with comparisons

**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.**



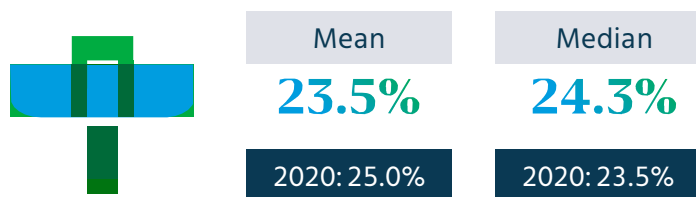
# Pay quartiles



## What we know

- Overall, we are gender balanced across Mercer UK with 50% male and 50% female colleagues.
- However, there are more men in more senior, higher paid roles.
- 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.

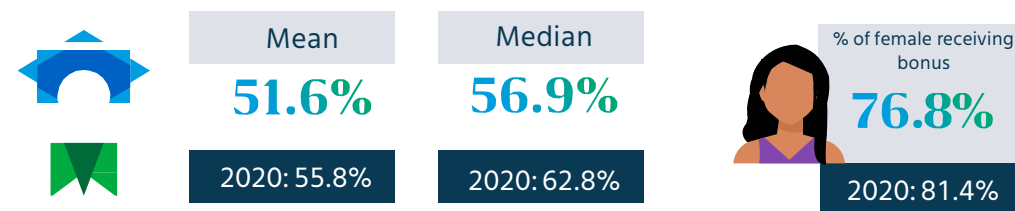
## Gender pay gap



## What we know

- Our workforce profile has grown since 2019 with JLT becoming part of Mercer Ltd. With this change we continue to have more men in more senior roles which is the predominant reason we continue to have a Gender Pay Gap.
- We continue to scrutinise pay against internal and external benchmarks, and compare pay for men and women in similar roles to identify and correct any unexplained difference.

## Gender bonus gap



## 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. This approach, combined with having more men in more senior roles, drives our Gender Bonus Gap.
- In roles that are bonus eligible, women and men are equally likely to receive a bonus and we scrutinise bonus awards to avoid bias or unexplained differences.

# What are we 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 candidate pools at all levels](#). For our early careers recruitment programs, including internships and academies, we look to achieve gender balanced offer rates each year. As part of our ongoing strategy to achieve our diversity targets, we have also pledged that we will ensure a gender balance amongst our external senior hires. 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** – promotions in our annual review period were equally split between women and men. Over time, this is an important part of how we will achieve [a better gender balance in more senior roles](#). Women currently occupy 35% of our senior positions and we want this progress to continue on this journey having set an aspiration to reach 45% by 2025 and 50% by 2030 across senior levels of the organisation.
- **Building an inclusive culture** – we are constantly striving to develop an inclusive culture where everyone feels that they can thrive. Some of the ways we cultivate this is by ensuring all colleagues take [Unconscious Bias](#) training and that our People Managers take our [Managing for Inclusion Allyship training](#). We create development journeys for leaders, managers and colleagues to constantly embed the right behaviours and drive the right outcomes. [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 not only is our global President and CEO a woman, and within the UK, we have a gender balanced Board and Executive Leadership team.
- **Supporting flexible working** – enabling our people to [balance work and life commitments](#) is fundamental to retaining and promoting the best people. We actively encourage a policy that recognises that, 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. We operate an open and transparent Partnership progression model that aims to develop and promote talented individuals of any gender.
- **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 sessions with senior leaders as panellists discussing topics like agile working and the role of men in creating a more inclusive environment for everyone at Mercer. [Our business resource group, The Vine](#), is Mercer's UK network promoting gender-related topics and is open to all colleagues seeking to drive positive change in the business. By launching cross business mentoring we encourage/ ensure access to breadth of network and support opportunities across our business.
- **Monitoring our progress** – we analyse and report regularly on our progress at the Board level and [hold our Executive team accountable](#) by way of their own reward for delivering results. We will cascade inclusion goals for all colleagues in 2021 and a portion of the bonus awards of our senior leaders will be linked to the achievement of gender diversity goals.

# 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 objectives.

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, showcased at the World Economic Forum Annual Meeting in 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 <http://www.mercer.com/wwt-research>

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

- The Actuarial Mentoring Programme
- Creating Inclusive Cultures
- The Cherie Blair Foundation
- Women on Boards
- 30% Club
- The Diversity Project
- The Business in the Community Workplace Gender Equality campaign
- Professional Women's Network
- HM Treasury's Woman 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.



Sylvia Pozezanac, President and CEO, UK, Mercer Limited



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