

A large white wind turbine blade is being transported on a flatbed train car. The blade is positioned horizontally, supported by a metal frame. The train is moving along tracks in a desert-like environment. The sky is filled with clouds, and the sun is setting, creating a warm, golden glow. The overall scene conveys a sense of sustainable energy and infrastructure.

Environmental, Social and Governance Report 2021

Building a more resilient,
sustainable and inclusive
insurance market and society



“We were delighted to appoint Mark Lomas as our new Head of Culture for the Lloyd’s Corporation. His energy and ideas will help power us to become a more inclusive and high performing organisation.

We know the way we show up as leaders has a big impact on the culture of our workplaces – so we’re committing to act, think and hire inclusively to help build a culture we all want to be a part of.”

Sara Gomez
People Director, Lloyd’s

Introduction: ‘Building a more inclusive culture’

Mark Lomas, Head of Culture

We know culture plays a huge role in helping people to thrive, engage and perform. It’s a key driver of both organisational success, and societal outcomes.



That’s why culture is one of our four strategic pillars at Lloyd’s; we know the standards we set for ourselves and our market determine people’s experience of both the workplace and the societies we live in. We want Lloyd’s to be inclusive by design, so talented individuals from all backgrounds can see a place for themselves in our industry.

Again, driving real change starts by considering **our own impact**. The Lloyd’s Corporation employs around 2,000 people, working to help our market run smoothly, so shifting the dial on culture starts with how we treat and support our people.

In 2021, the Corporation continued to set, drive and report against targets for representation and pay gaps on both gender and ethnicity. Encouragingly, these measures all showed positive movement towards a more representative and equitable organisation.

We also have an important role in overseeing **our market’s culture**, working with brokers and insurers to develop their own culture plans while setting and enforcing behavioural standards across the market. In 2021, this saw us announce targeted hiring ambitions across our market for Black and Minority Ethnic minorities (one in three new hires) and women (35% in leadership positions by the end of 2023). These goals, alongside our market surveys to gather and respond to feedback, will help drive action in the long term.

But we also showed our willingness to take immediate action where needed – as we did earlier this year in issuing a record £1m fine to a syndicate for a case of misconduct in the market. We have been clear that we will tackle inappropriate behaviour in our market, whenever or wherever it takes place.

Finally, we know that our market does not exist in a bubble; the culture we create and the causes we champion have a knock on effect on **broader society**. It’s why we worked to improve social mobility in 2021, knowing socio-economic background is a key determinant of outcomes. This theme runs through our charitable giving (see ‘Creating Opportunities, p.49) as well as our approach to recruitment and development (see Social Mobility Indicators, p.36). In 2021 we were pleased to be recognised in the Top 75 employers on the Social Mobility Foundation’s Employer Index.

It’s also why we have continued to research and reflect on our history, knowing the events of the past continue to shape our systems and societies today. Our dedicated archivist was appointed in 2021, and in March 2022 we announced a collaboration with Black Beyond Data, from Johns Hopkins University, to create educational resources and a digital platform to bring our archives to life. We have committed to make our findings publicly available and look forward to engaging with a spectrum of voices and views on this important work.

So it was a busy year – but the commitments and plans we’ve announced position us to continue building a more inclusive and high performing Corporation, market and society in the years to come.

Our own culture

We are committed to building an inclusive and high performing culture across the Corporation – knowing it's only by embedding good culture ourselves that we can support the market and society in doing the same. We want Lloyd's to be a place people feel welcome and want to work.

As well as the social benefits of having this right culture, it will also enable us to be the destination of choice for global talent, attracting the right skills and enabling innovation for us to progress as a Corporation and as a marketplace.

We continue to adapt our culture to ensure we stay at the front of the pack. Having started by focusing on defined aspirations and measurement of where we started, we are now focusing on embedding our culture principles and ensuring an inclusive approach for all diverse groups based on our data, insights and engagement forums.

In 2021, we delivered a number of activities to help progress our ambition to create a braver, more inclusive and high performing culture at Lloyd's.

Our culture priorities

We organise our internal culture work in four themes covering the following:

- Leadership Capability
- Wellbeing
- Values and Employee engagement
- Diversity and Inclusion

In practice, this means:

- Developing our leadership capability and making sure we have a best in class leadership development model, informed by open conversations and feedback, and fit-for-purpose development programmes to drive growth in our current and future leaders

- Having values and engagement across the corporation to ensure staff stay and thrive in their roles at Lloyd's. We do this through:
 - Employee engagement survey
 - Pulse surveys
 - Employee change forums
 - Employee resource groups
 - Embedded leadership capability
- Ensure we have a feedback loop from our past and current culture so that we can face issues head-on and learn from these. As a 336 year old business, we know that we don't always get it right, and in 2021 we created a new archivist role to understand Lloyd's history, including our historical links to slavery, and how we can ensure we continue to learn and progress as a result of this

Diversity & Inclusion

We know that diverse organisations perform better, and are better able to provide products and services that are representative of the diverse customers they serve.

At Lloyd's, ensuring we attract and retain the best staff for each role – while enabling colleagues to bring their whole selves to work – is a core part of our culture work.

In practice, this includes:

- A long-term Diversity and Inclusion (D&I) development model that allows us to engage with our current state and measure maturity as we evolve as well as innovate to get to a global, exemplar status

- Embedding D&I across the whole of the Corporation, making sure we have the right:
 - People practices
 - Inclusive procurement and supplier diversity
 - Access and accessibility
 - Communication, events and community engagement
 - Global approaches and practices
 - Data and insights engagement
- Setting up and engaging with dedicated employee forums, which at Lloyd's includes:
 - Groups: D&I Networks focussed on engaging staff around D&I
 - Employee Change Forums: Providing consultation input and embedding engagement
 - Insurance Inclusion & Diversity Forum (IIDF): Engagement Forum on D&I matters
 - Social Mobility Working Group: An engagement forum on Social Mobility Matters
 - Inclusion@Lloyds: An engagement and consultation forum on Market relate D&I matters

Our progress in 2021

Over 2021 Lloyd's saw some positive progress against our D&I targets, with better reporting across the Corporation and improvements in key areas. However, it is clear we are not done yet, and continue to strive for improvement across all areas.

For the Corporation, we collected more data than ever before to help inform and monitor our progress in the coming years. Specifically, we started collecting UK social mobility data to provide greater insights alongside figures already monitored (covering age, disability, gender and sexual orientation).

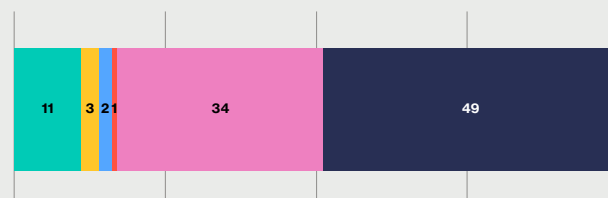
We saw some small improvements across these metrics in 2021, including an increase in Black and Ethnic Minority colleagues to 23% (from 17% in 2020). Good progress was also made on our path towards gender parity in leadership positions. Full details can be found in our [2021 Culture Dashboard](#).

This progress connects multiple inclusion initiatives across the Lloyd's Corporation, including training managers in inclusive hiring; widening the entry criteria for Lloyd's graduate programme; and the [Advance](#) and [Accelerate](#) development programmes for women and ethnic minority colleagues respectively.

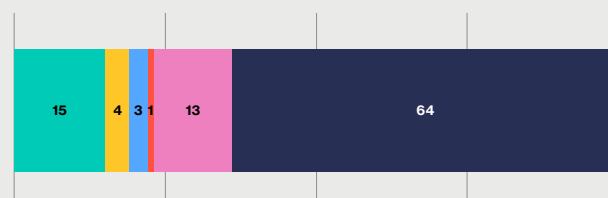
Corporation employees, contractors and sub-contractors based in London – including catering, security and cleaning staff – also benefit from Lloyd's commitment to paying [London Living Wage](#).

Lloyd's ethnicity split (UK)

% Corporation overall 2020



% Corporation overall 2021



Key:

- Asian/Asian British
- Black/African/Caribbean/Black British
- Mixed/Multiple ethnic Groups
- Other ethnic Group
- Prefer not to say
- White

Social Mobility in the Lloyd's Corporation

The Social Mobility Commission defines social mobility as the link between a person's occupation or income and the occupation or income of their parents. Social mobility is measured by a key question: 'What was the occupation of the main earner in your household at age 14 compared with current occupation?' Increasingly, organisations are looking at social mobility within their own workforces as a measure of inclusion.

The Social Mobility Foundation run an annual Social Mobility Index which ranks UK employers on the actions they are taking to recruit and develop people from all backgrounds, and how they promote and advocate for social mobility. The Corporation ranked 75 in the [Social Mobility Foundation's 2021 Social Mobility Index](#), up 10 points from the year before. A summary of the Social Mobility Index feedback is shown opposite and demonstrates progress in five out of seven categories. Strong performances were seen in four categories - Routes into Lloyd's; Recruitment Practises; Working with Young People; and Attraction. A working group has been set up with representatives from across the Corporation to drive forward an action plan to address the lower scores for Data Collection, Progression and Advocacy.



Pride and Allies Network

Throughout 2021 the Pride and Allies Network ran campaigns on how to stand against all types of discrimination as well as an awareness campaign profiling internal role models for LGBT History Month; Transgender Day of Visibility; Lesbian Visibility Day; and International Family Equality Day. They also ran three 'lunch and learn' sessions for employees with external presenters

Lunch and Learn Topic Areas

Presenter / Partner

Trans 101: The Trans and Non-Binary space in 50 mins

Global Butterflies

Impact of the Global Pandemic on LGBT+ Charities

Opening Doors and Galop

World AIDS Day: Positive Voices

Terrence Higgins Trust

In particular, the Trans and Non-Binary event was very well received and led to many employees adding pronouns to their signatures in support of trans and non-binary colleagues and customers.

"The Pride & Allies network continues to support LGBTQ+ colleagues and also develops allies and raises awareness of challenges the LGBTQ+ community faces through ongoing education. In 2019 we achieved Stonewall Top 100 Inclusive employers ranking and in 2020 were nominated in the Top 10 LGBT inclusive organisations at the British LGBT Awards. Our ongoing objectives are to make Lloyd's an inclusive workplace where LGBTQ+ talent can be themselves at work and achieve incredible things for the Corporation"

Adam Triggs, Senior Talent & Learning Manager and Chair of Pride & Allies

Culture data

Lloyd's Corporation gender split

Gender		2021
Global	Female	51%
	Male	49%
Leadership	Female	46%
	Male	59%

Lloyd's UK Corporation Ethnicity split

UK Corporation Ethnicity		2021
Black and Ethnic Minority Groups		23%
White		64%
Prefer not to say		13%

Corporation social mobility index scores 2021

Category	Decile	Year on Year
Working with Young People	7	n/c
Routes into the employer	8	+5
Attraction	10	+2
Recruitment and Selection	8	n/c
Data Collection	4	+3
Progression, culture and experienced hires	5	+4
Advocacy	5	+2

Lloyd's sexual orientation

Sexual orientation		2021
Global	LGBT+	2.24%
	Heterosexual / straight	60.45%
	Prefer not to say / no response	37.31%
UK	LGBT+	2.77%
	Heterosexual / straight	74.50%
	Prefer not to say / no response	22.73%

Lloyd's disability

Disability		2021
Global	Yes	1.6%
	No	98.4%
UK	Yes	2.0%
	No	98.0%

Colleague Wellbeing & Support

We support wellbeing at Lloyd's across four areas:

- Physical wellbeing
- Emotional wellbeing
- Social wellbeing
- Financial wellbeing

	Physical Wellbeing <ul style="list-style-type: none"> – Fitness challenges – Health webinars – Wellbeing walks
	Emotional Wellbeing <ul style="list-style-type: none"> – Webinars on mental health – Resilience training and interventions
	Social Wellbeing <ul style="list-style-type: none"> – Coffee mornings with Wellbeing champions – Increase membership in ERG's
	Financial Wellbeing <ul style="list-style-type: none"> – Coffee mornings with Wellbeing champions – Increase membership in ERG's

Across each of these areas we focus on embedding activities at the following stages:

Prevention

- Ensuring a good life work balance supported by flexibility and agility, and underpinned by market leading leave policies
- Ensuring appropriate work equipment regardless of role or any adjustments needed, both in the office and for at home set-ups
- A network of wellbeing champions in each team
- Access to appropriate tools and resources such as the Headspace app, resilience training workshops, and the remote working hub

Early intervention

- Providing access to immediate resources through Doctor@Hand, the Employee Assistance Programme and AXA Stronger Minds
- Mandatory touchpoints for all staff members to share any concerns, including training for people managers on how these should be used and implemented

Post intervention

- Occupational health assessments and a return to work action plan when returning to work after any long-term sickness
- Workplace adjustments and Assistive Technology Implementation

Market culture

Lloyd's is equally committed in ensuring that the market has the same diverse, inclusive and high-performing culture. As part of our reimagined oversight for 2022, we included culture principles for the first time to reiterate the importance of this as a core requirement for doing business at Lloyd's, including five principles under culture which we will assess all managing agents against.

Market oversight, our five Culture Principles:

1. Demonstrate leadership focus on fostering an inclusive, high-performance culture
2. Ensure behaviour expectations are clear and there is zero tolerance for inappropriate behaviour
3. Encourage speaking up, ensuring there are appropriate tools for employees to do so, and the tone is set from the top
4. Ensure diverse representation within their workforce and their leadership population. Be inclusive in how they hire and retain talent and ensure they reflect society and their customers
5. Understand their employee population, collect appropriate data and take action to create an inclusive employee experience

Market engagement and training

To support managing agents in developing their culture we complement these oversight principles with engagement and upskilling for the market.

Market and Oversight

Identify gaps in culture and assess performance



Engagement

Identifies how we increase capability and change culture based on feedback and engagement



Upskilling

Practical interventions, collaboration on products & continuous improvement

This engagement and upskilling takes many forms and, while we are willing to take direct action through the Lloyd's Enforcement Board (LEB) where required, our aim is that these avenues create the right conversations at the right levels to drive change.

Our key engagement and upskilling activities include:



HRD Forums: Ensuring HRD's are engaged with Lloyd's strategy, tools and annual plans



Dive In Festival: Raising awareness and engagement with D&I across the market



Inclusion@Lloyd's: A market wide engagement/consultation forum



Partner Networks: Six networks that support D&I insurance, GIN, iCAN, NGIN, Families, LINK, iDAWN which aim to raise awareness and engagement around D&I



Inclusion Insurance and Diversity Forum (IIDF): 60+ D&I leads across the market

Market measurement:

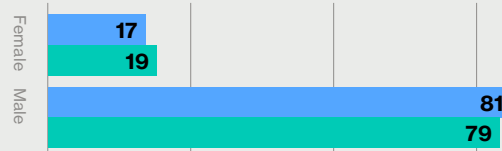
In addition to our engagement and upskilling, we will track progress in our market through the following:

- **Lloyd's Culture Survey:** The Lloyd's Culture Survey provides an annual snapshot of our market culture. It is sent to individuals across the market and used as part of our culture oversight process
- **Market Policies & Practices (MP&P) Survey:** The MP&P Survey measures the maturity of culture practices in order to understand how Lloyd's can best support the market
- **Lloyd's Culture Dashboard:** The [culture dashboard](#) draws data from the MP&P Survey and is used to measure progress against our short term market targets for ethnicity (our 1 in 3 hiring ambition for black and ethnic minorities, announced during 2021) and gender (35% women in leadership positions across the market by 31 December 2023)

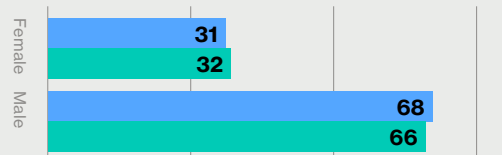
During 2021 we continued to make progress against our short-term targets, including improving against our 2020 commitment for 35% women in leadership positions by passing 30% (up from 29% in 2020). We also built on [our culture toolkit for the market](#) and are working with market participants to develop their own culture strategies and reporting.

Lloyd's Market Gender Split at Different Levels (as a %)

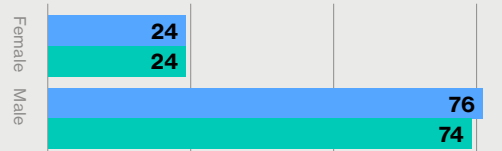
Board



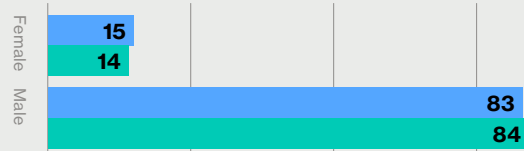
Direct Reports



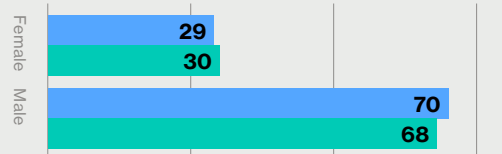
Executive Committee



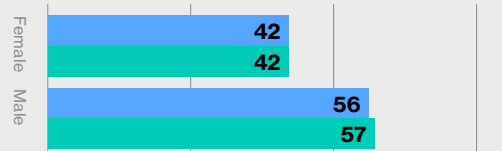
Executives serving on Board



Leadership



Total workforce



Key: ■ 2020 ■ 2021

Beyond Lloyd's

We know the decisions we make – the way we build our organisation and our market – has a significant effect on the culture of the communities we're part of.

In 2021, we focused on updated our practices to help tackle the issues facing society today.

Exploring our history

In June 2020, Lloyd's took the step of [publicly acknowledging and apologising](#) for its role in the 18th and 19th Century slave economy. We remain deeply sorry for the hurt caused by this period in our history, and the impact it continues to have on Black and Minority Ethnic communities today.

Since then, we've been on a journey of research and reflection to understand the good and the bad in our past. The last year saw us take important steps to achieve that, such as:

- Appointing a **dedicated archivist** (see more details in the right hand panel) to explore and organise our records and collections
- Announcing a **research collaboration** with [Black Beyond Data](#), based at Johns Hopkins University, to produce educational resources and a digital platform to help bring our archives to life for the wider public

As we go through this process, we intend to use all the tools at our disposal – from our recruitment targets and internal processes, to our charitable support and community partnerships – to help repair the lasting damage slavery has inflicted on our society and create more equitable outcomes for the communities affected.



Our archives

In response to our commitments on equality, and building on our public apology for our historical involvement in the slave economy, we created an archivist role to determine which of the approximately 7,000 items in Lloyd's collection have links to the slave economy. The archivist, Victoria Lane, was appointed in September 2021.

The collection consists of paintings, silver, furniture and archives amongst other items. Most of the collection was individually gifted to Lloyd's – or occasionally, purchased – and therefore presents a fragmented version of our history. The findings of our research will be published in stages over the coming years.

'While there are many things about its past that Lloyd's can be proud of, there are parts of our history – such as our market's historic participation in the transatlantic slave trade – which were anything but brave. Lloyd's aim is to acknowledge the positive and negatives in its history in an open and transparent way. This particular research shows how history is relevant now, highlighting the origins of the inequalities that continue to directly affect society today.'

Victoria Lane, Lloyd's Archivist

Human rights and Modern Slavery Statement

We have a zero-tolerance approach to human rights abuses and modern slavery. We are constantly trying to improve our business practices, systems and controls to combat slavery and human trafficking.

In support of the principles set out in the [United Nations Universal Declaration of Human Rights](#) and the [International Labour Organisation](#) core labour standards, and in response to the [Modern Slavery Act \(2015\)](#) we have completed the annual update of Lloyd's Corporation Modern Slavery Statement for 2021.

The key areas of progress made are that we have implemented a rigorous supplier onboarding process to ensure crucial due diligence is conducted as early as possible in the sourcing process, we have continued our market engagement through the Lloyd's Corporate Social Responsibility (CSR) network, which is made up of CSR and ESG professionals across the market. With regards to our employees we have continued to raise staff awareness and safeguard whistleblowers with a refreshed mandatory e-learning module launched in Q3 2021.

Our focus for 2022 is to:

- Continue to identify new ways to strengthen our procurement processes
- Investigate systems and software that enable increased visibility and robust supplier screening
- Extend the supplier performance and risk management framework to include assessments of modern slavery risk, working collaboratively with key insurance market participants to share best practice and extend the responsible business network
- Continue to safeguard whistle-blowers as outlined in the Corporations' Consolidated Compliance Policy
- Assess what our key suppliers are doing with regards to developing their key teams, as well as our employees' knowledge and understanding of modern slavery and human trafficking and where appropriate develop an e-learning module

Financial crime

The Corporation is committed to ensuring that Lloyd's market participants and the Corporation itself have robust systems, policies and controls in place to minimise the risk of financial crime. The Lloyd's framework covers six risk types (pillars): money laundering/terrorist financing; sanctions; bribery and corruption; tax evasion facilitation; and fraud and market abuse/insider dealing – with controls designed to mitigate risk in these areas. The Corporation also oversees market

adherence to Lloyd's financial crime-related expectations and compliance with financial crime prevention requirements.

Within the Corporation, key risks are identified and assessed via an annual risk assessment, with a stated goal of reducing residual risk through the deployment of appropriate controls. Controls in place include staff training, covering each of the six pillars and the maintenance of various internal reporting mechanisms. Lloyd's also maintains ongoing engagement with law enforcement.

Key highlights from 2021:

- Further developed Lloyd's financial crime risk appetite, extending beyond minimum regulatory requirements or expectations
- Developed and deployed procedural documentation to support policy requirements, with the issuance of four 'Standards' documents for both internal and external stakeholder use
- Implemented new sanction screening controls, whilst also working to end Lloyd's association with assets outside of appetite and published a sanctions risk appetite statement

Key focus for 2022:

- Continue enhancing Lloyd's ability to identify and address risk arising from third party populations through implementing enhanced screening measures
- Continue mapping risk in the Lloyd's global network, factoring in the role of each unit
- Deliver more face to face targeted training to key business functions to drive awareness of the risks and controls in place

Anti-corruption

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. Anti-bribery and corruption content is included within mandatory financial crime training, whilst conflicts of interest, gifts and hospitality and diversity in the workplace on-line training modules are also mandatory for all employees.

Where Lloyd's engages with third parties, due diligence is undertaken with the application of additional, enhanced measures where appropriate to the nature of the relationship.

Whistleblowing

We continue to strengthen our whistleblowing protocols and regularly review the channels staff can use to report concerns. This includes:

- An independent whistleblowing telephone helpline
- A web-based reporting system
- An internal email address
- Speaking directly to the Whistleblowers' Champion, the PRA or FCA and line managers

We are also ensuring selected staff are equipped to handle concerns that are raised. In 2021, 94% of staff completed the annual mandatory Whistleblowing training, while dedicated members of our Financial Crime and Compliance (FC&C) team undertake more specialised training.

We are required to report to the PRA on the soundness of our whistleblowing systems and controls, on an annual basis for years 2020, 2021 and 2022. The 2021 PRA Whistleblowing Attestation will be completed in the first quarter of 2022 and work on the Attestation for 2022 will begin in the fourth quarter of this year.

What we achieved in 2021:

- Successful 2020 PRA Whistleblowing Attestation
- Migrated to a new independent whistleblowing helpline, Safecall, in December 2021. Staff can raise concerns via telephone, with local

numbers for all jurisdictions in which Lloyd's operates, or via Safecall's web reporting system

- 2021 Protect Benchmarking review, conducted by the whistleblowing charity against Lloyd's' whistleblowing framework, awarded Lloyd's a score of 79% which is 8% above the benchmark of other Financial Services firms
- Provision of weekly reporting on Whistleblowing to the Chief Risk Officer and Head of FC&C
- Raised staff awareness of Whistleblowing via the updated Consolidated Compliance Policy and the Consolidated Compliance Procedure, intranet articles and pages, updated mandatory Whistleblowing training and via screens in the office at Lime Street
- Ensured 94% of staff completed whistleblowing training, whilst others completed more specialist training
- Improved communication for all staff around whistleblowing and the channels available to report issues. This was achieved through a campaign on media in Lime Street, via updates to the dedicated whistleblowing page on the Lloyd's intranet and more streamlined guidance for staff and people managers

What we will do in 2022:

- Further embed and develop the whistleblowing procedures already put in place for all staff
- Complete an annual update of training materials and make refreshed material available to all staff via multiple channels
- Continue to assess the design and operating effectiveness of our key processes and controls
- Continue to review our third-party Whistleblowing service provider, Safecall, for ongoing operating effectiveness
- Continue to raise awareness of Whistleblowing and the channels that staff can use to report a concern

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