



LLOYD'S

# Sustainability report 2024

Lloyd's Corporation  
Sustainable. Resilient. Inclusive.



# Sustainable. Resilient. Inclusive.

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Visit [www.lloyds.com](http://www.lloyds.com) for more information

# About Lloyd's

Planes fly, satellites transmit, and super tankers cross the oceans backed by Lloyd's. These were new risks once. And we were the first to find a way to insure them. Today, we're protecting our customers in a world where risks travel fast and their impacts, even faster. Goods can be exposed to digital risk in the cloud, or physical risk in the warehouse. We cover reputations as well as rail roads. Patents and copyrights as well as bricks and mortar. Whatever the risk, we are there to insure it.

In 2024, the Lloyd's market wrote over £55bn of insurance premium. Risks are considered, priced and insured by a marketplace of fifty-thousand risk professionals, protected by over £47bn of capital.

Together with our customers, businesses and communities all over the world we are building a braver future – one that is more sustainable, resilient and inclusive.

What is the Lloyd's Corporation?



Read more at [www.lloyds.com](http://www.lloyds.com)

## Our impact on society

**45,000+**

people attended the 10<sup>th</sup>  
Dive In Festival

**1,700**

volunteers mobilised  
from our market through  
the Lloyd's of London  
Foundation

**9,500 hours**

of volunteering time

**18**

insight reports and  
partnerships launched

**25+ years**

of partnership with World  
Bank Group Guarantees

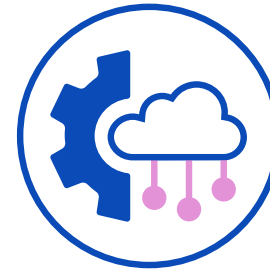
## Our strategic priorities

### Performance



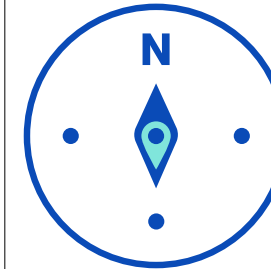
Sustainable,  
profitable performance.

### Digitalisation



A better, faster and cheaper  
marketplace for all participants  
at Lloyd's.

### Purpose



Sharing risk to create  
a braver world.

### Culture



A diverse, inclusive and  
high-performance culture.

## Supporting our stakeholders

As the world's largest specialist insurance market and global distribution network, Lloyd's has a unique set of stakeholders:

### Customers



We provide the  
products and services  
to navigate complex  
risks and build  
resilience for the  
future.

### Underwriters



We offer the ability to  
share and syndicate  
risk in one place, while  
developing innovative  
solutions to new and  
evolving risks.

### Brokers



We give direct  
access to diversified,  
independent capital,  
global markets and the  
highest concentration  
of underwriters in the  
world to place risks on  
behalf of clients.

### Capital providers



We provide access  
to innovative and  
flexible capital  
solutions that offer  
low cost of capital and  
attractive investment  
returns backed by  
robust oversight.

### Policymakers and regulators



We bring expertise,  
capital and innovation  
together to help  
society build resilience  
and respond in times  
of crisis.

### Talent



We create the chance  
to be at the heart  
of global risk solutions,  
in a purpose-driven  
culture where  
every employee  
can progress  
and develop.

We also work closely with industry and market associations, rating agencies, charities, suppliers, academics and many others to share risk and expertise across all parts of society.



Read more about stakeholder  
engagement in the 2024 Annual Report

# About sustainability at Lloyd's

## Our purpose

Lloyd's is the world's insurance partner, powered by an unrivalled concentration of risk experts united under a common purpose: to share risk for a braver world. The birthplace of insurance 340 years ago, today Lloyd's gives millions of people and businesses around the world the confidence to innovate, invest and take risks – empowering and protecting economic growth, resilience and innovation.

As climate, industrial and technological changes continue to reshape risk, our market has the industry-leading insight, expertise and entrepreneurialism that makes it possible to adapt, and move forward. With an unrivalled concentration of risk expertise and solutions, we are building a braver future – one that is more sustainable, resilient and inclusive.

## The Lloyd's Corporation

The Lloyd's Corporation is the market's independent guardian and facilitator. Working closely with the market, the Corporation provides the framework in which the market operates, overseeing and supporting the trading that goes on within it. It ensures that policyholders and members are protected through its oversight and regulation of the market, holds licences to write insurance in around 80 countries, promotes the market's attractiveness to capital providers, distributors and customers, and protects the Central Fund that guarantees financial resilience, even in times of crisis.

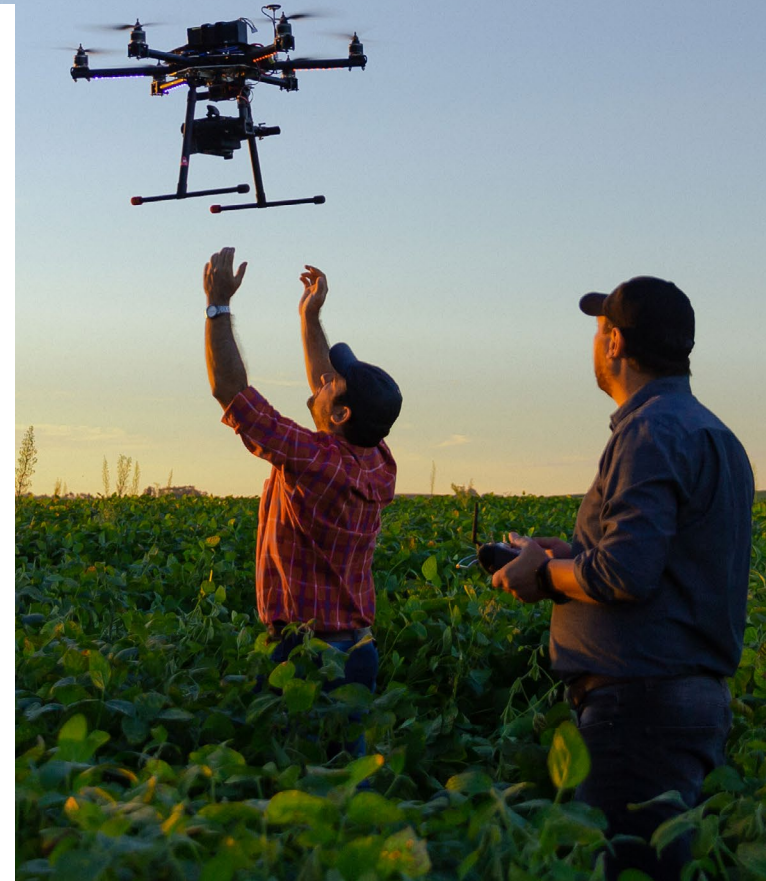


For more information, please see our website: <https://www.lloyds.com/about-lloyds/our-impact-on-society>

## Our sustainability strategy

The Corporation's sustainability approach is underpinned by our purpose and aligned to eight priority United Nations' (UN) Sustainable Development Goals (SDGs), where we believe we are delivering the most impact. The actions we are taking to support our priority SDGs are mapped throughout this report.

Our ambition is to build a future that is more **sustainable, resilient** and **inclusive**, creating long-term growth that serves not just the market, but the ecosystems and society we're part of. Our approach is driven by Lloyd's strategic priorities, and encompasses our sustainability plans and priorities across three key areas: the Corporation, the market, and wider society. In evolving and delivering our strategy, the Corporation follows global policy, remaining responsive to macroeconomic shifts and external shocks, and ensures we meet evolving regulatory reporting and disclosure requirements in the markets we do business in.



# Sharing risk to create a braver world.



# Foreword

Our sustainability work is defined by engagement and positive action, which supports our purpose of sharing risk to create a braver world. Looking forward, our vision of a sustainable future for the Lloyd's market is one which brings opportunity and fosters innovation, drives new product creation and that attracts talent into our industry.

While action and vision are critical to our progress, we must face the reality of the year which has just past. A year where temperatures rose 1.5°C above pre-industrial levels for the first time, five Atlantic hurricanes made landfall in the continental United States and which was the warmest year on record. For Lloyd's, our mission remains to support businesses as they invest in mitigation and adaptation, and to deliver on our strategy of building a sustainable, resilient and inclusive marketplace.

## Sustainable: partnering to insure the transition

Our sustainability work built on our long-term objective to support the profitable growth of the market. In July, following an extensive consultation with market firms, we published our updated Insuring the Transition Roadmap. This is a tool to support our market as they progress or embed – against the backdrop of an evolving regulatory environment – sustainability strategies within their own operations. The roadmap outlines guidance in relation to underwriting, investments, exposure management and reserving.

We also introduced a new transition class (TCX), which allows syndicates to write an additional 5% of their gross written premium (GWP) in sustainability-related products without competing with other business classes for capacity. The TCX transition class signals our intent to support the market as they look to seize the opportunity associated to transition.

## Resilient: helping business and communities bounce back

Our commitment to build resilience in societies which are the most impacted by disaster continued through 2024. Through our leadership of the Sustainable Markets Initiative (SMI) Insurance Task Force (ITF), and jointly with the United Nations Capital Development Fund (UNCDF), we launched a new vehicle to deliver disaster risk financing to communities facing climate disaster events in Small Island Developing States and Least Developed Countries. This initiative, which is key to the commitments we made at COP26, builds on our partnership with the UNCDF, signed in 2023 to support in the closing of the protection gap for these communities.

We celebrated over twenty five years of partnership with the World Bank Group's Multinational Investment Guarantee Agency (MIGA) with a new venture to provide sustainable Brazilian farmers with access to a \$1.2bn guarantee from MIGA, reinsured by a number of Lloyd's syndicates. We also became a member of the Ocean Risk and Resilience Action Alliance (ORRAA) and extended the reach of our Disaster Risk Facility with the inclusion of two new Lloyd's managing agents.

## Inclusive: an equitable future for all

Inclusion is central to our goal of ensuring Lloyd's remains an attractive destination for talent across the world. We exceeded our target to have 35% of leadership positions across the market filled by women, and continued to make progress towards our 'one in three' hiring ambition for ethnically diverse backgrounds. This ambition extended to our investment portfolio, where we invested \$50m with the African Development Bank and the inter-American Development Bank for projects to reduce inequality.

In 2024 we started to see the first results of Inclusive Futures, a comprehensive programme launched in 2023 to help Black and ethnically diverse individuals progress from the classroom to the boardroom. We launched the Inclusive Futures Coalition, in partnership with eight market firms and three delivery partners, to fund and enable the programmes flagship initiatives: higher education bursaries, an early careers talent pool and a board talent pool.



## The world's insurance partner

Every day, the Lloyd's market enables millions of people and businesses to innovate, invest and take risks. I'm pleased that we continue to make progress by taking steps that make positive impact. Lloyd's remains committed to supporting businesses to achieve their transition plans, through providing analysis and data to understand risk, strategies on mitigation and, of course, insurance cover for emerging risks.

None of this would be possible without support and engagement. I would like to thank the market for its efforts in 2024, and I look forward to seeing further innovation and positive action as Lloyd's, alongside our market, continues to drive, and ultimately define, sustainability in years to come.

**John Neal**  
CEO, Lloyd's



## Our approach to sustainability

# Sustainable. Resilient. Inclusive.

### Sustainable

Reducing the Corporation's impact on the planet, insuring a just transition and protecting our resources for future generations. We do this by reducing our operational emissions, enabling the market to adapt and develop insurance products to support customers in responding to growing climate risks, forming strategic partnerships and leveraging our investments to create a positive impact.

### Resilient

Supporting society to recover from disaster. We have seen the impact global risks can have on our world, from conflict to extreme weather events. Through raising financing to help disaster recovery in vulnerable states; sharing insights to inform society of systemic and emerging risks; facilitating the development of innovative risk solutions; or in fostering global partnerships, we help to build resilience and narrow the protection gap in communities across the world.

### Inclusive

Offering opportunity for all and increasing representation to build a more equitable Corporation, market and society. This involves measuring and monitoring diverse representation within the Corporation and across the market, and addressing talent gaps through outreach, hiring and development programmes.



# Making positive impact

Throughout 2024, Lloyd's has continued to drive action by fostering new partnerships, sharing insights and taking new initiatives to make positive impact and build a more sustainable, resilient and inclusive Corporation, market, and society.

## Sustainable



**7%**

of our Central Fund is committed to impact investments, and we are on track to meet our target of 10% by 2025

Implemented Energy Management Standard ISO 50001 in our UK offices

Lloyd's Impact Bond Fund total

**£145m**

on sustainability-focused assets\*

Published our second Insuring the Transition Roadmap

**14%**

reduction in our own operations (Scope 1 and 2) carbon emissions from 2023

Introduction of new class of business "Transition TCX" to support the market in insuring the transition

## Resilient



Global Disaster Resilience Vehicle (GDRV)

Announced a new, pioneering disaster resilience vehicle with the UNCDF to deliver disaster risk financing to Small Island Developing States (SIDS) in the Pacific

Over

**220,000**

views of our Business Leaders series showcasing the leading voices on risk and resilience

**18**

insight reports and partnerships launched and

**9**

transition and resilience solutions launched

**Four**

new risk scenarios

published in partnership with the Cambridge Centre for Risk Studies

Lloyd's Disaster Risk Facility CHF 15m

payout to fund the International Federation of Red Cross and Red Crescent Societies' disaster response costs

## Inclusive



Mean gender pay gap of

**18.5%**

in our most recently published report

Dive In 10<sup>th</sup> Anniversary attracted

**45,000+**

attendees in over 45 countries

Our flagship Inclusive Futures programme has delivered

**20**

Inclusive Futures undergraduate scholars

**8**

early career placements

**2,500**

hires of ethnically diverse talent across the market

**£1.6m**<sup>a</sup>

in charitable donations

We do this by aligning our strategy to eight priority UN Sustainable Development Goals



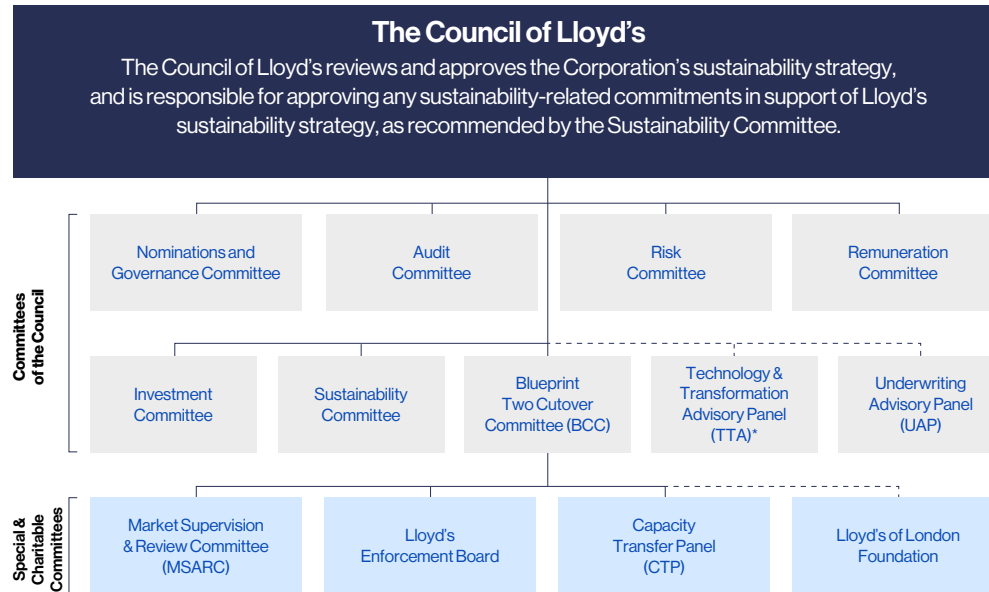
<sup>a</sup> This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP\* ('PwC'). For the results of that assurance, see PwC's assurance report from page 40 of this report and Lloyd's 2024 Reporting Criteria from page 43.

\* The Lloyd's Impact Bond Fund including the JPM Empower Share class money market fund totals £145m.



# Our sustainability governance

## Organisational chart<sup>1</sup>



\* On 13 February 2025, the TTA was reconfigured into a formal committee of the Council – the 'Technology and Transformation Committee' (TTC).

### Executive Committee



Please see [here](#) for more information on our Executive Committee



Find out more about our performance in the 2024 Annual Report

1. Organisational chart as of 31 December 2024.

## Sustainability Committee

The Sustainability Committee meet at least quarterly and direct the delivery of our sustainability, resilience and inclusivity-related activities. Actions in 2024 included:

### Sustainability strategy workshop

The Sustainability Committee held a workshop on Lloyd's sustainability strategy, considering the Corporation's activities across underwriting, investments, operations, people and culture and corporate affairs in relation to their impact on our priority UN Sustainable Development Goals (SDGs)

#### Outcome

Participants agreed to consider potential adverse impacts to SDGs as well as positive contributions, as signposted throughout this report. The workshop also considered Lloyd's future sustainability priorities, recognising that there was likely to be an exacting regulatory environment over the coming years, which has led to the development of our Global Sustainability Reporting Framework. They also considered increased demands on business in relation to the transition, the regulation of technology (including artificial intelligence) and workplace culture. Ensuring access to the industry's services is not limited to advantaged communities, was also identified as a key strategic sustainability goal.

### Culture action plan

The Committee consulted on an action plan following Lloyd's 2024 culture survey, which assesses the market's views on culture and is delivered by a third party.

#### Outcome

Lloyd's appointed Council Member, Joe Hurd as a Culture Champion to hold management to account on culture matters on behalf of the Council; and a number of culture workshops were held across the Corporation, including a session for the Lloyd's Executive Leadership Group; a comprehensive inclusive communication training programme for all Corporation employees to provide tools on psychological safety and help build an inclusive culture of open and constructive dialogue.

For more information, please see our website [www.lloyds.com](http://www.lloyds.com)



Further details on Council and Sustainability Committee activities can be found in the 2024 Annual Report

# Sustainable

## Our ambition

The Corporation's sustainability vision is for Lloyd's to be the insurer of the transition. We work with our partners across the world to respond to what the transition will look like in the long-term. This means we support the market, customers and communities as they evolve and adapt to new risks and emerging risks.

Our ambition is to build a future that is more sustainable, resilient and inclusive, creating long-term growth that serves not just the market, but the ecosystems and society we're part of. To achieve this goal, we set out our sustainability priorities across operations, underwriting and investments, and in 2024 we continued to make progress in all three.

## Summary of highlights

### Our own operations

Implemented **ISO 50001** in our UK offices, standardising energy performance and management.

Achieved a **14% reduction** in Scope 1 and 2 carbon emissions from 2023.

### Investments

## 7%

of our Central Fund assets under management are allocated to impact investments at present, and Lloyd's is committed to allocating **10%** of the Central Fund to impact investments by **2025**.

Purchased and retired **8,800 carbon credits funding projects** ranging from onshore wind developments to reforestation.

Deployed **£84m** from the Lloyd's Private Impact Fund.

### Insuring the Transition

Launched an updated version of our Insuring the Transition Roadmap, building upon our first edition published in 2023, and following consultation with the market. The roadmap supports our market as they evolve or embed-against the backdrop of an evolving regulatory environment-sustainability strategies within their own operations and outlines guidance in relation to underwriting, investments, exposure management and reserving.

In 2024, Lloyd's introduced a new class of business

## "Transition TCX"

to help the market to undertake transition risk experiments without having to complete internally for capacity or impacting their performance-based oversight.

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# Our own emissions



## Methodology

The methodology used to compile our Greenhouse Gas (GHG) emissions inventory is in accordance with the requirements of the following standards: the World Resources Institute (WRI) & World Business Council Sustainable Development (WBCSD) GHG Protocol Corporate Standard (revised version) and Defra's Environmental Reporting Guidelines including Streamlined Energy and Carbon Reporting requirements (March 2019).

We report our GHG emissions on an operational control approach. Our full reporting criteria can be found in the Supplementary information of this report.

The reporting does not cover the Lloyd's marketplace or any of its participants. These are separate entities which have their own strategies, which the Corporation has no operational control over. This is an accepted consolidated approach from the GHG Protocol.

Our **Scope 1** emissions include natural gas and gas oil. This is calculated via invoices from our suppliers stating gas consumption in kWh, and estimations made on the levels of our tanks. We then apply emissions factors from Defra's Environmental Reporting requirements to convert this to tCO<sub>2</sub>e. For our London site, we source biogas which emits fewer GHG emissions than natural gas. However, as the GHG Protocol does not yet provide definitive guidance on accounting for emissions from biogas, we report as if natural gas has been used for our Scope 1. 99% of our calculated Scope 1 emissions across the UK and globally are from actual data. The 1% estimated is the gas oil levels.

Our **Scope 2** includes electricity; we collect invoices or meter readings directly from our offices which state their electricity consumption in kWh. We then apply emissions factors from Defra's Environmental Reporting requirements to convert this to tCO<sub>2</sub>e. Where actual data is not available, estimations are calculated based on the office floor area, with the appropriate emissions factor for the country from the International Energy Agency (IEA). 98% of our calculated Scope 2 emissions across the UK and globally are from actual data. The 2% estimated come from electricity consumption of international offices where meter readings and invoices were not available. As we source 100% of electricity for our London and Chatham offices from renewable sources with zero GHG emissions, our UK Scope 2 market-based emissions are zero.

	2023			2024		
	UK emissions	Global emissions (excluding UK)	Total	UK emissions	Global emissions (excluding UK)	Total
<b>a</b> tCO <sub>2</sub> e GHG emissions						
<b>a</b> Direct emissions (Scope 1)	1,568	3	1,571	<b>1,263</b>	<b>5</b>	<b>1,268</b>
<b>a</b> Indirect emissions (Scope 2)						
Location based	2,715	403	3,118	<b>2,472</b>	<b>269</b>	<b>2,741</b>
Market based	–	423	423	–	<b>281</b>	<b>281</b>
<b>a</b> Total Scope 1 + 2 (location based)	4,283	406	4,689	<b>3,735</b>	<b>274</b>	<b>4,009</b>
<b>a</b> Total Scope 1 + 2 (market based)	1,568	426	1,994	<b>1,263</b>	<b>286</b>	<b>1,549</b>
Other indirect emissions (Scope 3)						
<b>Total of selected Scope 3</b>	1,702	776	2,478	<b>3,015</b>	<b>1,284</b>	<b>4,299</b>
<b>Grand total Scope 1, 2, 3 (location based)</b>	5,985	1,182	7,167	<b>6,750</b>	<b>1,558</b>	<b>8,308</b>
<b>Grand total Scope 1, 2, 3 (market based)</b>	3,270	1,203	4,473	<b>4,278</b>	<b>1,570</b>	<b>5,848</b>
<b>Carbon intensity location based (tCO<sub>2</sub>e/FTE)</b>	5.7	4.6	5.5	<b>6.4</b>	<b>6.0</b>	<b>6.3</b>
<b>Total energy usage (kWh)</b>	22,489,862	1,225,078	23,714,939	<b>19,593,262</b>	<b>812,007</b>	<b>20,405,269</b>

Our **Scope 3** emissions cover a number of categories:

- Category 1 – Purchased goods and services, paper and water use only;
- Category 3\* – Fuel and energy related activity not already included in Scope 1 and 2;
- Category 5 – Waste generated in operations (waste and wastewater);
- Category 6\* – Business travel, including flights, domestic and international rail travel, hotel accommodation made through our third-party travel partner and employee expenses;
- Category 7\* – Employee commuting.

**100%**  
renewable electricity at our UK offices

### **a** \*Assurance

\* This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP ('PwC'). For the results of that assurance, see PwC's assurance report from page 40 of this report and Lloyd's 2024 Reporting Criteria on page 43.



## Our own emissions continued

As above, data is collected directly where available and converted from the appropriate ton, m<sup>3</sup>, kWh, km, room per night to tCO<sub>2</sub>e using the Defra conversion factor. 30% of our calculated Scope 3 emissions across the UK and globally are from actual data. The 70% estimated largely comes from the treatment of employee expenses on the ledger with respect to business travel, and collecting data on employee commuting and working from home and extrapolating this to the entire workforce. We have sought limited assurance on our Scope 3 Category 3\* (233 tCO<sub>2</sub>e), Category 6\* (3,349 tCO<sub>2</sub>e) and Category 7\* (682 tCO<sub>2</sub>e) emissions for 2024. As part of this we have restated our 2023 total due to a change in the methodology used to calculate business travel.

### Country-wide breakdown

	2024 (Scope 1, 2, 3 location-based – tCO <sub>2</sub> e)
UK	6,749
China	361
USA	266
Europe	182
Singapore	179
Australia	116
Japan	109
Canada	108
India	47
South Africa	47
Brazil	45
UAE	37
Hong Kong	28
Mexico	16
Colombia	14
Morocco	4
<b>Total</b>	<b>8,308</b>

## Environmental performance summary

Our UK operations continue to account for the majority of our emissions (81%). In 2024, natural gas consumption has remained steady compared to 2023, reflecting a consistent FTE count. The continued implementation of renewable energy at our UK offices, combined with the energy saving measures outlined below, has resulted in an 12% reduction of our Scope 2 emissions. Our combined operational emissions (Scope 1 and 2 location-based) have seen a 14% reduction from 2023.

Due to enhanced data capture and a noticeable increase in business travel globally, our overall emissions (Scope 1, 2 and selected Scope 3 location-based) have increased by 16% from 2023. This increase in Scope 3 emissions has also driven our overall emissions intensity per FTE from 5.5 to 6.3 tCO<sub>2</sub>e. While the additional data has resulted in higher reported emissions, it provides a more complete footprint from which we can manage ongoing emissions reduction activities. In addition, we have still seen a total 14% reduction in Corporation global emissions per FTE from our 2019 baseline year.

## Mitigation activities

Within the Lloyd's building in London, the landlord has committed to decarbonising and improving the building's energy efficiency by 2030, with an aim to achieve an EPC rating of 'C' by 2027, and 'B' by 2030. In 2024, the Lloyd's Chatham office received an EPC rating of 'A', recognising the work done to improve energy efficiency at this site. We are implementing International Energy Management Standard ISO 50001 in our London and Chatham offices, with the final assessment due in early 2025. This will ensure energy is managed in a standardised process with improved energy consumption tracking.

In addition, we are seeking to improve our energy consumption across our offices and have undertaken the following in 2024:

- 36.2% of the lights within the London office have been replaced with LED's
- Refurbishment of our Air Handling Units (AHUs)
- Over 56,000 kWh of on-site solar energy generated in 2024
- Developed an energy improvement plan for UK offices

## Carbon offsets

In addition to ongoing mitigation activities and initiatives to reduce energy consumption, the Corporation has elected to participate in the voluntary carbon market and procure externally verified carbon credits to the value of our total Scope 1, 2 and 3 emissions for both 2023 and 2024; all credits are instantly retired following purchase which is common practice to claim the offsetting benefit of the credit.

We recognise that purchasing offsets does not reduce our operational emissions, but it does support our ambition to attain a carbon neutral status by 2025, whilst channelling funding towards projects that seek to accelerate progress towards a lower-carbon economy. In purchasing credits, Lloyd's has clearly defined criteria that ensure purchased credits are independently verified, align with our UN SDG priorities and offer diversification against our investment portfolio.





# Lloyd's investments

Insuring a just transition means recognising the impact and contribution we can make by directing a proportion of our investments to accelerate and advance progress to a lower-carbon economy, as well as advance sustainable development and build resilience in communities around the world.

## Lloyd's Central Fund

Lloyd's Central Fund makes up one of the three pillars of our unique capital structure, which provides confidence and protection to policyholders. The Central Fund is under the operational control of the Corporation of Lloyd's. It is separate to the individual assets and investments held by the managing agents. In 2024, we increased our impact investments in our Central Fund to 7% and are on track to reach our target of allocating 10% of the Central Fund to impact investments by 2025. In 2024, the Assets Under Management (AUM) of our Central Fund was £3.2bn. Further detail on our investments and performance can be found in our Annual Report.

## Lloyd's Private Impact Fund

In 2023, we launched our first fund on the Lloyd's investment platform with an initial commitment of £250m from the Central Fund into the sustainability-focused Lloyd's Private Impact Fund (LPIF) managed by Schroders Capital. Over 2024, the amount deployed has more than doubled to £84m.

# £84m

deployed from the sustainability-focused Lloyd's Private Impact Fund (LPIF) managed by Schroders Capital

# £145m

Lloyd's Impact Bond Fund (LIBF)  
sustainability-focused bond portfolio including the JPM Empower Share class money market fund

This fund on the Lloyd's investment platform is available to all Lloyd's members that are UK-domiciled professional investors and managing agents. LPIF invests globally in a wide range of private equity, infrastructure, real estate and natural capital in both developed and emerging markets, focussing on four impact themes: climate mitigation; climate adaptation; circular economy; and social inclusion.

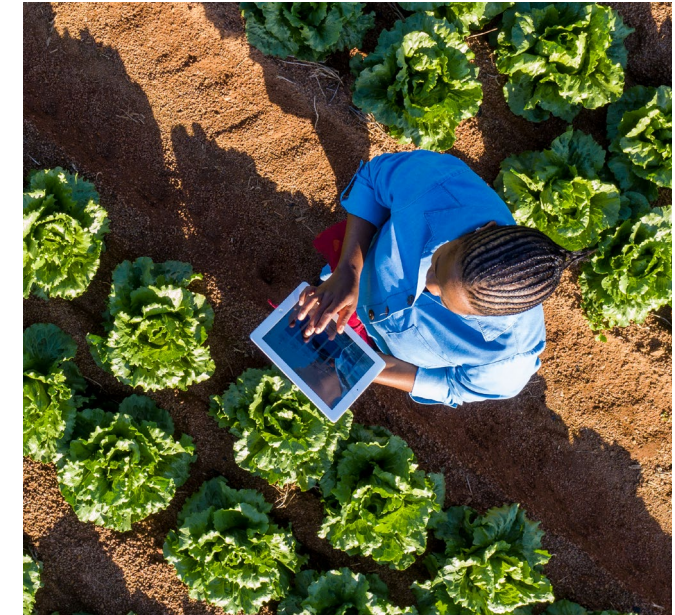
## Lloyd's Impact Bond Fund

The Lloyd's Impact Bond Fund (LIBF) is an innovative bond portfolio consisting of UN SDG aligned bonds and bonds issued by international development banks, which target yields as well as positive societal change. The LIBF is made up of Central Fund capital and is under management by the Corporation. The LIBF including the JPM Empower Share class money market fund is £145m.

In 2024, Lloyd's invested £17m of its cash holdings in the LIBF with JPMorgan's Empowering Change money market fund which was developed to connect institutional investors and diverse financial institutions to drive systemic change within underserved communities. Lloyd's chose to partner with Carver State Bank, a Black-owned institution based in the city of Savannah, Georgia. Carver State Bank is committed to reducing the racial wealth gap in the state of Georgia. The Bank supports underserved communities and minority-owned businesses through the provision of financial resources, mortgages and small business loans. More detail on the work Lloyd's is doing to support racial equity through our Inclusive Futures programme can be found on page 26.

## Review of market responsible investment policies

Insurers as asset owners represent the second largest institutional investor base globally. This means that the insurance industry is uniquely placed to support the global transition from carbon intensive activities and manage associated risks from the investments the industry holds. As with underwriting, managing agents remain solely responsible for establishing their own investment strategy which aligns with their individual sustainability strategy and risk appetite. However, as part of Lloyd's principles based oversight (PBO) framework, we require all syndicates to design and embed a responsible investment policy. Having completed an enhanced review of these policies in 2023, the Corporation continues to support the market where appropriate with guidance on how to develop and embed responsible investment practices, through our Insuring the Transition Roadmap (more details on page 12).



## LPIF: Neue Seguros

LPIF has invested in Neue Seguros via BlueOrchard InsuResilience Investment Fund 2. Neue Seguros is a Brazilian company that provides agricultural insurance targeted at small-scale farmers and people with low incomes living mainly in rural areas, a target group that is largely underserved by traditional, general insurance players.

# 3,000

beneficiaries covered by  
climate insurance Q2 2024

## Aligned to SDGs





# Insuring the transition

We are committed to being the insurer of the transition to support our customers as they respond to the changing climate risk landscape. The Corporation advances progress against that commitment by enabling and empowering our market to deliver and scale innovative resilience, climate and transition risk solutions through our oversight, investments, and partnerships.

## Insuring the Transition Roadmap

To support the Corporation's ambition for Lloyd's to be the insurer of the transition, during 2024 we have enhanced our guidance and support for market participants by publishing our Insuring the Transition Roadmap. This document covers Lloyd's proposed approach for the next three years across all areas of sustainability for the market, including underwriting, investments, exposure management and reserving as we seek to support a just transition.

The 2024 Insuring the Transition Roadmap built on our first edition published in 2023, addressing feedback received from our consultation with the market, with particular focus on:

- Clarity on the iterative nature of this document, to ensure we support the market as the sustainability landscape develops or government policy and regulatory requirements are confirmed.
- Clearer expectations on what oversight interactions Lloyd's plans to have with the market.

The roadmap will be updated annually on a rolling basis, to ensure it continues to support the market in navigating the evolving reporting landscape, prepare for transition planning, and promote underwriting, and product development.



[Read more about the Insuring the Transition Roadmap](#)

## Emissions accounting

Mandatory sustainability disclosures and reporting requirements for large companies are increasing. The introduction of these requirements may impact how Lloyd's and its market participants disclose and report global data and information across climate change, the environment and society. One key aspect of reporting that presents a challenge for insurers is measuring Scope 3 emissions associated with investment and underwriting portfolios. These emissions are also known as Scope 3 Category 15 under the GHG protocol and financed and insurance-associated emissions in the Partnership for Carbon Accounting Financials (PCAF) standard.

In line with our ambition to meet expected future regulatory requirements and support the market in insuring the transition, the Corporation and Moody's collaboratively entered the Lloyd's Lab in October 2023, undertaking a 12-week proof of concept which iterated an emissions accounting methodology. After working with market participants to understand their feedback and evaluating the results, Lloyd's and Moody's explored the possible use-cases of a centralised emissions accounting tool fit for disclosure, which was tested in June 2024 with voluntary market participation. The Corporation and Moody's demonstrated the solution to a total of 38 managing agents to understand their appetite for a central solution. Work continues to develop a solution which will comply with insurance-associated emissions disclosures at the Corporation-level, with considerations to support the market with their equivalent disclosures where possible.

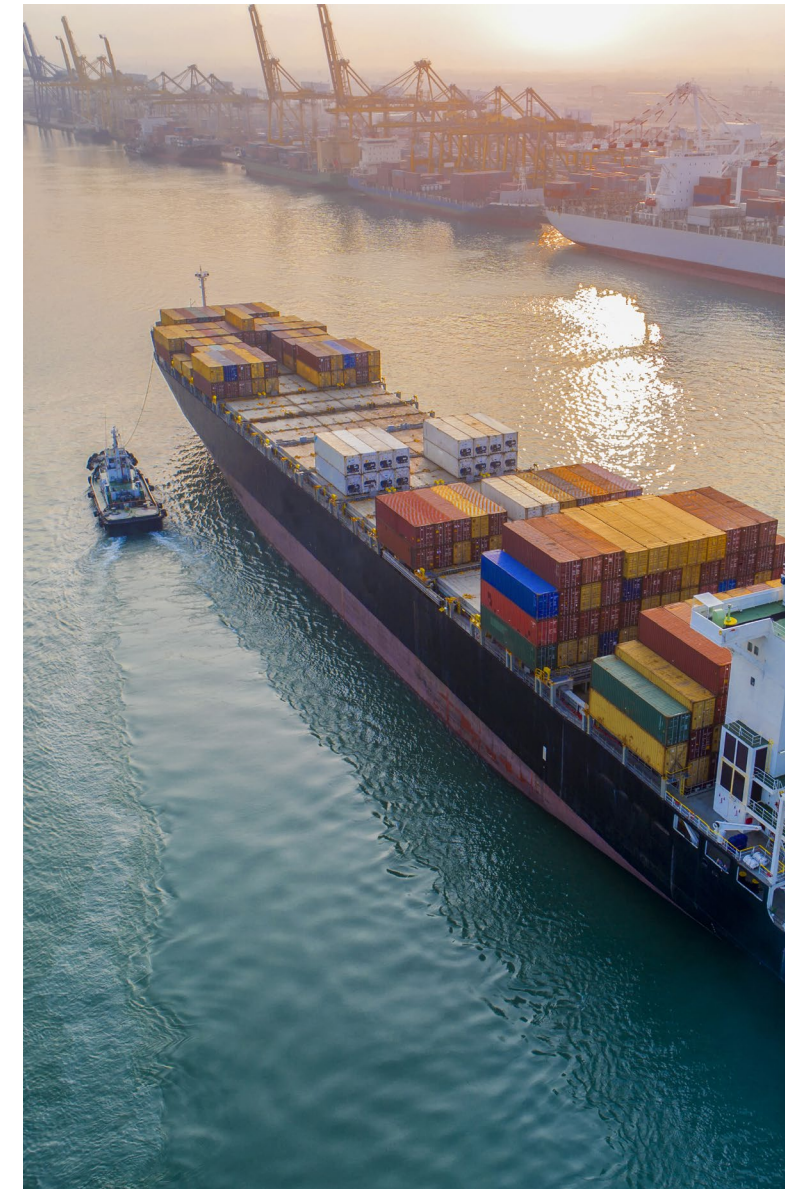
## Highlights

**38**

managing agent  
Phase 2 demos

**200+**

stakeholders engaged  
over the entire programme





## Insuring the transition continued



### Updating our sustainability sub-principle

As a result of the evolving sustainability landscape, as well as the introduction of the TCX code, Lloyd's has made updates to principles based oversight sub-principle 8 which relates to sustainability under the Underwriting Profitability Principle to ensure our approach to principles-based oversight reflects the individuality of syndicates in transitioning their business.

The revisions made introduce a differentiated expected maturity for the sustainability sub-principle based on strategic intent rather than GWP. Syndicates with a primary strategic intent relating to the transition and sustainability, or those with sustainability forming a material part of the business they write, are more exposed to risks associated with the climate transition than those who write little to no business relating to transition or sustainability and therefore will be subject to differential responsibilities under the Oversight Framework to support the overall resilience of the Lloyd's market.

### Sub-principle 8

Have processes in place to support decision-making in relation to integrating sustainability into underwriting. The underwriting of sustainability and transition risk is considered, with clarity about the degree to which they are applicable to the syndicate.



[Read more about Underwriting here](#)



### Transition class of business

In 2024, we introduced a new transition class of business (TCX) which allows syndicates to write up to an additional 5% of Syndicate Business Forecast GWP of transition business with a differentiated performance oversight approach, without competing with other business classes for capacity.

The TCX transition class signals our intent to support and encourage the market as they look to seize the opportunity associated with transition. Looking ahead into 2025, we will engage with syndicates that have included TCX within their business plan to better understand how they seek to utilise it as part of their sustainability strategy.



### How Lloyd's defines transition risk

Transition risks take many forms including carbon credits, carbon capture and storage, nuclear fusion, hydrogen energy etc. Some will form parts of standard business plans that do not require the use of the Transition TCX class.

All businesses that are working towards achieving a net zero carbon global economy by

# 2050

are eligible under the TCX code

Up to

# 5%

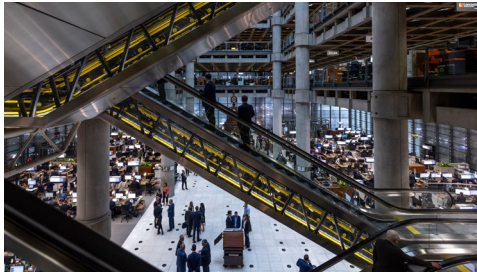
of Syndicate Business Forecast GWP may use the TCX code

# TCFD summary table

## Summary of TCFD Disclosures under the TCFD Pillars.

Our full climate-related disclosures under the UK Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 can be found in our Annual Report. The Corporation is also aligned with other disclosure frameworks including ClimateWise and the UN Global Compact. Our disclosures against these frameworks are detailed in the Supplementary information of this Report.

→ Read more detail in the Supplementary reporting section of this report



### Governance

- Climate-related risks are governed and managed through our governance structure outlined on page 7 of this report, alongside key decisions and outcomes.
- Risks and opportunities are escalated by relevant teams to the Investment, Risk and Sustainability Committees.
- Each committee holds multiple members of the Lloyd's Executive Committee who can further escalate key considerations for Council and ensure action on strategy is delegated to colleagues at Lloyd's.
- Our Sustainability Committee holds the responsibility to review, challenge and approve the Lloyd's sustainability and culture strategies.



### Strategy

- We recognise the significance of the risks posed by climate change, including their potential to impact over uncertain time horizons and across many areas of the risk profile, as well as the complex and systemic nature of these risks. Our approach to climate change remains thoughtful, proportionate and informed by risk – this is one of many current and emerging risks that we are focused on.
- Our sustainability strategy looks to explore climate-related opportunities, including:
  - Our carbon offsets (page 10)
  - Lloyd's Private Impact Fund (page 11)
  - Our Insuring the Transition Roadmap 2.0 (page 12)
  - Introduction of TCX (page 13)
  - Lloyd's Futureset research (pages 16 – 17)
  - Global Disaster Resilience Vehicle (page 18)
- The financial impacts to the business from climate-related risks, including transition, physical and litigation risk, have been modelled through scenario analysis. It was determined that Lloyd's has adequate controls and processes in place to manage and mitigate the exposures as they emerge.



### Risk management

- To assess and manage climate-related risks, in 2021 we took part in the Bank of England's Climate Biennial Exploratory Scenario (CBES) exercise, which provided a detailed climate change stress test for the banking and insurance industry. In 2024 we refreshed this exercise with the consideration of transition, physical and litigation risks which ensured an up-to-date view of risk.
- To ensure Lloyd's can monitor transition and litigation risks, policy horizon scanning is carried out monthly with the Sustainability and Government, Policy and Affairs teams.
- Physical risks are monitored and managed through Lloyd's well-established, core exposure management activities.
- We have continued to develop our understanding of current and future impacts through our strategic research, horizon scanning and our involvement with the Sustainable Markets Initiative (SMI) Insurance Taskforce (ITF).



### Metrics and targets

- Lloyd's continues to prioritise the aim of reducing our GHG emissions whilst continuing to offer an attractive value proposition to the market.
- In 2024 we have invested in energy reduction measures in our UK offices to support our target of achieving an energy performance certificate rating of C by 2027 and B by 2030 at our London office in partnership with the landlord.
- Lloyd's is actively engaging with the public and private sector to offer support where possible on climate-related targets, as evidenced through our engagements with Futureset.
- To monitor our exposure to different risks and opportunities, Lloyd's has a number of Key Risk Indicators (KRIs) in place. The development of a climate change risk dashboard is currently underway to develop additional KRIs across physical, transition and litigation risk for regular monitoring and reporting.



# Resilient

## Our ambition

The risks that shape our world shape our work at Lloyd's. With society facing an uncertain landscape, we're here to help people and businesses prepare for systemic and emerging risks: from climate change and cyber attacks to evolving geopolitical landscape and the effects of inflation. Resilience means working with governments, businesses and communities around the world to find new solutions and bring brilliant minds together to respond to emerging risks.

## Summary of highlights

### Futureset

Futureset's Business Leaders series amplifies the influential voices driving positive social change and showcases the intersection of leadership, innovation, and resilience. To date the series has received over **220,000 views**, with **five new videos** published in 2024.

Analyses of eight clean technology and hard to abate sectors and **four risk scenarios** published.

### Sustainable Markets Initiative (SMI)

Lloyd's has chaired the **Sustainable Markets Initiative's (SMI) Insurance Task Force (ITF)** for a sustainable future for nature, people and planet since 2021.

### Research and strategic partnerships

In 2024 we have had

**18**

insight reports and partnerships launched

**9**

transition and resilience solutions launched

### Global Disaster Resilience Vehicle (GDRV)

In 2024 we announced a new, pioneering disaster resilience vehicle with the UNCDF to deliver disaster risk financing to **Small Island Developing States (SIDS)** in the Pacific.

### The Lloyd's Disaster Risk Facility (DRF)

facilitated a CHF 15m payout to fund the International Federation of Red Cross and Red Crescent Societies' disaster response costs.

Research and insights	16
Emerging risks	17
Lloyd's partnerships	18





# Research and insights

## About Lloyd's Futureset

Lloyd's Futureset provides a global platform and community to create and share risk insight, expertise, and solutions to the world's most challenging problems. Through cutting-edge risk research and insights, events, and access to leading experts, Futureset is working to spark innovation, build understanding and drive forward resilient solutions.

## Business leaders

### Showcasing the leading voices on risk and resilience

Threats like climate change, energy security and the transition to a low-carbon economy are challenging those leading the private sector to adapt at pace and build resilience across their operations. Showcasing the leading voices on risk and resilience, our business leaders series is a collection of educational and promotional videos released by Futureset that pairs two influential leaders to discuss topics of risk and resilience, raising awareness of the cross-industry collaboration underway to accelerate decarbonisation and build greater societal resilience.



**Rebecca Grynszpan**

Secretary-General of UN Trade and Development (UNCTAD)

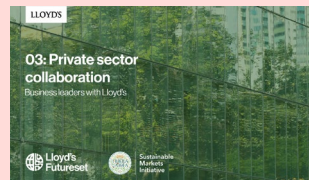


**Joanne Wheeler**

Director of EarthSpace Sustainability Initiative (ESSI)

## In 2024

Futureset released five new videos on topics ranging from nature to space to private sector collaboration.



**Private sector collaboration**  
with Jennifer Jordan-Saifi, CEO of the Sustainable Markets Initiative



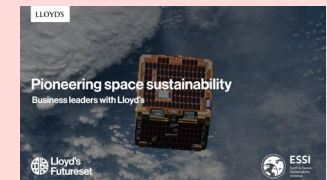
**Leading the energy transition**  
with Greg Jackson, CEO of Octopus Energy



**Mobilising finance for nature**  
with Tanya Steele, CEO of WWF



**Building societal resilience**  
with Rebecca Grynszpan, Secretary-General of UN Trade and Development



**Pioneering space sustainability**  
with Joanne Wheeler, Director of the EarthSpace Sustainability Initiative (ESSI)

# Gaining over 220,000 views

the series amplifies the influential voices driving positive social change and showcases the intersection of leadership, innovation and resilience.





# Emerging risks

## Risk revealed by Lloyd's

### Connecting sustainability-focused businesses with the insurance industry

Our risk revealed series increases awareness and connects the Lloyd's market to pioneering firms driving the energy transition. Throughout 2024, in partnership with industry experts, insurance practitioners and risk managers, Futureset hosted events exploring current and emerging risks including carbon capture and storage, generative AI, volcanic eruption, geopolitical conflict and human pandemic.

### Futureset scenarios:

The scenarios released as a series running from October 2023 and this year Futureset published four scenarios which can be viewed here:

## Highlights

# 18

insight reports and partnerships launched

# 9

transition and resilience solutions launched

### 1.

Deconstructing global economic stagnation

### 2.

Lifting the lid on volcanic risk

### 3.

Revealing the risks of geopolitical conflict

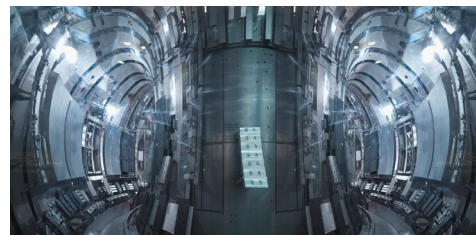
### 4.

Human pandemic



### Clean technologies and hard-to-abate sectors

In March 2024, in partnership with Aon, Futureset published a series of research papers which analyse the clean technologies changing the energy landscape. These examined the current insurance offerings of each sector and explored how demand is likely to evolve over time. We covered five emerging technologies: carbon markets, carbon capture and storage, low-carbon buildings, battery energy storage solutions and geothermal energy and three hard-to-abate sectors: agribusiness, shipping, and aviation. The reports have been used by the Sustainable Markets Initiative (SMI) Insurance Task Force (ITF) to inform its work to adapt and develop new insurance solutions to support customers along their transition pathways.



### Fusion energy

In May 2024, Futureset held an event highlighting the opportunity for collaboration between the fusion industry and the insurance, finance and public sectors, to accelerate the pace of fusion's commercialisation. The event brought together fusion industry experts from both the United Kingdom and United States regulators and market participants, and heard from a variety of speakers including: Helion Energy, Tokamak Energy, UK Atomic Energy Authority (UKAEA), Fusion Industry Association, Lloyd's Market Association (LMA), Marsh and Nuclear Risk Insurers (NRI). The event supported work in the market to facilitate the commercialisation of fusion and the role insurance will play in managing the risks.



### Cyber

Cyber continues to be one of the most complex and critical challenges facing national security and businesses today. With the emergence of advanced generative AI models, Lloyd's is taking steps to understand, underwrite and prepare for the effects of cyber risk. In March, Lloyd's Futureset published a report exploring how the rapid evolution of Generative AI could impact cyber risk, and highlighted the work ongoing at Lloyd's to help the market, our customers and broader stakeholders respond to the fast-changing landscape.

**“Lloyd's Futureset has started an important dialogue between the market and the fusion community to improve understanding of fusion's risk profile and regulatory framework in the UK, which is separate to fission. The Government believes that there is a strong opportunity for the UK to lead global fusion development as part of kickstarting economic growth and accelerating to Net Zero. As fusion moves rapidly towards commercialisation, conversations need to continue so the commercial market can capitalise on this world changing technology.”**

David Sandford

Deputy Director Fusion Energy at the Department for Energy Security & Net Zero (DESNZ) Cyber



### Systemic risk scenarios

To help build greater understanding and preparedness, and to encourage proactive approaches to risk mitigation and management, Futureset has partnered with the Cambridge Centre for Risk Studies (CCRS) to develop a series of plausible, hypothetical scenarios which explore the potential economic impact of some of the world's most significant risks and which also consider the role that insurance, together with the public and private sectors, can play in strengthening society's resilience.

# Lloyd's partnerships



At Lloyd's, we collaborate with strategic partners globally to promote the role of insurance in fostering resilience and facilitating the climate transition.

## Sustainable Markets Initiative

Lloyd's has proudly led and chaired the Sustainable Markets Initiative's (SMI) Insurance Task Force (ITF) since 2021. Founded by His Majesty King Charles III in 2020, then Prince of Wales, the SMI is a catalyst for private sector collaboration and has become a reference point for businesses engaged in the transition. In 2024, the ITF's work focused on helping to build resilience in vulnerable communities and working to close protection gaps, ensuring a safer and more secure future for all.

## Lloyd's Disaster Risk Facility

Lloyd's Disaster Risk Facility (DRF) seeks to close protection gaps for the countries and communities most impacted by disasters. The consortium, made up of seven Lloyd's syndicates, engages with governments, municipalities, and multilateral organisations around the world to implement pre-arranged risk financing solutions to reduce the cost, impact and recovery time following a disaster, by ensuring financial support reaches those who need it most.

### Key outcomes for the DRF in 2024 include:

- CHF15m payout to fund the International Federation of Red Cross and Red Crescent Societies' disaster response costs

## United Nations: Lloyd's and UNCDF partnership

Lloyd's partnership with the United Nations Capital Development Fund (UNCDF) aims to scale insurance access for climate-vulnerable countries. In 2024, the partnership:

- Hosted two parametric insurance training workshops in Papua New Guinea and Fiji to build local capacity
- Launched the Global Disaster Resilience Vehicle

## Key partnerships

- Sustainable Markets Initiative Insurance Task Force
- ClimateWise
- Disaster Risk Facility
- Earth∞Space Sustainability Initiative
- Ocean Risk and Resilience Action Alliance
- Sherbro Alliance Partners
- United Nations Global Compact
- World Bank Group Guarantees



## New York Climate Week

Lloyd's attended New York Climate Week in September 2024 for the SMI Autumn CEO Summit. There, Lloyd's announced a new partnership with the World Bank Group's Multilateral Investment Guarantee Agency (MIGA), underscoring a shared commitment to driving sustainable outcomes through World Bank Group guarantees. The Lloyd's market has been reinsuring the guarantees that MIGA provides to lenders and investors for over 25 years. These guarantees have the power to unlock private capital for projects in developing countries. In September 2024, Banco do Brasil S.A. received a \$1.2bn guarantee from MIGA, reinsured by a number of Lloyd's syndicates. This guaranteed a loan supporting local lending operations for micro, small, and medium farmers engaged in no-till agriculture and other climate-smart agricultural practices offering carbon sequestration and climate resilience benefits.



## Global Disaster Resilience Vehicle

At the Commonwealth Heads of Government Meeting (CHoGM) in October 2024, Lloyd's announced a new, pioneering disaster resilience vehicle with the UNCDF to deliver disaster risk financing to Small Island Developing States (SIDS) in the Pacific. Supported by members of Lloyd's DRF, the Global Disaster Resilience Vehicle (GDRV) will enhance recovery and resilience, utilising the global reinsurance market as a capacity provider. The vehicle will leverage donor funds committed to the region and utilise local networks to provide exposure-based payments directly to climate-vulnerable communities. Leveraging capacity from the global reinsurance market, Lloyd's will work in partnership with the local industry to identify and address their resilience needs.

Initially covering Fiji, Papua New Guinea and Samoa, the vehicle will respond to disasters caused by natural perils including tropical cyclone, earthquake, tsunami and flood – with the long-term aim of scaling and replicating the vehicle across the Pacific region and in other regions. The vehicle will help build resilience by supporting the local insurance industry and the communities they serve – increasing insurance penetration. It will allow communities to allocate funds to resilience building projects due to the knowledge that disaster recovery funds will be available.



# Inclusive

## Our ambition

Our ambition of an inclusive and equitable future begins with looking at the inequalities we see across our market and society, taking action to address them: whether that's through tackling representation gaps through our hiring and development or closing economic gaps through our charitable partnerships.

Offering opportunity for all and increasing representation to build a more equitable Corporation, market and society. This involves measuring and monitoring diverse representation within the Corporation and across the market, and addressing talent gaps through outreach, hiring and development programmes.



## Summary of highlights

### Lloyd's of London Foundation

In 2024, the Foundation worked with 28 charities, donating a total of £1.6m and facilitating 1,700 employees from across Lloyd's and the market to volunteer over 9,500 hours in their local communities.

### Culture

- Exceeded the 35% women in leadership ambition and continued to make progress towards our 'one in three' hiring ambition, with over 39% of Corporation hires coming from an ethnically diverse background in 2024
- Dive In 10<sup>th</sup> Anniversary attracted over 45,000 attendees in 45+ countries
- Undertook a wide-ranging culture survey and developed a culture action plan with a focus on performance management, inclusive leadership, learning agility and change

### Inclusive Futures

Since launching in 2023, Inclusive Futures has delivered a number of positive outcomes including:

**20**

Inclusive Futures undergraduate scholars via our Inclusive Futures bursary programme

**8**

early career placements

**2,500**

hires of ethnically diverse talent making progress towards our 'one in three' hiring ambition

Launch of the **Flint lecture series** providing insight into the impact of the slave economy today and Lloyd's work with Black Beyond data

Launched the **Inclusive Futures schools engagement programme** engaging 1,500 school children

<b>Lloyd's of London Foundation</b>	<b>20</b>
<b>Global philanthropic projects</b>	<b>22</b>
<b>Creating an inclusive Corporation</b>	<b>23</b>
<b>Lloyd's culture metrics</b>	<b>24</b>
<b>Inclusive Futures</b>	<b>26</b>

# Lloyd's of London Foundation



The mission of the Lloyd's of London Foundation is to deliver long-term, meaningful social impact that engages stakeholders and leverages Lloyd's unique convening position.

The Foundation's strategic charity partnerships focus on three areas – social mobility through education, disaster recovery and resilience, and Lloyd's Corporation and market employee engagement around volunteering via our community programmes.

## Partnering for positive change

Central to the Foundation's work is the support it provides to charity partners, ranging from one-off donations to longer-term strategic relationships. In 2024, the Foundation welcomed its two newest strategic partners, London-based homelessness charity The Passage and the world's largest humanitarian network The International Federation of Red Cross and Red Crescent Societies.

In November 2024, 190 members of the Lloyd's market came together for the Foundation's inaugural gala dinner, held in the iconic Underwriting Room in our London building. International Executive Director for the British Red Cross Richard Blewitt and Afghanistan veteran JJ Chalmers spoke and the evening raised £100,000 for the British Red Cross.

## In 2024

The Foundation worked with

**28**  
charities across  
the globe

Donating a total of

**£1.6m**   
to good causes

Facilitating

**1,700**  
employees from across  
Lloyd's and the market

To volunteer over

**9,500 hours**  
in their local communities



## Lloyd's Patriotic Fund

The Lloyd's Patriotic Fund supports military charities across the UK, with a specific focus on mental health and employability for veterans and their families. In 2024, the Lloyd's Patriotic Fund donated £225,000 to the Forces Employment Charity, Scotty's Little Soldiers, The Ripple Pond, High Ground, and Care After Combat.

## Lloyd's Benevolent Fund

The Lloyd's Benevolent Fund has helped the Lloyd's community through hard times for almost 200 years. The Lloyd's Benevolent Fund provides support and financial assistance to anyone who works, or has worked, within the Lloyd's community in the UK for at least five years. In 2024, the Fund supported a total of 27 beneficiaries with almost £314,000 in grants, ranging from regular donations to one-off payments for essential items in the home.

**200 years**

utilising the Lloyd's Benevolent Fund to help  
the Lloyd's community through hard times

## Lloyd's market charity awards

An annual event in the calendar, the Lloyd's market charity awards are an opportunity for market employees to nominate their chosen charity for an award of up to £20,000. This year, a total of £100,000 was awarded to eight nominated charities with causes including combating loneliness, riding for the disabled, and congenital birth disorders.

## Fundraising and volunteering

Throughout 2024, employees demonstrated their passion for causes close to their heart. The Lloyd's Matched Funding and Payroll Giving programmes add to efforts of Lloyd's employees to make an even bigger contribution to their chosen charities. In 2024, volunteers raised over £168,000 through fundraising activities, with the Corporation match funding £91,000 of this amount. In addition, employees gave a total of £63,000 through regular payroll giving.

A highlight of the year was the Lloyd's building abseils; across four days, 356 employees from Lloyd's and 40 market companies came together to face their fears, and raised a total of £357,000 for 80 charities.



## Lloyd's of London Foundation continued



### The Passage charity

In 2024, the Lloyd's of London Foundation, in partnership with Lloyd's employees, chose The Passage as charity partner for the next three years. The Passage's vision is of a society where street homelessness no longer exists and where everyone has a place to call home, running trauma-informed accommodation projects to provide resettlement support, advice and advocacy, career development opportunities, outreach and health services, homelessness prevention and a pioneering modern slavery programme.

By funding the Passage's comprehensive employment service, the Foundation supports adults in our society who are currently experiencing homelessness or are at risk of becoming homeless. The Passage's employment service provides a range of employability services to support individuals to realise their aspirations and to transition away from homelessness permanently.

**“This will be my first job,  
thank you for all your help  
and support.”**

**Gary, Passage client**

After experiencing modern day slavery, Gary found himself on the streets struggling with anxiety and depression. Gary was supported by the Passage's housing solutions service as well as the employment team, and started working with a training and development coach. Gary completed his GCSEs in English, Maths, Biology and Chemistry in 2023 and immediately looked at the entry requirements for university. Soon after, Gary was offered a job.



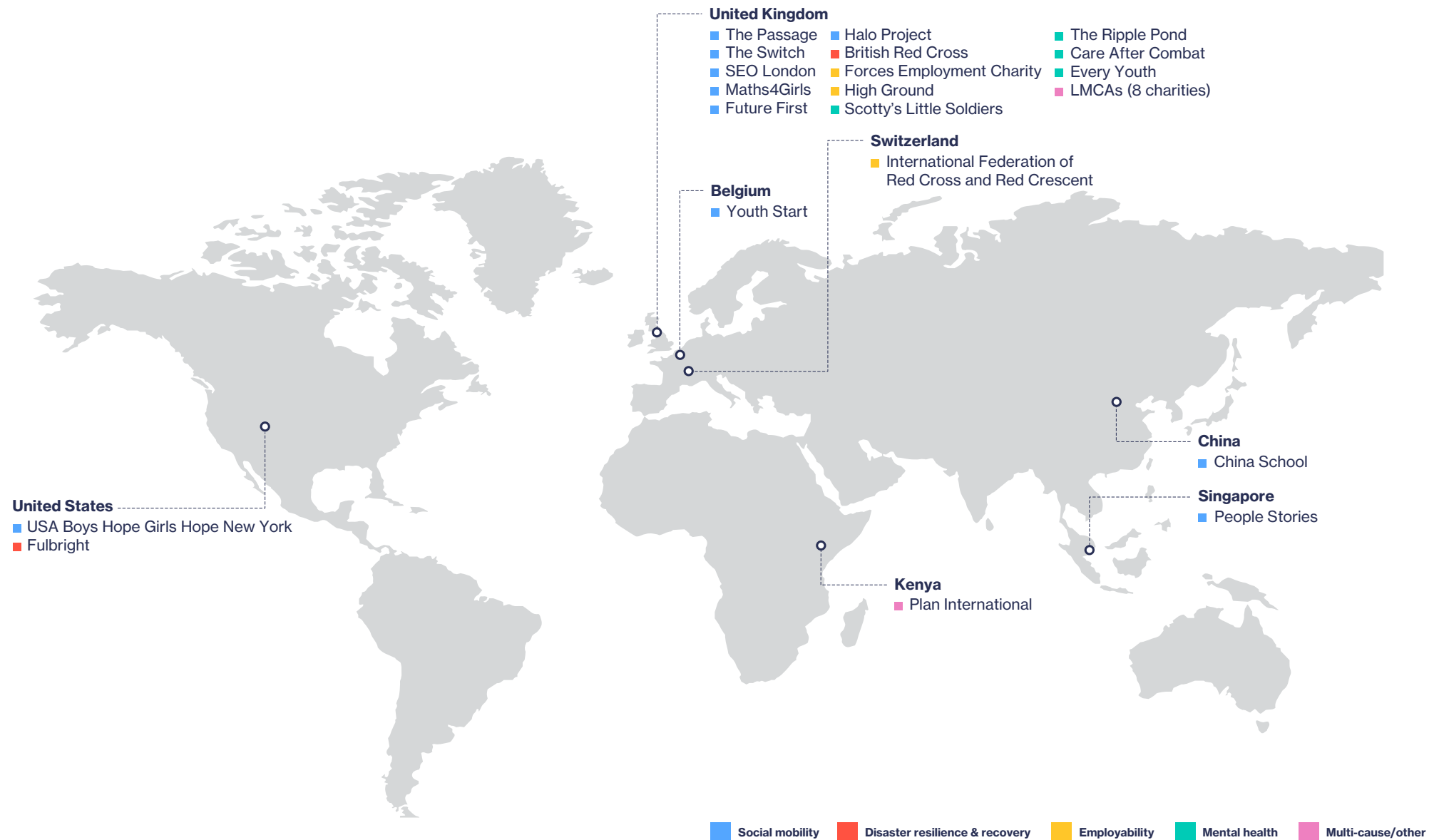
### University bursaries

The Foundation continues its long history of supporting university students through an annual £5,000 bursary in addition to personal and career development opportunities provided by Lloyd's. In 2024, a total of 40 students received bursaries, with many students testifying to the life-changing impact the award has had on them and their education.

**“The Lloyd's Bursary has not only provided financial support but has also been a source of motivation. Knowing that a leading institution like Lloyd's believes in my potential and supports me has been incredibly encouraging. I am deeply grateful for the opportunities that the Lloyd's Bursary has afforded me.”**

**3<sup>rd</sup> year Economics student, University of Cambridge**

# Global philanthropic projects





# Creating an inclusive Corporation



Lloyd's has made good progress in its culture strategy, which aims to create an inclusive and high-performing organisation.

Our focus on performance management, which responded to feedback via our Employee Change Forums, has delivered positive results. The Corporation is exceeding our 35% women in leadership target and 'one in three' hiring ambition for ethnically diverse backgrounds. In 2024 we started to see the first results of Inclusive Futures (page 27), a comprehensive programme launched in 2023 to help Black and ethnically diverse individuals progress from the classroom to the boardroom. We launched the Inclusive Futures Coalition, in partnership with eight market firms and three delivery partners, to fund and enable the programme's flagship initiatives: higher education bursaries, an early careers talent pool and a board talent pool.

During 2024, we undertook a wide-ranging culture review, which reinforced our understanding of areas where we have made significant progress and identified areas that require sustained focus. During the second half of 2024, we developed a broad, robust culture action plan responding to the review recommendations, and in 2025 we will focus on four key areas: performance management, inclusive leadership, learning agility and change.



## Inclusion highlights

Over  
**800**  
nominations in the Lloyd's  
Values Recognition scheme

Dive In 10<sup>th</sup> Anniversary attracted over  
**45,000**  
attendees in 45+ countries

Introduction of  
**Domestic Abuse Guidance  
and Champions at Lloyd's**

Over  
**39%**  
of Corporation hires are individuals  
from an ethnically diverse background,  
exceeding our 'one in three' ambition

**330+**  
Corporation employees attended our  
inclusive communications training

**36**  
female colleagues in the Corporation  
and market participated in our Advance  
programme for women in leadership in 2024

**Top 75 Employer**  
in the Social Mobility Employer Index

**Achieved**  
Race Equality Matters  
Trailblazers Silver award

# Lloyd's culture metrics

 For market data, please click here

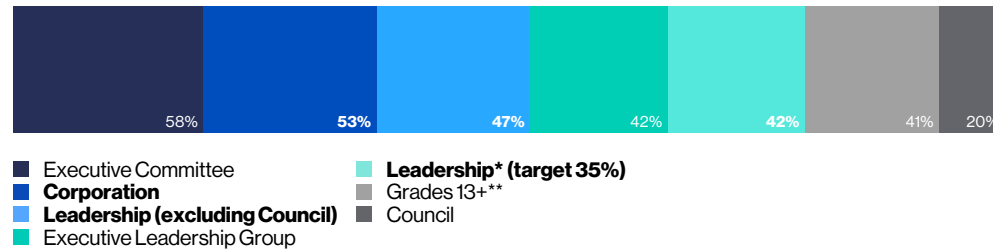
Lloyd's continues to maintain a diverse staff and leadership workforce, the details of which are set out below. We continue to exceed the market target of 35% of women in leadership and are committed to ensuring that the best diverse talent can develop their careers at Lloyd's.

The data below shows the Corporation breakdown of representation by diversity strand.

## Corporation metrics – Gender (Global)

Disclosure 100%

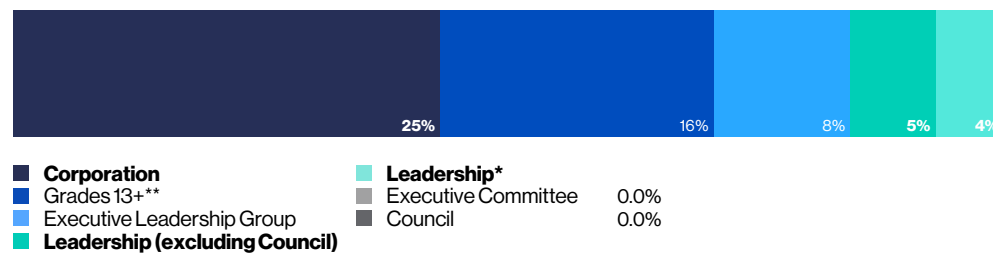
### a Female representation by level – Q4 2024 31-Dec-24



## Corporation metrics – Ethnicity (UK only)\*

Disclosure 96%

### Overall ethnic minority representation by level – Q4 2024 31-Dec-24



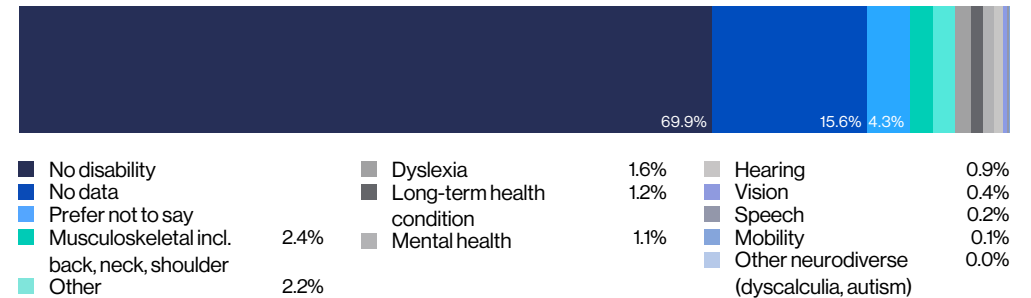
### a Breakdown of ethnic minority representation – Q4 2024 31-Dec-24



## Corporation metrics – Disability (UK only)

Disclosure 84.4%

### Breakdown of disability representation – Q4 2024 31-Dec-24



## Corporation metrics – Sexual orientation (UK only)

Disclosure 89.1%

### Breakdown of sexual orientation representation (including PNTS) – Q4 2024 31-Dec-24



### a Assurance

This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP\* ('PwC'). For the results of that assurance, see PwC's assurance report from page 40 of this report and Lloyd's 2023 Reporting Criteria from page 43.

\* Leadership is defined as Council + Executive Committee + Executive Leadership Group (ELG)

– There are currently three Executives who also sit on the Council.

\*\* Grades 13+ representation excludes the Executive Committee and Executive Leadership Group.

PNTS refers to 'prefer not to say', colleagues who have disclosed that they do not want to provide their social attribute.



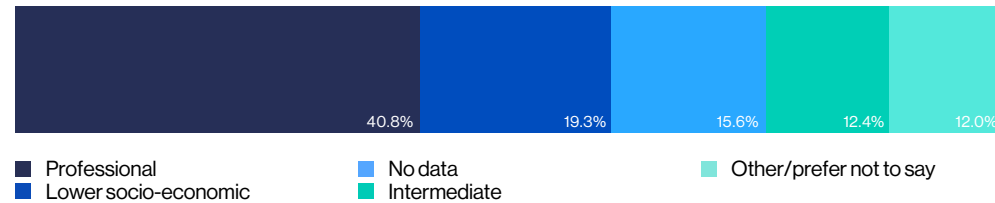
## Lloyd's culture metrics continued

### Corporation metrics – Socio-economic background (UK)

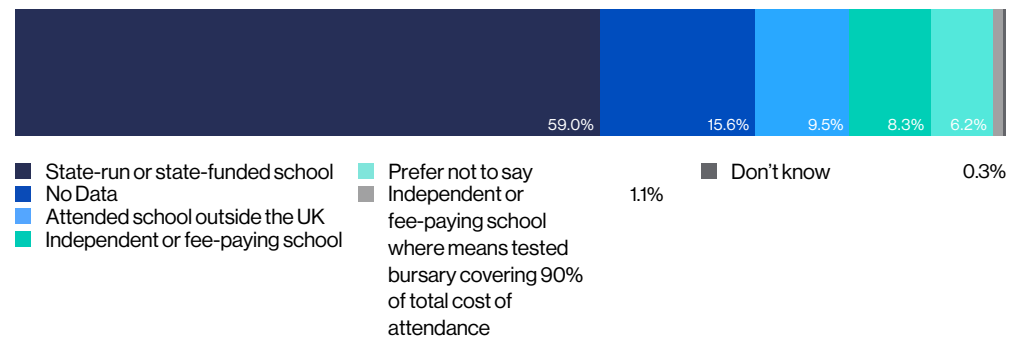
Disclosure 84.4%

Socio-economic background – parents' profession at age 14

Social mobility disclosed (including PNTS)



### Breakdown of social mobility representation Type of School attended ages 11 to 16

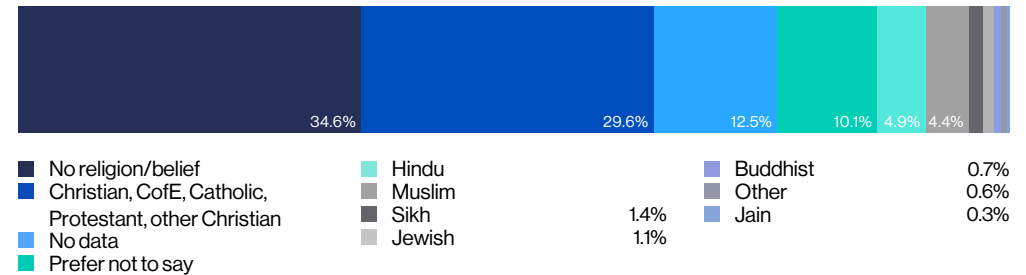


### Corporation metrics – Religion (UK)

Disclosure 87.5%

Breakdown of Religion representation

Religion disclosed (including PNTS)



# Inclusive Futures



In November 2023, Lloyd's launched Inclusive Futures, a market-wide programme of initiatives to help Black and ethnically diverse individuals participate and progress from the classroom to the boardroom. The programme has been shaped in consultation with experts and colleagues from diverse ethnic backgrounds from across the Lloyd's market to deliver meaningful, lasting change towards a more inclusive marketplace and society. It includes important interventions from our hiring and development to our investments and charitable giving, spanning the next decade and beyond.

## Inclusive Futures

### Supporting education

We'll build awareness and understanding of slavery and its impacts – while making our institutions more diverse.

- **Bursaries:** Enable hundreds more Black and ethnically diverse students to go through higher education in the UK.
- **Research:** Publish Lloyd's Collection catalogue and support Black Beyond Data's digital exhibition launch.
- **Assemblies:** Run assemblies in UK secondary schools using Black Beyond Data's research materials.
- **Workshops:** Deliver workshops in UK communities using Black Beyond Data's research materials.

### Entering the workplace

We'll help Black and ethnically diverse talent find and access careers in insurance, in support of our 'one in three' hiring ambition.

- **Early careers:** Create an early careers talent pool with Equity to bring thousands more Black and ethnically diverse individuals into our market.
- **Charities:** Invest in employability charities to help diverse individuals access the workplace.
- **Ecosystem:** Help Black-owned suppliers, syndicates and startups to understand and access the Lloyd's ecosystem.

### Thriving in the workplace

We'll offer targeted development programmes to help Black and ethnically diverse talent advance in their careers.

- **Board Level:** Create a pool of board-ready Black and ethnically diverse candidates with recruitment specialists Green Park.
- **Mentoring and Sponsorship:** Create a mentoring and sponsorship programme for hires from the talent pool.
- **Development:** Expand Accelerate programme into US and provide subsidised Master's degree for alumni.
- **Networks:** Increase funding to the Lloyd's market's ethnicity networks.

### Beyond the workplace

We'll support growth and close gaps in the global communities most affected by historical slavery.

- **Impact investments:** Invest in funds aligned to UN Sustainable Development Goal of 'Reducing Inequality' for regions affected by historical enslavement.
- **Insurance solutions:** Commission research through Lloyd's Futureset to explore protection gaps and potential risk solutions in regions affected by historical enslavement.

### Continuing the conversation

We'll make our history part of the ongoing story we tell at Lloyd's, while encouraging accountability and transparency around the progress we make.

- **Memorial:** Establish permanent memorial in the Lloyd's Building to remember the victims of transatlantic slavery.
- **Lecture series:** Launch the Flint Lectures – an annual series featuring diversity and history experts, named after our first Black broker.
- **Artistic response:** Sponsor a pioneering requiem, composed by David Ōnaç and commissioned by Culture&, to memorialise enslaved Africans.
- **Accountability:** Expand collection and sharing of diversity data across the market to show the progress we're making.



## Inclusive Futures continued

The three flagship initiatives are backed by the Inclusive Futures Coalition – a group of nine firms from the Lloyd's market and three trusted delivery partners – and include higher education bursaries, an early careers talent pool and a board-level talent pool.

### Founding partners:

Arch, Beazely, MS Amlin, TMK, Howden, Hiscox, Chubb, AXA XL

### Contributing partner:

Brit

### Delivery partners:

Equity City, Green Park, Lloyd's of London Foundation

All three initiatives are funded by the market and governed by the Inclusive Futures Coalition Governance Group (IFCGG), made up of our founding members and delivery partners who act as a collaboration and governance board, ensuring the programme remains on track.

**“From the moment I connected with Equity, they have been instrumental in guiding me toward opportunities that align with my skills and interests.”**

**Jevonte Campbell**

Junior broker

### Inclusive Futures Coalition launched in July 2024

with our launch video receiving over **20,000 views**.



Watch the launch video here: [Inclusive Futures](#)

Since launch, Inclusive Futures has delivered a number of positive outcomes including:

### Inclusive outcomes

**2,500**

hires of ethnically diverse talent via our 'one in three' hiring ambition

**20**

Inclusive Futures undergraduate scholars via our Inclusive Futures bursary programme

**8**

early career placements

**Completed**

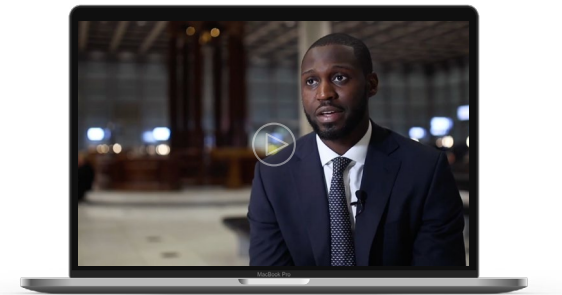
the mapping process for the Inclusive Futures board talent pool with a number of Executive roles currently in process



**Inclusive Futures** includes a number of projects in addition to the three flagship initiatives funded by the coalition founding members:

- We invested \$50m with the African Development Bank and the inter-American Development Bank to support global projects aimed at reducing inequality.
- We delivered the first Flint Lectures, named after the first Black broker in the Lloyd's Market, David Flint. Dr David Olusoga, preeminent British historian, and Dr Alexandre White, from Black Beyond Data, were the key figures providing insight into the impact of the slave economy and Lloyd's work with Black Beyond Data. You can see highlights of the Flint lectures [here](#)
- In November, we launched the Inclusive Futures schools engagement programme. The programme has already reached 1,555 students, and provides pupils with insights into a career in insurance, the history of Lloyd's and the role insurance plays in facilitating risk management.

During 2025, the programme workplan will include projects such as a memorial for victims of Trans-Atlantic slavery, research by Lloyd's Futureset into protection gaps and risk financing solutions in communities affected by historic slavery, and the requiem by David Ona, commissioned to memorialise enslaved Africans.



Watch Junior Garba, CEO of Equity, talking about Equity City's involvement in Inclusive Futures as one of our delivery partners

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# ClimateWise disclosures

Lloyd's is a founder and active member of the ClimateWise Initiative, an insurance industry member network.

We continue to publicly disclose our response to climate change on an annual basis through the ClimateWise Principles framework.

Principle	Theme	Reference	Sub-Principle	Evidence
<b>1. Steering Transition</b>	<b>Governance</b>	1.1	Ensure that our Board has oversight of climate- and nature-related risk and opportunity management, including any transition plans.	Full details, and further references, of how the Council (Board) at Lloyd's oversees the management of climate-related risks and opportunities can be viewed in our Climate-related Financial Disclosure (CFD) on page 103 of our 2024 Annual Report. Lloyd's sustainability strategy is overseen by the Council, Full details, and further references, of the Council's oversight and management of climate transition can be found on pages 99, and 103 – 107 of our 2024 Annual Report.
		1.2	Ensure that our senior management has responsibility of climate- and nature-related risk and opportunity management, including any transition plans.	Full details, and further references, of how management at Lloyd's assess, manage, escalate and then act on climate-related risks and opportunities can be viewed in our CFD disclosure a) on page 103 of our 2024 Annual Report.
		1.3	Create a clear link between governance and oversight, establishing a robust governance framework and underlying policies and procedures.	Full details, and further references, of Lloyd's governance framework can be viewed on pages 66 – 69 of our 2024 Annual Report. Governance matters specific to climate risks and opportunities can be viewed in our CFD disclosure a) on page 103 of our 2024 Annual Report.
		1.4	Ensure that our Board and senior management have the required knowledge and incentives to oversee risks and establish a culture aware of environmental issues.	Full detail, and further references, of the capabilities and responsibilities of our Executive Leadership Group can be viewed in our CFD disclosure a) on page 103 of our 2024 Annual Report.
	<b>Strategy</b>	1.5	Describe the impacts and implications of climate- and nature-related risks and opportunities on our business model and performance, strategy, and any decision-making processes.	Full details of the impacts of climate-related risks and opportunities on the Lloyd's Central Fund and underwriting due to climate change across potential scenarios and timelines are explained in our CFD disclosure d) , e) and f) on pages 104 – 106 of our 2024 Annual Report.  We know that climate change will impact all our policyholders and stakeholders in many ways. In 2024, we launched version 2.0 of our Insuring the Transition Roadmap following market consultation. More information can be found on page 12 of our 2024 Sustainability Report.
		1.6	Describe how environmental resilience plans are incorporated into business decision making, including disclosure of any material outcomes of climate risk scenarios.	Full details, and further references, of the modelled impact from our climate scenario analysis can be viewed in our CFD disclosure d) on page 104 of our 2024 Annual Report. An understanding of the resilience Lloyd's has to this scenario analysis, including the plans and business decisions taken to manage and control the outcomes of our climate risk scenario analysis can be viewed in our CFD disclosure f) on page 106 and our CFD disclosure a) on page 103 of our 2024 Annual Report.

## ClimateWise Disclosures continued

Principle	Theme	Reference	Sub-Principle	Evidence
1. Steering Transition (continued)	Strategy (continued)	1.7	Describe the outcomes of our materiality analysis and any material climate- and nature-related risks and opportunities that affect our prospects.	<p>As part of our alignment with the recommendations of the CFD, Lloyd's has undertaken a single materiality assessment to understand the financial materiality of our exposure to climate change risks and opportunities. This assessment considered three key areas of physical, transition and litigation risk and opportunities across short-, medium-, and long-term horizons. Definitions of the time periods and details of outcomes of the scenario analysis conducted as part of the financial materiality assessment can be viewed in our CFD disclosure d) and e) on page 104 – 105 of our 2024 Annual Report.</p> <p>Lloyd's has acted upon the identified risk areas through the following business decisions:</p> <ul style="list-style-type: none"> <li>Physical risk – reducing our GHG emissions as outlined on page 10 of our Sustainability Report; modelling across our territories with the highest natural catastrophe exposure, outlined in our CFD disclosure f) on page 106 of our 2024 Annual Report.</li> <li>Transition risk – utilising our voting engagement on assets we hold with significant equity and launching our first fund on the Lloyd's Investment platform, further detailed on page 11 of our 2024 Sustainability Report.</li> </ul> <p>Lloyd's does not currently account for carbon pricing on our balance sheet as a method for reducing and pricing our GHG emissions and investment activities, however, we annually measure our emissions across Scope 1, Scope 2 and select Scope 3 activities.</p>
	Risk Management	1.8	Establish appropriate processes to identify, assess and prioritise climate- and nature-related impacts, risks and opportunities.	The process for identifying and assessing climate-related risk is detailed in our CFD disclosure b) on page 103 of our 2024 Annual Report. Details on the parameters, including time horizons, scenarios and scope of our climate-risk assessment methodology can be viewed in our CFD disclosure d) and e) on page 104 – 105 of our 2024 Annual Report.
		1.9	Put in place mechanisms to monitor and manage climate- and nature-related risks and opportunities.	<p>Lloyd's has a risk management framework to monitoring and managing climate-related risks and opportunities. Details, and further references, of the tools used at Lloyd's for managing climate risk can be found in our CFD disclosure b) and c) on page 103 – 104 of our 2024 Annual Report. Details of the governance surrounding climate risk management are detailed in our CFD disclosure a) and b) on page 103, of our 2024 Annual Report.</p> <p>Lloyd's has also identified key risk indicators (KRIs) relevant to material risks. Details of our KRIs and an explanation of how they are used to support ongoing risk monitoring are set out in our CFD disclosure h) on page 107 of our 2024 Annual Report.</p>
		1.10	Describe how scenario analysis has been used to inform the identification, assessment and management of climate- and nature-related risks.	<p>Full details, and further references, of the climate scenario analysis that was used to inform the identification and materiality assessment of climate-related risks and opportunities can be found in our CFD disclosure f) on page 106, of our 2024 Annual Report.</p> <p>The outcomes of the scenario analysis were used to inform the key risk indicators (KRIs) that Lloyd's use to monitor and manage climate-risks. Opportunities for Lloyd's were also identified through scenario analysis; these are set out in CFD disclosure e) on page 105 of our 2024 Annual Report.</p>



## ClimateWise Disclosures continued

Principle	Theme	Reference	Sub-Principle	Evidence
<b>2. Engaging Stakeholders</b>	<b>Operations</b>	2.1	Manage and seek to reduce the environmental impacts of the internal operations and physical assets under our control.	Full details, and further references, of how Lloyd's is seeking to reduce the climate impacts to our operations are set out in response to our climate scenario analysis in CFD disclosure e) and f) on page 105 - 106 of our 2024 Annual Report. Further information on our GHG emissions can be found on page 9 of our 2024 Sustainability Report, with the actions Lloyd's is taking to reduce the environmental impacts of its operations and assets set out on page 10 and 11 of the 2024 Sustainability Report.
		2.2	Engage our employees on our commitment to address climate- change and nature, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate- and nature- informed choices outside work.	Lloyd's has an internal Environmental Policy which is reviewed annually. All Corporation employees, including temporary contractors and in-house service partners, are required to complete a mandatory internal e-learning module covering Occupational Health Safety and Environment. The module covers topics such as environmental management and ISO 14001, employee best practices and Net Zero.
	<b>Value Chain</b>	2.3	Understand and disclose the sources of emissions and adverse climate- and nature-related impacts on our value chain, that might in turn impact our business.	Our emissions reporting for FY2024 can be found on page 9 of our 2024 Sustainability Report with detailed methodologies on pages 45 – 47. Potential climate impacts on our operations and value chain relating to our emissions, including the actions Lloyd's is taking to manage them, are set out on page 107 of our 2024 Annual Report under CFD disclosures g), and pages 9 – 11 of our 2024 Sustainability Report.
		2.4	Advocate and engage across the supply chain to encourage our suppliers to improve the environmental sustainability of their products and services and understand the implications these have on our business.	Lloyd's has all suppliers agree to our Supplier Code of Conduct, which we renew and publish annually. The Code of Conduct includes expectations that suppliers have a sustainability policy, have an effective environmental management programme and reduce their environmental impact where feasible, including a valid environmental impact assessment report. More detail can be found in the Code of Conduct. Lloyd's is also signed up to the Global Supply Chain pledge as part of our work with the Sustainable Markets Initiative (SMI) Insurance Task Force (ITF) which Lloyd's has led and chaired since 2021.  Lloyd's has also prepared a roadmap, Insuring the Transition, which aims to provide clarity all stakeholders on Lloyd's ambition to be the insurer of the transition and what it means for the market. After a market consultation which sought feedback from the market, we launched version 2.0 of the roadmap. Further details, and references, on the roadmap and its purpose can be found on page 12 of our 2024 Sustainability Report.

## ClimateWise Disclosures continued

Principle	Theme	Reference	Sub-Principle	Evidence
<b>2. Engaging Stakeholders (continued)</b>	<b>Innovate &amp; Advocate</b>	2.5	Support and undertake research and development to inform current business strategies, develop new products, and help support and incentivise our customers and stakeholders, including affected communities, in adapting to and mitigating climate- and nature-related issues.	<p>Lloyd's Futureset is our global platform and community to create and share risk insight, expertise and solutions to global challenges including sustainability challenges. Futureset has conducted research and published: Extreme weather leading to food and water shock, alongside the event series Risk revealed, which was created to increase awareness, help educate and connect the Lloyd's market with pioneering firms in the renewable and low-carbon energy space. In 2024 Futureset partnered with the Cambridge Centre for Risk Studies (CCRS) to develop a series of scenarios, more details can be found on page 17 of our 2024 Sustainability Report. Futureset maintains a steady campaign of engagement with our wider stakeholders and customers on a range of topics; metrics around this can be found on page 16 and 17 of our 2024 Sustainability Report.</p> <p>Lloyd's launched the Lloyd's and Moody's Analytics emissions accounting proof of concept collaboration to develop an emissions measurement methodology that quantifies the emissions associated with an insurer's underwriting portfolio addressing a significant reporting challenge for the market. More details can be found on page 12 of our 2024 Sustainability Report.</p> <p>Our Disaster Risk Facility which was launched in 2015 aims to close the protection gaps for the countries and communities around the world most impacted by disasters.</p> <p>Details of the work that Futureset undertakes, including stakeholder engagement and example of how the Lloyd's Disaster Risk Facility has supported affected communities in 2024 is set out on page 18 of our 2024 Sustainability Report. Building on the support we provide, in 2024 Lloyd's announced a new, pioneering disaster resilience vehicle with the UNCDF to deliver disaster risk financing to Small Island Developing States (SIDS) in the Pacific. More details can be found on page 18 of our 2024 Sustainability Report.</p> <p>In addition, we talk to our Insuring the Transition Roadmap 2.0 on page 12 of our 2024 Sustainability Report. The roadmap covers Lloyd's proposed approach for the next three years across sustainability, including underwriting, investments, exposure management and capital and reserving.</p>



## ClimateWise Disclosures continued

Principle	Theme	Reference	Sub-Principle	Evidence
<b>2. Engaging Stakeholders (continued)</b>	<b>Innovate &amp; Advocate (continued)</b>	2.6	Promote and actively engage in public debate on climate- and nature-related issues and the need for action by publicly communicating our beliefs and strategy on climate- and nature-related issues and providing support and tools to our customers/clients so that they can assess their levels of risk.	<p>Lloyd's has long aimed to help and support UK government strategy with respect to the insurance industry, and continues to do so in supporting the government's plans for net zero and mitigating climate risk. We do this in a number of ways including through direct engagement, joint events and responding to policy consultations. Over the reporting period we have engaged in a number of areas:</p> <ul style="list-style-type: none"> <li>• Signed a Memorandum of Understanding with Sherbro Alliance Partners (SAP) to support economic resilience and sustainable growth opportunities on Sherbro Island, Sierra Leone.</li> <li>• Became a member of the Ocean Risk and Resilience Action Alliance (ORRAA) to collaborate on and progress ocean risk management and resilience initiatives.</li> <li>• Formalised a partnership with the World Bank Group's Multilateral Investment Guarantee Agency to drive sustainable development outcomes through guarantees.</li> <li>• Our Chairman continued to chair the Advisory Board of the Earth ∞ Space Sustainability Initiative, working with governments and international organisations to establish a set of Space Sustainability principles.</li> <li>• Hosted an event with the Transition Finance Market Review to discuss the barriers to deploying insurance to support the financing of the transition and how to address these.</li> <li>• Through SMI, we have engaged in dialogue on nature and climate-related issues with government and the private sector at key global events, such as New York Climate Week and the Commonwealth Heads of Government Meeting (CHoGM). At CHoGM, we publicly announced a pioneering disaster resilience vehicle to deliver disaster risk financing to Small Island Developing States in the Pacific. We met with key representatives of the Pacific Island states to showcase the vehicle, as well as His Majesty King Charles III, The Prime Minister Sir Keir Starmer and the FCDO.</li> </ul> <p>As mentioned under Sub-Principle 2.5, Futureset maintains a steady campaign of engagement with our wider stakeholders and customers on a range of topics, including government. Lloyd's also uses our position as Chair of the SMI ITF to engage wider industry and society on climate-related issues at relevant forums including London Climate Action Week, New York Climate Week and the CHoGM.</p> <p>As mentioned above under Sub-Principle 2.5, we communicate with our stakeholders and clients on climate-related risk and provide support through Futureset, participation in the SMI and Lloyd's Lab. From access to Insurtech solutions, market support in our Insuring the Transition Roadmap and publication of our systemic risk scenarios, Lloyd's provides support and tools for all our stakeholders to assess and manage their own climate-related risk exposure. Further information is provided on page 16 – 18 of our 2024 Sustainability Report.</p>
		2.7	Where appropriate, work with policy makers and share our research with scientists, society, business, governments and NGOs in order to advance a common interest.	<p>As set out above, against Sub-Principle 2.6, Lloyd's regularly works with policy makers and our relevant stakeholders to support and share knowledge regarding climate-related matters.</p> <p>Initiatives and research undertaken by Lloyd's through Futureset, Lloyd's systemic and emerging risk platform, the business strategy taken as a result and how this was shared with the market, government, experts and society are referenced above in Sub-Principle 2.5.</p>

Principle	Theme	Reference	Sub-Principle	Evidence
3. Enabling Transition	Investments	3.1	Integrate consideration of climate- and nature-related risks and opportunities into investment strategies and decision making.	<p>Climate-related risks and opportunities play an integral role in Lloyd's investment strategies. Full details, and further references, are set out on page 11 of our 2024 Sustainability Report where we discuss our impact investments. An example of the investments Lloyd's has made to capitalise on opportunities presented in the climate transition is the purchasing of carbon credits covering a range of removal and avoidance projects including onshore solar farms and afforestation projects. Other investments made through the Lloyd's Private Impact Fund are described in further detail on page 11 of our 2024 Sustainability Report.</p> <p>Through alignment with the TCFD framework and CFD requirements, Lloyd's has also worked to integrate climate-related risks and opportunities into decision-making and corporate strategy. Our CFD disclosure c) on page 104 of our 2024 Annual Report provides further detail on the integration of climate into decision-making with information on the governance of climate risk and opportunity decision-making described under CFD disclosure a) and b) on page 103 of our 2024 Annual Report.</p>
		3.2	Take action to manage the implications of climate- and nature-related risks and opportunities on, and of, our investments.	<p>Specific to our investments, the climate scenarios analysis demonstrated that our central assets do not have material exposure to sectors impacted by climate risk. We conduct ongoing monitoring of our exposure to transition risk within the investment portfolio using KRIs. Details of the KRIs and reference to the impacts to Lloyd's Central Fund due to climate change are set out in our CFD disclosures f) and h) on pages 106 – 107 of our 2024 Annual Report.</p> <p>Lloyd's has also identified and acted on several opportunities as a result of monitoring climate-related risks, including:</p> <ul style="list-style-type: none"> <li>• Committing to allocating 10% of the Central Fund to impact investments by 2025.</li> <li>• Launching the Lloyd's Private Impact Fund, our first fund on the Lloyd's investment platform. Full details, and further references, are provided on page 11 of our 2024 Sustainability Report.</li> <li>• Collating and reviewing Responsible Investment policies from across the markets to understand the maturity of responsible investment practices. Full details, and further references, are provided on page 11 of our 2024 Sustainability Report.</li> </ul> <p>Governance and oversight of our investments and strategy in response to climate-related risks and opportunities is managed through the Investment Committee and our Chief Investment Officer.</p>
	Underwriting	3.3	Develop and use models to incorporate climate- and nature-related issues and describe how the outputs of the models inform our underwriting decisions.	<p>Lloyd's does not underwrite business itself, however, we can set oversight rules for managing agents who do write, and make use of models to understand market exposure to climate change.</p> <p>Lloyd's undertook climate scenario analysis as part of our climate change stress testing exercise in 2021. Lloyd's refreshed this assessment in 2024 to ensure our view of risk remained up to date, applying the 2021 stresses to 2024 exposure data. Full details, and further references, to the outputs of this modelling exercise are set out in our CFD disclosure d), e) and f) on page 104 – 106 of our 2024 Annual Report.</p> <p>To aid underwriting decisions within the market, Lloyd's worked with Moody's Analytics to test the use-case of a central data solution with the Market. Further details can be found on page 12 of our 2024 Sustainability Report.</p>
		3.4	Incorporate clauses in our insurance policies' terms and conditions that incentivise the reduction of exposure to climate- and nature-related issues of the insured structures through pricing of policies.	<p>Lloyd's does not underwrite business itself but engages with the market on their own sustainability strategies. Last year, Lloyd's provided a roadmap to the market on insuring the transition which outlines expectations from Lloyd's as well as providing open-source toolkits on how transition considerations can be incorporated into underwriting decisions.</p> <p>To facilitate the development of innovative climate solutions and support those in the market looking to transition their business, Lloyd's has created a new transition 'TCX' class of business, ringfencing 5% GWP for this purpose. Further details are provided on page 13 of the 2024 Sustainability Report.</p> <p>Further details on the role Lloyd's plays and our work on supporting the market transition are provided on pages 11 and 13 of the 2024 Sustainability Report.</p>



## ClimateWise Disclosures continued

Principle	Theme	Reference	Sub-Principle	Evidence
4. Disclosing Effectively	Measure & Monitor	4.1	Measure and disclose the impacts and potential impacts on our business of material climate- and nature-related risks and opportunities, including the results of the resilience analysis.	Our CFD disclosures d), e) and f) on pages 104 – 106 of our 2024 Annual Report set out the impacts and potential impacts to our business from climate-related risks and opportunities. Our alignment with the TCFD framework also considers the resilience of our strategy under different climate scenarios and has found that the Lloyd's market is well placed to manage climate risks. Full details, and further references, on the results of our resilience assessment can be found under CFD disclosure f) on page 106 of our 2024 Annual Report.
		4.2	Disclose the metrics used to measure and manage our contribution to climate- and nature-related risks, and targets used for monitoring progress.	Lloyd's uses key risk indicators (KRIs) to monitor exposure to both physical and transitional climate risks. Full details, and further references, of these KRIs are provided in our CFD disclosure h) on page 107 of our 2024 Annual Report.  In addition, we also monitor our Scope 1, 2 and selected Scope 3 emissions in line with the GHG Protocol methodology and use an emissions intensity metric of tCO <sub>2</sub> e/FTE to monitor how our emissions profile changes with Lloyd's growth. The associated risk we are seeking to monitor by measuring our emissions is "failure to reduce our emissions in line with government legislation, which will lead to reputational and financial impact, particularly if carbon pricing becomes mandatory in UK regulation". We are targeting an energy performance certificate rating of C by 2027 and B by 2030 at our London offices, in a bid to reduce our operational emissions. Details on our emissions are available on page 9 of our 2024 Sustainability Report.  Our contribution to climate-related opportunities is measured through the value of our impact investments in the Lloyd's Impact Bond Fund and the Lloyd's Private Impact Fund. The proportion of the Central Fund allocated to impact investments can also be used to measure our contribution to climate opportunities; we are targeting a 10% allocation of the Central Fund to impact investments by 2025.
	Report Robustly	4.3	Maintain and enhance a robust reporting regime, processes and internal controls over climate-related disclosures in order to avoid material errors or material misstatements.	The Lloyd's 2024 Sustainability Report (and prior reports) is a demonstration of our ongoing commitment to climate-related disclosures and sustainability reporting. We seek independent limited assurance on selected sustainability metrics held within our Sustainability Report. The conclusions on the limited assurance conducted on our 2024 Sustainability Report can be found on pages 40 – 42 of our 2024 Sustainability Report.  In addition, Lloyd's also maintains a clear reporting criteria that is publicly available. Our criteria sets out the principles of our global reporting including the frameworks we report against, our organisational boundaries and our restatement criteria. The reporting criteria are provided from page 43 of our 2024 Sustainability Report.
	Disclose Transparently	4.4	Annual submission against the ClimateWise Principles.	The submission of this completed template serves as Lloyd's annual submission against the ClimateWise Principles.
		4.5	Annual public disclosure of the climate-related disclosures including ClimateWise Principles as part of annual reporting.	Lloyd's publicly discloses climate-related information within our Annual Report and our Sustainability Report acts as our public disclosure against ClimateWise Principles. Lloyd's will continue to publicly disclose against the ClimateWise Principles annually.
		4.6	Ensure reports are easy to understand, accurate, prudently and neutrally presented, well explained and allow organisations to be held to account.	The Directors' Statement on Page 39 of our 2024 Sustainability Report sets out Lloyd's confirmation that the contents of our Sustainability Report, including the reporting criteria, is presented in a manner that provides relevant, complete, reliable, unbiased/neutral, comparable and understandable information.

# UN Global Compact

Our commitment to support the United Nations' Global Compact sustainability principles

Area	Principle	Evidence
Human Rights	1. Business should support and respect the protection of internationally proclaimed human rights	The Corporation fully supports the principles set out in the United Nations Universal Declaration of Human Rights and the International Labour Organisation core labour standards and the Modern Slavery Act 2015.
	2. Businesses should make sure they are not complicit in human rights abuses	Lloyd's has an internal Human Rights Policy which expresses Lloyd's commitment to respect and support human rights, which is approved by our Chief People Officer and the Council of Lloyd's. The policy applies to all persons working for Lloyd's or on its behalf in any capacity.  Lloyd's annually review our <b>Modern Slavery Act Statement</b> and our <b>Supplier Code of Conduct</b> to reflect the standards expected of our suppliers.  We also have our <b>Data Protection Policy</b> which provides a framework for ensuring the Corporation and overseas offices meet obligations under the General Data Protection Regulation (GDPR) which is considered the "gold standard" of data protection and privacy compliance.  One of our key Principles for Doing Business, which set out fundamental responsibilities and expectations of how all managing agents should operate ensures managing agents create an inclusive, high-performing culture.
Fair Labour	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	At Lloyd's, our aim is to attract, retain and reward the very best talent. We do this by attracting colleagues that bring with them a diversity in capability, experience, perspective and approach; ensure we treat all colleagues with fairness and consistency; rewarding the unique contribution employees bring to our business and supporting colleagues to be the best they can be.
	4. Businesses should uphold the elimination of all forms of forced and compulsory labour	We outline this in our <b>UK Employee Handbook and International Employee Handbook</b> . The handbooks also cover topics such as anti-bullying and harassment; diversity and inclusion; social media; and drug and alcohol use, which apply to all employees as well as job applicants, consultants, temporary and third-party workers.
	5. Businesses should uphold the effective abolition of child labour	Lloyd's recognises its responsibility to provide a safe and healthy working environmental for all its employees, tenants, contractors and visitors who use its premises and prevent injury and ill health in accordance with the Health and Safety at Work etc. Act 1974. This is why our <b>Occupational Health and Safety Policy</b> aligns to the International Standard for health and safety at work ISO 45001.
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation	As per our <b>Global Compliance Policy</b> , Lloyd's has various whistleblowing protocols in place, with multiple channels to report in confidence and anonymously should any employee have concerns.



## UN Global Compact continued

Area	Principle	Evidence
Environment	<b>7.</b> Businesses should support a precautionary approach to environmental challenges	Further information on how we're reducing our carbon emissions and targeting our investments for impact, to tackle environmental challenges can be found on pages 10 (Carbon credit investments) and 11 (Newe Seguros).
	<b>8.</b> Businesses should undertake initiatives to promote greater environmental responsibility	Further details on how Lloyd's is promoting environmental responsibility amongst colleagues and market participants is in Sub-principle 2.5 of our ClimateWise reporting.  Sub-principles 2.6 and 2.7 elaborate on how we engage with market participants and wider society on environmental challenges facing our policyholders and how best we can equip the market with the tools required to mitigate these risks.
	<b>9.</b> Businesses should encourage the development and diffusion of environmentally friendly technologies	The introduction of the TCX code for the market encourages the development of innovative climate solutions. More information can be found on page 13 of this report.  As demonstrated in Sub-principle 2.6 of our ClimateWise reporting, our involvement with the Sustainable Markets Initiative SMI and the activities conducted within the Lloyd's Lab also encourage the development of environmentally supportive technologies and solutions.
Anti-corruption	<b>10.</b> Businesses should work against all forms of corruption including extortion and bribery	Our <b>Global Financial Crime Policy</b> ensures all employees, in all jurisdictions are aware of financial crime risks and have appropriate processes for managing these risks. Lloyd's complies with anti-corruption laws, has a robust anti-corruption approach, and encourages a supportive environment where employees feel able to speak up.  All Lloyd's employees carry out mandatory training in Gifts and Hospitality, Conflicts of interest and Financial crime essentials training – which includes anti-money laundering and anti-bribery. Failure to complete these modules will result in a negative impact on an employee's remuneration.  The Head of Financial Crime and Compliance, is responsible for all anti-corruption training and monitoring, reporting directly to Lloyd's Chief Risk Officer, a member of Lloyd's Executive Committee. This governance structure allows for financial crime risk to be monitored and escalated quickly and for business strategy to be delegated as a result.  The Corporation also makes sure that the market adheres to the Lloyd's Principles for Doing Business, of which Regulatory and Financial Crime forms one of the 13 principles. This principle ensures managing agents have robust frameworks in place to assess and address financial crime risks arising from their UK and international businesses. Frameworks should support compliance with law, regulation and guidance, and allow for well informed, transparent relationships with Lloyd's and applicable regulators.  We continue to strengthen our whistleblowing protocols by increasing the channels people can use to report concerns (e.g. a web-based reporting system, a mobile reporting app, via an internal email address and directly to the Whistleblowers' Champion) and ensuring selected employees are equipped to handle concerns that are raised.
Supporting broader UN Goals	We recognise that all of the UN SDGs are important but have chosen to focus on the progress we can make against our priority goals. Page 3 of this report outlines our priority UN Sustainable Development Goals with the actions taken throughout the year in support of these goals highlighted and mapped throughout this report.	

# United Nations Environment Programme Finance Initiative

Lloyd's joined the United Nations Environment Programme – Principles for Sustainable Insurance as a supporting member in October 2022.

A requirement of which is to evidence annually any activities which would encourage the adoption of the Principles.

## Key examples contained within this report where we have evidenced this are through:

- The research conducted and events hosted by Futureset
- Our work with the market in supporting managing agents in developing innovative transition products for their customers and underwriting the transition to low-carbon business models or the development of transitional technology solutions
- Our leadership position on the Sustainable Markets Initiative Insurance Task Force



# Directors' statement on sustainability metrics

As the Directors of the Society of Lloyd's ("Lloyd's"), we confirm that we are solely responsible for the preparation of the Sustainability Report 2024, including this Directors' statement, and for reporting the selected sustainability metrics (as detailed on page 44) in accordance with the reporting criteria set out from page 45. We confirm, to the best of our knowledge and belief, that we have responsibility for:

- designing, implementing and the maintenance of internal controls and processes over information relevant to the measurement, evaluation and preparation of the selected sustainability metrics that is free from material misstatement, whether due to fraud or error;
- establishing objective reporting criteria for preparing and presenting the selected sustainability metrics, including clear definition of the entity's organisational boundaries, and applying them consistently;
- presenting information, including the reporting criteria, in a manner that provides relevant, complete, reliable, unbiased/neutral, comparable and understandable information; and
- reporting the selected sustainability metrics in accordance with the reporting criteria.



**Rebekah Clement**

Corporate Affairs Director

For and on behalf of the Council of the Society of Lloyd's

19<sup>th</sup> March 2025

## Selected sustainability metrics and reporting criteria

### Selected sustainability metrics

#### Emissions (Global)

- Scope 1 emissions in 2024 (tCO<sub>2</sub>e)
- Scope 2 emissions in 2024 (tCO<sub>2</sub>e)
- Total of selected Scope 3 emissions (categories 3, 6 and 7) in 2024 (tCO<sub>2</sub>e)

#### Carbon credits

- Total carbon credits purchased and retired in 2024 (tCO<sub>2</sub>e)

#### Charitable donations

- Total amount of charitable donations in 2024 (£)

#### Diversity and inclusion (UK only)

- Female representation by level (%)
- Breakdown of ethnic minority representation (%)

# Independent Limited Assurance Report to the Members of Lloyd's of London (Lloyd's) on selected Sustainability Metrics



## Our limited assurance conclusion

Based on the procedures we have performed, as described under the "Summary of work performed", and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information marked with the symbol **a** in Lloyd's 2024 Sustainability Report for the year ended 31 December 2024 (the "Report") and summarised below (together, the 'Subject Matter Information'), has not been prepared, in all material respects, in accordance with Lloyd's Reporting Criteria (the 'Reporting Criteria') set out on pages 6, 9, 10, 24 and 44 to 51 of Lloyd's 2024 Sustainability Report.

## What we were engaged to assure

The Subject Matter Information needs to be read and understood together with the Reporting Criteria which Lloyd's Directors are solely responsible for selecting and applying. The Subject Matter Information and the Reporting Criteria are as set out in the Sustainability Report on pages 44 to 51:

The scope of our work did not extend to information in respect of earlier periods or to any other information included in, or linked from, the Report. Specifically, but without limitation, the scope of our assurance did not extend to the Lloyd's Marketplace or any of its participants. These are separate entities which have their own strategies, over which Lloyd's has no operational control.

Subject Matter Information	Benchmark
<b>GHG Emissions (Global)</b>	
2024 Scope 1 GHG Emissions	tCO <sub>2</sub> e
2024 Scope 2 GHG Emissions (location based)	tCO <sub>2</sub> e
2024 Scope 2 GHG Emissions (market based)	tCO <sub>2</sub> e
2024 Scope 3 GHG Emissions (category 3)	tCO <sub>2</sub> e
2024 Scope 3 GHG Emissions (category 6)	tCO <sub>2</sub> e
2024 Scope 3 GHG Emissions (category 7)	tCO <sub>2</sub> e
<b>Carbon Credits</b>	
Total carbon credits purchased and retired in 2024	tCO <sub>2</sub> e
<b>Charitable Donations</b>	
Total amount of charitable donations in 2024	£
<b>Diversity and inclusion (UK only)</b>	
Female representation by level	%
Breakdown of ethnic minority representation	%

## Our work

### Professional standards applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and, in respect of the greenhouse gas (GHG) emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board.

### Our independence and quality control

We have complied with the Institute of Chartered Accountants in England and Wales Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code).

We apply International Standard on Quality Management (UK) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Summary of work performed

We performed a limited assurance engagement. Because the level of assurance obtained in a limited assurance can vary, we give more detail about the procedures performed, so that the intended users of the Subject Matter Information can understand the nature, timing and extent of procedures we performed as context for our conclusion. These procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



# Independent Limited Assurance Report to the Members of Lloyd's of London (Lloyd's) on selected Sustainability Metrics continued

In performing our assurance procedures, which were based on our professional judgement, we performed the following:

- evaluated the suitability in the circumstances of Lloyd's use of the Reporting Criteria as the basis for preparing the Subject Matter Information including the associated reporting boundaries;
- through inquiries, obtained an understanding of Lloyd's control environment, processes and systems relevant to the preparation of the Subject Matter Information. Our procedures did not include evaluating the suitability of design, obtaining evidence about their implementation or testing operating effectiveness of particular control activities;
- evaluated whether Lloyd's methods for developing estimates are appropriate and had been consistently applied, noting that our procedures did not involve testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Lloyd's estimates;
- compared year on year movements and obtained explanations from management for significant differences we identified;
- performed limited substantive testing of the Subject Matter Information, which is aggregated from information submitted by Lloyd's. Testing involved agreeing arithmetical accuracy of calculations, and agreeing data points to or from source information to check that the underlying subject matter had been appropriately evaluated or measured, recorded, collated and reported; and
- evaluated the disclosures in, and overall presentation of, the Subject Matter Information.

## Materiality

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Subject Matter Information is likely to arise. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our procedures in support of our conclusion. We believe that it is important that the intended users have the information they need to understand the concept and the level of materiality to place our conclusion in context. Based on our professional judgement, we determined materiality for the Subject Matter Information as follows:

### Overall materiality

Materiality may differ depending upon the nature of the Subject Matter Information. We apply professional judgement to consider the most appropriate materiality benchmark for each aspect of the Subject Matter Information, having considered how the intended users may use the information.

A benchmark materiality of 5% has been applied for each subject matter information in the above table.

We also agreed to report to the Directors misstatements ("reportable misstatements") identified during our work at a level below overall materiality, as well as misstatements below that lower level that in our view warranted reporting for qualitative reasons. The Directors are responsible for deciding whether adjustments should be made to the Subject Matter Information in respect of those items.

## Areas of Assurance Focus

The Areas of Assurance Focus are those areas of our work that, in our professional judgement, require additional procedures. In the case of limited assurance, that means our procedures may be towards the upper end of those that might be expected for limited assurance. These areas were identified as part of our risk assessment and result of the assurance procedures performed, and include those areas of significant risk, areas that involved significant judgement or other areas where significant assurance effort was needed. This approach provides transparency about where we deemed it necessary to perform extra work. However, this does not imply – for limited assurance – the same level of assurance as would have been obtained under a reasonable assurance engagement.

We have determined that there are no areas of assurance focus to communicate in our report.

## Challenges of non-financial information

The absence of a significant body of established practice upon which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities, and over time.

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for measuring or evaluating it. The precision of different measurement techniques may also vary.

# Independent Limited Assurance Report to the Members of Lloyd's of London (Lloyd's) on selected Sustainability Metrics continued

## Reporting on other information

The other information comprises all of the information in the Report other than the Subject Matter Information and our assurance report. The Directors are responsible for the other information. As explained above, our conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

## Responsibilities of the Directors

As explained in the Directors' statement on page 39 of the Report, the Directors of Lloyd's are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying subject matter;
- ensuring that those criteria are relevant and appropriate to Lloyd's and the intended users of the Report;
- the preparation of the Subject Matter Information in accordance with the Reporting Criteria including designing, implementing and maintaining systems, processes and internal controls over the evaluation or measurement of the underlying subject matter to result in Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- documenting and retaining underlying data and records to support the Subject Matter Information;
- producing the Report that provides a balanced reflection of Lloyd's performance in this area and discloses, with supporting rationale, matters relevant to the intended users of the Report; and
- producing a statement of Directors' responsibility.

## Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Lloyd's.

## Use of our report

Our report, including our conclusion, has been prepared solely for the Directors of Lloyd's in accordance with the agreement between us dated 9<sup>th</sup> December 2024 (the "agreement") and the amendments included in the variation letter 14<sup>th</sup> March 2025. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Board of Directors and Lloyd's for our work or our report except where terms are expressly agreed between us in writing.

*Pricewaterhouse Coopers LLP*

**PricewaterhouseCoopers LLP**

Chartered Accountants  
7 More London Riverside  
London  
SE12RT

19<sup>th</sup> March 2025

# Reporting criteria

## Overview

Lloyd's is the world's leading insurance reinsurance marketplace. The Lloyd's market provides risk solutions and insights for customers of all sizes in all corners of the world. The insurance written at Lloyd's is brought by Brokers and Coverholders. Managing agents oversee Syndicates who price and underwrite the risk. Sat behind the market is the Society of Lloyd's, often referred to as the 'Corporation'. The Corporation is not itself an insurance company, but an independent organisation which protects and maintains the market's reputation as well as providing services, research and reports. Lloyd's also provides a common financial security and strong ratings through our capital structure, often referred to as the 'chain of security', which sits behind and protects all insurance policies written at Lloyd's. For the purpose of our reporting, when we refer to "Lloyd's" we are referring to the Corporation and the tools and assets for which the Corporation has operational control. Lloyd's sustainability reporting sets out how we are building a more sustainable, resilient and inclusive society in line with the United Nations Sustainable Development Goals (SDGs). This document sets out the principles, definitions, scope and methodology for selected data points within Lloyd's Sustainability Report 2024, subject to limited assurance by PwC.

## General reporting principles:

Lloyd's sustainability report looks to show the action taken from Lloyd's sustainability strategy and governance, including committees and senior leadership. These responsibilities start with the Council of Lloyd's. Under the Lloyd's Act 1982, the Council undertakes the management and superintendence of the affairs of the Society and has the power to regulate and direct the business of insurance at Lloyd's.

## Frameworks and standards: ClimateWise, TCFD, CFD, UN SDGs, UN Global Compact, SECR, GHG Protocol

Lloyd's continues to be led by the Sustainable Development Goals (SDGs) which enable us to assess the impact we have on the world. We align our progress to the SDGs throughout this report, and we also disclose against two other frameworks to monitor Lloyd's progress and report on our sustainability journey: ClimateWise and the United Nations (UN) Global Compact Report. In addition, we use the Task Force for Climate-related Disclosures (TCFD) framework under the UK Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CFD) to report progress against our climate risks and opportunities. Our greenhouse gas (GHG) emissions are calculated and reported in line with the GHG Protocol and the UK Government's Streamlined Energy and Carbon Reporting (SECR) requirements.

## Organisational boundaries

The report includes legal entities controlled by the Corporation. For greenhouse gas (GHG) emissions this covers all legal entities and sites for which the Corporation has operational control – this includes all office locations and data centres where the Corporation has management control of energy ownership and usage. These locations exclude "representative offices" where employees of the Corporation work in physical sites that are outside of the operational control of the Corporation. The reporting does not cover the Lloyd's marketplace or any of its participants. These are separate entities which have their own strategies, over which the Corporation has no operational control.

## Restatement criteria

Certain criteria may arise whereby amendments or a restatement of figures are required. Amendments or restatements of figures will occur when certain situations are met, such as: where errors have been discovered in the calculation or statement of figures that create a discrepancy of over 5%; this is across all reported metrics. This applies to changes in methodology too, for example, for our culture metrics, a change in methodology, such as re-classification of leadership, would lead to a restatement of figures.

## Currency

All assured figures referenced within the report are in GBP. Local currencies have been converted to GBP using the conversion rate on the date of transaction. Non-assured figures are reported in the local currency.

## Employees as at 31 December 2024

For the purpose of this document, the term employee includes all:

- Permanent full and part time staff; and
- Temporary staff and contractors employed directly by Lloyd's



## Reporting criteria continued

### Key sustainability metrics

As part of the scope of this document, Lloyd's has considered the following metrics across four key areas:

The metrics for which we have sought limited assurance include:

#### Emissions accounting: Lloyd's 2024 greenhouse gas (GHG) emissions

- Scope 1 emissions in 2024 (tCO<sub>2</sub>e)
- Scope 2 emissions in 2024 (tCO<sub>2</sub>e)
- Total of selected Scope 3 emissions (categories 3, 6 and 7) in 2024 (tCO<sub>2</sub>e)

#### Charitable giving: Lloyd's charitable giving metrics

- Total amount of charitable donations in 2024 (£)

#### Carbon credits: Lloyd's 2024 carbon credits

- Total carbon credits purchased and retired in 2025 to cover 2024 emissions (tCO<sub>2</sub>e)

#### Culture metrics: Lloyd's Corporation (UK) 2024 culture statistics

- Female representation by level (%)
- Breakdown of ethnic minority representation (%)

## Reporting criteria continued

### Emissions accounting (Scope 1 and 2)

	2024 Scope 1 GHG Emissions	2024 Scope 2 GHG Emissions (location and market based)
<b>Definition</b>	Total quantity of direct GHG emissions from Lloyd's operations, Scope 1 covers emissions from assets owned or controlled by Lloyd's. This includes natural gas and gas oil. Emissions included are from CO <sub>2</sub> , N <sub>2</sub> O and CH <sub>4</sub> . Emissions from HFCs, PFCs, SF6 and biogenic activities are not applicable to Lloyd's operations and so are not reported.	Total quantity of indirect GHG emissions from Lloyd's purchased energy on both a location and market basis. Emissions included are from CO <sub>2</sub> , N <sub>2</sub> O and CH <sub>4</sub> . Emissions from HFCs, PFCs, SF6 and biogenic activities are not applicable to Lloyd's operations and so are not reported.
<b>Scope</b>	This is reported from the period of 1 January – 31 December 2024, covering Scope 1 and 2 GHG emissions. For some international legal entities and sites for which Lloyd's has operational control – this includes all office locations whether owned or rented globally – the period of reporting is 1 January – 31 December 2024, but November 2023 – 31 October 2024 data is used to estimate.	
<b>Units</b>	CO <sub>2</sub> e Tonnes (tCO <sub>2</sub> e)	
<b>Methodology</b>	The methodology used to compile our (Greenhouse Gas) GHG emissions inventory is in accordance with the requirements of the following standards: the World Resources Institute (WRI) & World Business Council Sustainable Development (WBCSD) GHG Protocol Corporate Standard (revised version) and Defra's Environmental Reporting Guidelines including Streamlined Energy and Carbon Reporting requirements (March 2019).	
<b>Calculation and reporting</b>	For gas, invoices are collected directly from our suppliers which state our gas consumption in kWh. Where invoices are not available for a given month, we have taken the average of the months either side. We then apply emissions factors from Defra's Environmental Reporting requirements to convert this to tCO <sub>2</sub> e. For our London site we source biogas, which emits fewer GHG emissions than natural gas, however, as the GHG Protocol does not yet provide definitive guidance on accounting for emissions from biogas, we report as if natural gas has been used for our Scope 1. For our Frankfurt site, emissions from natural gas are estimated using actual data from the previous reporting year due to a delay in getting this information from the building landlord. Both UK sites also have diesel generators, and usage is estimated using a fuel-based methodology based on tank top-ups throughout the year, and approximate fuel usage from monthly on-load tests and weekly off-load tests. 99% of our calculated Scope 1 emissions are from actual data.	Our Scope 2 includes electricity, we collect invoices or meter readings direct from our offices which state their electricity consumption in kWh. We then apply emissions factors from Defra's Environmental Reporting requirements to convert this to tCO <sub>2</sub> e. Where actual data is not available, estimations are calculated based on the office floor area, with the appropriate emissions factor for the country from the International Energy Agency (IEA). 98% of our calculated Scope 2 emissions across the UK and globally are from actual data. The 2% estimated come from electricity consumption of international offices where meter readings/ invoices are not available. Our electricity is reported on location- and market-based totals. Location-based emissions calculate the emissions from electricity use based on the average emission intensity of the power grid. Market-based emissions calculate emissions from the electricity use factoring in the electricity the company has purchased. For our European offices, we use the Association of Issuing Bodies (AIB) European Residual Mix emissions factors to calculate market-based emissions. As we source 100% of electricity for our London and Chatham office from renewable sources with zero GHG emissions, our Scope 2 market-based emissions in the UK are zero.
<b>Source</b>	We use invoices direct from our suppliers, meter readings and estimates based on tank levels to calculate our Scope 1 GHG emissions.	We use data direct from meter readings to calculate our Scope 2 GHG emissions. Where direct data is not available, particularly in the case of our overseas offices, estimations are used. Where data exists but it is incomplete, extrapolations are calculated and then annualised across the calendar year.

## Reporting criteria continued

### Emissions accounting (Scope 3)

	2024 Scope 3 – Category 3 GHG Emissions	2024 Scope 3 – Category 6 GHG Emissions	2024 Scope 3 – Category 7 GHG Emissions
<b>Definition</b>	Total quantity of indirect emissions (not included in Scope 1 and 2) Scope 3 emissions covering category 3 of the GHG Protocol. This covers: <ul style="list-style-type: none"> <li>Category 3: Fuel- and energy- related activities (not included in Scope 1 or Scope 2) – extraction, production, and transportation of fuels and energy purchased or acquired by the Corporation in the reporting year, not already accounted for in Scope 1 or Scope 2.</li> </ul>	Total quantity of indirect emissions Scope 3 emissions covering Category 6 of the GHG Protocol. This covers: <ul style="list-style-type: none"> <li>Category 6: Business travel – Transportation and hotel stays of employees for business-related activities during the reporting year (in vehicles not owned or operated by the Corporation).</li> </ul>	Total quantity of indirect emissions Scope 3 emissions covering Category 7 of the GHG Protocol. This covers: <ul style="list-style-type: none"> <li>Category 7: Employee commuting – Transportation of employees between their homes and their worksites, and remote working.</li> </ul>
<b>Scope</b>	This is reported for the period 1 January – 31 December 2024 covering Transmission & Distribution (T&D) emissions for Scope 2.	This is reported for the period 1 January – 31 December 2024 – covering all air, rail, taxi and coach transport and hotel accommodation.	This is reported for the period 1 January – 31 December 2024 – covering all employee commuting and homeworking.
<b>Units</b>	CO <sub>2</sub> e Tonnes (tCO <sub>2</sub> e)		
<b>Methodology</b>	The methodology used to compile our (Greenhouse Gas) GHG emissions inventory is in accordance with the requirements of the following standards: the WRI and WBCSD GHG Protocol Corporate Standard (revised version) and Defra's Environmental Reporting Guidelines including Streamlined Energy and Carbon Reporting requirements (March 2019).		
<b>Calculation and reporting</b>	Our Scope 3 category 3 includes electricity, we collect invoices or metre readings direct from our offices which state their electricity consumption in kWh. Using the average-data method, we then apply emissions factors from Defra's Environmental Reporting requirements and the International Energy Agency (IEA) to convert this to tCO <sub>2</sub> e. Where actual data is not available, estimations are calculated based on the office floor area, with the appropriate emissions factor for the country from the International Energy Agency (IEA).	For travel booked directly through our travel partner, a distance-based approach is adopted using mode of transport, distance to destination and class travelled for rail and air travel. Data is collected directly from airlines and rail providers for distance to destination and converted from the km to tCO <sub>2</sub> e using the Defra and EEIO emission factors. Hotel bookings are also made through our third-party travel provider, and emissions are calculated using room per night and the Defra emission factor. For travel booked outside of our travel partner through personal expenses, we do not have the distance, class of travel or date of travel data we collect through our travel partner, so we use a spend-based methodology to estimate the emissions related to these expenses. Data on our ledger also includes bookings made through our third-party travel provider. To minimise double counting, the ledger is treated as the total spend associated with travel bookings per business cost centre and travel method. The distance based factors from our travel provider data are converted to a spend based emissions factor and used to extrapolate total travel emissions across the ledger. This estimation has been calculated in line with GHG Protocol for estimation of emissions where there is an absence of more granular data, however, it is recognised that there are limitations with this approach.	Employee commuting emissions are calculated using a distance-based methodology using results from an employee commuting survey that provides data on employee office location, transport mode, distance, and frequency (per week). The results of the employee commuting survey are extrapolated to account for the total FTE count as at 31 December and the number of working days. For employee commuting, the distance travelled for each mode of transport provided by Lloyd's is multiplied by the relevant Defra emission factors to calculate total tCO <sub>2</sub> e. For working from home, consumption of electricity, natural gas and other fuels used in lighting, heating, cooling and power are accounted for and extrapolated, and multiplied by the relevant Defra emissions factors to calculate total tCO <sub>2</sub> e. Defra factors are used for all overseas offices in addition to our UK offices due to a limitation in available emissions factors for overseas employee commuting.



## Reporting criteria continued

### Emissions accounting (Scope 3) continued

	2024 Scope 3 – Category 3 GHG Emissions	2024 Scope 3 – Category 6 GHG Emissions	2024 Scope 3 – Category 7 GHG Emissions
<b>Source</b>	<p>We use invoices direct from our suppliers to calculate our Scope 3 Category 3 GHG emissions. Where direct data is not available, particularly in the case of our overseas offices, estimations are used. Where data exists but it is incomplete, extrapolations are calculated and then annualised across the calendar year.</p>	<p>We use two sources of data to calculate our business travel related GHG emissions. The first, is data provided directly to us from our third-party travel partner. This includes:</p> <ul style="list-style-type: none"> <li>• Mode of transport</li> <li>• Distance to destination (distances are calculated between airports using the great circle distance methodology)</li> <li>• Date Class travelled</li> </ul> <p>The remaining data is obtained from employee expenses recorded in our ledger, accounting for duplicate entries with third-party travel provider bookings.</p>	<p>We use data obtained from our employee commuting survey which includes the distance travelled for employee commuting in miles or km, and the number of home working hours for working from home. In 2024, we have a 16% response rate to our survey which was extrapolated to the rest of the population. We have made the assumption that unless stated otherwise, employees who did not answer the survey have similar commuting and working from home habits as those who did respond.</p>
<p>Our total Scope 3 emissions are made up of several sub-categories: Category 1 – Purchased goods and services, paper and waste use only (10 tCO<sub>2</sub>e); Category 3 – Fuel and energy related activity not already included in Scope 2 (233 tCO<sub>2</sub>e); Category 5 – Waste generated in operations (waste and wastewater) (25 tCO<sub>2</sub>e); Category 6 – Business travel, including flights, domestic and international rail travel, hotel accommodation made through our third-party travel partner (3,349 tCO<sub>2</sub>e); Category 7 – Employee commuting (682 tCO<sub>2</sub>e). 30% of our calculated Scope 3 emissions across the UK and globally are from actual data. The 70% of estimated data largely comes from the treatment of employee expenses on the ledger with respect to business travel, and collecting data on employee commuting and working from home and extrapolating this to the entire workforce.</p>			

## Reporting criteria continued

### Carbon credits

#### Total carbon credits purchased and retired 2024

<b>Definition</b>	One tradable carbon credit equals one tonne of carbon dioxide or the equivalent amount of a different greenhouse gas reduced, sequestered or avoided. When a credit is used to reduce, sequester, or avoid emissions, it becomes an offset and is no longer tradable.
<b>Scope</b>	This is reported for the period 1 January – 20 March 2025, covering all purchased and retired carbon credits to cover emissions from the reporting period 1 January – 31 December 2024.
<b>Units</b>	CO <sub>2</sub> e Tonnes (tCO <sub>2</sub> e)
<b>Calculation and reporting methodology</b>	Carbon credits are purchased following the finalisation of the reported FY2024 Scope 1, 2 and 3 emissions. Suitable projects are selected by the Sustainability and Investment teams to align with the Corporation's interests and investment appetite and are approved by the relevant executive committee members. Lloyd's engages with a third-party to broker and execute the trades on our behalf and once completed, all credits are retired with immediate effect. Lloyd's has retained a record of the trade certificates for each project, and the subsequent retirement certificates.

### Charitable giving

#### Total amounts of charitable donations 2024

<b>Definition</b>	The total amounts of charitable donations represents all funds donated by the Corporation and Lloyd's of London Foundation. The Foundation is comprised of four individual charities: Lloyd's of London Foundation (formerly Lloyd's Charities Trust), Lloyd's Patriotic Fund, Lloyd's Benevolent Fund, Lloyd's Tercentenary Research Foundation.
<b>Scope</b>	Charitable donations by the Lloyd's of London Foundation, Lloyd's Patriotic Fund, Lloyd's Benevolent Fund and Lloyd's Tercentenary Research Foundation are approved at trustee meetings, with approval given during or subsequent to the meeting. The figures disclosed cover charitable donations which have been paid within the calendar year 1 January 2024 – 31 December 2024. Screening is undertaken on the charity receiving the donation, including through Lloyd's Financial Crime and Compliance due diligence process.
<b>Units</b>	GBP / USD (Lloyd's Tercentenary Research Foundation only with conversion of 0.7477 on 27 September 2024 when transaction took place)
<b>Calculation and reporting methodology</b>	<p>The total amounts of charitable donations represents the sum of donations across the three Lloyd's charities and by the Corporation. 'Charitable donation' constitutes:</p> <ul style="list-style-type: none"> <li>• Donations made by the Lloyd's of London Foundation, Lloyd's Patriotic Fund, Lloyd's Benevolent Fund and Lloyd's Tercentenary Research Foundation</li> <li>• Direct donations to Lloyd's charity partners by the Corporation</li> <li>• Matched fundraising by Corporation employees, including through payroll giving</li> <li>• Covered catering costs for charity events</li> <li>• University bursaries. It does not include an attributable cost of hours volunteered by Corporation or the market employees.</li> </ul>

## Reporting criteria continued

### Culture data

	2024 female representation of leadership positions	2024 ethnic minority representation
<b>Definition</b>	For the purpose of this report, the term leadership position includes members of Council, Executive Committee, Lloyd's Employee Leadership Group (ELG) and those who report to a member of the Executive Committee – without double counting where there is crossover between these employment types.	For the purpose of this report, the term employee includes all: permanent full and part time employees; and temporary employees and contractors employed directly by Lloyd's.  Ethnic minority is defined as any ethnicity other than White, including but not limited to: Black, Asian, Mixed, Other etc.
<b>Scope</b>	This percentage is calculated based on headcount as at 31 December 2024. Employment level: Council Executive Committee ELG (Executive Leadership Group) Gender: Female.	This percentage calculation based on headcount as at 31 December 2024. Ethnicity: White Black Asian Mixed Other Prefer not to say
<b>Units</b>		Percentage
<b>Calculation and reporting methodology</b>	Calculations are based on the number of positions within a set employment level, occupied by someone who identifies as female over the total number of positions within that level. The percentage of female representation in leaderships positions is then able to be calculated by calculating the percentage of those who identify as female across the Council, Executive Committee and Executive Leadership Group (ELG). The calculations are based on headcount as at 31 December 2024.	96% of Lloyd's employees have disclosed their ethnicity data (including those who have stated 'prefer not to say'). Ethnicity by percentage is calculated, by totalling the number of employees by each ethnicity and dividing by the total number of employees. This percentage is for UK based employees only.
<b>Source</b>	Data is sourced from the Global HR system for all employees.	



# Glossary

Term	Definition
<b>Battery energy storage solutions (BESS)</b>	A collection of large batteries within a container, that can store and discharge electrical energy upon request.
<b>Carbon capture and storage (CCS)</b>	A suite of technologies that enable the mitigation of carbon dioxide emissions from large point sources such as power plants, refineries and other industrial facilities, or the removal of existing carbon dioxide from the atmosphere.
<b>Carbon credits</b>	One tradable carbon credit equals one tonne of carbon dioxide or the equivalent amount of a different greenhouse gas reduced, sequestered or avoided. When a credit is used to reduce, sequester, or avoid emissions, it becomes an offset and is no longer tradable.
<b>Carbon footprint</b>	The greenhouse gas emissions (carbon equivalent) from an individual or organisation.
<b>Carbon neutral</b>	'Carbon neutral' companies achieve net zero carbon emissions. That means the given company offsets the amount of carbon it produces by removing carbon emissions elsewhere or purchasing carbon credits.
<b>Carbon offset</b>	By purchasing credits or using carbon trading schemes, carbon emissions are reduced once the certificates for the offsets are retired.
<b>Carbon sequestration</b>	A natural or artificial process by which carbon dioxide is removed from the atmosphere and held in solid or liquid form.
<b>Climate-related Financial Disclosures (CFD)</b>	A mandatory disclosure requirement under the UK Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022. Disclosures are based on the TCFD framework.
<b>Climate Biennial Exploratory Scenario (CBES)</b>	Find out more here: <a href="https://www.bankofengland.co.uk/stress-testing/2022/results-of-the-2021-climate-biennial-exploratory-scenario">https://www.bankofengland.co.uk/stress-testing/2022/results-of-the-2021-climate-biennial-exploratory-scenario</a>
<b>ClimateWise</b>	Find out more here: <a href="https://www.cisl.cam.ac.uk/business-action/sustainable-finance/climatewise">https://www.cisl.cam.ac.uk/business-action/sustainable-finance/climatewise</a>
<b>Dive-In</b>	Dive-In is an international festival for diversity and inclusion in insurance. Find out more here: <a href="https://www.lloyds.com/about-lloyds/culture/lloyds-market/diversity-and-inclusion/market-engagement/dive-in">https://www.lloyds.com/about-lloyds/culture/lloyds-market/diversity-and-inclusion/market-engagement/dive-in</a>
<b>Emissions accounting</b>	A framework to measure and monitor the greenhouse gas emissions an organisation emits across three scopes of emissions.
<b>Environmental, social and governance (ESG)</b>	A framework that helps stakeholders understand how an organisation is managing risks and opportunities related to environmental, social and governance criteria.

Term	Definition
<b>Greenhouse gas (GHG)</b>	A gas that contributes to the greenhouse effect by absorbing infrared radiation.
<b>Greenhouse Gas (GHG) Protocol</b>	Find out more here: <a href="https://ghgprotocol.org/">https://ghgprotocol.org/</a>
<b>Gross Written Premium (GWP)</b>	The total premium an insurer writes during a specific period of time before deductions for expenses.
<b>Lloyd's Central Fund</b>	Established for the protection of policyholders in the event of a member being unable to meet their underwriting liabilities. Financed by contributors from all active members based on their premium limits and administered by Lloyd's.
<b>Lloyd's Chain of Security</b>	Lloyd's unique capital structure that provides the financial strength that backs all insurance policies written at Lloyd's and the common security that underpins the market's strong ratings and global licence network. There are three "links" in the chain: syndicate assets, funds at Lloyd's and central assets.
<b>Lloyd's Impact Bond Fund (LIBF)</b>	An internally managed bond portfolio consisting of sustainability-focused bonds.
<b>Lloyd's investment platform</b>	A solution to improve the competitiveness of the Lloyd's market by making it easier to generate risk-adjusted investment returns on capital held at Lloyd's.
<b>Lloyd's Patriotic Fund (LPF)</b>	A military charity supporting the armed forces community on behalf of the Lloyd's market.
<b>Location-based emissions</b>	The average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).
<b>London Market Association (LMA)</b>	A body formed of managing agents that represents their interests to organisations such as governments, regulators, and the market's central supporting body – the Corporation of Lloyd's.
<b>Market-based emissions</b>	The emissions from electricity that companies have purposefully chosen. Emission factors are derived from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.
<b>Net Zero</b>	Where global greenhouse gas emissions from human activity are in balance with emissions reductions. At net zero, carbon dioxide emissions are still generated, but an equal amount of carbon dioxide is removed from the atmosphere as is released into it.
<b>Operational emissions</b>	The emissions released during the in-use operation of a building.

## Glossary continued

Term	Definition
<b>Partnership for Carbon Accounting Financials (PCAF)</b>	Find out more here: <a href="https://carbonaccountingfinancials.com/en/standard">https://carbonaccountingfinancials.com/en/standard</a>
<b>Physical risk</b>	The potential for physical damage and financial losses to occur because of increased exposure to climate hazards.
<b>Proof of concept (POC)</b>	The gathering of evidence to support the feasibility of a project.
<b>Responsible investment (RI)</b>	Responsible investment involves considering environmental, social and governance issues when making investment decisions and influencing companies or assets.
<b>Scope 1 emissions</b>	Direct emissions from sources owned or controlled by a company.
<b>Scope 2 emissions</b>	Indirect emissions from purchased electricity, steam, heat, and cooling.
<b>Scope 3 emissions</b>	All other emissions associated with a company's activities across its upstream and downstream supply chain.
<b>Streamlined Energy and Carbon Reporting (SECR)</b>	Find out more here: <a href="https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance">https://www.gov.uk/government/publications/environmental-reporting-guidelines-including-mandatory-greenhouse-gas-emissions-reporting-guidance</a>
<b>Sustainable Development Goals (SDGs)</b>	The United Nations 17 Sustainable Development Goals, used as a framework for prosperity for people and planet, now and in the future. Find out more about the 17 goals here: <a href="https://sdgs.un.org/goals">https://sdgs.un.org/goals</a>

Term	Definition
<b>Sustainable Markets Initiative (SMI)</b>	A global private sector organisation on sustainable transition with the power to convene top organisations from industry and the financial services, alongside governments.
<b>Task Force on Climate-related Financial Disclosures (TCFD)</b>	A global organisation formed to develop a framework for climate-related disclosures that companies and financial institutions can use to better inform investors, shareholders and the public of their climate-related financial risks.
<b>Transition risk</b>	Transition risks result from the relative uncertainty created by the global shift to a more sustainable, net zero economy and the associated policy and technology changes.
<b>Transition TCX</b>	Transition TCX is a syndicate class of business that syndicates can use to write up to an additional 5% of syndicate business forecast GWP of transition business.
<b>UN Capital Development Fund (UNCDF)</b>	Find out more here: <a href="https://www.uncdf.org/">https://www.uncdf.org/</a>
<b>UN Principles for Sustainable Insurance (PSI)</b>	Find out more here: <a href="https://www.unepfi.org/insurance/insurance/">https://www.unepfi.org/insurance/insurance/</a>
<b>Voluntary carbon market</b>	Enables private investors, governments, non-governmental organisations, and businesses to voluntarily purchase carbon credits to offset their emissions.

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