



**2023 Gender  
& Ethnicity  
Pay Gap  
Report**





**Jonathan Greenwood**  
*Outgoing Acting Chief  
Executive Officer*

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At Direct Line Group we believe it is vital we continue to track the distribution of pay across our organisation. This helps us measure how our business is performing, as we strive to build an ever more inclusive and diverse team.

We are comfortable that we do not pay people differently because of their gender or ethnicity. We believe the pay gaps that exist in our organisation are the result of a disproportionate representation of women and colleagues of different ethnicities in particular functions and levels of the business. A particular driver of the pay gap change we have seen in 2023 is a market-driven movement in salaries in our Accident Repair Centres, which is an area heavily resourced by men. We are actively working towards our target of a more balanced distribution at all levels and areas of the organisation.

We are developing strategies to help address the representation issues that we believe are driving pay gaps. At senior levels this includes facilitating access to WeQual, the world's leading development network for women leaders, and the INvolve Emerging Leaders Programme for high potential women and ethnically diverse talent. In addition, we also support organisations such as Young Professionals, The Young Women's Trust and Envision, whose work with young people will help increase the future pipeline of diverse talent.

The distribution of employees by working pattern, with bonuses pro-rated, will have an impact on the figures reported. Our ethnicity pay gap, which we voluntarily report, remains low but we nonetheless are seeking to see how we can close it.

We are committed to accelerating change at all levels of the Group by increasing careers access, building diverse leadership pipelines, and changing mindsets. We celebrate our commitment to offering flexible working options to both support retention and attract the best industry talent. We believe that it is only by addressing under-representation on a range of fronts that that we can make progress towards the pay parity we want to see.

I can confirm Direct Line Group's gender and ethnicity pay gap calculations to be accurate.

A handwritten signature in black ink, appearing to read 'J. Greenwood'.

**Jonathan Greenwood**  
*Outgoing Acting Chief Executive Officer*

# Gender Pay Gap

## Our 2023 figures

### Gender Pay Gap<sup>1</sup>

Last year our mean gap widened by 1.8 percentage points and our median gap by 3.1 percentage points. Our pay gap continues to be low compared with the broader financial services sector, but we want to see that gap close. We are comfortable that we don't pay people differently because of their gender and believe that the way to reduce the gap in the medium to long-term is to continue with our work to address the disproportionate representation of women at certain levels and in certain areas of our business. Our 2023 gender pay gap showed:

### Pay Gap

	Mean	Median
<b>2023</b>	<b>21.1%</b>	<b>23.4%</b>
2022	19.3%	20.3%
2021	16.1%	14.2%

### Bonus Gap

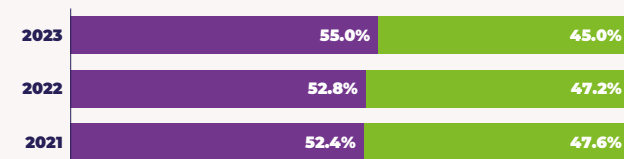
	Mean	Median
<b>2023</b>	<b>53.8%</b>	<b>43.8%</b>
2022	46.7%	45.4%
2021	45.9%	34.0%

### % of employees receiving bonus

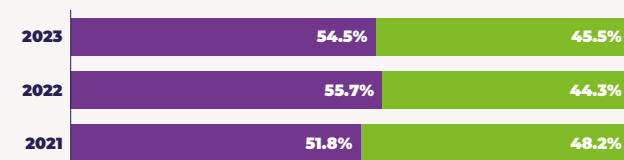
	Men	Women
<b>2023</b>	<b>84.2%</b>	<b>87.3%</b>
2022	83.1%	82.6%
2021	72.7%	60.6%

## % of employees in each quartile

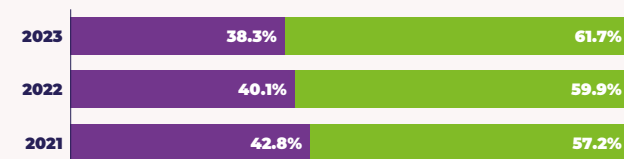
### Pay quartile 1 (lowest paid)



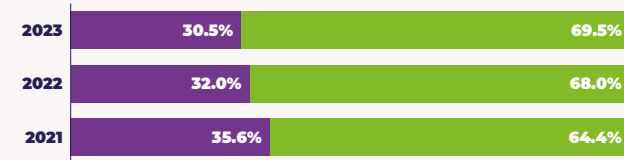
### Pay quartile 2



### Pay quartile 3



### Pay quartile 4 (highest paid)



■ Women ■ Men

1. The Gender Pay Gap shows the difference in average pay between women and men. This is different to equal pay, which is women and men receiving the same pay for work of equal value. Our reporting is based on a snapshot date of 5 April 2023.

# Ethnicity Pay Gap

## Our 2023 figures

### Ethnicity Pay Gap<sup>1</sup>

This is the third year that we are voluntarily disclosing our Ethnicity Pay Gap. This year, aligned with new government guidance, we have changed the way we report this data to focus on more disaggregated ethnic minority groups.

As with the gender pay gap, we are comfortable that we don't pay people differently because of their ethnicity and believe that the way to reduce the gap in the medium to long-term is to continue with our work to address the disproportionate representation of ethnic minority and black colleagues at certain levels and in certain areas of our business.

Our disclosure rate has increased since last year. We are proud that 91% of colleagues are disclosing this information. However, changes in disclosure rate could change our gap, so as we continue to encourage colleagues to share their ethnicity with us, the numbers we report in the future may change.

### Ethnicity Pay Gap

	2023		2022	
	Mean	Median	Mean	Median
Ethnic Minority (overall)	1.0%	12.7%	3.1%	9.7%
Asian	-2.7%	14.1%	1.1%	16.1%
Black	12.2%	17.8%	11.8%	11.0%
Mixed	3.2%	8.2%	1.0%	4.9%
Other	2.9%	-0.2%	2.9%	6.1%

### Ethnicity Bonus Gap

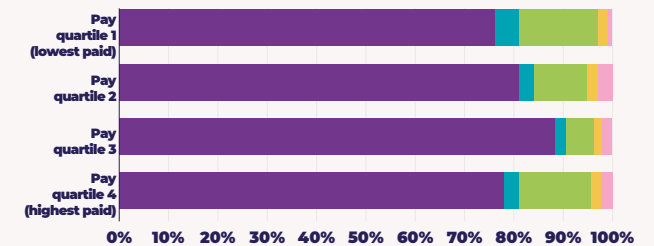
	2023		2022	
	Mean	Median	Mean	Median
Ethnic Minority (overall)	28.7%	20.4%	40.9%	19.1%
Asian	29.2%	20.5%	33.6%	17.8%
Black	40.6%	24.5%	59.7%	26.4%
Mixed	22.3%	15.3%	45.1%	22.5%
Other	16.9%	10.1%	45.6%	8.3%

### % Colleagues Receiving Bonus

	2023	2022
White	88.0%	84.6%
Ethnic Minority (overall)	78.5%	74.6%
Asian	77.7%	71.5%
Black	74.1%	67.6%
Mixed	78.6%	77.0%
Other	89.6%	91.2%

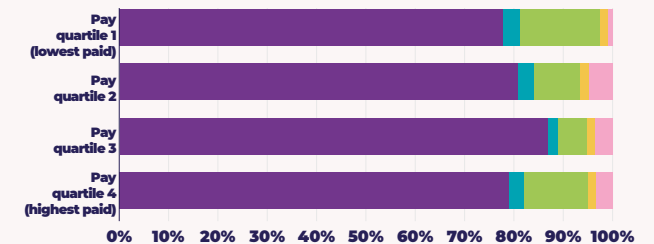
### % of employees in each quartile

#### 2023



Reporting based on a snapshot date of 5 April 2023 and 91% of colleagues that shared their ethnicity with us.

#### 2022



Reporting based on a snapshot date of 5 April 2022 and 87% of colleagues that shared their ethnicity with us.

1. The Ethnicity Pay Gap shows the difference in average pay between ethnic minority, Black and White colleagues. This is different to equal pay that is ethnic minority and White colleagues receiving the same pay for work of equal value. Our reporting is based on a snapshot date of 5 April 2023 and 91% of colleagues that have shared their ethnicity with us. As we continue to encourage colleagues to share their ethnicity with us, changes to disclosure will impact the numbers we report.

# Maintaining momentum

## Increasing diverse representation in senior leadership

We are focused on our target of increasing the diversity of our senior leadership at DLG. This year we have been investing in targeted development programmes for our high potential women, ethnic minority, and Black talent, to support their progression into senior roles.

Although we missed our diversity representation annual goals in 2023, we recognise that progress is not linear. Our representation remains strong compared to industry peers. In 2023 we set ourselves ambitious new targets as we seek to improve diversity in senior leadership.

We are aiming by the end of 2027 at our Senior Leadership levels (defined as Executive Committee and direct reports, excluding direct reports in support or administrative roles) to increase representation of women to at least 40 per cent, representation of ethnic minority colleagues to 16 per cent and of Black colleagues to four per cent. This definition of Senior Leadership aligns to that used by the FTSE Women Leaders Review, Women in Finance and Parker Review.

## Strengthening diversity and inclusion

We know that to succeed as a high performing business we need to be diverse and inclusive throughout the organisation. Across 2023 we have enhanced our:

**Leadership and Culture** – We have introduced objectives linked to DE&I for our senior leaders, and progress against our targets influences annual bonus discussions for all eligible colleagues. Building a stronger pipeline of diverse talent, especially in areas where we need skills for the future, is a key area of focus. This is being complemented by additional interventions such as work experience, mentoring, and skills-building programmes, targeting specific communities for our Ignite apprenticeship initiatives. Finally, we are investing in diverse successors and high potential talent. We have offered the Accelerating Inclusion programme to Operational Leads to enhance inclusive leadership skills in our people.

**Recruitment and promotion** – We have strengthened our approach to inclusive hiring to support greater diversity. We use inclusive hiring principles, which include the use of language analytics decoders for job adverts, diverse shortlisting standards, anonymised CVs, training recruiting managers on inclusive hiring and holding panel-based interviews.

**Inclusive workplaces** – In August we opened Riverbank House – our new, fit-for-purpose and accessible-by-design office in London. We worked with external specialists and extensive input from our Diversity Network Alliance (“DNA”) employee networks to ensure the building meets the needs of our colleagues. This includes a multi-faith prayer room, nursing room and gender-neutral toilet and shower facilities, alongside gender specific facilities.



### Overall representation

**45.1%**

women

**14.7%**

ethnic minority<sup>1</sup>

**2.9%**

Black<sup>1</sup>

1. Excludes 10.4% colleagues who have submitted 'Prefer not to Say' or not specified their option for ethnicity.



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