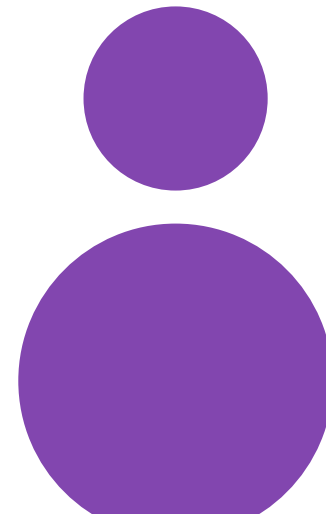
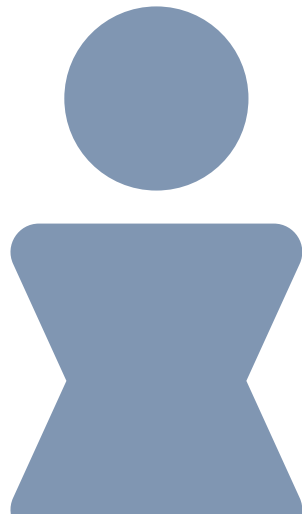
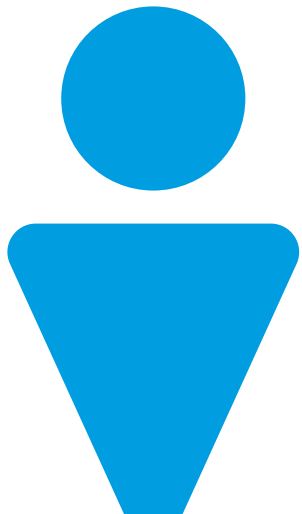


Our 2023 UK gender and ethnicity pay gap report



Foreword by Chris Lay and Paul Moody

Marsh and Guy Carpenter are organisations full of talented and passionate people. We are committed to providing opportunities for everyone to grow and develop. We want to have a diverse workforce where everyone is included and can thrive in our Company as we believe that this is how we will continue to evolve and succeed.

Our progress this year

This year, we have seen our trend continue in closing our pay gaps. On gender, the data shows that we have continued to increase the representation of women in leadership roles. We have reduced our mean gender pay gap by 10.9% since 2017, when we first published a report. On ethnicity, we are making some progress in increasing the representation of ethnic minority colleagues across all levels of our organisation, with this demographic of colleagues growing from 11% to 12% of our declared population in the last year. We are eager to increase this rate of progress and will be sharing further efforts in this report.

Looking to the future

We are confident that we have the right culture in place to support the growth and development of a more diverse colleague population. We are also confident that we are driving long term change in the right way, through persistent focus and by challenging embedded ways of working. Now we need to speed up our progress and we expect our leaders at all levels to support the advancement of our diversity, equity and inclusion (DEI) commitments wholeheartedly. In 2024 and beyond, we will continue to formalise our goals and targets in order to drive change, whilst continuing with our work on culture and creating an inclusive environment for all.

Understanding this report

In this report, we detail our 2023 gender and ethnicity pay gaps across Marsh UK and Guy Carpenter UK, which consolidates to Marsh Services Limited and incorporates the UK businesses of Marsh Limited, MMC and Guy Carpenter.

To start the report we will give an overview of the actions that we are taking to drive DEI and improve the diversity in our colleague base overall. We will then share the gender pay gap numbers for this year along with the specific actions we are taking. To conclude, we are pleased to once again voluntarily publish our ethnicity pay gap results and to outline the work we are doing in this area to improve the ethnic diversity of colleagues in our business.

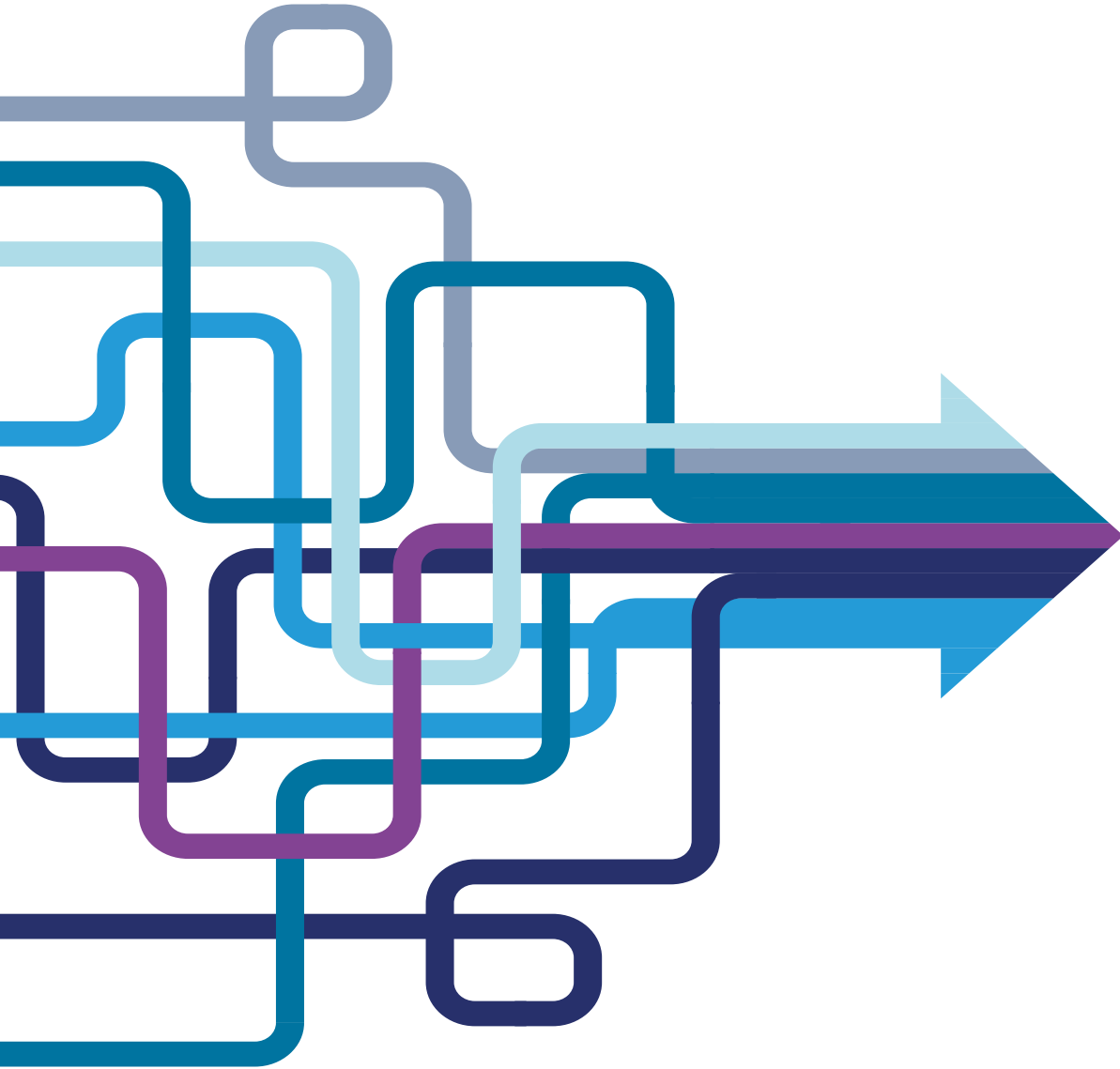
Thank you for taking the time to learn about our current position and the actions we are taking.



Chris Lay
Marsh McLennan UK CEO
and Marsh UK CEO



Paul Moody
Guy Carpenter UK CEO



Our continued progress towards inclusion for all

An inclusive culture is key to our success as a business and to closing our pay gaps and developing an equitable workplace for all our colleagues. In the last year, we have continued to evolve our inclusive culture in a number of ways...



We measure our culture and take action to continue to evolve it

Our annual Culture Survey tells us how colleagues are experiencing our culture and signposts areas that we can focus on. A significant area of focus in the last year has been on creating consistency in the quality of management that colleagues experience, through conversation nudges and training on topics such as managing with emotional intelligence and giving and receiving feedback. This year, 83% of colleagues agreed that managers contribute to a healthy and inclusive culture, a 3 point increase from 2022. 80% agreed that their manager supported them in working in a way that best suits their work and personal responsibilities, a 23 point increase from 2022.

In 2023, we also ran the Female Forum series of focus groups to listen to the experience of our female colleagues in a safe, anonymous environment. This has given us an extra layer of insight into our survey data which will inform future policy and process change.



Colleagues engage in allyship to support inclusion at work

By engaging with allyship, our colleagues contribute to our shared goals of fairness, equity and social justice. We believe that being an effective ally is an ongoing process, and we have run Allyship Lunch and Learns across the UK. Our A.L.LY continuum provides a toolkit for colleagues to refer back to and sets out the allyship behaviours that are expected of them, including the need to be self-aware as an ally and consider how they can adjust their approach if needed.

We also invite colleagues to engage in regular sessions on DEI including our Candid Conversation panels on different topics which have this year included the World Day for Cultural Diversity, Jewish holy dates, and International Day Against Homophobia, Biphobia and Transphobia (IDAHOBIT). We embed training for colleagues on allyship into key events and this year have run sessions on menopause inclusion, black womanhood, and 'Allyship and Unmasking for Inclusion' with managers.



Our Colleague Resource Groups are the voice of our colleagues

Our Colleague Resource Groups (CRGs) are integral to our culture and the progress we are making in diversity of representation. These groups support our efforts on disability (Accessibilities), race and ethnicity (MOSAIC), gender (Balance), LGBTQ+ (PRIDE), mental health, military affiliation, neurodiversity, young professionals, and parents and carers (formed this year). They are the voice of our colleagues on a huge range of topics and host numerous events, run campaigns, influence policy and process change, and talk to our clients.


This year, the CRGs have collaborated with one another more than ever before with our MOSAIC race and culture network launching across our businesses. During Pride Month the CRGs collaborated on events like PRIDE and Mental Health, PRIDE and Veterans and PRIDE and Young Professionals. And during Black History Month, the Black Colleague Resource Group organised a panel on Race and Womanhood.



We believe that we have a key role to play in driving change in our industry too

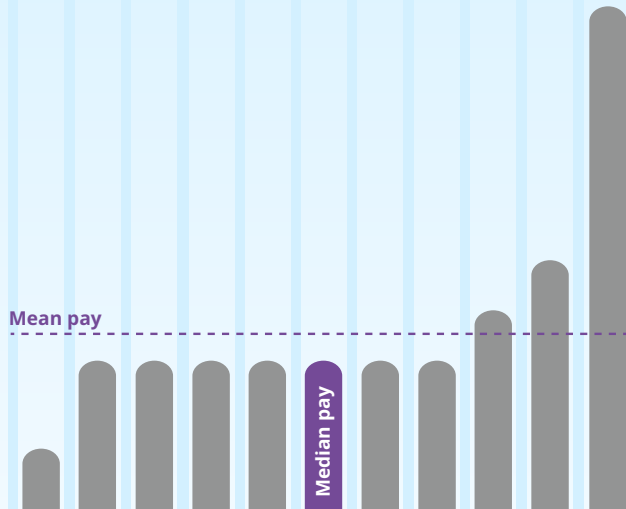
We are eager to affect change in our industry, and this year we again sponsored one of the world's largest DEI events, the [Dive In Festival](#), which had the theme of 'Unlocking Innovation: The Power of Inclusion'. This year, Marsh McLennan was awarded the Contribution to Inclusion Award at the [2023 Women in Insurance Awards](#) and the ESG Broker Champion – Diversity and Inclusion award at the [2023 UK Broker Awards](#).

Reminder of some key definitions


 All employees

Company A has 11 employees

The lowest-paid employee earns eight times less than the top earner

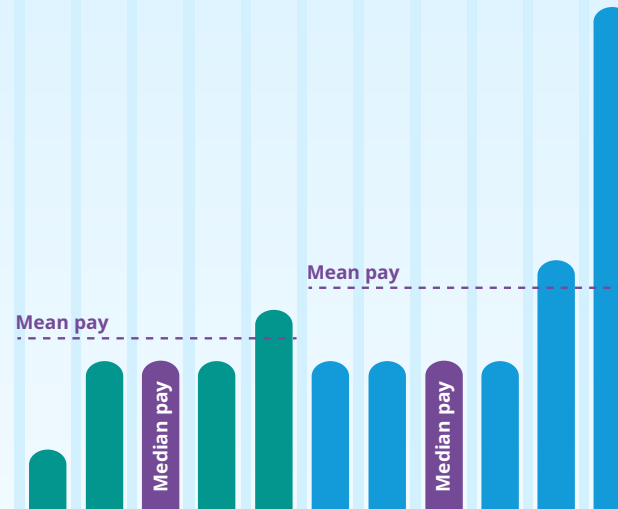


 Female employees

 Male employees

Company A employs five women and six men

The median wage is the same for both genders in this case but due to high executive pay the mean is much higher for the male employees



The mean and median explained

Mean pay gap: The mean pay gap is the difference in the arithmetic average hourly pay for one group compared to another within our Company. For example for women compared to men, or ethnically diverse colleagues compared to white colleagues.

Median pay gap: The median represents the middle point of a population. So, the difference between the woman paid at the middle rate compared to the man paid at the middle rate or the difference between the ethnically diverse colleague paid at the middle rate compared to the white colleague paid at the middle rate.

Both measures are useful and should be looked at together for a full picture of a pay gap. The mean is more likely to be skewed by a small number of individuals earning large amounts in the higher levels of an organisation.

Pay gap vs equal pay

A pay gap is a measure of the difference between the average earnings of two groups (irrespective of roles or seniority). In this case, between men and women or between ethnically diverse colleagues and white colleagues. Equal pay is our legal obligation as an employer to pay people the same for equal work. We have processes in place to review pay as part of our annual compensation process.

Gender pay gap

Making progress on our gender pay gaps through deliberate action

In the last year we have made steady progress in closing both our mean and median gender pay gaps, as well as our median gender bonus gap. This reflects the work we are doing to progress more women into leadership roles in our organisation whilst also maintaining gender balance across the more junior grades. Whilst we are making progress, this continues to be slower than we would like and we recognise that we still have more to do as we work towards gender parity.

WHAT WE KNOW

The shape of our organisation creates our gender pay gap

Our workforce profile, with more men in senior roles, results in our overall gender pay gap. The pay quartiles show the shape of the organisation and continue to illustrate we have lower levels of female representation in leadership roles and higher levels of female representation in entry level roles, where we have been recruiting comparable levels of males and females for a number of years.

We are increasing the number of women we have in leadership roles

Female representation at our senior leadership levels has improved since we first published our gender pay gap report, reflecting the continued progress we have made in working on our Women in Finance Charter commitments. This year, our mean pay gap has closed by 2%, primarily driven by the higher growth rate of the female versus male population in senior grades.

We still have a significant gender bonus gap

Our pay philosophy puts a greater proportion of pay linked to performance for colleagues in senior roles. Therefore despite the progress we are making in female representation at leadership levels, we continue to see a sizeable bonus gap due to the current shape of our organisation.

This year, the mean bonus gap increased by 1.3%. This was driven by bonus growth at our most senior grades as well as long term incentive plans vesting that were granted as part of the acquisition of Jardine Lloyd Thompson in 2019.

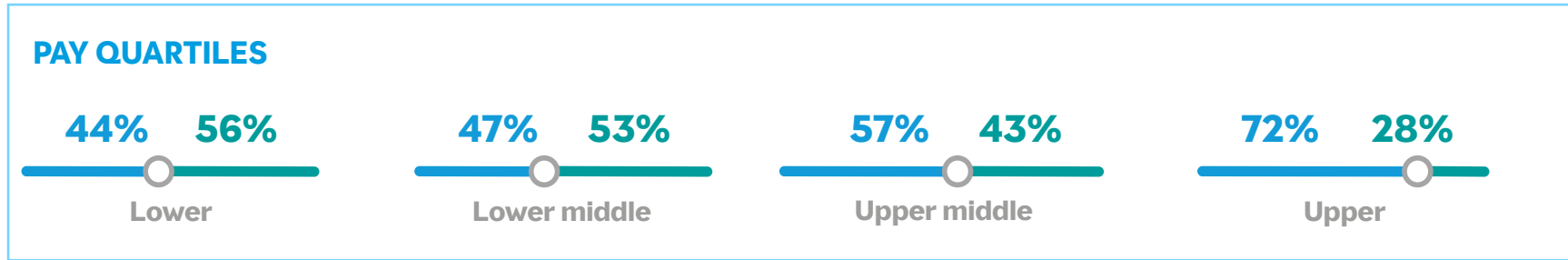
Doing the right thing by all colleagues is helping us to close the gaps

In 2023, we have seen an improvement to our median pay gap of 2.4% and an improvement to our median bonus gap of 10.7%. For the most part this has been driven by our compensation approach during 2022 and 2023 whereby a larger proportion of merit and one time bonus budget was allocated to colleagues in the more junior grades, in order to provide support during a challenging economic climate. As female representation is higher in the more junior grades, this has had the secondary positive impact of increasing female median pay.

Marsh Services Limited's gender pay gap

The gender pay gap and bonus pay gap analysis looks at the mean and median across the entire Company for men and women. This is different from equal pay, which is about ensuring that all colleagues are paid the same for carrying out of equal work. 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.

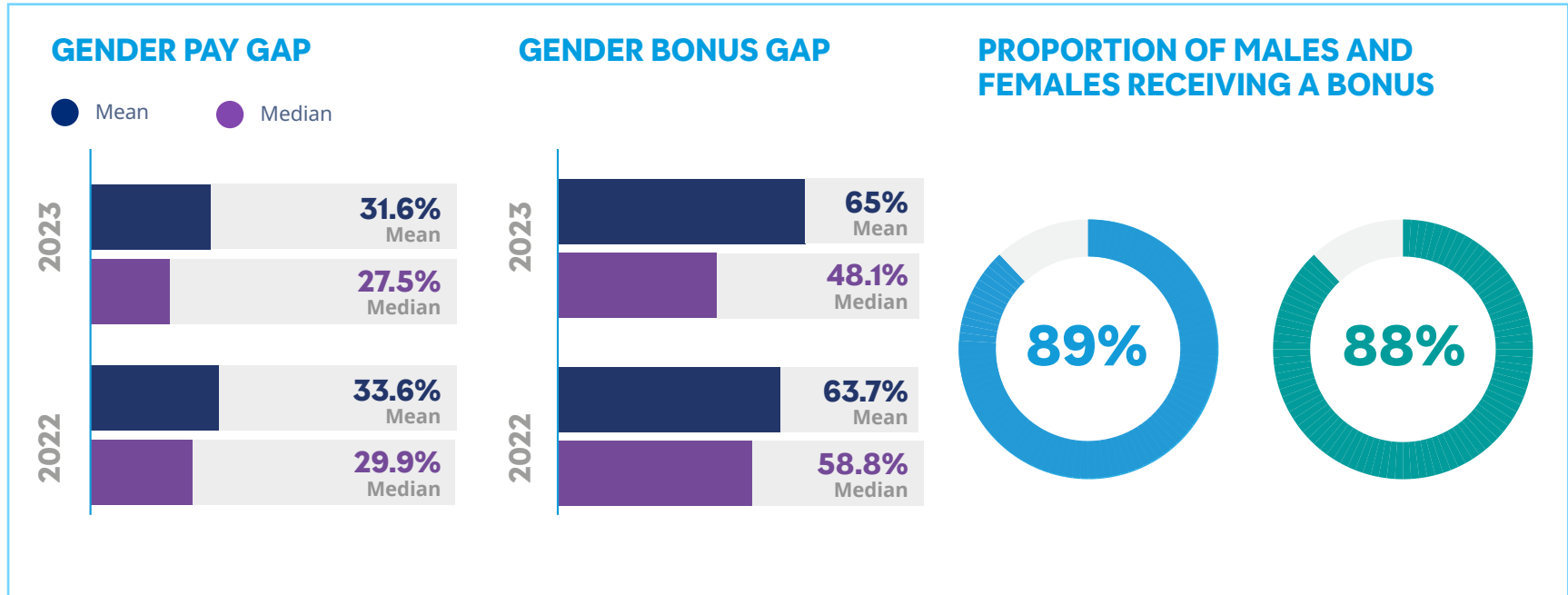
● Male ● Female



Declaration

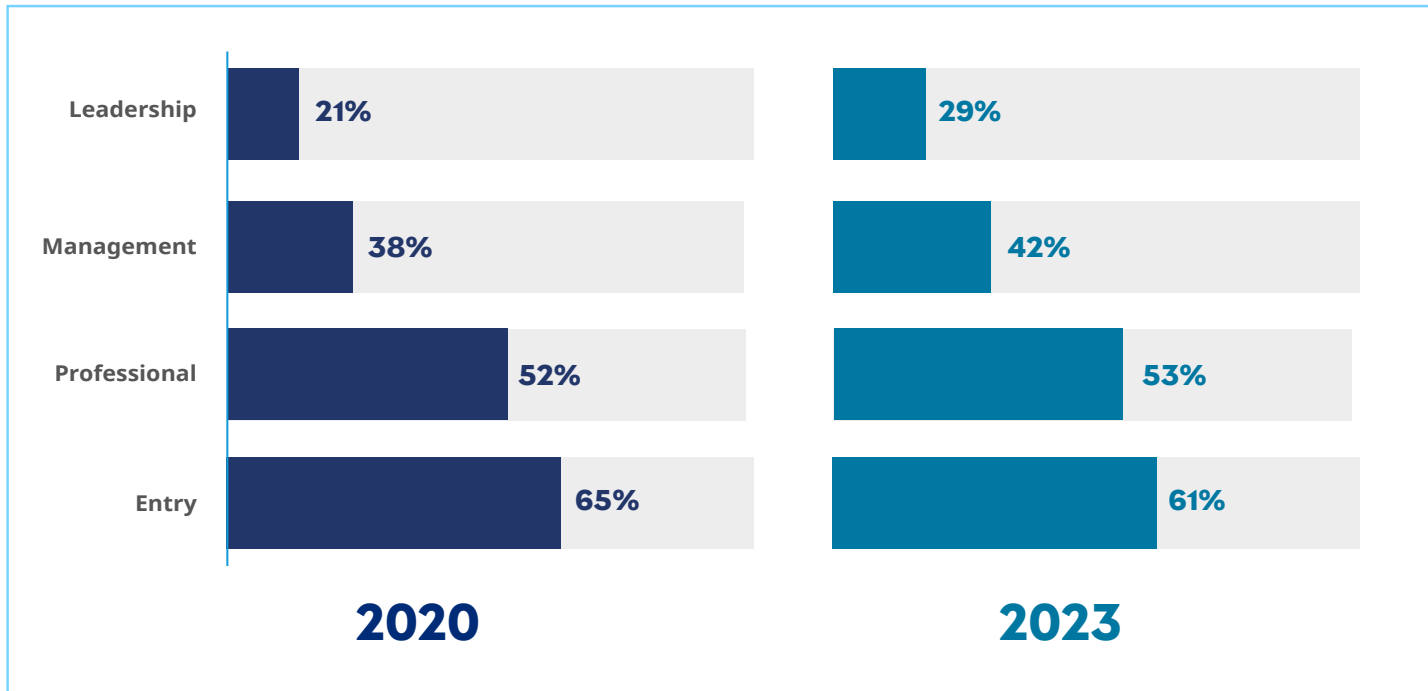
I confirm that the gender pay gap calculations are accurate and meet the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Ailsa King
(on behalf of Marsh Services Limited)



The shape of our workforce impacts our pay gaps

Female representation by grade group 2020 vs. 2023



The shape of our workforce is the key factor in determining the pay gaps we currently see. Females continue to make up a smaller proportion of management and leadership grades, at 42% and 29% of the totals respectively. As our compensation philosophy puts a greater proportion of pay linked to performance at the senior grades, this in particular leads to a more significant bonus gap.

However, these gaps are gradually closing. Since 2020, female representation in leadership has increased by 8% and female representation in management has increased by 4%. The overall population is made up of roughly 50% women, a number that has stayed close to level across the last few years, as there is a higher representation of women in our entry level grades.

We continue to focus on driving gender equity through hiring, development, and retention

We are committed to attracting and hiring more female talent in the market and beyond

Removing any gender bias from the recruitment process continues to be an area of focus and we utilise a gender decoder for our job adverts, as well as hosting engagement meeting discussions between talent acquisition consultants and hiring managers to cover inclusion topics, such as ensuring we have a diverse interview panel.

We continue to focus on gender diversity in our early careers population, and this year had a 52% female intake for our graduate programme and a 50% female intake on our summer internship programme.

We continue to strengthen our female talent pipeline

In the past year, we have seen a continued improvement in our female pipeline into senior roles. 38% of promotions into Managing Director and 41% of our promotions into Senior Vice President were for women, which supported us in exceeding our 25% target of women in leadership roles for the [Women in Finance Charter](#). We are proud that we will be committing to a new, more ambitious target for the next five years.

To support more female promotions, we expanded our Aspire group coaching programme, with a 2023 cohort of 60. We were shortlisted for a 2023 [Women in Insurance Award](#) for Contribution to Gender Inclusion for this programme. Additionally, we have provided a further 60 female colleagues with Emerge membership of the ISC (a not-for-profit community that provides development for women in insurance), as well as making general [ISC](#) membership available to all women in our business.

Our policies, processes, and culture need to be gender inclusive

We continue to take a critical look at our policies, processes, and culture and introduce improvements where they help to support gender equity. A highlight this year has been a highly visible campaign with colleagues on the topic of menopause, which we know can be a phase of life when people need extra support and historically can lead to them resigning from their roles if they have not felt well supported. We signed the [Menopause Workplace Pledge](#) and the work we have done has included very popular live awareness events, toolkits for colleagues and managers, the launch of a menopause support network, and training for people managers.

In addition, this year other progress has included the roll out of free menstrual products in the majority of our UK offices, the creation of a toolkit and training for HR on dealing with domestic abuse in the workplace, men's and women's health sessions as part of our health roadshows, and the sponsorship of [50 over Fifty](#), a photography campaign aimed at shining a spotlight on the great work done by women over 50 in the insurance industry.

Our gender-focused Colleague Resource Group (Balance) are responsible for a number of initiatives to promote gender equity. This year, the Balance Awards, which spotlight colleagues as top female role models and as male allies, garnered over 1000 colleague votes, emphasising the important role that colleagues play in supporting inclusion. A new Parents and Carers Colleague Resource Group was also formed in 2023, with the aim of serving as a voice for this group that were disproportionality affected during the pandemic to provide feedback to the organisation on challenges and opportunities for these colleagues and to help drive change.

Ethnicity pay gap

We are driving up representation in our workforce

Over the last year we have seen the ethnicity declaration rate amongst our workforce increase by 6% to 90%, following a continued campaign with colleagues to self-identify. Building on last year, the focus continues to be on driving up the representation of ethnic minority colleagues across all levels of the organisation as it is lower than the diversity in the wider communities that we serve.

WHAT WE KNOW

Our representation of ethnic minority colleagues lags behind the UK census benchmark

We know that our lack of representation determines our gap and our representation of ethnic minority colleagues across all levels of our organisation lags slightly behind the benchmark set out in the UK 2021 census data (12% of our declared population compared to 18.3%, a 1% increase over the last year). This includes colleagues identifying as Black, South and East Asian, Mixed heritage and several other non-white majority ethnicities.

Ethnically diverse colleagues are broadly represented at the same rate across the different levels of our organisation

The pay quartiles show that there is broadly similar ethnic diversity representation across the different levels of our colleague population. This year, we have seen slight increases in the percentage of ethnic minority colleagues in each quartile, mostly in the upper middle quartile where the ethnic minority population grew by 2%.

One notable exception is that we have a greater representation of ethnic minority colleagues on our formal early careers (graduate and apprentice) programmes due to our recruitment strategy efforts to attract a diversity of top talent. Colleagues on these programme are not yet eligible for our primary bonus schemes and therefore the proportion of ethnic minority colleagues receiving a bonus is lower.

We have some negative gaps

Our median ethnicity pay gap is negative and has widened this year. This has been driven by our compensation approach during 2022 and 2023, as we have allocated a large proportion of merit budget to colleagues in more junior roles. The representation of ethnic minority colleagues is greater in the more junior grades and therefore this has meant that there was a higher growth in bonus for ethnically diverse colleagues compared to the average in the white colleague population. As the population of ethnic minority colleagues is proportionately smaller, we expect to see swings in the results as we continue to publish our gaps each year.

The ethnicity bonus gaps have increased this year

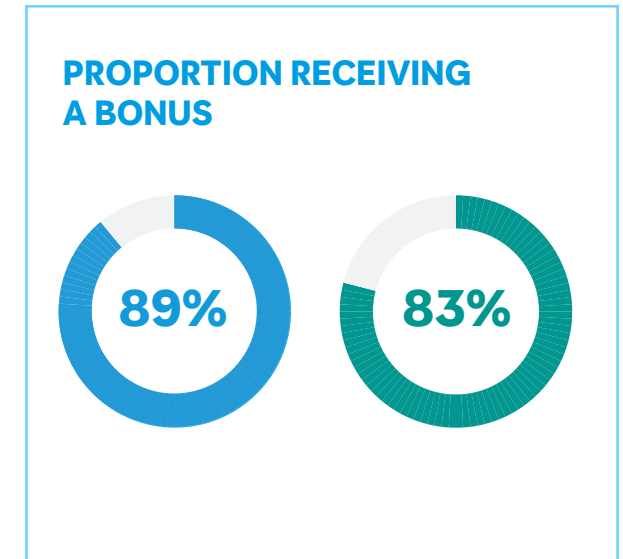
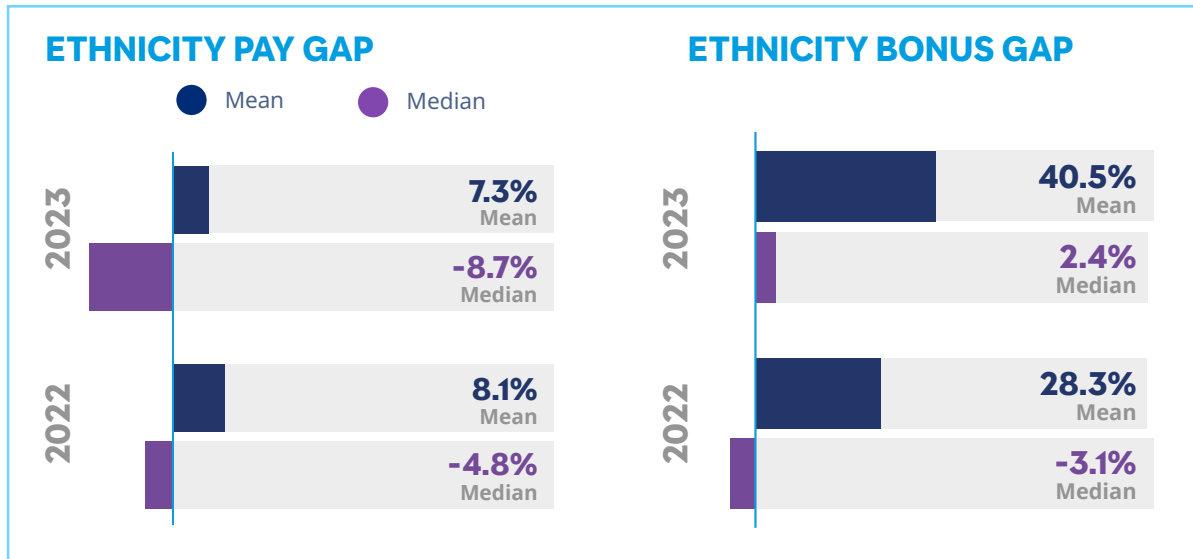
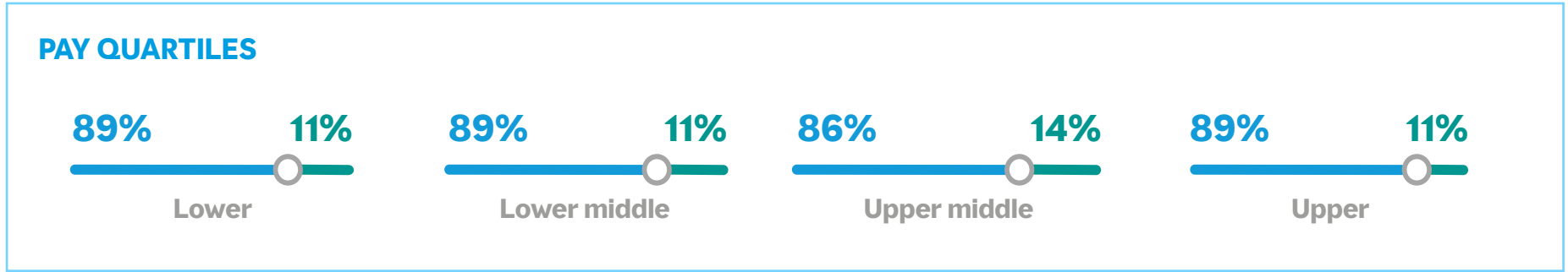
This year, the mean bonus gap increased by 12.2% and the median bonus gap increased by 5.5%. The reason for these increases is twofold. Firstly, in 2023 we saw sizeable bonus growth in our senior grades, where a greater proportion of compensation is linked to performance. Secondly, the vesting of the long term incentive plans that were granted as part of the acquisition of Jardine Lloyd Thompson in 2019 affected a group of colleagues in which we have less ethnically diverse representation.

Marsh Services Limited's ethnicity pay gap

● White
● ERD

The ethnicity pay gap and bonus pay gap analysis looks at the mean and median across the entire Company for white and ethnically diverse colleagues. This is different from pay equity, which is about ensuring that all colleagues are paid the same for carrying out equal work. We monitor 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.

We have reported the gap based on the binary groups of white and ethnically and racially diverse, which includes all colleagues who have shared that they are in the following groups: Black, Asian, Mixed Heritage/Multiple ethnic backgrounds or Other.



Our workforce makeup does not yet fully reflect the UK as a whole

Whilst the binary pay gap reporting comparing majority-white to ethnic minority colleagues is useful, we believe that this leaves out a level of granularity that can provide a truer picture of our organisation and is helping to inform our action planning. The 2021 UK census data also provides a useful benchmark when we consider how we will grow our colleague population in the coming years to better reflect the communities in which we work.

Looking at our data across all ethnic groups, we see differing levels of representation across the grade structure. Asian representation is higher overall, although lagging behind the UK census data, and only sees a slight drop off at the top of the organisation. Black and Mixed Heritage representation is lower overall but also drops off earlier in the grade structure, before colleagues move into management grades.

We continue to focus our efforts on recruiting more ethnic minority colleagues into the entry level grades through our early careers programmes and are working to support these colleagues in progressing up through our grade structure to more senior roles.

Level in the organisation	Asian / Asian British	Black African / Caribbean / Black British	Mixed Heritage / Multiple ethnic background	White	Prefer not to say / Not declared
Entry grades	3.9%	3.7%	4.1%	79.2%	8.3%
Professional grades	6.4%	2.6%	2.1%	79.0%	9.4%
Management grade	6.5%	1.7%	1.8%	78.7%	10.4%
Leadership grades	4.6%	0.7%	1.2%	80.2%	12.8%
Overall	5.9%	2.1%	2.0%	79.2%	10.2%
UK Census Data (2021)	9.3%	4.0%	2.9%	81.7%	-

This table does not include the disaggregated data for groups of less than 100 people to protect anonymity.

Marsh Services Limited's ethnicity pay gap – detailed view

	ETHNICITY PAY GAP		BONUS PAY GAP		QUARTILE 1 (LOWER)		QUARTILE 2 (LOWER MIDDLE)		QUARTILE 3 (UPPER MIDDLE)		QUARTILE 4 (UPPER)	
	MEAN	MEDIAN	MEAN	MEDIAN	WHITE	ERD	WHITE	ERD	WHITE	ERD	WHITE	ERD
Asian / Asian British	1%	-19%	31%	2%	90%	5%	90%	6%	87%	8%	89%	7%
Black African / Caribbean / Black British	20%	5%	60%	24%		3%		2%		3%		2%
Mixed Heritage / Multiple Ethnic Background	15%	6%	43%	1%		2%		2%		3%		2%

This table does not include the disaggregated data for groups of less than 100 people due to concerns around anonymity.

What we know

The disaggregated view of our ethnicity pay gap reflects our workforce makeup, as set out on the prior page. Asian representation is higher and does not see a significant drop off until the leadership grades. This means that there are either minimal or negative pay gaps. However, as our pay philosophy puts greater proportion of pay linked to performance in senior roles, there is more of a significant mean bonus gap. Black and Mixed Heritage representation has a more significant drop off further down the organisation, meaning there is more of a pay gap and a larger bonus gap.

As the colleague populations in these disaggregated groups are quite small in comparison to the overall colleague population, we have seen some significant swings in the data this year. We expect this to persist as we continue to share our data, and continue to focus on our overall goal of increasing ethnic representation in our overall population.

We are committed to increasing our ethnic minority representation to reflect the communities that we serve

We are focused on hiring more under-represented ethnic minority talent

Our strategy to bring in more ethnic minority colleagues continues to be focused at the early careers grades, and those new to our industry. This year our graduate intake is 16% from ethnic minority backgrounds and our apprentice intake is 16% from ethnic minority backgrounds. A key partner in this work is [Bright Network](#), an early talent platform with a network of more than 700,000 students, predominantly from under-represented and ethnic minority backgrounds, through which we sourced 20% of our 2023 summer intern intake as a key pipeline to the 2024 graduate programme. We also partner with [Blueprint for All](#), [Career Nuggets](#), [iCan](#), [upReach](#), and [10,000 black interns](#), in working towards our hiring commitments.

A particular highlight in 2023 was the expansion of our partnership with [Career Ready](#), a national social mobility charity. Through this partnership, colleagues in the business mentor post-16 students for a period of 12 months (with the opportunity to extend further). We also hosted 25 of the students for a 4-week paid internship over the summer, placing them in business roles and running central sessions on business topics and soft skills, as well as supporting them with a final presentation to senior stakeholders, a hugely memorable event.

Our ethnic minority talent should have equality of opportunity to thrive at work

This year we have expanded the [Racial Inclusion and Social Equity \(RISE\) programme](#) which provides Black MBA students with work placement opportunities. This will be available to internal colleagues as well as those looking to join Marsh McLennan for the first time. This means that all participants will be in existing business roles prior to the start of the programme, supporting more conversions into permanent roles in order to improve participant experiences and to help to drive up representation in leadership grades.

We have continued to run our Black Leadership Programme globally, with four of our UK colleagues taking part this year. We are also participating in programmes with Business in the Community and with KPMG to provide cross-organisational mentoring to a number of ethnic minority colleagues in the business. Where we have programmes focused on other aspects of diversity, for example gender diversity, we ensure that we have sufficient intersectional representation; in this example, ensuring that there is sufficient representation of ethnic minority women.

Our workplace needs to be inclusive of people from all racial, ethnic, social, and religious backgrounds

We continue to look at how our policies, processes, and culture can better support all colleagues. A highlight this year was the introduction of our new flexible approach to bank holidays in the UK. Colleagues can now choose whether to work on one or more of the four bank holidays that have Christian origins, or to swap it for a day that has more significance to them, whether for religious observances or another reason.

Our ethnicity-focused Colleague Resource Group (MOSAIC) do a great deal of work in progressing our inclusive culture. In 2023, an Asian Colleague Support Group was launched, with the aim of providing a safe space for members to discuss workplace issues, network, and organise events centred around important Asian festivals. So far, they have planned Marsh McLennan's inaugural celebration of South Asian Heritage Month, which included networking, a Bollywood dance workshop, lunch and learns, and traditional cuisines in the London office canteen. This builds on the continued success of the Black Colleague Support Group, who this year once again hosted a series of events for [Black History Month](#), all attended by members of our Executive Leadership Team, including networking with leaders, inclusive management training for people managers, and African and Caribbean snack boxes across regional offices.



We are leaders in risk, strategy and people. One company, with four global businesses, united by a shared purpose to make a difference in the moments that matter.

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Marsh **GuyCarpenter**