

LCP Pay Gap Report 2023

This report shows a snapshot of the difference in average earnings for LCP's employees as at 5 April 2023. This includes gender pay gap figures as required by law.





Ensuring LCP is a diverse, equitable and inclusive workplace for all is core to our business priorities and how we work together. We remain committed to recruiting, retaining and promoting diverse and underrepresented talent. We strive to maintain an environment that allows each individual to thrive and reach their full potential.

Supporting diversity, equity and inclusion (“DEI”) is the right thing to do and we recognise that it is crucial to the success of our firm. That is why it remains embedded at the core of our overall business strategy. We are pleased to share our annual pay gap report alongside an update on LCP’s initiatives to support diversity.

Our first ethnicity pay gap report

As part of our ongoing commitment to DEI at LCP, we’re pleased to present our first ethnicity pay gap report alongside our annual gender pay gap report. We started collecting voluntary demographic data from our people in 2021 and are pleased that we have an engagement rate of just over 80% which has enabled us to extend the report in this way.

While gender and ethnicity represent only part of the diverse tapestry within our firm, we recognise they are significant indicators for our DEI strategy and progress. As our firm continues to grow and our data collection develops, we hope to continue to build on the metrics we report on in future.

Evolving our gender ambitions

We recognise the importance of fostering gender balance, including achieving balanced representation at senior levels. As part of our commitment to meaningful and sustainable change, we’ve set ourselves an ambition that by 2032 we will have a 40:40:20 gender balance in Strategic Leadership Roles (including our Board and Executive Committee), among our Partners and at a firm-wide level.

This means a balanced presence of at least 40% women and 40% men in each group, with the remaining 20% being flexible. This acknowledges that some people do not identify within the gender binary and also allows for a natural flow of people in and out of the organisation as the nature of our business evolves and grows.

Aspiring to gender balance reinforces our commitment to creating a diverse firm that powers possibility.

At 5 April 2023: 33% of our Strategic Leadership Roles are held by women, 28% of our Partners are women and women represent 52% of our total workforce. Although we have reached our overall ambition firmwide, we recognise the need for continued improvement at senior levels.

Our plan for future analysis

We are a firm with data analysis at its core and understand that having good diversity data is key in helping us shape our ambitions and evolve and target our DEI strategy to focus on where impact is more needed.

Having now articulated our ambitions for gender balance, we are committed to sharing our ambitions for other characteristics once the data allows us to do so in a meaningful way. We have already seen further progress in our overall level of data collection in recent months and we will continue to encourage our colleagues to share this information with us where they are comfortable doing so.



Embedding DEI principles in LCP on our journey

Our overarching dedication to supporting DEI is evident in the numerous initiatives and programs we have implemented to create a welcoming and equitable environment for all.

This ranges from DEI training and mentorship programs to inclusive recruitment practices, and includes the excellent work driven by our people-led Networks. We've already seen positive trends in representation and feedback emerging as a result of our work in this area.

Whilst our gender and ethnicity pay gaps are a useful tool in helping us monitor our progress, as a simplified metric they do not reflect wider cultural shifts across LCP, the industry and society. It's therefore important to look to other indicators to help us inform how well we are doing and a number of these are referenced throughout this report.

As well as the pay reports on pages 4-9, we've also included an update on some of our other highlights over the year with a particular focus on those initiatives which support greater diversity. Our people-led networks, including our Women's Network, Multicultural Network, LGBTQ+ Network and Wellbeing Network are key to supporting our approach to DEI. You can also find out more about our DEI journey and other initiatives on our website.

Declaration

We confirm that Lane Clark & Peacock LLP's pay data is accurate and has been collected and presented within this report in accordance with paragraph (2) of Equality Act 2010 (Gender Pay Gap Information) Regulations 2017



Stephen Davies
Managing Director



Carla Lakey
Partner and Head of People

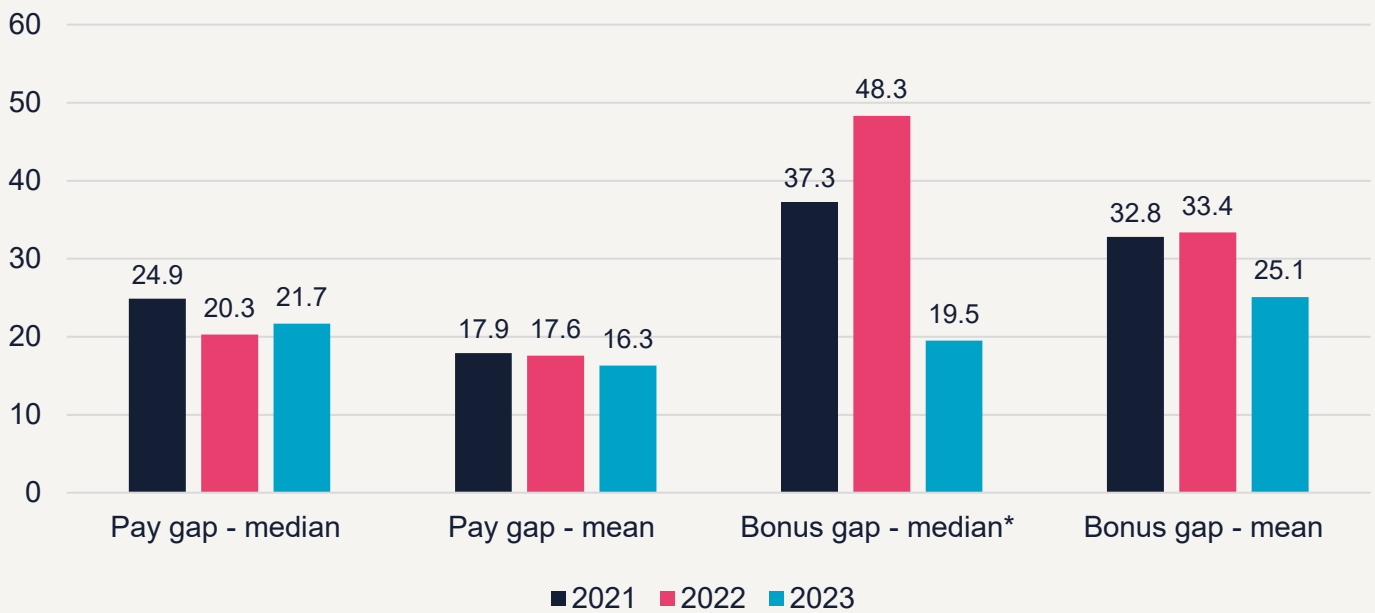


Understanding the gender pay gap

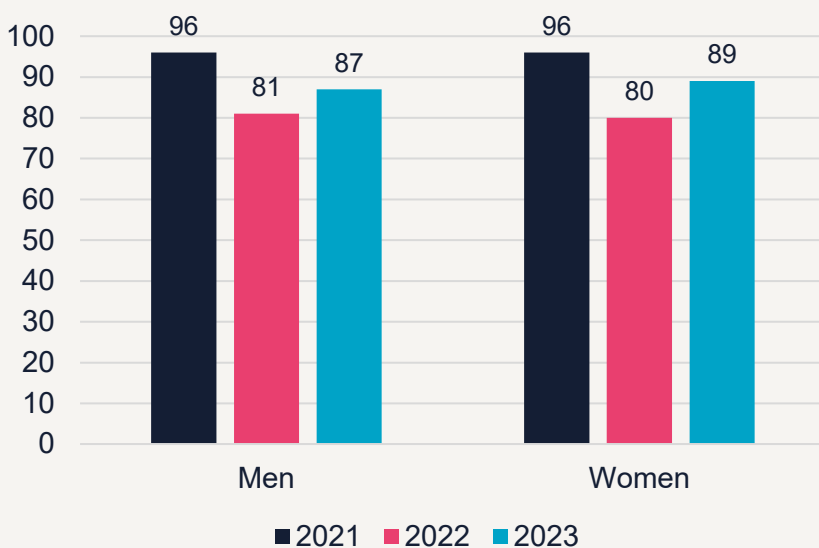
The gender pay gap is different from equal pay – LCP does not pay men and women differently for the same or equivalent work. Our gender pay gap is the result of the roles in which men and women work within the firm, and the salaries that these roles attract. Like many other professional services firms, LCP currently has more men than women in senior, higher paid positions and more women than men in lower paid positions.

Similar to past reports, our gaps are mainly driven by the profile of our business and the varied departments. We acknowledge that progress in these areas will take time and we monitor other metrics to give a fuller picture of our progress, for example promotion data and representation within our Partners.

Pay gap and bonus gap (figure in %)



Proportion receiving a bonus* (%)



Women make up **34%** of our new partner promotions over the ten years to April 2023.



Our gender bonus gap is predominantly driven by two factors. The first is that there are more men in senior positions where bonuses as a percentage of salary are higher. Secondly, whilst the pay gap calculation adjusts for the impact of part-time hours (by calculating average hourly pay), the bonus calculation does not and proportionately more of our part-time employees are women.

Employees are eligible to receive an annual bonus if they have worked during the relevant bonus period. The lower overall proportion of people receiving a bonus figure is driven by the fact that, as a rapidly growing business, a number of employees included in the analysis joined the business after the eligibility period.

Current requirements for gender pay gap reporting mean that gender must be reported in a binary way (recognising only men and women). This means the reporting does not consider non-binary or other identities. Our gender balance ambitions recognise the expansive nature of gender and we are committed to creating an inclusive workplace for our trans and non-binary colleagues.



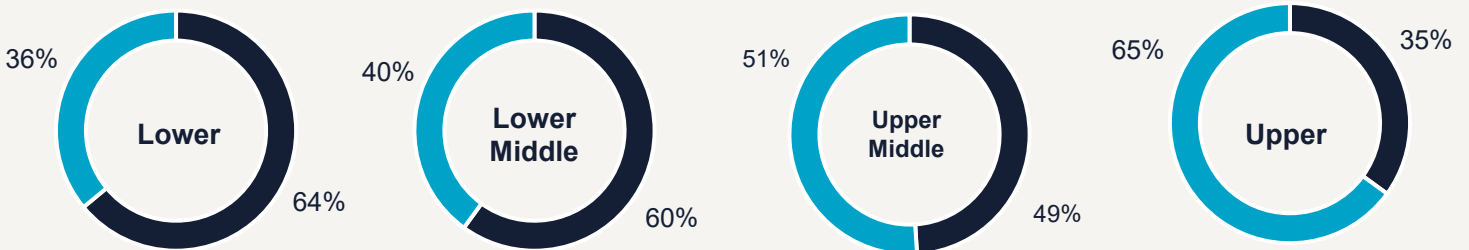
** The proportions of men and women receiving a bonus in 2021 and 2023 are notably higher than usual due to special one-off bonuses that were awarded to all employees employed in the firm as at December 2020 who were not in their notice period at the date of payment (for the 2021 figures) and as at 31 October 2022 (for the 2023 figures). These special bonuses also had a noticeably positive impact on the 2021 and 2023 bonus gap figures. We anticipate that these gaps will increase next year.*



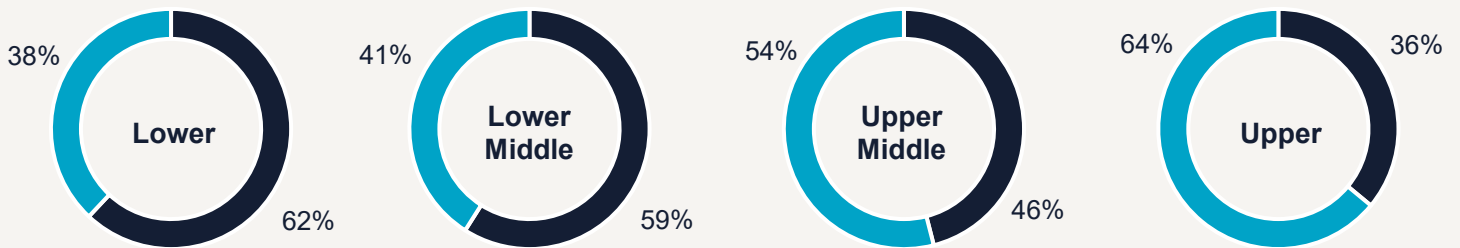
The mean gender pay gap is calculated as the difference between the mean hourly rate of pay of employed men and women expressed as a percentage of the mean hourly rate of pay of employees who are men. The mean gender bonus gap is calculated as the difference between the mean bonus of employed men and women expressed as a percentage of the mean bonus of employees who are men. The median figures are calculated in a similar way. Pay quartiles are derived from standard hourly rates. All gender pay related numbers shown in this report have been calculated using the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.



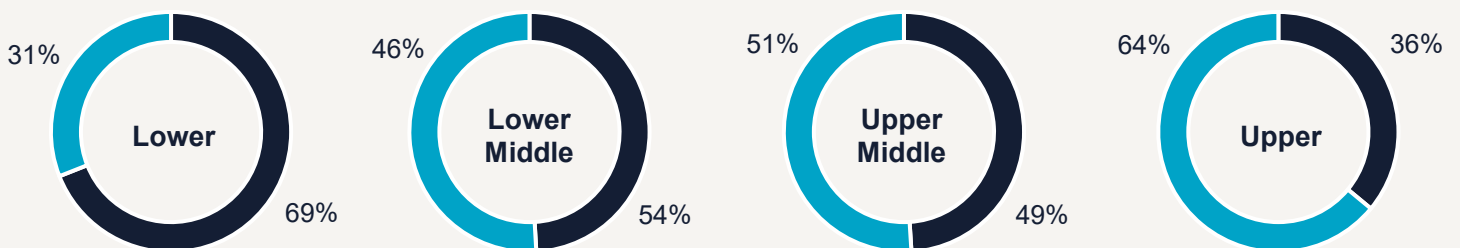
Pay quartiles by gender 2023



Pay quartiles by gender 2022



Pay quartiles by gender 2021



Women
 Men



Understanding the ethnicity pay gap

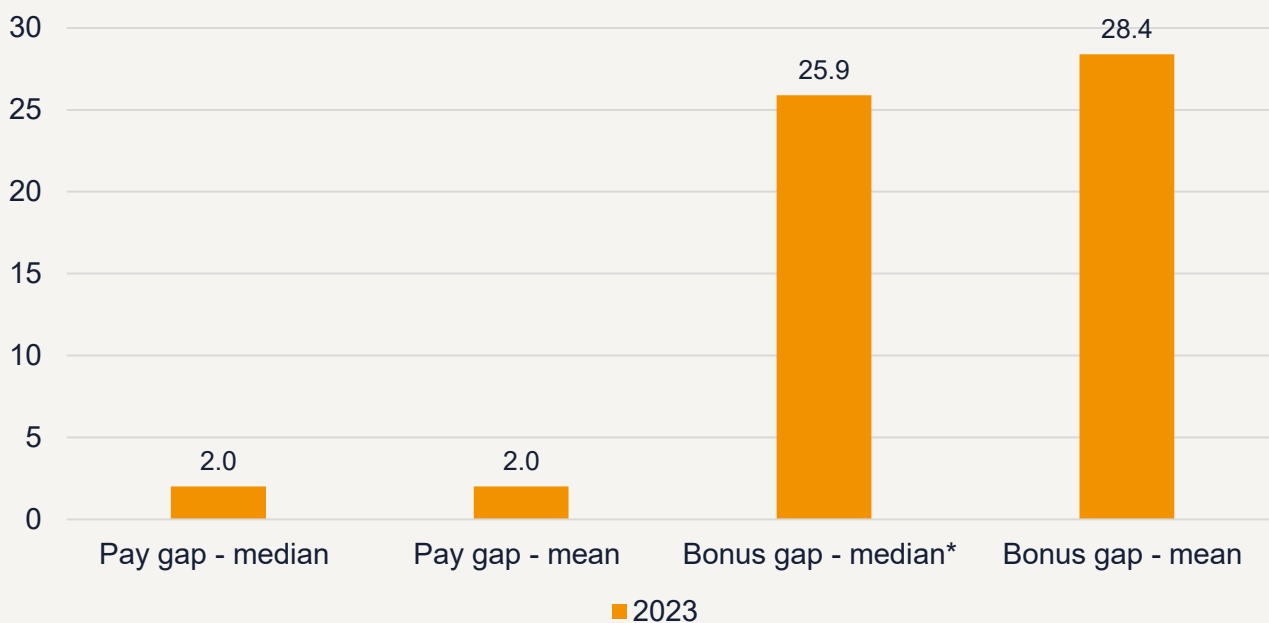
We are pleased to be able to report our ethnicity pay gap results for the first time this year, a direct result of the strong engagement we have had from our people sharing their ethnicity data with us.

In line with the government recommendations on aggregating data, we are reporting our figures on a binary basis this year. This means for the purposes of this report we have categorised those who have voluntarily disclosed their ethnicity information as either White (including White non-British) or Ethnic Minority (including those of mixed heritages). In practice, colleagues are able to select from 29 different ethnic backgrounds within our HR system. As our data collection continues to improve and we grow as a firm, we hope that in future years we will be able to report the results at a more granular level.

In the same way that the gender pay gap is different from equal pay, so too is the ethnicity pay gap – LCP does not pay people from different ethnic backgrounds differently for the same or equivalent work. Our ethnicity pay gap is the result of the roles in which individuals from different ethnic backgrounds work within the firm, and the salaries that these roles attract.

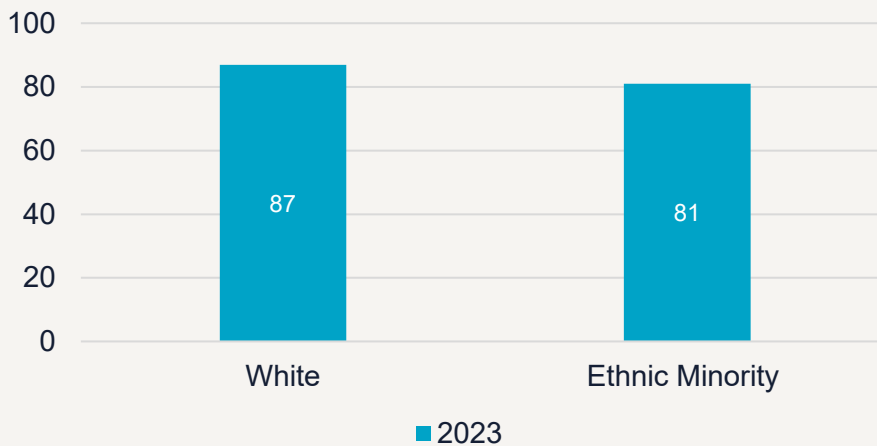
It is encouraging to see that our mean and median ethnicity pay gap for the year was 2%, indicating that we have balanced representation of those from diverse ethnic backgrounds across departments and levels of seniority amongst our employees. However, we recognise that these figures only tell part of the story, and we still have more work to do to increase the balance of representation at leadership levels. For example, in April 2023, of the 83% of Partners who shared their ethnicity data, 7% are from an ethnic minority background. We are also focused on improving our black heritage representation across the firm and at Partner level.

Pay gap and bonus gap (figure in %)





Proportion receiving a bonus* (%)



*In 2023, **100%** of eligible employees received a bonus.*

We are pleased to share that over the year we saw a higher proportion of people from Black, Asian and other ethnic minority backgrounds join LCP than previously – a good indication that our commitment in this area is leading to meaningful change. This is a very positive indicator, although it has a knock-on impact to the bonus measurements shown above.

Firstly, since a higher proportion of those from Ethnic Minority backgrounds joined LCP after the end of the eligibility period for bonuses paid during the period, the proportion of those receiving a bonus is lower. Secondly, for those who joined during the year, the bonus paid would have been reflective of their length of service during the year leading to lower overall bonuses (similar to the impact of part-time working on the gender bonus gap).

These factors were exacerbated by the special one-off bonus paid in October 2022, as discussed on page 5.

Progress in action

With many initiatives focussed on longer-term change, we are pleased to see our efforts feeding through to improving representation within LCP. Of those who shared their diversity information with us:

- **10%** of our partners promoted over the last 10 years to April 2023 were from an ethnic minority background
- **35%** of our new joiners over the year to April 2023 were from an ethnic minority background
- **49%** of our September 2022 graduate intake were from an ethnic minority background

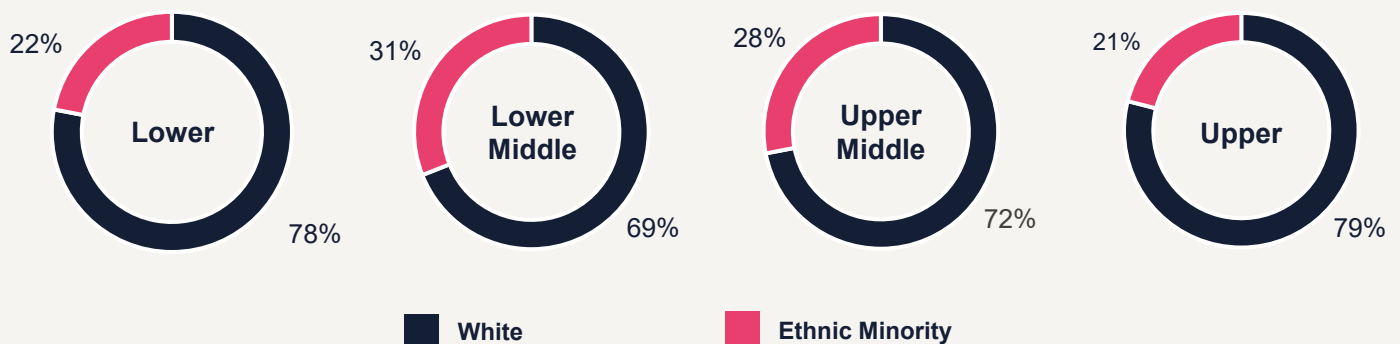


For this report, *Ethnic Minority* refers to people of all ethnicities except White and White non-British, including mixed heritages. *White* refers to people of white heritage including White non-British.

The mean pay gap for a given group is calculated as the difference between the mean hourly rate of pay of White and Ethnic Minority employees expressed as a percentage of the mean hourly rate of pay of White employees. The mean ethnicity bonus gap is calculated as the difference between the mean bonus of White and Ethnic Minority employees expressed as a percentage of the mean bonus of White employees. The median figures are calculated in a similar way. Pay quartiles are derived from standard hourly rates. All ethnicity pay numbers shown in this report have been calculated using a consistent approach to the standard methodologies used in the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 for the purposes of pay gap reporting. We have also used the ethnicity pay reporting guidance published by the Government in May 2023.



Pay quartiles by ethnicity 2023



The figures above are based on the 80% of employees who have voluntarily disclosed this information to us.

Update on LCP's initiatives to support diversity



Carla Lakey
**Partner and
Head of People**



Jill Ampleford
**Partner and
Lead of DEI Group**

“We took another step forward on our DEI journey this year, and as a data driven business, it is great that we’ve now collected enough of our own diversity metric data to carry out analysis that will really support us in shaping our future priorities in this area.

Whilst we still have a way to go, the positive trends we can now see emerging demonstrate the positive impact of the work we’ve been doing over recent years.”

“I’m delighted that we have now progressed to the point in our DEI journey that we are able to both share an ambition on gender balance and to share ethnicity pay gap reporting.

The additional data we now hold will help shine a further light on our DEI progress and help us evolve our initiatives and priorities further. It ultimately supports our further journey to become an ever more diverse and inclusive firm.”





Creating an inclusive workplace for everyone

Diversity, Equity & Inclusion (DEI) is at the core of our People Principles, driving how we work with each other and making sure we recruit and retain the best people. Nurturing a people-first, inclusive and diverse workplace creates an environment where everyone can thrive, supports innovation and results in more effective decision making. It ultimately helps us to provide our clients with the best possible service.



This year our focus has been on training and raising awareness, measuring DEI progress through better data and senior sponsorship. Alongside this, we have continued our high-octane series of activities to promote, encourage and celebrate progress. Many of these have been led by our four inclusion networks: Multicultural, Women's, LGBTQ+ and Wellbeing, which covers Neurodiversity, Disability, Age Inclusion, Mental Health, Physical and Mental Wellbeing, and Nutrition.



Training & awareness

Having rolled out compulsory DEI e-learning across the whole firm last year, we have now embedded this into our induction programme to ensure that all individuals at LCP have a basic understanding of these areas as soon as they join.

We continue to run sessions to increase awareness on a range of DEI topics as well as focussing on equipping those in people management roles with the skills and knowledge needed to support those in their team with any challenges and issues they might be facing. This included introducing neurodiversity training for those in recruitment roles, which will be followed later this year with neurodiversity training for managers.

Our newly launched learning management system includes a collection of DEI Resources as well as a new dashboard promoting access to live Work Life Central webinars which include sessions on different aspects of inclusion and access to support networks.



Using data to measure and track progress

As noted earlier in our report, this year we hit the important milestone of 80%+ of our people voluntarily engaging with sharing diversity metrics in our HR system. This is a key step in enabling us to monitor the retention and progression of our people by different identities and backgrounds, and to help identify any trends or potential barriers we need to address.

We achieved this through a dedicated communications campaign by our senior leaders, with Principals and Partners across every LCP department posting on our internal messaging platform about the importance (and ease!) of sharing diversity metrics, whilst noting that those who did not want to share information with us, could also use the system to tell us that.

Through the use of our new recruitment applicant tracking system we have also been able to start collecting better optional diversity information from those who apply for roles with us. We have coupled this with the introduction of an optional diversity monitoring form for graduate and intern applicants. Improving the data we have in this space enables us to identify any trends or biases in our recruitment processes.



Senior sponsorship

Our Board has been focused on articulating our strategy and embedding our DEI values across the business. As part of this process our CEO, Aaron Punwani, recommitted his role as executive responsible for DEI and the LCP Partners on our Board and Executive Committee have formalised roles as executive sponsors to our DEI Networks.

This is supported by our Partner Champion programme, where around 70 of our Partners and Principals have made an individual commitment to challenge barriers to DEI and to be a visible advocate and supporter for our Networks.



Creating connections and developing understanding

Our Networks continued to organise a great programme of events and initiatives to help raise awareness and enable people to build connections in a fun and supportive environment – we feature some of the activities our Women's Network and Multicultural Networks have been involved in on pages 13 and 14.

Picking out a few highlights over the year from our LGBTQ+ and Wellbeing Networks, our colleagues participated in LGBTQ+ film nights to celebrate LGBT history month, mindful drinking workshops with Club Soda, logging badges in our online portal that was developed for our Active October challenge and celebrated Pride Month in style with a drag queen hosted quiz and networking with clients and contacts.

“At LCP I have been able to grow and develop. I have been supported not just in the development of my technical knowledge and skills but also in other areas, such as the opportunity to develop and present the Insurance Uncut podcast. I have always found the culture at LCP to be really supportive and it has helped me to achieve my best.”



Jessica Snowball, LCP

Winner of the young actuarial and risk professional of the Year at Insurance ERM awards



Spotlight on gender balance: driving progress within LCP and the industries we work in

- We offer a wide range of flexible working policies, family leave and benefits designed to challenge barriers to progression disproportionately faced by women. We provide additional support and coaching to those taking parental leave and encourage and incentivise those who may not previously have taken on additional childcare responsibilities to do so (for example by improving shared parental and paternity leave).
- We recognise the importance of supporting our people through all stages of their lives and careers. We offer benefits providing support to anyone who may experience fertility challenges or menopause symptoms and through pregnancy and parenthood. We have also launched a menopause support group and menopause resources for managers and team leaders.
- Our Women's Network runs a range of events and activities to raise awareness about women's experiences in the workplace. On International Women's Day 2023, we ran a discussion around the #EmbraceEquity theme and hosted an external event where c100 listened to Maggie Murphy and Kelly Lindsey of Lewes FC speaking as pioneers for being an inclusive football club.
- Our Women's network also provides networking and mentoring opportunities to support and promote long-term retention and development for women within the firm and this year included a speed networking event to meet senior women across the business.
- Recognising the gender diversity challenges that exist within the energy industry, our energy team, LCP Delta, have set up their own gender diversity working group to consider ways that they can help improve diversity within the team, particularly at more senior levels.
- As part of our focus on balanced recruitment, we have held six Women's Talent Academies, a unique undergraduate mentorship and educational programme with 150 mentees completing the programme and 10 going on to join LCP.
- Following the success of our 2022 'Breaking the Glass Ceiling' event, we ran a panel debate discussion on the use of quotas in achieving better gender balance among senior leadership in Insurance. These events have opened broader conversations about improving representation for women and the importance of peer support across the insurance industry.
- We also work to promote progress in the wider industries that we work in – not just for women working within the industry, but also for wider society. Our recent report '[The Gender Pension Gap - How Did We Get Here And Where Are We Going](#)' was launched in a session hosted by Laura Trott, former pensions minister, and has further exposed the pensions gender pay gap. This innovative report was heralded as a call to action for the government by various publications including The Telegraph.
- We were delighted to be one of the founding firms of the Pensions Chapter within the Female Forum. The purpose of which is to create a strong network of senior women.
- We understand the importance of role models and are proud to have had a huge number of individuals nominated, as well as five winners, across a range of awards highlighting and rewarding leading women in the industries we work in.





Spotlight on ethnic diversity: driving progress within LCP and the industries we work in

- We have signed up to BITC's Race at Work Charter, making 7 commitments that involve taking concrete steps to improve racial diversity in the workplace including capturing ethnicity data and publicising progress and supporting race inclusion allies in the workplace.
- We recognise that a big part of the challenge in improving the ethnic diversity of our teams is recruiting those from diverse backgrounds to join us. That means raising awareness of the opportunities available in the industries we work in, making sure our vacancies are accessible to as many people as possible as well as ensuring our recruitment process are unbiased and fair.
- Over recent years we have partnered with a number of third-party organisations who work with universities and schools and work on improving diversity in talent pipelines and recruitment processes – although many of them define their objectives around improving social mobility, their work targets individuals from under-represented ethnic backgrounds. This includes:
 - **Partnering with SEO London**, a charity that works in universities and schools across the UK to get people from ethnically and socioeconomically diverse backgrounds into the workplace. They are also providing support on our graduate recruitment programme.
 - **Partnering with UpReach**, a charity that support undergraduates from lower socio-economic background to access top graduate jobs.
 - **Working with My Big Career**, a charity that looks to support school children from disadvantaged backgrounds, many of whom are ethnically diverse. This year we ran our second career insight day, hosting 20 students who came to listen to talks from our investment, actuarial, insurance and football analytics teams and learn about interview techniques.
 - We participated in the **10,000 Black Interns initiative**, which supports those of black heritage in securing paid internships with participating employers
- In our graduate and intern recruitment processes, we give applicants the option to use our contextualised grading platform for their application. This enables us to consider factors such as school and college performance as well as personal circumstances to give us a better indication of potential.
- Recruitment is only one piece of the puzzle, and we also run a number of initiatives aimed at retaining and developing under-represented talent. This year, our Multicultural Network ran a third round of their two-way mentoring sessions – collaborative discussions between mentees and senior leaders within LCP – to highlight issues faced by black and ethnic minority employees. The current programme is an extended session taking place over a year to help build stronger relationships and support even more meaningful and lasting mentoring relationships.
- A key part of creating an inclusive work environment is making sure people feel welcome and comfortable at work. We have adopted the Halo Code, the UK's first Black Hair code, protecting and celebrating the right to come to work with natural hair and protective hairstyles associated with racial, ethnic and cultural identities.
- We are also committed to encouraging and facilitating discussions about ethnic diversity within the wider industries that we work in. For example, our Multicultural network hosted a joint client event with Hogan Lovell's, with guest speaker Shaparak Khorsandi. Shaparak delivered a talk to our guests about her own experiences and views on a wide range of DEI topics, followed by a performance from gospel singing group, Gold.





Driving change in the industry and beyond

LCP has consistently challenged systemic inequality. We're proud to be recognised and trusted changemakers within our industry and have received a number of awards for our work in this area.

Driving industry change

We collaborate on a number of professional initiatives and working group including IFOA's Diversity Action Group, TPR's working parties, the Diversity Project and we cofounded O:Pen, the LGBT+ Pensions Network and Project AMP (the mentoring scheme launched by the IFOA designed to improve diversity at senior levels of the actuarial profession). We are also working with TIDE (a cross-industry group working to improve DEI across the energy industry).

Support for wider UK society

At LCP we have tried to use our wider influence to support pensioners across the UK. This has included former Pensions Minister Steve Webb using his voice to highlight matters such as:

- The significant state pension that many married women missed out on through not making a second state pension claim, campaigning for DWP to fully compensate impacted women on the grounds of maladministration.
- The surprise tax bill that may hit pensioners due to the state pension rise.
- The surge in recipients of disability benefits, including suggestions for the government to shift its focus from getting people back to work to resolving their long-term health issues

Sharing our learnings with others

We very much see DEI as a collaborative, industry-wide effort and are keen to share our own experiences and learn from others. Our DEI group has recently created two guides, [one on accessible drafting of communications and another with top tips to host inclusive events and activities](#). These guides have since been made available to the public on our website and we hope that this encourages others across the sectors we work in to share resources and make DEI success a truly collaborative effort.



"I am incredibly proud of how far we have come in making LCP a more open and inclusive place to work. The passion of our people to make change and help to improve things across the industry is truly inspiring. As a firm, our commitment to DEI is unwavering and will continue to be the bedrock on which our future growth is based."



Aaron Punwani
LCP CEO



At LCP, our experts help to power possibility by navigating you through complexity to make decisions that matter to your business and to our wider society. We are powered by our desire to solve important problems to shape a more positive future. We have market leading capabilities across pensions and financial services, insurance, energy, health and analytics.

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