



Gender Pay Gap Report for
Arch Europe Insurance Services Ltd

Introduction

This report sets out the gender pay gap among the UK workforce of Arch Europe Insurance Services Ltd (“**AEIS**”) for the 2022/2023 reporting year and describes the steps we are taking to improve our gender pay gap and foster greater diversity and inclusion within our organisation. AEIS employs the individuals that provide services to Arch Insurance (UK) Limited and Arch Managing Agency Limited (collectively, “**Arch UK**”). The figures in this report are based on a headcount of 788 employees as at 5 April 2023, consisting of 465 male employees and 323 female employees across AEIS.

Our gender pay gap is indicative of the gender distribution of our workforce. AEIS currently has a greater proportion of men in senior roles, which typically carry higher salaries and bonuses, and a greater proportion of women in junior roles. As a result, the average pay for male employees in our workforce is higher than the average pay for female employees. Whilst this gender distribution is common in the insurance industry, we have several initiatives aimed at increasing recruitment and retention of female employees across all levels and increasing female representation at senior levels of management.

Gender Pay and Equal Pay

The gender pay gap calculations set out in this report compare the pay received by all females to the pay received by all males, without taking each person’s role or location into account. There is a distinction between gender pay gap and the concept of equal pay. While both relate to the difference in pay that men and women may receive in the workplace, they are two distinct concepts as further set out below:

Equal Pay is the legal right for men and women in the same employment to receive equal pay for performing equivalent work.



Gender Pay Gap is the difference between the average pay for all male employees and the average pay for all female employees within an organisation *regardless* of their job role or seniority. Gender pay gap is expressed as a percentage.

Gender Pay Gap and Bonus Pay Gap

The gender pay gap figures listed in this report are calculated based on annual salaries of employees of AEIS as at 5 April 2023 and any bonuses that were paid during the 12 months prior to 5 April 2023 (i.e. 6 April 2022 to 5 April 2023).

The figures in the table below illustrate the following:

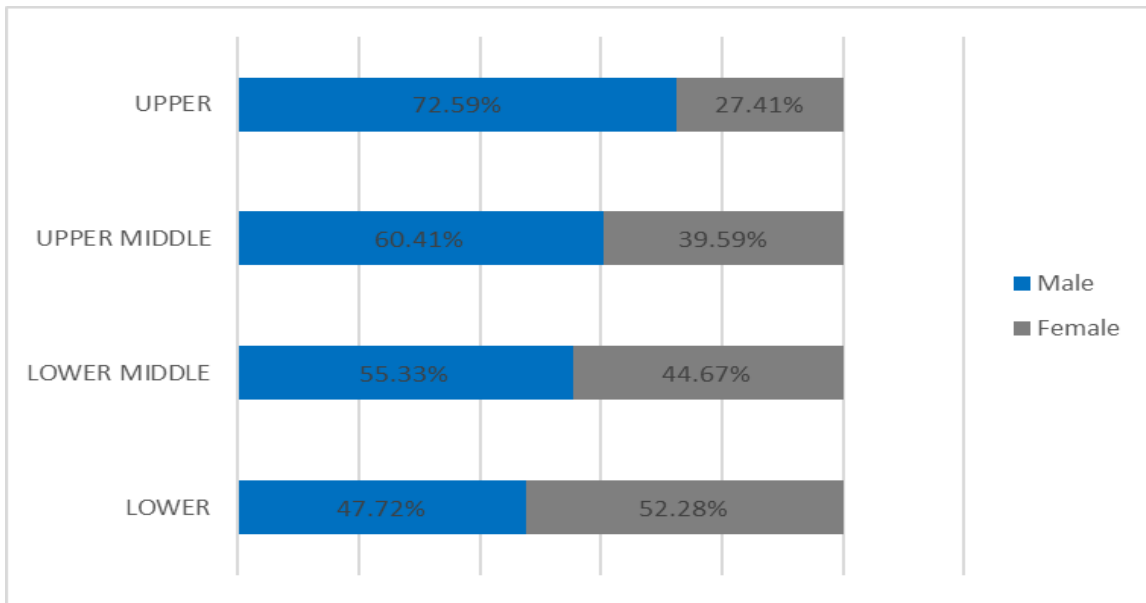
- Our **mean gender pay gap** —the percentage difference between the average pay of all male employees compared to the average pay of all female employees in our UK workforce.
- Our **median gender pay gap** —the percentage difference between the median (i.e., middle point) of all male employee pay compared to the median of all female employee pay in our UK workforce.
- Our **mean bonus pay gap** – the percentage difference in the average bonus received by all male employees compared to the average bonus received by all female employees in our UK workforce.
- Our **median bonus gap** —the percentage difference in median bonus received by male employees compared to the median bonus received by female employees in our UK workforce.

Gender pay gap	25.81% Mean	25.42% Median
Bonus pay gap	64.38% Mean	29.00% Median
Employees receiving a bonus	 94.62%	 95.67%
Based on 788 Employees		

Pay Quartiles

When reviewing our gender pay gap, we split our employees' earnings into four equally sized groups consisting of 197 employees, or **pay quartiles**, and calculate the proportion of men and women in each quartile. The chart below shows the proportion of male and female employees in each of our pay quartiles. As the chart illustrates, we have proportionally more men than women in our top three pay quartiles which is the primary reason for our gender pay gap.

Gender Distribution By Pay Quartiles



What has changed?

- Our mean gender pay gap, or the difference in mean pay between male and female colleagues, reduced by 0.7% compared to 2022.
- The median bonus pay gap, or the difference in median bonus pay between male and female colleagues, reduced by 13% compared to 2022.
- Senior female hires and promotions made during the reporting period included the Chief Compliance Officer and other senior roles within Finance, Exposure Management and Compliance.
- The number of female employees receiving a bonus exceeded male colleagues by 1.05%.

Closing the Gap

We are committed to improving gender balance and cultivating a culture of inclusion and diversity. Listed below are some initiatives that we have established to support our strategy:

- **Diversity and Inclusion (“D&I”) targets**

In 2022, the Arch UK Board of Directors (the “**Arch UK Board**”) set the below diversity targets for Arch UK Board and senior leadership roles to improve decision-making and promote the success of Arch UK:

Target 1: At least 20% female representation on the Arch UK Board by 31 December 2023

- As at 31 December 2023, **43%** of the members on the Arch UK Board were female.

Target 2: At least 35% female representation in leadership positions (i.e., Arch UK Group Board, Management Committee and direct reports of members of the Management Committee) by 31 December 2023

- As at 31 December 2023, female representation in leadership positions was **38%**.

Target 3: At least 50% female representation of succession plans for members of the Management Committee and their direct reports by 31 December 2024

- As at 30th June 2023, 40% of the identified potential successors of members of the Management Committee were female.

- **Strategic partnerships to create exposure and development opportunities**

- We continue to promote and support our internal employee resource groups and external partnerships, including the Insurance Supper Club (ISC), Insurance Cultural Awareness Network (iCAN), The LGBTQ+ Insurance Network (Link) and the Association of British Insurers (ABI).
- Our Women and Allies network have conducted workshops on stretch goal setting, leadership behaviours, and career development in collaboration with the ISC.
- We have continued our relationship with the ABI following our sponsorship of the 2023 Women in Insurance Summit. Arch also has an employee representative from HR on the ABI Diversity, Equity and Inclusion Network.
- We will be sponsoring the Everywoman in Insurance event in June 2024, with employee representatives participating as speakers and event attendees.
- Working with several partners, including Sponsors for Educational Opportunity (SEO London), iCAN, London Market Group and London Insurance Life, we have offered 10 individuals a place on our 8-week internship programme, with 80% of those selected being female.
- We actively encourage our female leaders to participate in external events as speakers, both from a leadership and technical subject matter expert perspective. Female employees from Underwriting, Claims and Business Transformation have been panellists for popular Insurance industry events.

- **Talent Development**

- In 2023, we extended the scope of our talent review process to include talent at junior levels of the organisation with a consideration to identify female future leaders and improve gender balance in leadership roles.
- Our first graduate programme was launched in 2023 with a cohort of 7 individuals with a 14% female intake. In 2024, we are focused on improving the gender balance of our graduate intake and a targeted approach has been adopted by attending female-focused events, such as the STEM Women Careers Fair and working with University networks and societies to specifically promote our graduate programme to female students.

We confirm that the data contained within this report is accurate and meets the requirements of the Gender Pay Gap reporting regulations.

Hugh Sturgess, President & Chief Executive Officer

Hugh Sturgess

Kirsten Valder, Chief Administrative Officer

Kirsten Valder

Marcella McLean, Chief Human Resources Officer

Marcella McLean