



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 2023/2024 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 900 employees as at 5 April 2024, consisting of 537 male employees and 363 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.

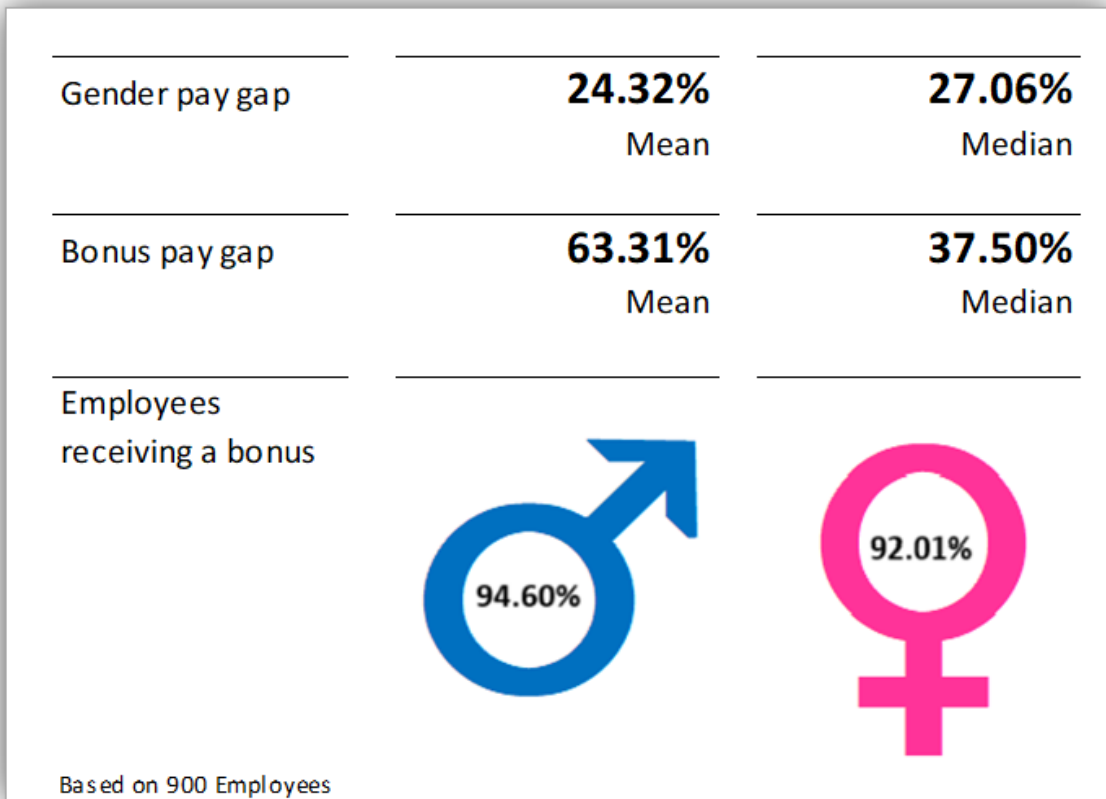
Gender Pay Gap is the difference between the average pay for all male employees and the average pay for all female employees within an organisation *regardless* of their job role or seniority. Gender pay gap is expressed as a percentage.

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 2024 and any bonuses that were paid during the 12 months prior to 5 April 2024 (i.e. 6 April 2023 to 5 April 2024).

The figures in the table below illustrate the following:

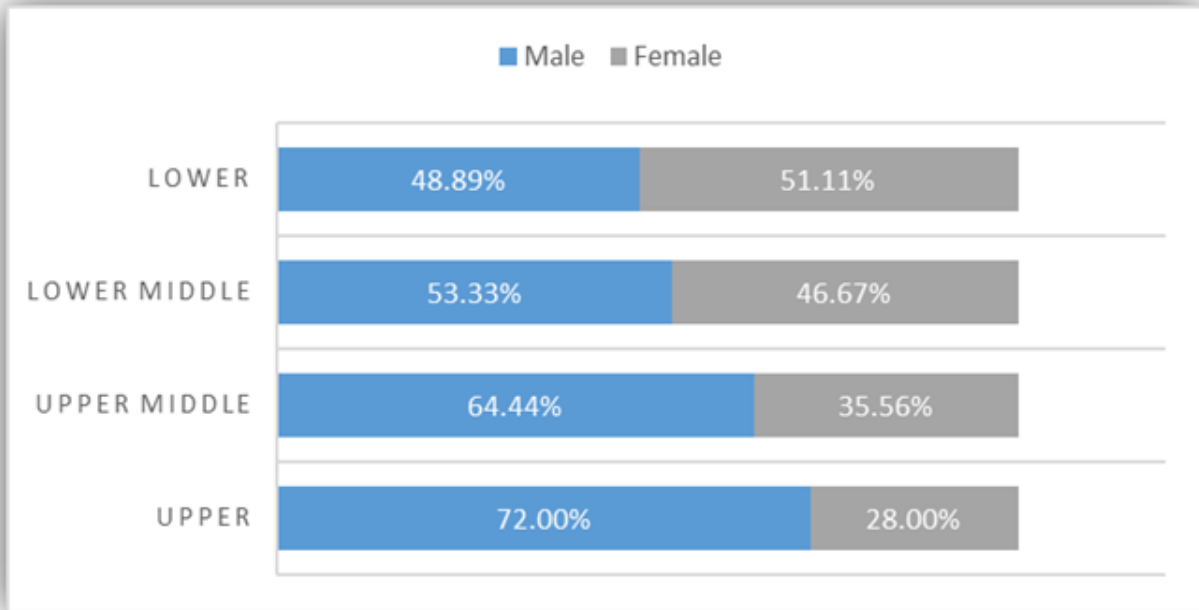
- Our **mean gender pay gap** — the percentage difference between the average pay of all male employees compared to the average pay of all female employees in our UK workforce.
- Our **median gender pay gap** — the percentage difference between the median (i.e., middle point) of all male employee pay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



Pay Quartiles

When reviewing our gender pay gap, we split our employees' earnings into four equally sized groups consisting of 225 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, increased by 1.49% compared to the previous reporting period. This slight increase is attributable to compensation for senior male staff which has been partially offset by senior female hires in previous reporting periods.
- The median bonus pay gap, or the difference in median bonus pay between male and female colleagues, reduced by 1.64% compared to the prior reporting period.
- 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 male employees receiving a bonus exceeded female colleagues by 2.59% given there was a higher proportion of female new hires in the fourth quarter of 2023. Employees hired in the fourth quarter do not receive a bonus for that performance year due to their short length of service.

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 of 31 December 2024, 50% of the members on the Arch UK Board were female. An increase of 7 percentage points from December 2023.

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 of 31 December 2024, female representation in leadership was 41%. An increase of 3 percentage points from December 2023.

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

- As of August 2024, 60% of Management Committee succession plans had named female successors.

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

- We have maintained relationships with external D&I partners including Insurance Supper Club Insurance Cultural Network, Everywoman in Insurance, and Association of British Insurers.



- Our Women and Allies network has evolved with strong membership and allyship. In 2024, an extended leadership team, including senior male leaders, was established to support its growth and impact.
- Our female leaders continue to receive industry recognition and speaker invitations. Award nominations in 2024 included 'Women in Insurance Awards', 'Claims Director of the Year', 'Young Claims Professional of the Year', and 'Most Impactful Member of a Gender Employee Resource Group'.
- **Talent Acquisition and Talent Development**
 - As of 31 December 2024, 42% of our workforce was female, an increase of 3% from December 2023. Additionally, 48% of new hires in 2024 were women, reaching gender balance in hiring.
 - Our goal for 2024 was to improve the gender balance of the graduate intake, which was 14% female in 2023. By expanding early career outreach and advertising activities, the proportion of females in our 2024 graduate cohort increased to 67%. Our 2024 summer internship cohort was composed of 80% females compared to 50% in 2023.

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, Deputy Chief Executive Officer

Kirsten Valder

Marcella McLean, Chief Human Resources Officer

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