



UK GENDER PAY GAP REPORT

2024

Introduction



Alex Maloney
Group Chief Executive Officer

“Making Lancashire an employer of choice is one of our key strategic priorities. We want to retain and develop existing expertise and offer an inclusive and rewarding environment that attracts talent from a diverse range of backgrounds.

Gender balance remains an important element of diversity in the Lancashire workforce and, as we present our second annual gender pay gap report for our business in the UK, we are pleased with the progress made between 2023 and 2024.

Lancashire remains committed to maintaining an inclusive culture that delivers performance by attracting and developing talented individuals whatever their background.

I confirm that the information and data provided is accurate and in line with mandatory requirements.”

How are pay gaps calculated?

The mean average pay for a group (for example males) is calculated by adding together the hourly pay of all employees in this group and dividing the sum by the total number of employees in this group. The mean average pay gap is calculated by comparing one mean average to another (for example males to females).

The median average is the middle point of a range of hourly pay rates arranged in order of value from lowest to highest. If there is an even number in the range, the median is the mean (average) of the two middle numbers. The median average pay gap is calculated by comparing the median average hourly pay of one group to another.

The current picture and comparison to prior year

Pay difference between men and women

	Mean 2024	Mean 2023	Median 2024	Median 2023
Gender pay gap	24.7%	33.1%	23.2%	26.1%
Gender bonus gap	53.4%	67.9%	41.1%	50.0%

Proportion of employees receiving a bonus

The table below shows the proportion of male and female employees who received a bonus during the 12 month period to 5 April 2024 with the comparative figure from the 2023 report. Employees who joined the business in the final three months of the year are not automatically eligible to be considered for bonus.

	2024		2023	
	Males	Females	Males	Females
Received a bonus	92.0%	86.0%	89.0%	88.0%

What the data means

While the gender pay gap and equal pay both deal with pay disparity at work, they are not the same measures. Equal pay refers to men and women performing the same work, or work of equal value, receiving the same pay, which is a legal requirement with which we comply.

The gender pay gap measures the difference between men and women's average earnings in an organisation and does not consider individual roles or seniority. So, if fewer men than women are in lower-paid roles there will be a gender pay gap despite the equal pay policy applying.

The gender pay gaps observed at Lancashire are a product of representation, with more of the senior roles, particularly in underwriting, held by men. While we are committed to ensuring that we hire and promote the most suitable candidate regardless of gender or background, we remain cognisant that the demographic challenges faced by Lancashire when hiring new talent are common across the (re)insurance sector.

While the narrowing of pay gaps from 2023 to 2024 is positive and we remain committed to continuing this trend, we are also mindful that Lancashire is a small company and, as a result, statistics like gender pay gaps are sensitive to relatively modest changes in the workforce.

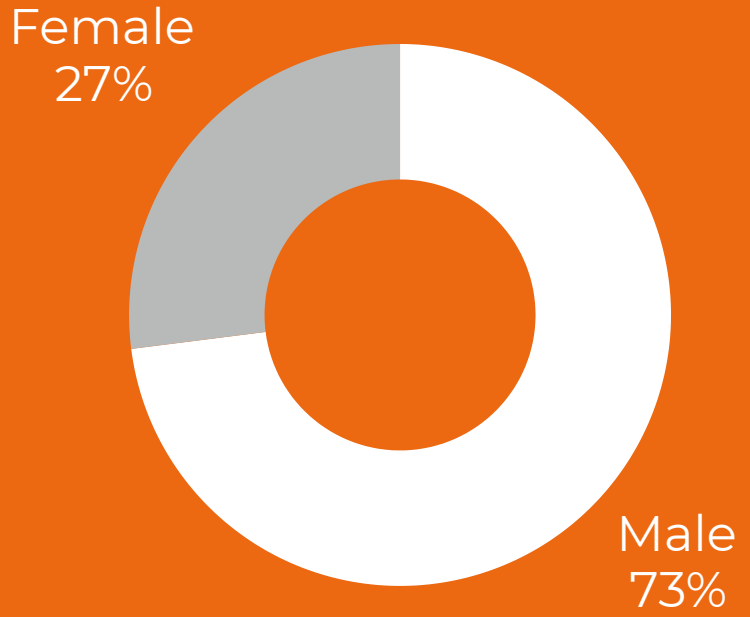
The quartile data shown on the following page demonstrates the distribution of representation at Lancashire, including the movement from 2023 to 2024.

What the data means

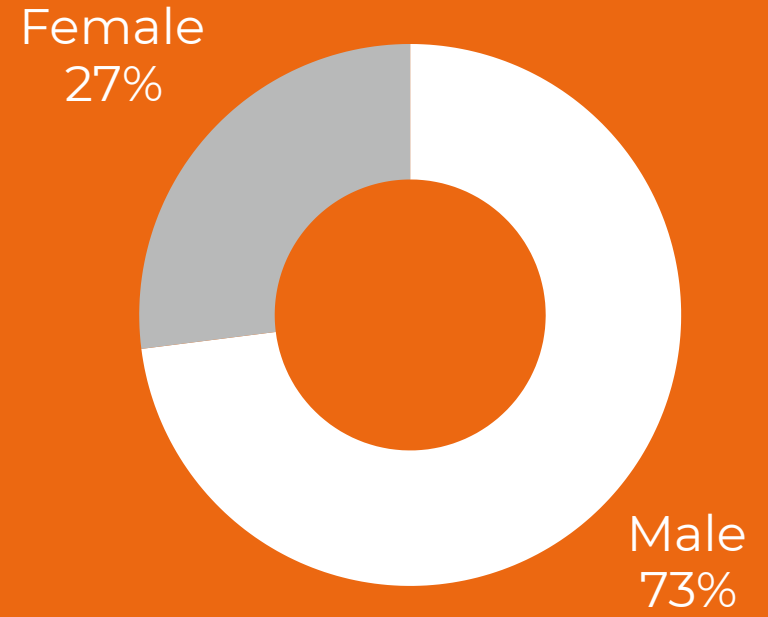
Gender representation by quartile

The charts below illustrate the gender distribution in the UK across four equally sized quartiles.

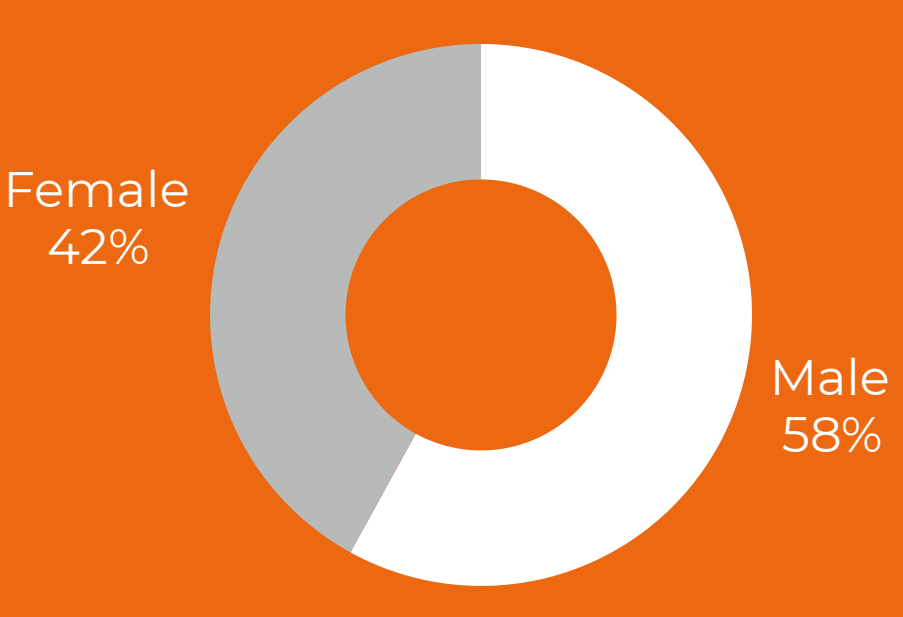
Upper Quartile
19% female in 2023



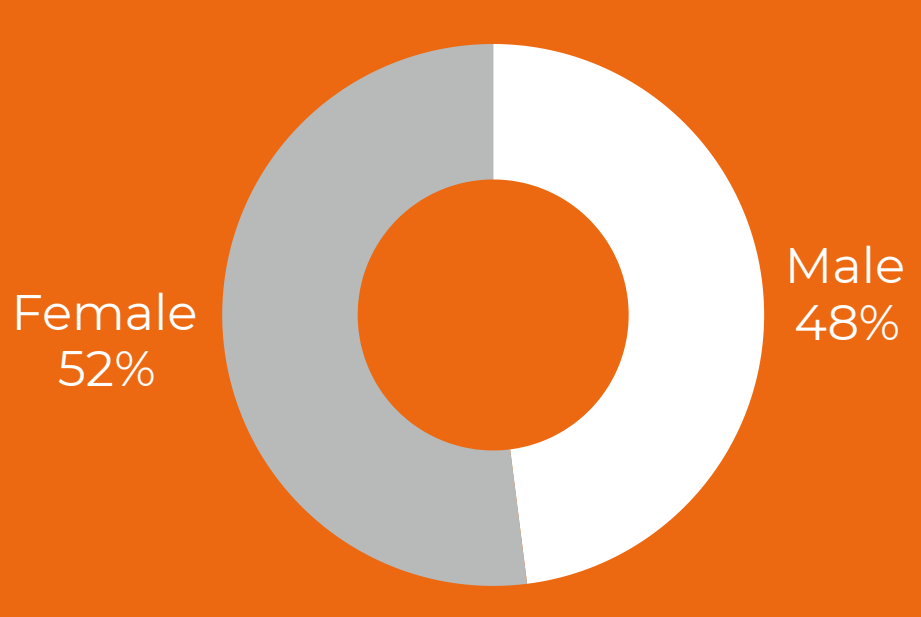
Upper Middle Quartile
27% female in 2023



Lower Middle Quartile
46% female in 2023



Lower Quartile
48% female in 2023



Moving forward and building on progress

2024 has been another year of growth for Lancashire both in terms of headcount, with relevant employees increasing to 321 in 2024 versus 277 at the 2023 snapshot date, and in terms of evolution and development.

During 2024, we launched The Lancashire Way, a set of core behaviours and expectations that capture how we operate and areas we want our people to prioritise. These include an emphasis on the value of constructive challenge and being straight talking, collaboration and sharing knowledge, owning our individual responsibility for the company's success, and being positive ambassadors for Lancashire.

The Lancashire Way has been incorporated into our recruitment toolkit, launched early in the year, and encourages managers to look beyond core competencies when hiring and ensure that new employees understand and compliment the inclusive culture at Lancashire.

We always look for employees who share our values and purpose, and who want to develop rewarding careers in a supportive environment. 2024 has seen a strong focus on how we develop our talent with tailored training, coaching and mentoring and the creation of career pathways to support our employees to evolve into leaders of the future and promoting continued diversity, particularly in the upper and upper middle quartiles. This approach to talent development will continue through 2025 and beyond.

Moving forward and building on progress

Attracting diverse talent

To ensure we have access to the best and most diverse talent pools we recruit new employees through a number of channels, including direct outreach, corporate social media, and through our website.

All employees receive training on unconscious bias and other recruitment themes as part of our efforts to give everyone an equal opportunity to show their best during the selection process.

Our induction programme for new employees includes training on diversity matters to support our focus on fairness and inclusion.

Alongside our more experienced employees, we have a number of apprentices who receive training and support as they begin their careers with us in their chosen field.

Understanding our workforce

We continue to monitor gender diversity across the Group with good representation at a senior level. As at 31 December 2024, 42% of the Group Board were female and 50% of the Group Executive Committee were female. The proportion of female employees in the Group at the end of December 2024 is 41%.

Listening to feedback

During 2024, we followed up the full staff survey carried out in 2023 with a series of feedback sessions.

These sessions looked at areas where we scored strongly in the survey and where the management team feel we could do better.

The feedback from these sessions has helped inform the talent agenda and encouraged us to look again at how we promote diversity and inclusion with an expansion of the Lancashire Employee Network to bring together employee and business driven events that support and promote the inclusive culture.

A full employee survey will be undertaken in 2025 to check on progress and to ensure we stay in touch with what matters to our employees.

