



**LOCKTON®**

# **GENDER PAY GAP**

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REPORT 2024

**At Lockton, we are committed to providing an inclusive working environment where every Associate fulfils their potential. We employ the best and most talented people, ensuring they are paid fairly, irrespective of their gender.**

Like all UK companies with 250+ employees, we are required to publish our gender pay and bonus gap each year, based on data as of 5th April. The gender pay gap looks at the difference between the average pay and bonus of all Associates across the business, regardless of job type or how senior they might be. Equal pay is different; it looks at the pay difference between a man and a woman doing the same role. We recognise that the gender pay gap is a complex issue influenced by a variety of factors that need to be addressed at an organisational and societal level.

We continue to attract more women into Lockton. We are seeing increased female representation across our top 3 quartiles, which has had a positive impact on our mean pay gap.

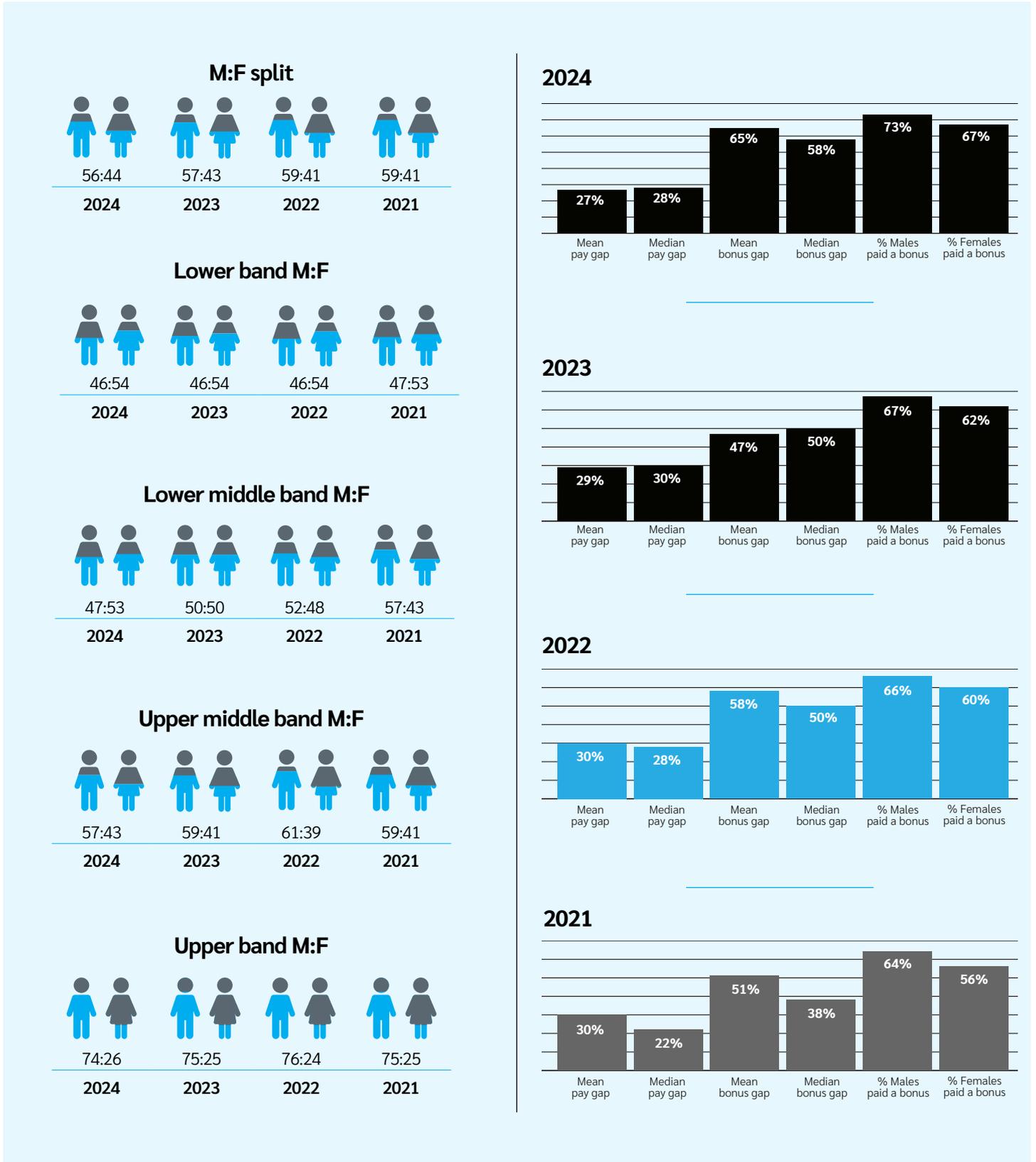
We have increased the number of women in entry level roles which is having an adverse short-term impact on our gender pay gap. Despite this, we know it's the right thing to do. Our focus on increasing the representation of women in our mid-level roles typically associated with better average hourly pay rates is creating a stronger pipeline for women to progress through the organisation and narrow pay gaps in the top pay quartiles.

We are taking a range of steps to address the gender pay gap, including: enhanced parental leave, a personalised development programme for female talent, and driving demographic change through the Proportionality Principle. The Proportionality Principle focuses on mirroring the percentage of women represented at the level immediately below to drive changes to gender representation at all levels.



## 2024 gender pay gap results

Overall female gender representation has increased YoY (year over year) however we still have more males in senior positions.



Addressing the gender pay gap remains a long-term priority for Lockton. As we continue to grow at pace, we are committed to ensuring a strong pipeline of female talent and remain focused on bringing in great female talent in more senior positions.

## Q&A

### Why do we have a gender pay gap?

- This is driven by having proportionately more men than women in higher-paying, senior roles. This is evident when you look at our pay quartiles; in our highest pay quartile, 74% are men and 26% are women. When you look at our lowest pay quartile, 54% of people are women and 46% are men. This is why the average pay for men is higher than women.
- Encouragingly, our 2024 median and mean hourly pay gap results improved (i.e. narrowed) to 28% & 27% respectively, relative to our 2023 results. This was driven by increased hiring and internal promotions as we continue to strengthen our pipeline of female talent.

### Why did our bonus pay gap widen?

- Until we achieve our long-term priority of bringing more women into senior leadership and client-facing positions, we expect to see ongoing volatility in our bonus gap figures. All UK Associates have an equal opportunity to participate in our incentive plans that are dependent on the role being performed. Our data reflects a higher frequency and magnitude of bonuses awarded to men, a pattern we are committed to addressing.
- There has been progress this year, with the percentage of women receiving bonuses rising to 67% from 62% in 2023, indicating a positive trend as we continue to push for equality.

### What is Lockton doing to close the gender pay gap?

- Diversity, Equity & Inclusion (DEI) is a priority we are embedding within all facets of our business strategy. Our DEI Steering Committee are accountable for delivery, reporting directly into our Executive Committee. Our DEI activity is not a finite investment, but a long-term, holistic approach that is built into our culture and infrastructure to ensure we are driving tangible change.
- We actively manage how we're progressing talent from early careers to the most senior roles and are using the Proportionality Principle to measure our success in our ongoing efforts. We have achieved gender parity across our lowest two grades (Associate and Assistant Vice President) and plan to introduce time-bound ambitions to achieve this for all mid-level roles.
- We have set strategies at each level to hire, promote, and retain key talent and are equipping each of our practice areas with DEI dashboards to challenge any trends and make well-informed, balanced decisions. We know our direct talent pools and are working to reach alternative pools, particularly within our early careers programmes, to drive female representation in the insurance industry faster.

### What are some examples of initiatives currently in place to address the gender pay gap?

- Reaching, recruiting and retaining more females at entry level to build a pipeline of talent for the future.
- Connecting with industry networks to collaborate on gender balance issues.
- Agile working arrangements and additional leave for working parents and carers.
- Enhanced parental pay policy complimented by return-to-work workshops and coaching for those taking leave.
- Targeted development including coaching and mentoring to address gender imbalances and organisational barriers to women's progression.
- Monitoring the development of our talent and succession planning to drive equal opportunities for progression based on merit.



