

2022 Sustainability report

Sustainable. Resilient. Inclusive.



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Foreword

As we look back on the past few years and the significant challenges and external shocks that have impacted society, business, and governments, it is clear that insurance has an increasingly vital role in building resilience in the face of uncertainty.

At Lloyd's, we are proud of the role that we continue to play in providing confidence to customers to make brave decisions in the midst of ongoing volatility. By pooling our knowledge, expertise and resources, our market has the unique ability to innovate and adapt to support a more sustainable, resilient and inclusive society.

Sustainable, because we must develop plans and products that protect our resources for future generations and support the transition to a cleaner, greener world.

Resilient, because we must build preparedness and protection against an increasingly complex risk landscape, and

Inclusive, because a more equitable society that ensures all have fair access to opportunity, and where society can benefit from the diversity of skills this can bring, will also be a more successful society.

Underpinned by the UN Sustainable Development Goals, those aims saw us move quickly to respond to external events in 2022. When Russia invaded **Ukraine**, our market showed resolve, collaborating to create new innovative solutions for customers, including a first of its kind insurance facility that enabled over 30 million tonnes of grain and fertiliser to be transported from Ukraine's ports, helping provide stability for global markets when they have needed it most. At the same time, we sought to help businesses think about the long term fallout of the conflict through two **Lloyd's Futureset** reports on the implications for customers and the (re)insurance industry.

In the **cost-of-living crisis** that followed the commencement of the conflict, the Corporation of Lloyd's provided assistance to its own staff by giving employees additional payments to help deal with challenges like rising rents and energy bills. To provide wider reaching help, we launched the **Lloyd's of London Foundation** to channel our market's energy and resources towards helping people respond to hard times. The Foundation enabled us to provide nearly £2 million of financial support in 2022 to help 100,000 people around the world.

With a global movement underway to transition to more sustainable, cleaner and cheaper forms of energy, driven by the science which shows climate change is continuing to threaten our societies and future prosperity, we maintained our focus on **insuring the transition to net zero**. The landscape has continued to shift, but we've kept our sights set on tackling climate change by decarbonising our own operations and investments. At the same time we've continued working with influential bodies like the Sustainable Markets Initiative, where Lloyd's chairs the Insurance Task Force, to help drive climate action across the industry and society. We also continue to work with our managing agents to ensure they are also thinking about what the transition means for their business, ensuring that they have the structures in place to make the right decisions.

Finally, we have continued to build an **inclusive culture** in the Corporation and our market. This included driving progress against our ambitions to have 35% of leadership positions filled by women – which over a third of managing agents in the Lloyd's market have now met – and one in three new hires to our market to come from ethnic minority backgrounds. On both fronts, our survey data showed steady improvement to increase representation – taking us closer to our goals of a truly inclusive and representative marketplace.

These efforts have helped people build confidence and resilience in responding to a challenging environment. Restating and reminding what we stand for is a key part of steering our organisations and communities through choppy waters, and Lloyd's was proud to do that alongside our employees, our market and associations, governments, regulators, investors and many others in 2022.

It's how we have been able to support bravery and innovation across three centuries of operation – and it's how we'll support more sustainable, resilient and inclusive societies in the centuries to come.







John Neal
CEO, Lloyd's

Delivering impact through our actions

Throughout 2022 Lloyd's has continued to leverage its expertise, insight and the tools we have available to maximise our impact and build a more sustainable, resilient and inclusive market and society.

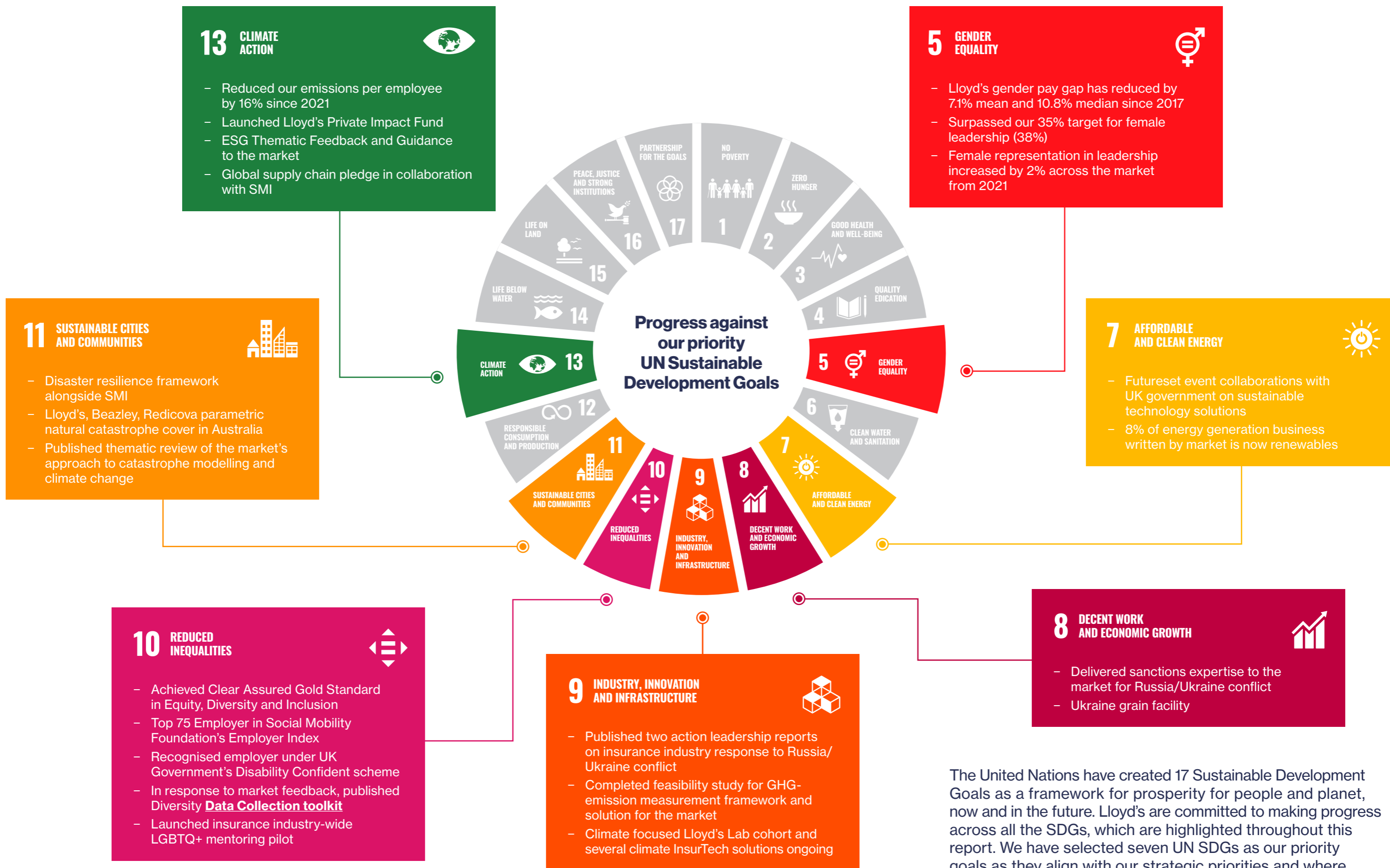
We do this by aligning our strategy to the United Nations Sustainable Development Goals



Sustainable	Resilient	Inclusive
<p>Supporting transition and protecting our resources for future generations</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Electricity and gas consumption for London office from renewable sources</p> </div> <div style="text-align: center;"> <p>Decrease in our global emissions per FTE since 2021</p> <p>16%</p> <p>↓</p> </div> </div>	<p>Innovating to build preparedness and protect what matters most</p> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;"> <p>United Nations</p> <p>Working with the United Nations, the market enabled vital fertiliser transportation to ease food insecurity and market volatility</p> </div> </div>	<p>Closing the gaps in protection, progression and representation</p> <div style="display: flex; align-items: center;"> <div style="font-size: 2em; margin-right: 10px;">£21bn</div> <div> <p>Over £21bn in claims paid to customers around the world, including for Hurricane Ian and non-natural catastrophes</p> </div> </div>
<p>Thematic Feedback and Guidance</p> <p>Provided to all managing agents who submitted an ESG strategy in 2022</p>	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Faster Claims Payment</p> <p>Faster Claims Payment (FCP) launched, enabling claims to be paid to customers in hours and days, as opposed to weeks and months</p> </div> <div style="width: 45%; text-align: center;"> <p>7,300</p> <p>Total Futureset report downloads in 2022</p>  </div> </div>	<div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; align-items: center; margin-bottom: 10px;">  <div style="margin-left: 5px;"> <p>5%</p> <p>ethnic minority representation in leadership positions across the market</p> </div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <p>↑</p> <div style="margin-left: 5px;"> <p>1%</p> <p>rise in ethnic minority talent across the market from 2021</p> </div> </div> <div style="display: flex; align-items: center; margin-bottom: 10px;"> <p>Women in leadership</p>  <div style="margin-left: 20px;"> <p>75%</p> <p>of Boards have set Culture as an agenda item</p> </div> </div> <div style="display: flex; align-items: center;"> <p>Women in leadership positions across the market has increased to 30%</p> </div> </div>
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>£250m</p> <p>Allocated to Lloyd's Private Impact Fund</p> </div> <div style="width: 45%;"> <p>Global Supply Chain Pledge</p> <p>Sustainable Markets Initiative Global Supply Chain launched and supported by 13 insurers and brokers</p> </div> </div>	<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;"> <p>100 ships</p>  </div> <div style="margin-right: 10px;"> <p>Launched a first-of-its kind market facility, insuring over 100 ships, carrying more than 2.3 million tonnes of grain from Ukraine ports</p> </div> <div> <p>2.3 million tonnes</p> </div> </div>	<p>£1.9m of charitable support to 50 causes across Lloyd's charities</p>



Our progress against our priority United Nations Sustainable Development Goals



The United Nations have created 17 Sustainable Development Goals as a framework for prosperity for people and planet, now and in the future. Lloyd's are committed to making progress across all the SDGs, which are highlighted throughout this report. We have selected seven UN SDGs as our priority goals as they align with our strategic priorities and where we can make the most impact.





Our ambition: Insuring the transition

Our ambition: Insuring the transition

Sustainability is about building things to last: products, businesses or markets. But it's also about making responsible decisions and investments that help protect our resources for future generations.

With 90% of the global economy signed up to the UN goal of net zero carbon emissions by 2050, a significant transformation is taking place – and will accelerate in the coming years – to protect those resources and stem rising global temperatures.

The insurance industry has an important part to play in that transition: whether helping communities build resilience against climate-related extreme weather events, or providing innovative cover for the new products powering our green future.

At Lloyd's, we are committed to being the commercial and specialty **market of choice for insuring the transition** to net zero. We do this by providing the risk management solutions to enable an orderly but urgent transition: one that avoids costly cliff edges for businesses, while ensuring we move at the pace required by the pressing climate challenge.

That approach means that we will work with harder-to-abate sectors that will be crucial to a just and orderly transition, by supporting them to mitigate the risks faced by transitioning their business as well as accelerating their long-term ambitions.

For Lloyd's, that starts by building a more sustainable Corporation – namely, by making our **operations (p.8)** and **investments (p.11)** greener – before seeking to support more sustainable **underwriting (p.15)** by working with managing agents to execute their own sustainability strategies. Finally, our efforts extend to supporting the development of more sustainable societies as we **innovate (p.16)** and **collaborate (p.19)** to build climate resilience into communities around the world.

Our own operations

In focusing on our own operations, Lloyd's continues to be led by the UN 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.

ClimateWise: in 2007, Lloyd's became one of the founding members of the ClimateWise initiative – the ClimateWise principles form an insurance-focused framework for the industry to respond to climate change. The ClimateWise framework includes six principles, and is aligned to the Taskforce for Climate-related Financial Disclosures (TCFD) framework

UN Global Compact: a UN-led initiative for businesses to make progress on implementing the SDGs and report against these

Detailed information relating to Lloyd's progress against the six ClimateWise principles and the UN global compact report can be found in the Appendix.



Our own emissions

Our own emissions

In addition to our reporting and supporting the market in building products that will protect our resources for communities around the world, throughout 2022, we continued to focus on reducing our energy consumption and associated carbon emissions from our London headquarters, given the majority of our emissions (over 90%) are from the UK office space. We have now included working from home emissions, in addition to employee commuting, to more accurately reflect our footprint across Lloyd's hybrid working environment.

Carbon emissions

		Total scope 1 (location based)	Total scope 1 (market based)	Total scope 2 (location based)	Total scope 2 (market based)	Total scope 1 + 2 (location based)	Total scope 3	Grand total scope 1, 2, 3 (location based)	Grand total scope 1, 2, 3 (market based)	Carbon intensity location based tCO ₂ e/FTE	Total energy usage (kWh)
2022 (tCO ₂ e)	UK emissions	1,295	79	2,582	-	3,877	1,148	5,025	1,227	4.7	20,324,585
	Global emissions (ex. UK)	22	22	599	641	621	129	750	792	2.4	1,482,626
2021 (tCO ₂ e)	UK emissions	1,609	1,609	3,074	-	4,683	888	5,571	2,497	5.7	23,500,425
	Global emissions (ex. UK)	15	15	518	538	533	54	587	607	2.2	1,316,387

Table 1 Energy and carbon disclosures for reporting year 1st January - 31st December 2022

↓ 6%

reduction in global location-based emissions since 2021



↓ 16%

decrease in global emissions per full-time employee since 2021



↓ 44%

decrease in global emissions per full-time employee since our baseline 2019





Our own emissions

There have been notable trends for each scope throughout 2022:

Scope 1 – due to the switch from traditional natural gas to certified¹ biogas at our UK 1986 building site, there has been a 19% reduction in scope 1 emissions

Scope 2 – while office use has remained fairly consistent since 2021, we have reduced electricity consumption, resulting in an 11% reduction in location-based emissions from electricity

Scope 3 – the increase has been driven almost entirely by an increase in business travel and employee commuting, as a result of global easing of COVID-19 restrictions. Additionally, a significant remodeling of our UK office sites resulted in a spike in waste and recycling emissions

In 2019, Lloyd's set a commitment to be net zero in our operations by 2025. Since making this commitment we have made significant progress in reducing our carbon footprint, with a 44% reduction in tCO₂e per employee since 2019, surpassing our science-based reduction target three years early. However, in this time the definition of net zero has also changed to mean a reduction in greenhouse gas (GHG) emissions by at least 90%, with carbon offsets purchased to cover the remaining unavoidable GHG emissions.

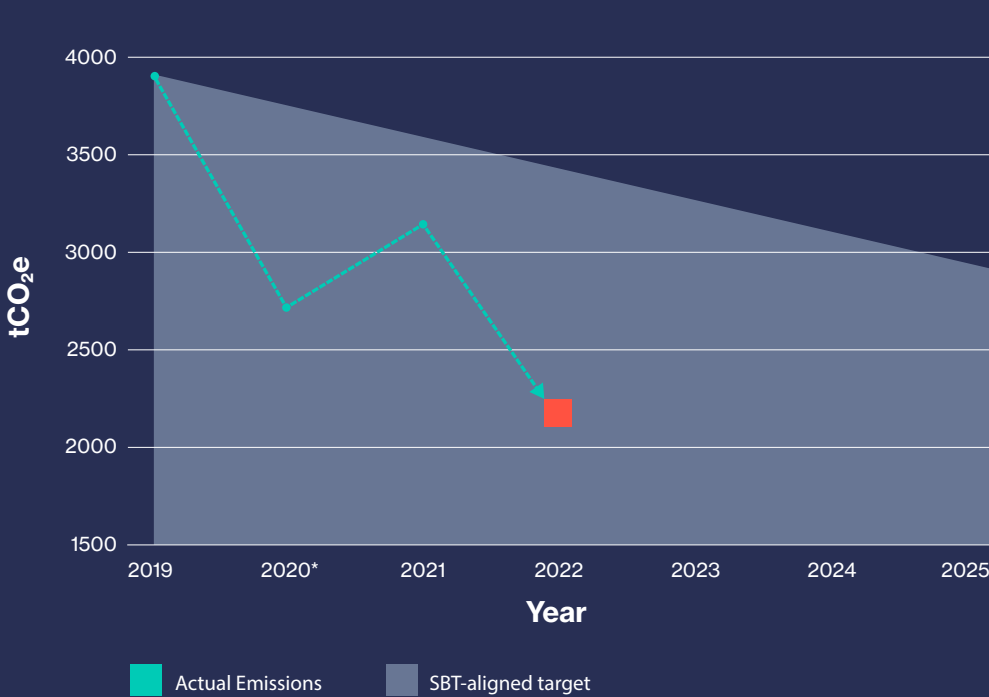
Given Lloyd's physical footprint, it would not be feasible to reduce the emissions aligned to our operations by 90% while still supporting the market and continuing to work on site. Lloyd's remains committed to reducing our GHG emissions across all of our scoped emissions, and are in discussions to make environmental efficiencies and adaptations to the building to further reduce our energy consumption.

As with all financial services firms, the majority of our emissions will be due to our Scope 3 financed emissions, so in the coming years we will focus on reducing the carbon emissions associated with our investments, as well as supporting the market with their transition and sustainability plans.



Our own emissions

Actual carbon emissions vs SBT-aligned targets



Grand total scope 1,2,3 market-based emission, for both UK and globally.
 * Reduction in 2020 due to covid restrictions.



19% reduction
in scope 1 emissions



11% reduction
in location-based emissions
from electricity in scope 2



Reducing emissions

A focus on reducing emissions associated with our investments in 2023 and beyond

Beyond our emissions



Saved **768 trees** by recycling our waste



Surplus food donated to those in need through Olio food waste hero program



Our general waste is converted into **power for the national grid**

20 tonnes

Recycled **20 tonnes** of UPS batteries during our data centre demobilisation



Offset 515.75 tonnes of CO₂/e through ClimateCare which supports a range of the UN Sustainable Development Goals



Our food waste is converted into renewable energy and biofertiliser



Ran **awareness campaigns** for Lloyd's employees and the market



Our paper cups are recycled to make the red paper for Remembrance Day poppies



Our canteen food packaging is converted into compost for farming and agriculture



Our investments

Our investments

The Lloyd's Central Fund, totalling around £3.5bn of assets, provides an additional layer of protection, available to be utilised at the discretion of Council, for Lloyd's customers and market participants in the event a member becomes unable to meet its underwriting liabilities.

In October 2021, we committed to transition the Central Fund to net zero by 2050, redirecting capital flows to sustainable investments that will enable and accelerate the transition. This means not only working on our own assets and investments, but also supporting the market having a responsible investment approach that works for their business. Through this support we also have the opportunity to create operational efficiencies through collective investing while still enabling long-term profit and growth.

Responsible investment oversight

In 2020, we committed to a 2025 goal to phase out our £3bn Central Fund's exposure to investments relating to coal-fired power plants, coal mines, tar/oil sands and Arctic drilling – including companies with business models which derive at least 30% of their revenues from these sources. As of H1 2023, we have achieved that goal; two years ahead of the 2025 target.

Beyond making decisions about how to allocate the funds we have to invest, we also take seriously our stewardship responsibilities on those assets we do hold, encouraging the companies we invest in to have appropriate sustainability strategies in place. We are also ensuring every managing agent develops and embeds a responsible investment strategy through our Investment [Principles for doing business](#).

We currently partner with Columbia Threadneedle investors, to support our engagement with those firms where we hold significant levels of equity.

Columbia Threadneedle case study:

Impact Funds



Platform Living Wage Financials

The Platform Living Wage Financials (PLWF) is a coalition of investors that engage investee companies to address the non-payment of living wages in global supply chains. In Q3 2022, we completed the assessment of 34 garment and footwear companies pursuant to the PLWF's bespoke living wage methodology. Brands are increasingly considering their policies around procurement and how these may impact suppliers in their ability to provide living wages and appropriate working conditions.



Our investments

In 2021, Lloyd's committed to allocate 5% of its Central Fund's assets under management to impact investments, aligning to the UN's Sustainable Development Goals (SDGs).

In March 2022, Lloyd's launched a partnership for a new market Investment Platform open to members of Lloyd's, with focused criteria on climate mitigation and adaptation a key building block to the platform funds, thereby enabling Lloyd's to increase its collective impact.

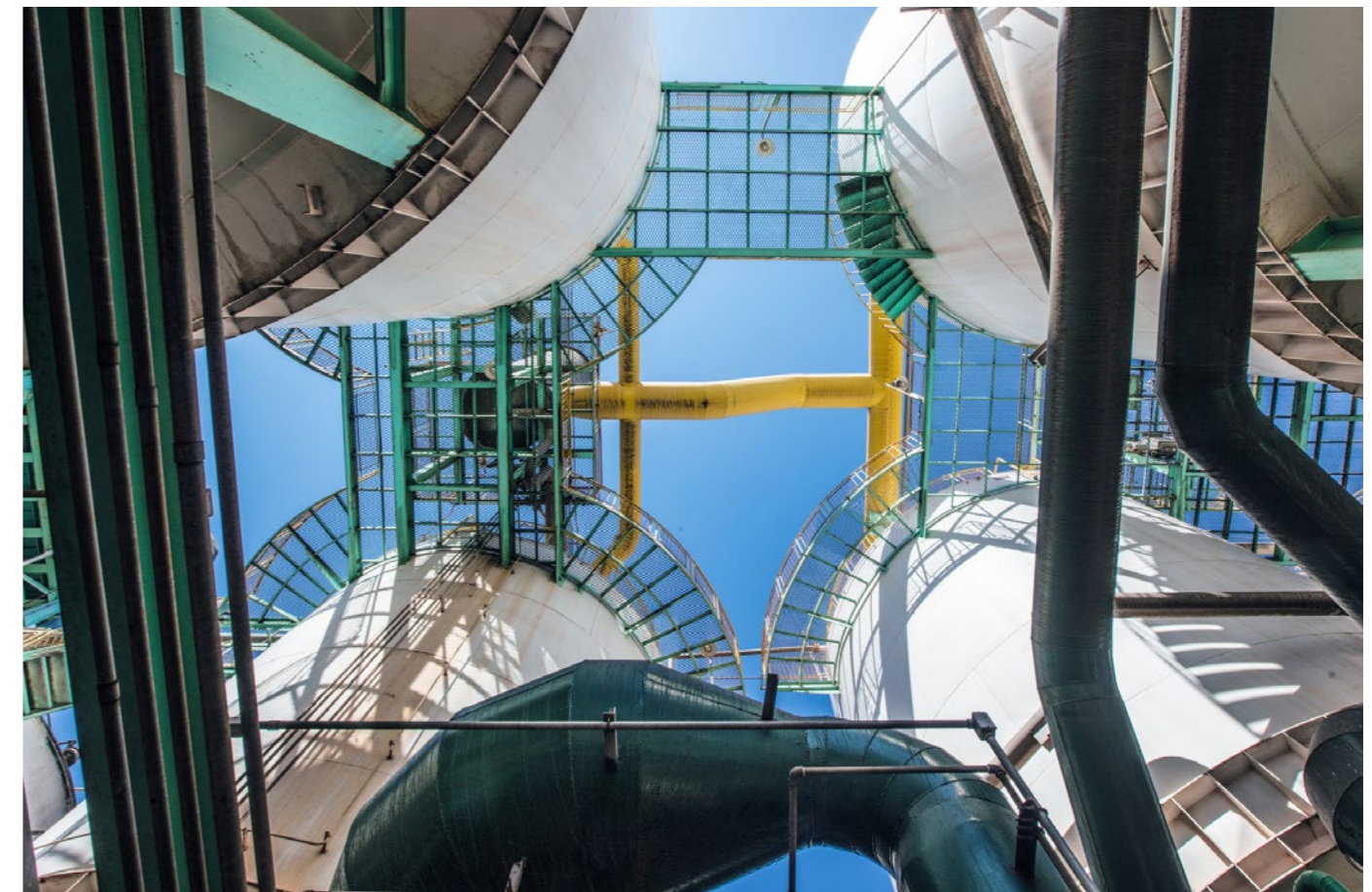
Over 2022, we have increased our impact investment allocation to 10% with the launch of the Lloyd's Private Impact Fund on the Lloyd's Investment platform.

The Lloyd's Private Impact Fund will deploy £100m in 2023, with the ability to grow with elective membership via quarterly subscriptions.

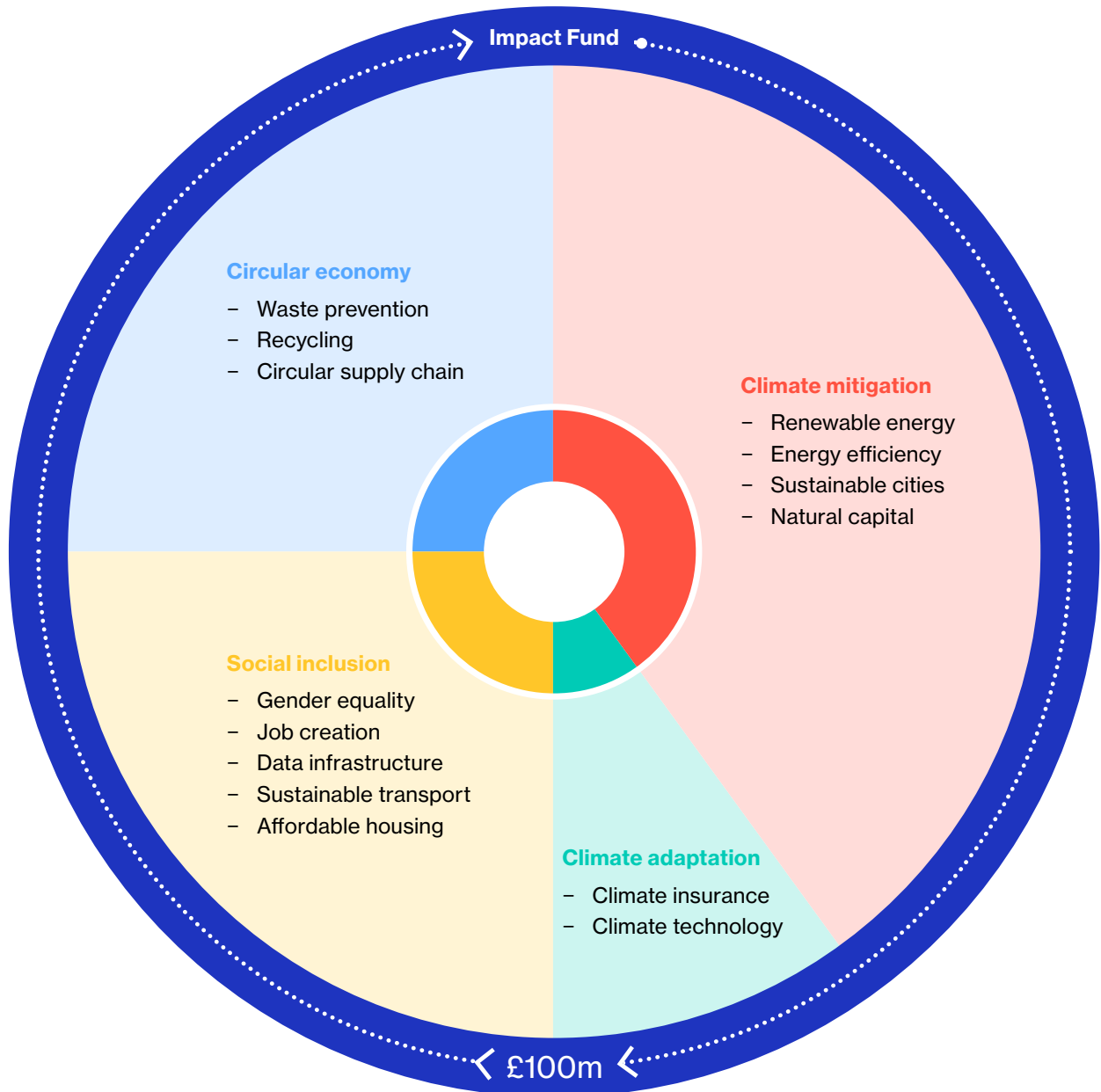


Those joining the platform will benefit from the ability to prioritise green and socially responsible investments in our market.

Burkhard Keese
– Chief financial officer



Lloyd's Private Impact Fund



■ Climate mitigation	40%
■ Climate adaptation	10%
■ Social inclusion	25%
■ Circular economy	25%



Lloyd's Private Impact Fund

Profile

Eleanor Bucks,
Chief Investment
Officer

We know that positive sustainability factors have an impact on long-term investment returns. Investments are a core part of the Lloyd's approach to building economic resilience, and will help deliver against global net zero commitments.

Within the Investment Platform, our inaugural fund is the Lloyd's Private Asset Impact Fund, which specifically targets four SDG themes: climate mitigation; climate adaptation; social inclusion; and the circular economy. It does this by investing globally in companies and products that address those themes. As an impact fund the positive benefit of these investments is intentional – a part of every decision, alongside the investment return.

The scale of Lloyd's investments will make a difference.



Our market: sustainable underwriting

Our market: sustainable underwriting

Each managing agent in the Lloyd's market sets their own sustainability strategy and is responsible for their own underwriting decisions, supported by guidance, including on areas of good practice provided by the Corporation.

The market is underpinned by an oversight framework which supports the market's ambitions while ensuring prudential responsibility. At the heart of our oversight framework are the [Principles for doing business](#) at Lloyd's. The Principles set out the fundamental responsibilities expected of all managing agents. The standards are prudential in nature and are designed to ensure businesses at Lloyd's do not put at risk the market's capital, financial and reputational credibility.

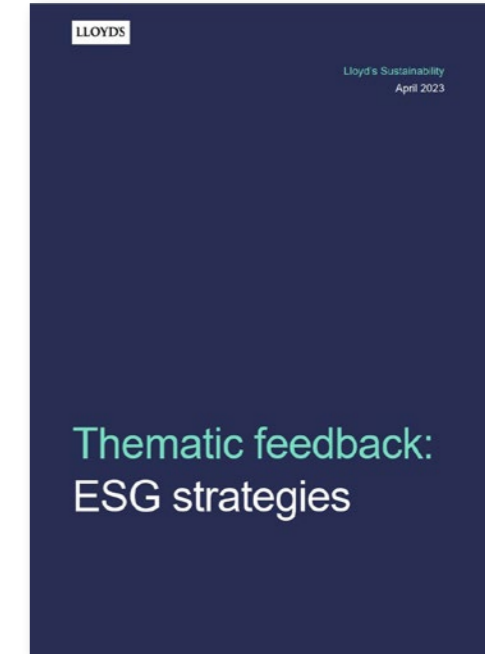
In 2022, Lloyd's collected information on the market's sustainability strategies for the first time to understand the market's current approach across their sustainable underwriting and responsible investment strategies.

ESG strategy reviews

Lloyd's published [guidance in October 2021](#), which provided managing agents with areas of good practice guidance on establishing a sustainability framework, including approaches to responsible investment and accountable underwriting. Managing agents submitted their sustainability strategies as part of their Syndicate Business Forecast (SBF) submissions in September 2022.

By reviewing managing agents' strategies, we were able to create a snapshot of the maturity of the market's transition plans. We were also able to identify areas of strength which informed our guidance to managing agents in Lloyd's 2023 thematic feedback. In addition to this, each managing agent received tailored feedback to support their development of future sustainability plans and priorities.

In tracking the implementation and evolution of managing agents' plans, we will monitor the progress of the market over time as Lloyd's seeks to be the marketplace of choice for insuring the transition. This will allow us to ensure we are able to assess and be satisfied that managing agents are positioned to meet the changing demands of the global economy as it decarbonises, and are able to comply with expected greater regulatory and legal obligations to achieve net zero or other similar government-mandated targets.



Insuring the transition roadmap

In 2023, Lloyd's will release a three-year roadmap for consultation which will propose high-level expectations of the market over the next three years and how we may provide support.

The roadmap will provide more detail on Lloyd's climate transition measurement approach and requirements.

Categorising risks

At the end of 2021, Lloyd's launched the first renewable energy generation risk codes. This allows the market to better classify the business they are writing for the purposes of reporting to Lloyd's and for Lloyd's to monitor the amount of business written for power generation, including low carbon and renewables.

2022 marked the first full year of implementation of these risk codes.

Supporting climate innovation

Supporting climate innovation

In a world where the effects of climate change are tangible and continuing to evolve, our market's unique ability to innovate to respond to the needs of customers has never been more important. That means not only providing the products and protection required now but also being prepared and responsive to the risks of the future.

To support our market's industry-leading innovation, our insurtech incubator, the Lloyd's Lab, brings in exciting new talent and ideas to deliver innovative and technology-powered (re)insurance solutions.

Lloyd's Lab Cohort 8 & Beyond

Over ten weeks, cohorts of start-ups are given the unique opportunity to work with Lloyd's market experts to shape the next big innovation.

For the first time, in April 2022, we dedicated a theme in the Lab to climate change and decarbonisation.

Some notable examples of Lloyd's Lab alumni from Cohort 8 and beyond:

Atelium

Atelium is the only insurtech for batteries supported with real-time and AI-powered data analytics. This will play a crucial role in the path to net zero as governments commit to transition motor production to electric vehicles and the transition pathway for aviation and other sectors.



What did Lloyd's do?

Lloyd's matched Atelium with industry mentors who could provide insight and expertise as well as help with insurance product development.

Yokahu

Yokahu develops parametric insurance products to protect climate vulnerable communities against natural disasters. For events such as wildfires, floods, droughts, hurricanes and heatwaves, data can be collected instantly and automated pay-outs made directly to policyholders.



What did Lloyd's do?

Yokahu entered the Lloyd's Lab looking to expand their offering and data collection in Latin America, which is experiencing an increase in exposure to hurricanes and floods due to the effects of climate change.

Lloyd's partnered Yokahu with our colleagues in Latin America to provide insights and intelligence on the local insurance market, current insurance gaps and specific policyholder needs.

Sola

Sola utilises data to offer recovery options for those who have lost their home or business due to natural disasters. The product's purpose is to offer a pay-out within days, covering deductible gaps and providing the insured with funds while the full extent of any damage is assessed and addressed under more traditional insurance policies.



What did Lloyd's do?

The Lloyd's Lab provided access to insurance experts in hurricane and catastrophe exposure. As a result, Sola has gone on to develop further products for hurricanes and other natural disasters, expanding their geographical remit outside of the US.



Supporting climate innovation

Profile

Kita

Kita

Kita, a Lloyd's Lab alumni, specialise in providing insurance to the carbon capture market.

We know that reaching net zero GHG emissions by 2050 alone is not enough to limit global warming to 1.5 degrees in line with the Paris Agreement. Not only must the world actively reduce its carbon emissions, but we must capture, store, utilise and remove the carbon already emitted into the atmosphere.

As many organisations are measuring and disclosing their carbon emissions, firms are looking to offset these emissions. Carbon offsetting is the process of investing in carbon negative solutions, or carbon sequestration, to balance out the carbon emitted by the organisation's activities. From a balance sheet perspective, this creates a carbon neutral position for the organisation.

Kita offers Carbon Purchase Protection Cover, protecting buyers of forward purchases carbon removal credits against under-delivery. If the carbon credits underperform, Kita covers the loss.

As with other classes of business, this cover mitigates risks and shocks to the balance sheet of the project developers. The product cover also provides assurance to commodity traders and asset managers, purchasing carbon on behalf of their clients, allowing confidence in their investment.

Kita started as its founders, Tomas Merriman and Natalia Dorfman, wanted to help scale the carbon removal industry, an industry which to date had little to no coverage. Providing insurance would help scale the industry to the level required to help limit global temperature increases.

“ Prior to joining the Lloyd's Lab in March 2022, we had no capacity agreement. Being a part of a Lloyd's Lab cohort allowed us to work and form relationships with great people at Chaucer and Munich Re, who were instrumental in not only giving capacity, but shaping our product.

Our product was designed hand-in-hand with the mentors from our time in the Lab, we were able to select the mentors who were the most passionate about our work and establish good relationships with brokers through Lloyd's.

Tom Merriman
– CPO and co-founder at Kita

”

“We wanted to introduce insurance to the carbon markets and see how participants modify contracts and engagement with buyers to take advantage of insurance and allow more efficient use of their balance sheet.

Also, just getting to work in the Lloyd's building – it's great to have the proximity to the market, which was really important for us.

Since the Lloyd's Lab we achieved full coverholder status in February 2023 and are working directly with large intermediaries, commodity traders and asset managers as well as carbon marketplaces.”

In September 2022, Lloyd's Futureset hosted a carbon insurance roundtable with Kita (co-hosted by CO₂RE, the UK's national research hub on GHG removal, and sponsored by Chaucer and Clyde& Co) to explore the future of the carbon removal market and the role that the insurance sector can play.

Supporting climate innovation



Tom Merriman, CPO and co-founder at Kita



Natalia Dorfman, CEO and co-founder at Kita

“ In the carbon market, everyone is looking for integrity. Being able to use Lloyd's name and brand, as a coverholder, brings instant integrity and credibility to what we're doing.

Tom Merriman
– CPO and co-founder at Kita

”

Our societies

Sustainable Markets Initiative

In 2022, Lloyd's continued to lead His Majesty King Charles III's Sustainable Markets Initiative (SMI) Insurance Task force (ITF), chaired by Lloyd's CEO, John Neal. The ITF has convened the financial services task forces to help provide clarity on the distinct enabling roles of the financial services ecosystem, as well as identifying specific problems that require a joined-up approach to shape end-to-end financing solutions that can accelerate progress across critical transition activities.

Global Supply Chain Pledge

In August 2022, Lloyd's was one of 13 insurers and brokers to sign the [Global Supply Chain Pledge](#). This pledge aims to drive greater sustainability across the insurance industry and commits the Corporation of Lloyd's to take action to encourage and support our supply chain partners to make the green transition.

Lloyd's will work with other members of the SMI ITF throughout 2023 to evidence progress and action against this pledge in a way which is consistent with all signatories.

The work undertaken and achievements in 2022, have provided the ability for Lloyd's and the SMI ITF to develop unique cross-sector partnerships and capture commercial opportunity in 2023.

Lloyd's will continue to support SMI plans which include financing the transition and disaster resilience, collaborating with the Agribusiness Task Force to support regenerative agriculture, and launching a strategic framework for evidencing progress.



New York ClimateWeek

During ClimateWeek in New York in September 2022, the SMI convened 65+ global CEOs for its bi-annual CEO Summit. John Neal, among other Task Force leaders, shared internal progress towards achievement of sustainability pledges and collaborated on setting new benchmarks for success. The SMI was able to share progress on these areas during COP27 which was held in Sharm El-Sheikh just a few months later.

COP27

In November 2022, Lloyd's attended COP27 as part of HM King Charles III's Terra Carta Action Forum.

Lloyd's programme included chairing a roundtable of CEOs across the energy and finance sectors to participate in a discussion around the pace of the transition. Discussions focused on how financial services can support the energy sector as it responds to unprecedented global energy security issues, and the pace required by the sector to transition.

Lloyd's also had the opportunity to meet with the UN Secretary-General and US Special Presidential Envoy for Climate John Kerry to advance industry action.





Our ambition: supporting societies in protecting what matters most

Resilience to Lloyd's means innovating to build preparedness to help protect people and communities around the world. This creates societies that can withstand the risks of today and are ready for the risks of the future.

Developing resilience is more than just an academic challenge to us. **Sharing risk to create a braver world means we must be conscious of, and responsive to, our place in the global ecosystem.** This is arguably needed now more than ever, which the insurance industry is well placed to support.

We do this through convening our stakeholders to solve some of the most complex problems, as well as leveraging the expertise at Lloyd's to support our industry and society in understanding risks that may impact them in the future and innovating to solve them.

For Lloyd's, that includes supporting customers through our thought leadership alongside targeted action. This has included **responding to the conflict in Ukraine (p.23)**, and supporting stakeholders globally in their **understanding of emerging risks (p.24)** and preparing our marketplace for the world of tomorrow in **building a digital-first marketplace (p.26)**.

Responding to conflict in Ukraine

There is no greater example of putting this into action than when the Russian invasion of Ukraine began in February 2022.

The conflict continues at the time of writing and has triggered significant short, medium and long term effects for the insurance industry and its customers. We sought to help those groups respond by providing emergency **relief** for those affected; releasing two **reports** exploring the knock-on impacts of the conflict; and **innovating** to deliver products and facilities that would help society respond. This included a landmark deal to support the rescue and export of grain and fertiliser products from Ukraine's ports.

Providing emergency relief

In the wake of the invasion, Lloyd's supported the British Red Cross' Ukraine Crisis Appeal to provide aid, food and medical supplies to displaced people in the region. The Corporation also matched all employee donations towards the relief efforts.

The Lloyd's of London Foundation continued supporting our charity partner, Habitat for Humanity, as they launched their Ukraine Crisis Appeal to help refugees fleeing Ukraine for neighbouring countries.

The funding secured heaters and accommodation access, while also helping find housing solutions for families settling into host communities in the longer term. Habitat for Humanity's *'Pathways to Permanence'* approach helps ensure safe, durable places for those accessing support – often repurposing empty spaces to act as short-term shelters while longer term solutions are found.

Outside Ukraine, the Foundation supported Habitat for Humanity's relief efforts enabling 2,600 emergency travel kits to be provided to refugees arriving in Romania. In total, the Foundation helped 32,000 refugees across Romania, Poland and Hungary to find accommodation after fleeing Ukraine.



Product innovation in Ukraine

The invasion created unique challenges for insurers and customers that meant existing products and solutions often had to be repurposed for the new landscape. In responding, Lloyd's worked with stakeholders around the world to ensure economic activity in and around Ukraine could continue despite the circumstances – enabling ships to sail, food to be exported and customers to continue trading in a difficult environment.

In July 2022, Lloyd's also worked with the United Nations, global governments, and insurers within our market to establish the Black Sea Grain Facility: a pioneering product enabling the export of grain and fertiliser stranded in Ukraine's ports. While it was operational, over two million tonnes of grain and fertiliser was retrieved from Ukraine's ports – helping alleviate food shortages and market uncertainty at a challenging time for the global economy.

Our ambition: supporting societies in protecting what matters most



Case study: Resilience in action: Black Sea Grain Facility Chris McGill, Ascot



Sourced from Lloyd's Purpose e-book

As I walked out of the Lloyd's building on 18 May 2022, it occurred to me it could be possible to facilitate some form of coverage for Ukrainian food products and grain for exportation, using a dedicated consortium or facility.

The Lloyd's licensing system allowed multiple insurers to come on board quickly. We ended up with 21 carriers under the facility that could support this kind of high-level risk, which we announced at the end of July 2022.

Our work together led to over 100 ships, carrying more than 2.3 million tonnes of grain, being able to leave Ukraine. It's a perfect example of how the Lloyd's market uniquely brings together skilled teams that can mobilise at speed, to facilitate a bold solution in a time of global crisis.

I was lucky to have the flexibility in my position as Head of Cargo and Innovation to address such challenges from a creative perspective. In 2020, we launched the global health risk facility for Covid-19 vaccines in developing countries with Parsyl, this is a great example of creativity and another example of how Lloyd's can react to provide solutions. I'm very proud to work in the Lloyd's market and with marine cargo in particular. We have the ability to keep global trade flowing, providing solutions that really help people.

It's all about the greater good, it's not every day you can play a small part to reduce the risk of a global food crisis, it's a privilege to work in an industry that can respond at times of need. For insurance innovation more broadly you must be supported by a company or capital willing for you to run towards the risk. We've got that with Lloyd's.

Understanding the impacts

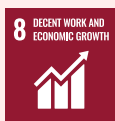
Finally, with the conflict triggering a range of knock-on impacts for customers and insurers – impacts which are heightened in our interconnected world – Lloyd's Futureset collaborated with global broker Aon to publish two action leadership reports in 2022.

[Ukraine: A conflict that changed the world - Lloyd's \(lloyds.com\)](#) – explored the key risks for customers in areas like cyber, energy, supply chains and inflation.

It was followed by a second report, [Ukraine: A conflict that changed the world – the \(re\) insurance industry response](#), highlighting existing insurance solutions and opportunities for the industry to innovate to provide the solutions customers most needed to respond. Following these recommendations, an 'Innovation Forum' was set up examining the insurance gaps arising from the conflict.

In today's world, it is not enough to remain static, innovation and improvement must be the natural rhythm. While the conflict in Ukraine showed us many areas where the insurance industry can have real impact, we now need to be better.

How will we respond to other geopolitical risks? What risks are on the horizon that we should be preparing our customers for now?



Emerging risks

Emerging risks

It's been two years since Lloyd's launched Futureset, our global action leadership platform and community dedicated to sharing risk insight, expertise, and solutions to the world's most challenging problems.

Futureset in numbers

- Over 24,000 engagements with content
- 74% year on year increase in digital community
- Reached an audience of 14,200
- 84% improved understanding of Futureset themes among event attendees
- Over 7,300 report downloads

In that time, we've seen the risk landscape change dramatically. As our customers and society slowly recovered from the effects of a global pandemic, they were confronted by the first conflict in mainland Europe in nearly eighty years. At the same time, customers have had to contend with an increase in extreme weather, including flooding, windstorms, and extreme heat. They've also had to navigate the increasing threat of cyber-attacks, adding further complexity to the global risk landscape.

As our platform for action leadership, Lloyd's Futureset's work last year helped address global uncertainty for businesses and government alike.

How does Futureset create impact?

In 2022, our platform shared value add insight, enabled cross sector collaboration (through events and roundtables) and drove action across topics of geopolitics, low carbon energy technologies and supply chain disruption.

Shifting Powers

In the first half of 2022, Futureset released two reports in the 'Shifting Powers' series in partnership with the Cambridge Centre for Risk Studies.

Shifting powers: Climate cooperation, chaos or competition? helped insurers and risk managers to navigate the significant overlap between geopolitical risks and climate change.

Shifting powers: Physical cyber risk in a changing geopolitical landscape focused on the importance of effective risk management and the role of insurers in helping customers build resilience to cyber-attacks that could cause damage to physical environments.

Supporting this research, Lloyd's convened a scenario-based workshop with market underwriters to highlight the impact a major political crisis could have on customer supply chains.

Risk Revealed

Last year Futureset launched [Risk Revealed](#), a flagship event series created to educate and connect the Lloyd's market with pioneering firms in the renewable and low carbon energy space.

2022 saw the programme run events to raise awareness of clean technologies and facilitate the difficult, but important questions around clean technology risk mitigation and how to accelerate the market's understanding of new flexible energy systems. This included bringing experts from energy companies to discuss hydrogen and carbon capture and storage; the Carbon Trust and Ofgem on offshore wind and floating wind turbines; and British Land, Built by Nature, and Waugh Thistleton architects on low carbon building materials like mass timber.



For 2023, the programme has expanded to cover technologies and solutions like energy storage and carbon credits and will facilitate workshops and roundtables exploring the insurance gaps faced by project developers. New reports will also be published on low carbon technologies, illustrating the development pathways of the energy mix and the potential commercial opportunity for insurers.

Emerging risks

Rethinking supply chains

Globalisation has seen supply chains increase in size, volume, and complexity over recent decades. These chains now form the backbone of global trade – bringing efficiency and diversity, but also risks that were evident in the wake of COVID-19 and conflict in Ukraine.

To help understand these gaps, last year Futureset, in partnership with WTW, launched a report to explore supply chain resilience and identify insurance innovation opportunities across three sectors: food and drink, semiconductors, and transport and logistics.

The first sector analysis in the series was published in November, exploring the food and drink sector.

The full insights and findings from the report can be accessed at [From farm to fork: Rethinking food and drink supply chains](#).

[Loose connections: Rethinking semiconductor supply chains](#) was published in March 2023 and transport and logistics sectors are to follow later in 2023.

To build a marketplace which is resilient to global conflict and the risks of the future needs to have a foundation of technology and innovation. By bringing our processes into the modern day, we can settle claims faster, grow our business wider and extend our support to countries where large protection gaps remain.



Resilience in a digital world

Our [Future@Lloyd's](#) programme is building solutions that will make Lloyd's a better, faster and cheaper place to do business. We're carrying out this ambitious initiative to be able to more efficiently protect our customers and close the protection gaps that still exist around the world.

A key delivery for Future@Lloyd's in 2022 was the Faster Claims Payments system, in collaboration with Vitesse.

Faster Claims Payments (FCP)

To protect and grow our delegated authority business, we need to develop solutions to enhance the experience of our customers.

Not only is delegated authority business 40% of Lloyd's business, but it also involves small businesses and consumers. So it was crucial we improved our performance here first.

The traditional claims payment process for delegated authority business involves a lengthy process of notification and constant loss-fund management for managing agents.

Faster Claims Payments (FCP) is a new funding and payment solution which provides fast and direct payment of a claim to a policyholder. Delegated Claims Administrators are now able to forward payment, in a range of currencies, direct to customers from managing agent bank accounts, using the Vitesse platform.



This allows claims to be paid in minutes and hours, as opposed to days and weeks. This provides vital funds at a time of need for our customers; saves brokers time on loss funds and cash calls; and gives managing agents real-time visibility, control and flexibility over their capital management.

Hausch & Company has been working with our managing agents using Faster Claims Payments to pay claims resulting from Hurricane Ian – in one instance, the insured was paid in three days following first notification of loss.



“

Lloyd's will be able to be more competitive with US insurers because you now have the ability to pay claims, right now, every time.

Van Mieke
– Director of Finance, Hausch & Company

”



Our ambition: making the market and society more inclusive

Inclusivity is at the heart of Lloyd's strategy, with culture making up one of Lloyd's four strategic pillars.

Being a truly inclusive market means closing gaps in the protection of our customers, the progression of our colleagues and the representation in our market. We not only have a responsibility to do this to ensure a better 'now' but also a better future for generations to come.

For Lloyd's, we support wider communities through our charitable foundation, the [Lloyd's of London Foundation \(p.30\)](#), in making changes for their stakeholders. We also seek to support both the market and Corporation by setting progressive targets and measuring our progress towards these. This seeks to [close representation gaps \(p.34\)](#) as well as [close progression gaps \(p.36\)](#) for our marketplace over the long term.

Closing protection gaps

Building a resilient society starts with people having a safe and secure place to call home. This is why we partner with Habitat for Humanity, their work across 70 countries delivers programmes from advocacy to disaster recovery.

"The Lloyd's of London Foundation's support over the last few years has been significant for Habitat for Humanity GB. Not only in terms of financial support but also reach and amplification. From helping us launch our UK flagship programme turning empty spaces into homes, to supporting disaster risk reduction work in Ethiopia to protect communities against frequent flooding, Lloyd's support has helped us to make a material difference to lives in the UK and beyond."

Tum Kazunga, National Director,
Habitat for Humanity GB

While we are passionate about our philanthropic initiatives, the work we do as a marketplace and as an industry has the potential to not only support people, businesses and economies bounce back from disaster, but build resilience and confidence for the future.

This includes natural disasters, which Lloyd's has played a role in underwriting since our market started over three centuries ago. 2022 saw us build on that role through the Disaster Resilience Framework.

The Disaster Resilience Framework (DRF)

Following COP26, the Sustainable Markets Initiative's (SMI) Insurance Task Force launched the [Disaster Resilience Framework \(DRF\)](#) a framework which blends public and private finance with insurance to improve disaster resilience in low- and middle-income countries.

The impact of natural disasters are not spread equally around the globe. The countries most at risk are also those which are most vulnerable. The insurance industry has a pivotal role to play in improving global resilience and reimagining the financial response when disaster strikes.

The DRF combines advanced climate risk modelling, scientific data, industry experience and financial support to address the current protection gap which exists in emerging and developing countries.

To showcase the potential of the DRF and drive tangible action, the Insurance Task Force is running two pilot projects in Fiji and Kenya.

The Task Force has created a parametric cyclone solution – a cyclone policy which will pay out when wind speeds reach a certain level. This provides livelihood protection for low-income households in Fiji.

Together with agencies in Kenya, the Task Force is supporting resilient agriculture across flood and drought-prone land by a crop or livestock insurance mechanism, which can be used by the government to finance small holders.



Our ambition: making the market and society more inclusive



Case study:
Responding to disasters:
Redicova, Australia
Chris MacKinnon, Lloyd's



Australia faced six weather catastrophe events in 2021 that cost AUD\$2.16 billion in insured losses. Redicova offers customers an alternative to the traditional loss assessment model, using a parametric solution to speed up much needed funds to start the process of recovery, backed by Lloyd's. **Chris MacKinnon**, Deputy Regional Director, Asia Pacific, Middle East & Africa, met **Karen Hardy** from Redicova in Lloyd's.

"Karen's idea was simple – brilliant ones often are. Parametric measurement of windspeeds means that it's possible to fix an agreed insurance pay out if windspeeds reach the velocities that cause damage. This gives customers an immediate injection of cash after a cyclone event, so they have the emergency funds to start building back their lives.

Meeting Beazley in the [Disaster Risk Facility \(DRF\)](#) was the turning point. The DRF was formed to look at closing insurance gaps around the world through the development of risk financing solutions to mitigate the impact of natural catastrophes. Her idea wasn't typical of the work the DRF supports, more usually in emerging economies, but because it was such a community-based solution, created by someone in the community, it felt appropriate. And though the product was designed specifically for cyclones, its principles could be applied to other catastrophe events like flooding or bushfires.

Beazley backed her idea, stepped up as the lead insurer and provided the capacity that would encourage other DRF members to also support development and rollout. The final hurdle, securing approval as a Lloyd's coverholder, was passed in late 2021. Redicova is the first and only mainstream retail parametric wind product in Australia, with a fully automated process that can send payments to customers within hours of an event.

"I'm delighted that Karen got the backing her idea deserved from Lloyd's. This is why we're all in the industry and what we're here for."



Lloyd's of London Foundation

Lloyd's purpose of sharing risk to create a braver world, is fundamentally about protecting what matters most to our customers. By sharing risk, we can support them in their times of need and build resilience for the future.

We also know that impact of the market can serve not just our customers, but also the global communities in which we operate.

Across the year, Lloyd's has supported 50 charities in our communities around the world and donated £1.9m to benefit 100,000 people globally across our charitable initiatives.

In 2022, Lloyd's was proud to announce the formation of the **Lloyd's of London Foundation**. The Foundation sets the focus for charitable giving across the Corporation and the four Lloyd's charities: Lloyd's of London Foundation (formerly Lloyd's Charities Trust), Lloyd's Patriotic Fund, Lloyd's Benevolent Fund and Lloyd's Tercentenary Research Foundation – helping people and communities become more resilient, sustainable and inclusive.

How we support

The Lloyd's of London Foundation sets the strategy and guiding principles for all the philanthropic initiatives at Lloyd's, whether that's matching the donations of our employees, enabling larger volunteering initiatives through the market, or supporting those most in need.

Matched Funding & Payroll Giving

Lloyd's is proud to have a companywide Matched Funding and Payroll Giving (UK and Canada) scheme. This enables us to support the causes closest to our colleagues' hearts – championing their fundraising and charitable contributions.

In 2022, Lloyd's matched £40,000 of our colleague's fundraising efforts, across 50 charities. Employees contributed £58,000 to charity via the Payroll Giving scheme.

From 2023, each employee will have a £1,500 contribution to matched funding per year, per employee and £500 one-off donation to the charity of their choice when they sign up to Payroll Giving.



Our charitable support focuses on five themes:

- 1) Employability
- 2) Social mobility
- 3) Mental health
- 4) Disaster resilience
- 5) Climate



Volunteering

Following lifting of COVID-19 restrictions, in 2022 we focused on re-introducing volunteering for our colleagues.

2,000 volunteers across the Lloyd's corporation and 58 market firms contributed 8,000 hours to volunteering in 2022.

In 2022, eight winners who have dedicated their time and effort to support charitable causes, were awarded between £7,500 - £20,000 to the charities they support.

Lloyd's Market Charity Awards

£120k donated to 2022 winners supported charities

Lloyd's Benevolent Fund

The Lloyd's Benevolent Fund (LBF) has been helping the Lloyd's community through hard times for almost 200 years.

The LBF is here to provide support and financial assistance for those times, and is available to anyone who works, or has worked, within the Lloyd's community in the UK for at least five years.

In 2022, the LBF supported the Lloyd's community with almost £220,000 in grants, supporting individuals in their time of need, helping with home mobility improvements and the cost of living.

If you or someone you know might need support from the Lloyd's Benevolent Fund, please get in touch. Please be assured that all discussions are handled in the very strictest confidence.

Contact: loydsbenevolentfund@loyds.com

Global philanthropic projects



The Lloyd's of London Foundation enables us to channel the charitable activities of the marketplace, for the issues that are really important to the marketplace. We work to empower and embolden communities through tangible action and long-term partnerships. Case studies from some of the Foundation's themes are below:

Employability

Lloyd's has a long history of supporting the access of education and employment to young people around the world. We support a range of programmes from financial literacy to reading support to mentorship to give future generations the opportunity to explore the world of insurance.

The Switch

Lloyd's has now been supporting The Switch for over 30 years. In 2022, we supported **1,100 students** in 20 schools in Tower Hamlets with **870 volunteers** from the Lloyd's market. We have supported students through a wide range of volunteer-based programmes that provide a vital link between education and the world of work including employability and financial literacy workshops, interview skills, mentoring, reading and writing partners.

Helen Sanson, Director of The Switch said:

"This year we are seeing a return to pre-pandemic norms and Lloyd's member firms have led the way in getting back into schools and inviting pupils to their offices. This is the most crucial aspect of our work: bringing together children and adults to share life and work experiences. Young people tell us that their reading partner, their mentor, or the volunteers that host their visits are the reason for their higher aspirations and career dreams. As ever, we remain extremely grateful to Lloyd's for its vision and commitment to helping young people in Tower Hamlets discover their best futures."



Social mobility

East London Business Alliance

The Lloyd's of London Foundation continued our partnership with East London Business Alliance, an organisation that builds connection between businesses and local communities to bring the time, skills and resources to the private sector, to build capacity in local organisations.

In 2022, 520 volunteers from across the market took part in 34 team challenges as part of the Foundation's partnership supporting the local community in East London.

"We have seen a really enthusiastic return to face to face volunteering, and the Lloyd's market have been right at the forefront. Looking after our environment, helping build climate resilience, supporting food banks and helping the elderly are among the really important work that Lloyd's volunteers have been doing. Everything they do has an impact in the community."

Ian Parkes, Chief Executive, ELBA



Mental Health

2022 marked the third and final year of Lloyd's partnership with the **Mental Health Foundation** where we supported two specialist mental Health Programmes, Picture This and the Peer Education Project (PEP).

"Throughout 2022, Lloyd's support of our Peer Education programme has continued to be vital in helping us to reach more children, young people and teaching staff to provide vital information, resources and support to help them support one another and manage their own mental health. Your support of our Picture This programme has enabled us to meet the specific needs of vulnerable adults, and people with long-term health conditions ensuring they can connect with family, friends and neighbours supporting their mental and physical health."

Fiona Halton, Head of Corporate Partnerships

Lloyd's Patriotic Fund

The Lloyd's Patriotic Fund have continued to support **Combat Stress'** pioneering research to create an evidence base of occupational therapy input that will enhance the civilian lives and careers of veterans with trauma-related mental health conditions.

2022 saw the completion of the research project with veterans reporting less anxiety, trauma, anger symptoms and better emotional regulation.



Closing representation gaps

Closing representation gaps

Both the Culture survey and Market Policies & Practices (MP&P) return demonstrated improvements in both diverse representation and inclusive behaviours across the market.

The Market at a glance

- 30%** Representation of women in leadership positions
- 1%** Increase of 2% from 2021 and closer to our 35% target
- Representation of ethnic minority talent in the Lloyd's market increased to **↑ 9%**
- 1%** increase in ethnic minority leadership since 2021 to **5% overall**
- Percentage of new hires from an ethnic minority background **15%**
- 11** firms in the market are meeting our one in three hiring target for ethnic minority talent, up from 17% of firms in 2021
- 75%** of Boards have culture as a fixed agenda item, a **4% increase** from the previous year
- Number of firms collecting ethnicity data is now 64%, a **4% increase** from the previous year **64%**

Diversity data toolkit

In 2022, in response to market feedback, the Corporation published an updated "Diversity Data Collection" toolkit to help the insurance market on their D&I data journey: [Toolkits \(lloyds.com\)](#).

The toolkit looks at why, what and how to collect and interpret patterns of aggregated data with a clear understanding of the business imperatives and how the resulting insights can help shape and evolve the wider culture. We also joined forces with senior leaders from the market and our partner network, and created a video on the importance of diversity data.

Firms must now focus on improving collection of disability, sexual orientation and social mobility data in order to give a clear picture of diversity in our market, so we can target the initiatives that will make the greatest impact in improving our market's diversity.

In 2022, we expanded data capture for **talent pipelines** to include the critical roles of Chief Underwriting Officer, Chief Finance Officer and Chief Actuary. The data showed that firms need to mature talent and succession processes, with a focus on gender and ethnic diversity, to improve the long term talent pipeline – particularly in underwriting roles.

Overall, there has been clear progress across the market in all areas – however, we have more to do. In 2023, we will deliver an upskilling programme to support talent management and succession planning across the market, alongside topics such as inclusive recruitment, inclusive leadership and Speaking Up/Inclusive Behaviours.

Full details of the progress made in 2022 can be found in our [Culture Dashboard report](#).



Dive In

2022 saw the Dive In festival become fully hybrid, allowing attendees to join virtually from anywhere in the world alongside joining in-person events. With 150 events to choose from across 40 countries, the festival saw its highest ever turnout – attracting

Closing representation gaps

34,000 attendees around the world. Industry leaders and inspirational guest speakers united for the three day global event, breaking down geographical barriers and creating a stronger global dialogue on diversity, equity and inclusion.

The festival continued to promote positive action for diversity in all forms. The theme for 2022 was **'Building Braver Cultures'** that allow people to feel safe, respected, and free to express themselves. The theme explored how diverse groups of people think and act in the workplace in response to the environments created by both colleagues and leadership. It called on attendees to take action to build cultures where all people are recognised and empowered to speak and behave authentically.

In the UK, events explored topics from burnout to (peri)menopause. In the US, a new panel was introduced on the importance of religious equality. New Zealand and Indonesia both hosted events on addressing ageism, while in Singapore attendees discussed the links between wellbeing and hybrid work.

In 2023, we will expand Dive In from the current 3 day festival format by adding two new programmes, Dive In to Insurance, providing Outreach volunteering opportunities, and Dive In to Reverse Mentoring, enabling an exchange of global perspectives.

Profile

Mark Lomas,
Head of Culture



On gender, once we've achieved the target of 35% women in leadership across the market our focus needs to be on achieving parity. There are some areas where we know from our data we need a specific focus, such as the diversity of the long term talent pipeline for underwriting.

In terms of how culture fits in with sustainability: it's about not only the type of environment we create, but how we get diversity in and how we manage that diversity.

Diversity is key to the long term sustainability of the Lloyd's market, particularly as a global market where our perspectives and products need to be truly global. So from a culture perspective, sustainability is the attraction, recruitment, retention and leveraging of diverse talent towards the goal of product innovation and solution.

I think our best achievement in 2022 was achieving Clear Assured Gold status. It's the most robust diversity and inclusion accreditation in the UK. Gold is one level below the highest (Platinum), and only one organisation globally has ever achieved platinum status. The top performer in our market is Gold level, and we're matching that. So I think that's a significant achievement.

I think there's no doubt that the most seminal and impactful bit of work in the culture space in 2023 will be the finalisation of Black Beyond Data's research into Lloyd's ties with transatlantic slavery, and Lloyd's response as a result. That will be significant from an internal viewpoint as a key missing piece in our history, but also externally as more and more organisations consider their own histories and how best to respond today.

“ Sustainability is the attraction, recruitment, retention and leveraging of diverse talent towards the goal of product innovation and solution

Mark Lomas
– Head of Culture

Closing progression gaps

Closing progression gaps

In order to fulfil our purpose we know we need the people with the expertise in an environment where they can thrive. Our culture strategy actively strives to remove barriers and close gaps in the progression of our colleagues, for both the Corporation and the market. 2022 was a key year on delivering against this, and the results have been positive across all our target areas.

Ethnicity

The Corporation achieved a one in four hiring rate for ethnic minorities in 2022 – an improvement on previous years, but leaving room for progress to achieve the one in three ambition. We also launched our [Long Term Ethnicity Plan](#).

In 2022, the overall mean ethnicity pay gap for the Corporation (as of April 2022) was 16.4%, marking an increase of 0.3pps from last year.

The median for hourly pay is 10.5%, an increase of one percentage point from 2021, while the median ethnicity bonus gap is 6.3%. In our reporting, we have broken this down to illustrate the differences across Black, Asian and Mixed backgrounds, as this allows us to see and understand the differences for all our communities and make our action more specific.

The ethnicity pay gap is driven by under-representation in senior roles within the Corporation, however we are seeing increases in ethnic minority representation within management grades.



Gender

In 2022, we exceeded our 35% target for women's representation in leadership roles for the Corporation. This goal was chosen as a realistic, but ambitious target to ensure progress in both the Corporation and the market; however, we know the end goal must be parity.

In 2022, Lloyd's mean gender pay gap (as of April 2022) was 20.6% for hourly pay – an increase in absolute terms of two percentage points from 2021. The median for hourly pay has increased by 2.1pps to 21.3%.

Our gender pay gap is driven by the over-representation of women in the lower quartile, concentrated in specific departments. Since the inception of our gender pay gap reporting in 2017, the gender pay gap has reduced by 7.1% mean and 10.8% median.

We are carrying out modelling on vacancies in 2023 to deliver a targeted plan to close the pay gap and will continue to promote our Accelerate and Advance programmes.



Social mobility

We were delighted in 2022 to again be recognised as a Top 75 Employer in the Social Mobility Foundation's Employer Index. The Social Mobility Employer Index is a cross-industry benchmarking initiative that assesses and ranks UK employers based on the actions they take to ensure access for all social backgrounds.

Our robust action plan and improvements to our data collection enabled us to improve our position to 45th on the Index in 2022. These efforts included continuing a series of partnerships focusing on young people from underrepresented groups, including with SEO London partnership and The Switch.



Closing progression gaps

Disability

Continuing an important year of embedding diversity across the Corporation's practices, 2022 saw Lloyd's achieve Employer status in the UK Government's Disability Confident scheme, recognising our work to improve recruitment, retention and development of disabled employees.

Lloyd's was awarded Disability Confident Employer Status for:

- Adjustments made to our recruitment process and workplace practices
- The Corporation's wellbeing programmes and resources, including the training of Wellbeing Champions and Mental Health First Aiders
- Our approach to accessibility, both in the built environment and in the digital arena
- Our ability to produce data on both adjustments and disability within our organisation and industry



Wellbeing

Alongside our targeted efforts to improve diversity and inclusion, Lloyd's Corporation continued to support the wellbeing and engagement of our colleagues in 2022.

To help address the challenges created by rising living costs, Lloyd's awarded two, one-off payments to all colleagues with a base salary of £75,000 or less. This was provided to both global and UK-based colleagues.

To support colleague wellbeing, a series of webinars were held on topics such as financial wellbeing, mental health and menopause. For our 30+ wellbeing champions across the Corporation, refresher training was offered in 2022 to equip champions with the skills and resources to support good conversations and signposting around mental health. 2023 will see us deliver mental health awareness training for line managers, alongside rolling out our wellbeing offering to our global network.

Reflecting these efforts, our November pulse survey returned an average score of 7.7 to the statement "I am able to look after my health and wellbeing at Lloyd's". 40% of colleagues scored this question 9 or 10 out of 10.



Lloyd's culture metrics

Lloyd's culture metrics

The data below shows Lloyd's Corporation workforce for 2022 by employment level, gender and ethnicity; sexual orientation; disability; social mobility and caring responsibility. We are collecting data on protected characteristics and social mobility so that we measure and monitor progress. This follows our guidance to the market to collect data across representation groups.

		2022	
UK only	Overall Ethnic Minority representation by level	Council**	NA
		Executive Committee	0%
		ELG	11%
		Leadership*	7%
		Grades 13+***	18%
		Corporation	24%
Breakdown of Ethnic Minority representation	White	63%	
	Black	5%	
	Asian	15%	
	Mixed	3%	
	Other	1%	
	Prefer not to say	10%	
	No Data	3%	
Disclosure	Ethnicity disclosed (including PNTS)	97%	

		2022	
Global	Female representation by level	Council	27%
		Executive Committee	25%
		ELG	44%
		Leadership* (Target 35%)	38%
		Grades 13+**	40%
Corporation	51%		
Disclosure	Gender	100%	

		2022		
UK only	Breakdown of Social Mobility representation	Professional	8.6%	
		Intermediate	1.2%	
		Manual	3.7%	
		Long-term unemployed	0.5%	
		Small business owners	1.9%	
	Parent's profession at age 14	Other	0.4%	
		Prefer not to say	1.1%	
		No Data	82.7%	
		Disclosure	Social Mobility disclosed (including PNTS)	17.3%

Lloyd's culture metrics

		2022	
UK only	Breakdown of Disability representation	Dyslexia	0.5%
		Hearing	0.1%
		Long Term Health Condition	0.5%
		Mental Health	0.3%
		Mobility	0.0%
		Musculoskeletal incl. Back, Neck, Shoulder	0.4%
		Other	1.0%
		Other neurodiverse (dyscalculia, autism)	0.2%
		Speech	0%
		Vision	0.3%
		No Data	96.9%
		Disclosure	Disability disclosed

		2022	
UK only	Breakdown of Sexual Orientation representation	Bi	1%
		Gay/Lesbian	2%
		Heterosexual/straight	67%
		Other	0%
		Prefer not to say	13%
		No Data	17%
Disclosure	Sexual Orientation disclosed (including PNTS)	83%	

		2022	
UK only	Breakdown of Caring Responsibilities representation	Carer of disabled adult (18 years and over)	0.2%
		Carer of disabled child or children (under 18 years old)	0.0%
		Elder care responsibilities	0.7%
		I have a child/children under 18 years old	5.0%
		Spousal/Partner care responsibilities	0.2%
		I do not have any care responsibilities	8.2%
		Other care and parental responsibilities	0.4%
		Prefer not to say	0.4%
		No Data	84.9%
		Disclosure	Caring Responsibilities disclosed (including PNTS)

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