

2022 gender pay gap report

Mercer (Ireland) Ltd

December 2022



welcome to brighter

Contents

Introduction — our Gender Pay Gap Report	3
Our gender pay gap metrics	4
The reasons why we have a gender pay gap at Mercer Ireland	6
The steps we are taking to address our gender pay gap	7
Marsh McLennan’s contribution to diversity in wider society	9

Introduction — our Gender Pay Gap Report

Mercer is part of the Marsh McLennan Group, one of the world's leading professional services firms with a focus on risk, strategy and people. Marsh McLennan seeks to promote good in the world, and environmental, social and governance (ESG) considerations have been a formal part of our decision-making since 2008. Our priorities inside the organisation are the same as our aspirations for business and society: to help people realise their individual and collective potential; to advance belonging, opportunity, health and well-being; and to change what's possible through partnerships and shared solutions.

At Mercer in Ireland, as with Marsh McLennan as a whole, belonging is key to our culture. We succeed when we bring the widest range of people and views to the table. We reject discrimination in all forms. We are committed to furthering human dignity, equality, community and mutual respect. The most important thing we can do as an employer is create a culture where everyone feels welcomed and that their ideas belong.

Our compensation programme is designed to pay our colleagues competitively for the roles they perform, recognise individual contributions to our shared enterprise and empower everyone to achieve their full potential. Pay equity is fundamental to our ability to attract, retain and motivate the highly qualified and diverse colleagues who are critical to our success. Marsh McLennan managers around the world promote pay equity, and we provide specific guidance for compensation decisions based on objective factors, including:

- Skills
- Level, aligned to our global job architecture
- Performance
- Location
- Experience

We monitor pay equity 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.

The gender pay gap vs equal pay

This report details the gender pay gap at Mercer Ireland in line with new rules laid out by the government, which we welcome. The gap is measured using broad means and medians drawn from the entirety of our team. It takes no account of the different roles and levels held by individuals.

The gender pay gap does not measure whether pay is equal. Equal pay requires that individuals within particular roles are paid equitably for the same work, allowing for differences in factors such as experience, performance or skills. Via its annual internal study, Mercer ensures that equal pay principles are applied.

It is perfectly possible for an organisation that applies equal pay principles to have a gender pay gap. This typically arises when men and women are unevenly represented in different roles and levels of the organisation. This is the case at Mercer Ireland, where our gender pay gap arises primarily from having more men than women in our most senior grades. This is changing, and we are moving towards a more even gender split at all levels of the company.



A handwritten signature in blue ink, appearing to read 'John Mercer', with a long horizontal line extending to the right.

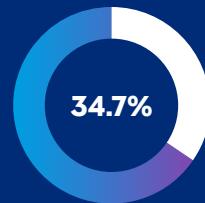
John Mercer
CEO, Mercer Ireland

Our gender pay gap metrics

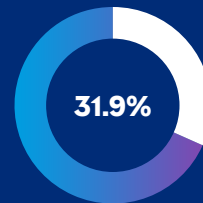
On our snapshot date of 30 June 2022, we had 461 employees, of whom 252 were women and 209 were men. Our calculations related to the period of 1 July 2021 to 30 June 2022. Of our employees, 43 were part-time and 11 were on temporary contracts.

All Employees — Mercer (Ireland) Ltd

Gender pay gap

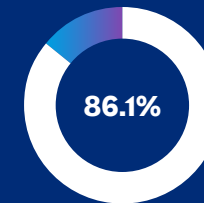


Hourly remuneration mean

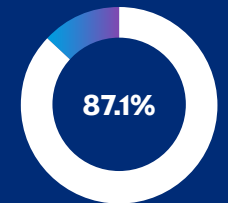


Hourly remuneration median

Gender bonus gap

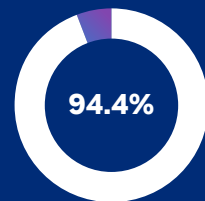


% of females receiving bonus

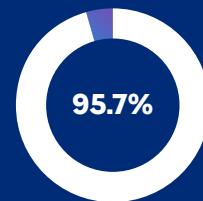


% of males receiving bonus

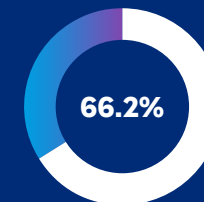
Benefits in kind (BIK)



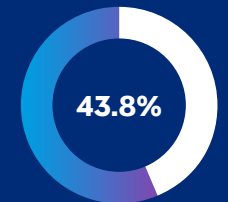
% of females receiving BIK



% of males receiving BIK



Bonus GPG mean



Bonus GPG median

Lower quartile		Lower middle quartile		Upper middle quartile		Upper quartile	
Female %	Male %	Female %	Male %	Female %	Male %	Female %	Male %
63.8%	36.2%	63.5%	36.5%	46.1%	53.9%	45.2%	54.8%

Part-time and temporary employees — Mercer (Ireland) Ltd

Part-time employees		Temporary contracts	
Hourly remuneration		Hourly remuneration	
Mean	Median	Mean	Median
-22.8%	18.1%	-6.2%	-11.1%

The metrics explained

Hourly remuneration refers to the difference in total earnings between men and women on a mean (average) and median (middle ranking) basis. A positive number indicates a gap in favour of men, while a negative number indicates a gap in favour of women.

Bonus recipients sets out the proportions of men and of women who receive any form of bonus. Bonuses for this purpose include vouchers and share awards, as well as our annual performance bonuses.

Bonus gap refers to the gap between men and women in the value of all bonus items taken together.

The lower quartile sets out, in respect of the lowest paid quarter of our people by hourly remuneration, what percentage are men and what percentage are women.

The upper quartile sets out, in respect of the highest paid quarter of our people by hourly remuneration, what percentage are men and what percentage are women. The same logic applies to the lower middle quartile and the upper middle quartile.

Benefits in kind sets out the percentage of our people who are in receipt of non-cash benefits of monetary value — for example, health, dental or travel insurance.

It is important to note that the legislative requirements for Ireland are binary with regard to gender (specifying female compared to male). At Mercer, we report our statistics in the manner set out by law but recognise and support all gender identities.

The reasons why we have a gender pay gap at Mercer Ireland

The reasons for our gender pay gap do not relate to unequal pay for similar roles. Rather, our gender pay gap relates to the fact that we have more men than women at the more senior grades of our organisation. We also have more women than men in entry level and junior roles. The second point is in some respects a good sign: Mercer is attracting women to start and develop their careers with us. Diversity in our entry level hires ensures that we will have more balance at senior levels as our people advance their careers.

The activities in which Mercer specialises are consulting, actuarial, broking, investment and administration. The first four have historically been and remain male-dominated. Though it takes time for new graduates to develop into senior team members, more gender-balanced recruitment in the last two decades is leading to greater gender balance in our senior roles. At Mercer Ireland, women have gone from comprising 28% of our most senior three grades to 41% in a decade. We would like the pace of change to be faster, but it is happening.

There are some factors beyond the control of Mercer Ireland's leadership that contribute to our gender pay gap — Mercer Ireland is the formal employer of a small number of people performing senior global roles.

There is an hourly remuneration pay gap in favour of women among our part-time employees (on a mean measurement) and among our temporary contracts (both mean and median). There are much smaller numbers of people involved in the calculations, and for this reason those metrics may be subject to significant movements in either direction year on year.



The steps we are taking to address our gender pay gap

Mercer Ireland does not take the existence of its gender pay gap lightly. We will reduce the gap over time by improving gender balance at all levels of our organisation, most particularly at the senior levels. We are very focused on this objective.



Recruitment

Gender balance is evident in our recruitment: women comprise over half of our team at Mercer Ireland.

- Through external networks, establish a stronger gender balance pipeline for opportunities within Mercer.
- Going forward, we will run our job descriptions through a gender decoder, so that we can eliminate any inherent gender bias in the language used.
- We aim for gender balance in our recruitment programmes for both internal and external candidates.
- Through our job descriptions, we are encouraging experienced people who have stepped away from careers and are now ready to return to consider Mercer as an employer.



Inclusion

Diversity and inclusion initiatives have the most impact when the organisation is behind them. At Mercer we have a number of Inclusion & Diversity Business Resource Groups (BRGs), including our Gender Balance BRG. With gender-balanced Executive Sponsorship at the helm, as well as a wide network of colleagues who are passionate about creating a gender-inclusive workplace, the Gender Balance BRG is instrumental in helping to drive our Inclusion & Diversity strategy.

Our Parent & Carers Network was introduced in 2020 and promotes family-friendly policies. The network creates better awareness of the supports in place for our colleagues and suggests additional help that can be provided in our workplace.



Flexibility and family priorities

We know that flexibility in work can be a very important concern for those with family responsibilities, and particularly for many women, owing to the unequal division of family responsibilities and caring roles in broader society. It is indicative that women represent the overwhelming majority of our part-time colleagues. We want to work to accommodate family priorities, and with that in mind:

- We have been promoting flexible working for many years, even before the pandemic.
- We operate a flexible hybrid working policy for all colleagues, taking business and personal needs into account.
- We try to be as flexible as possible with regard to allowing colleagues to fulfil family commitments within normal working hours.

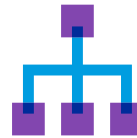


Progression

Career progression is achieved by each individual through their own efforts, but it is enabled by an organisation and its senior people paving the way for everyone to move ahead without encountering barriers created by gender or any other discriminatory factor.

- We provide 26 weeks of fully paid maternity and 24 weeks of fully paid adoptive leave, less an adjustment for social welfare.
- We seek to accommodate requests for part-time work in most instances.
- Parents' leave has been extended to seven paid weeks, less an adjustment for social welfare.
- We are introducing fertility treatment leave.
- We are introducing paid catastrophic family illness leave.
- Our benefits are designed to support families, with health insurance provisions that extend beyond our colleagues to their spouses and children.
- Through a third party, we provide back-up care to support colleagues in finding alternative child, adult and elder care when their regular plans fall through.

- Mercer encourages progression through development opportunities, coaching and mentoring.
- We engage with a number of important external organisations that support career advancement, including the Irish Management Institute, the Professional Women's Network and the 30% Club.
- From 2023, we intend to have gender-balanced interview panels for roles at our more senior levels (G and above).
- We provide training to all colleagues on unconscious bias.
- As part of our annual salary and promotion review process, we strive to identify and address any biases.



Leadership and management

We believe the role of a people manager has a big impact on a colleague's experience at work. One of the qualities that is considered key to making a great leader at Mercer is the ability to unlock people's full potential, including building a diverse workforce where all colleagues can grow and thrive. Through the Marsh McLennan People Management Development Series and our People Manager forum, we provide Inclusion & Diversity guidance with an emphasis on inclusive management.



Marsh McLennan's contribution to diversity in wider society

We're committed to making a positive difference for our clients, in our communities and in society at large. Since 2014, we have published annually our *When Women Thrive Businesses Thrive* research, showcased in partnership with the World Economic Forum at Davos. As the most comprehensive research on women in the workplace, *When Women Thrive* is designed to help all organisations drive better business outcomes through the active, productive and more equitable participation of their female workforce. More information is available at www.whenwomenthrive.net.

In Ireland and globally, we try to use our voice and our influence to meaningfully address longstanding barriers to inclusion and diversity. We have advised the European Commission on the EU Equal Pay and Transparency Directive that will make providing objective, gender-neutral pay data to workers a requirement for businesses, including our own. We are supporters of the Cherie Blair Foundation, which helps aspiring entrepreneurs in low and middle income countries to lift up their communities and local economies through volunteer work.



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