

# Culture Strategy 2022 – 2027

## Lloyd's Market

Mark Lomas, Head of Culture

28<sup>th</sup> March 2022



Our purpose:

## Sharing risk to create a braver world

Being braver isn't about ignoring the risks; it's about understanding them, then finding a way to move forward. We understand risk – and by working together we can build a more sustainable, resilient and inclusive future.

**More sustainable**, creating long term growth that serves not just the market, but the ecosystems and society we're part of.

**More resilient**, using evidence and expertise to be better prepared and to protect what matters most.

**More inclusive**, building somewhere in which everyone sees a place for themselves.

This is a braver future at Lloyd's; working alongside industry leaders, policy makers and market partners to enable the progress our customers want and the world our children deserve.

## A more sustainable future ■

To build for the long term, we have to think for the long term. And as we think about the threats that will define our planet for centuries to come – from a changing climate to changing technology – we see a role for risk management in every challenge. At Lloyd's, we're working to protect our shared future and promote thriving communities. This includes working to support the global transition to a low carbon economy, through our work with the Sustainable Markets Initiative and our net zero commitments, as well as investing in communities and charities through our Lloyd's Foundation.

Because when Lloyd's grows, society grows too.

## A more resilient future ■

Climate change. Cyber insecurity. Geopolitical instability. The risks that shape our world, shape our work at Lloyd's. We're building resilience by helping businesses and communities prepare for – and recover from – the most prevalent threats facing society today. Our research community, Futureset, is producing cutting edge research to help customers understand risks and put plans in place to mitigate them. Our Lloyd's Lab and Lloyd's Product Launchpad are unearthing the ideas and innovations that will take insurance to the next level – pioneering new ways to keep customers safe and thriving.

Through evidence, experience and expertise, we're helping society prepare for the worst and to protect what matters most.

## A more inclusive future ■

Societies and organisations draw strength from the building blocks that make them up. The wider the base, the stronger the structure. A braver future requires a broader spectrum of ideas, skills and perspectives. At Lloyd's we want to build a workplace everyone can take part in and contribute to. We want to open our market to sharp minds, safe hands and savvy investors – wherever in society they come from. It's why we've committed to ambitious gender and ethnicity goals to make our market more diverse on all levels, but we know we have more to do.

Wider base, stronger structure – braver future.

# Lloyd's Strategic Focus

2022

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**Performance  
& Risk  
Management**



**Digitilisation**



**Purpose**



**Culture**

# Lloyd's ESG Approach:

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Environment: Climate & Sustainability

Social: Culture & Communities

Governance: Reporting and management of our impact

**Our Culture Strategy is part of our overall approach to ESG.**

# Why is culture important to Lloyd's?

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We risk losing the war for talent, because Insurance is not a destination career.

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Diversity and inclusion are demonstrably good for business

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We are expected to show leadership, and we have a good story to tell about long term culture change

Cybl research 2022: Insurance 10<sup>th</sup> out of 16 sectors as ranked by school leavers

McKinsey: Diversity Matters Reports 2018 & 2021

Lloyd's Market has risen from 19<sup>th</sup> of 30 to 8 on FSCB Culture Benchmark between 2019 and 2022, MP&P shows increasing diversity year on year

# Our Journey...

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## *How we started our Culture work...*

**We defined our Culture principles and started the process of measuring culture in the corporation and market defining aspirations for some protected groups...**



## *The future direction for our culture work*

**...we will now focus on embedding the culture principles and take an inclusive approach for all diverse groups including social mobility, based on our data, insights and engagement forums...**



# Our strategic aim

To transform the culture in Lloyd's by embedding inclusive practices that enable high performance. We aim to change perceptions of the industry so that it becomes a destination of choice for global talent.



# Our 5 Culture Principles

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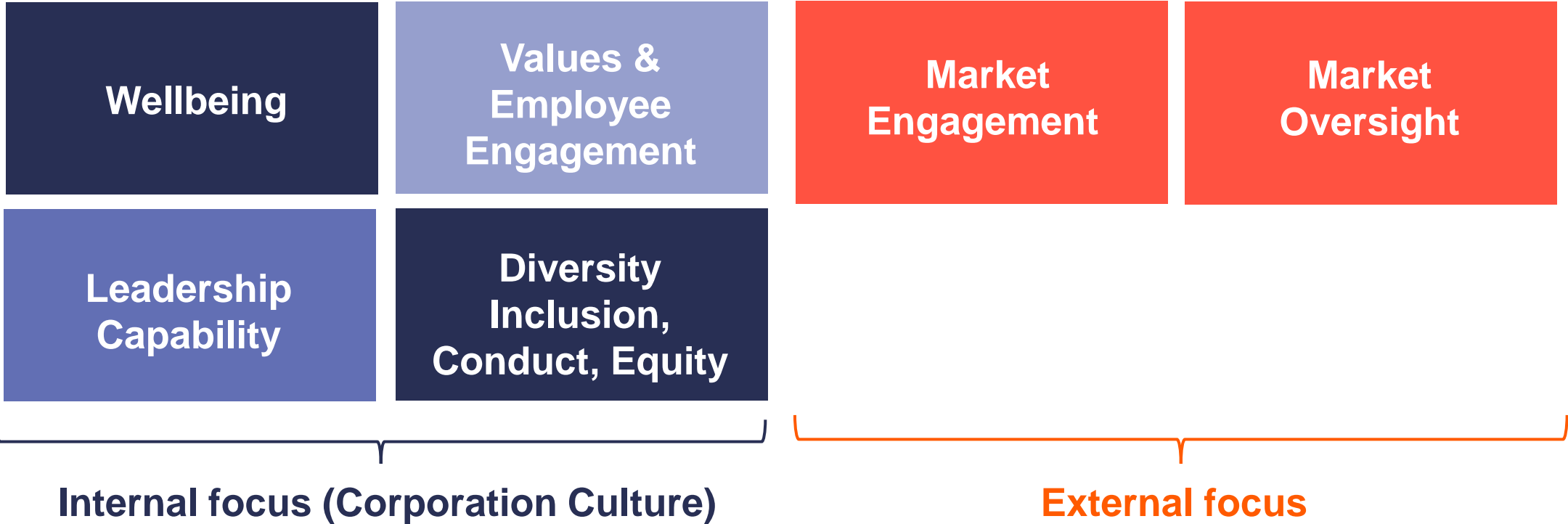
**Lloyd's should be diverse, creating an inclusive and high-performance culture. In order to support this, Lloyd's will:**

- 1.** Demonstrate leadership focus on fostering an inclusive, high-performance culture.
- 2.** Ensure behavioural 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.



# How we organise our Culture Work:

Our work on culture is divided into the six themes set out below. By utilising a thematic approach we give clarity to our people and the Market on what Lloyd's means when talking about our culture work.



LLOYD'S

# The Corporation

# Developing Leadership Capability

# Our Leadership Development Model

Clarify the development need	Development Activity				Performance feedback / measurement
	Experiential learning	Development programmes	Self directed learning	Coaching & mentoring	
<ul style="list-style-type: none"> <li>• Talent review process &amp; succession plans</li> <li>• 360 feedback (Extraordinary Leader)</li> <li>• Personal development plans</li> </ul>	<ul style="list-style-type: none"> <li>• Stretch assignments</li> <li>• Role change / rotations</li> </ul>	<ul style="list-style-type: none"> <li>• ELG Quarterly Insight Sessions</li> <li>• Lloyd's Leadership Programme (Henley)</li> <li>• Positive Action Career Programmes (Accelerate &amp; Advance)</li> <li>• Inclusive Hiring</li> </ul>	<ul style="list-style-type: none"> <li>• Leadership toolkit (Q3)</li> <li>• LinkedIn Learning (via workday)</li> <li>• Gartner Manager Success Workshop and Toolbox</li> </ul>	<ul style="list-style-type: none"> <li>• Executive coaching</li> <li>• ELG Mentoring offer (Q3)</li> <li>• Corporation / Market Sponsorship</li> <li>• Personal networks</li> </ul>	<ul style="list-style-type: none"> <li>• Annual performance review</li> <li>• 360 feedback</li> <li>• Employee engagement results</li> <li>• Culture survey results</li> <li>• Strategic scorecard</li> </ul>

# Mobilising leadership for culture change

## Our key groups to affect Culture Change:

- **Exco**
- **ELG**
- **Line Managers**

*Supported by our Employee Change Forums and Lloyd's Together Network*

Upskilling &  
Raising  
awareness

Personal  
Participation &  
Sponsorship

Driving team  
engagement with  
Culture activities

Implementing  
actions to  
address  
feedback

*Note:*

*Exco = Executive Committee*

*ELG = Executive Leadership Group*



# How we measure Leadership Capability

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360 degree feedback



Culture survey results



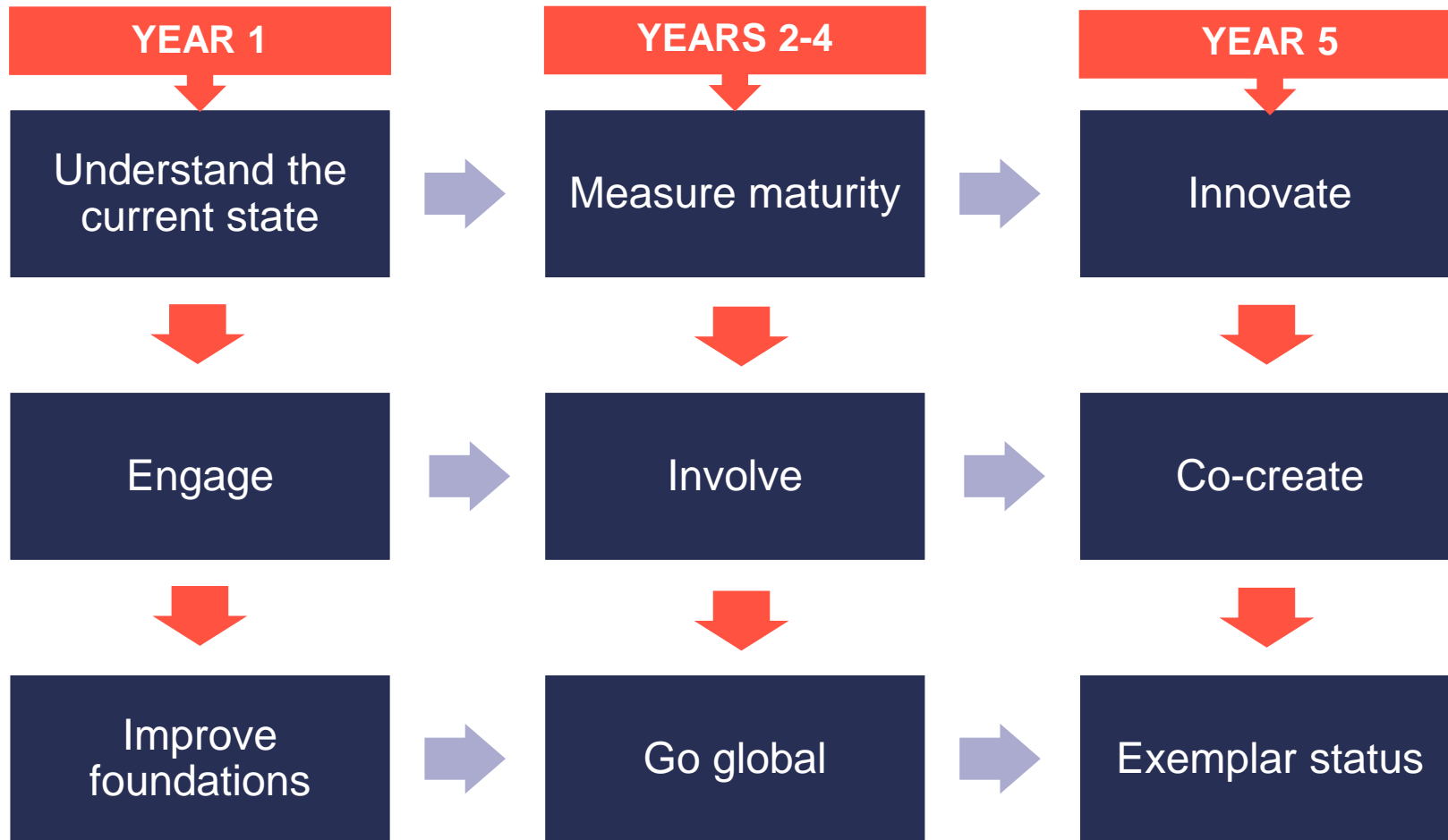
Employee engagement results



Performance against strategic scorecard



# Our 5 year D&I development model



# How we will embed diversity & inclusion:

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## People Practices

*Measure: Clear Assured Gold/Platinum status & Edge Leader Certification, Social Mobility Employer, Armed Forces Covenant Gold standard retained*

## Inclusive Procurement & Supplier Diversity

*Measure: Clear Assured Gold/Platinum status*

## Access & Accessibility

*Measure: Disability Confident Leader Status, Web Accessibility Accreditation*

## Communications, Events, & Community Engagement

*Measure: Clear Assured Gold/Platinum status*

## Data & Insights

*Measure: Peakon results above benchmark & Clear Assured Gold/Platinum status*

## Global Approaches and practices

*Measure: Clear Assured Gold/Platinum status (global index)*

# Our engagement forums

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Employee Resource Groups: Lloyd's Together Network focussed on engaging staff around D&I



Employee Change Forums: Providing consultation 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 related D&I matters



# Values & Engagement



# How we will embed Values & Engagement at Lloyds: Our Model

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Measuring how our people feel about the culture at Lloyd's and our ability to retain our talent

**Stay**

Measuring how our people feel about developing skills and developing their careers

**Strive**

Measuring the wellbeing of our staff aligned to our Wellbeing model

**Thrive**

# How we will embed values and employee engagement



Employee  
Engagement  
Survey



Pulse  
Surveys



Employee  
Change  
Forums



Lloyd's  
Together  
Network



Embedding  
Leadership  
Capability

# Our engagement forums

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Employee Change Forums



Lloyd's Together Network



Wellbeing Champions



Executive Leadership Group (ELG)

LLOYD'S

# Wellbeing



# How we will manage Wellbeing at Lloyds: Our Model

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## Physical Wellbeing

- Fitness challenges
- Health webinars
- Wellbeing walks

## Emotional Wellbeing

- Webinars on mental health
- Resilience training and interventions

## Social Wellbeing

- Coffee mornings with wellbeing champions
- Increase membership in ERGs

## Financial Wellbeing

- Financial advice webinars or in person events

# How we will embed Wellbeing

## Prevention

- Life Work Balance – flexibility, agility and leave policies
- Remote working hub for managers and employees
- DSE Equipment – Home & Office
- Wellbeing Champions and MHFA Network
- Work+Family Space
- Headspace App
- Physical Activities: e.g. 10k Challenge etc
- Resilience Training and Workshops
- Hybrid working guidance

## Early Intervention

- Doctor@Hand
- AXA Stronger Minds
- Headspace App
- Employee Assistance Programme
- Mandatory training for people managers \*
- Mandatory resilience and mental fitness training for senior leaders \*
- Clear Talents (Internal & External Assessment)

## Post Intervention

- Occupational Health Assessment
- Return to work action plan – returning to work after long term sick
- Assistive Technology implementation
- Workplace adjustments implementation

# Our engagement forums

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Employee Change Forums



Lloyd's Together Network



Wellbeing Champions and Mental Health First Aiders



Executive Leadership Group (ELG)

# Market Oversight & Market Engagement

# Market Oversight: Our 5 Culture Principles

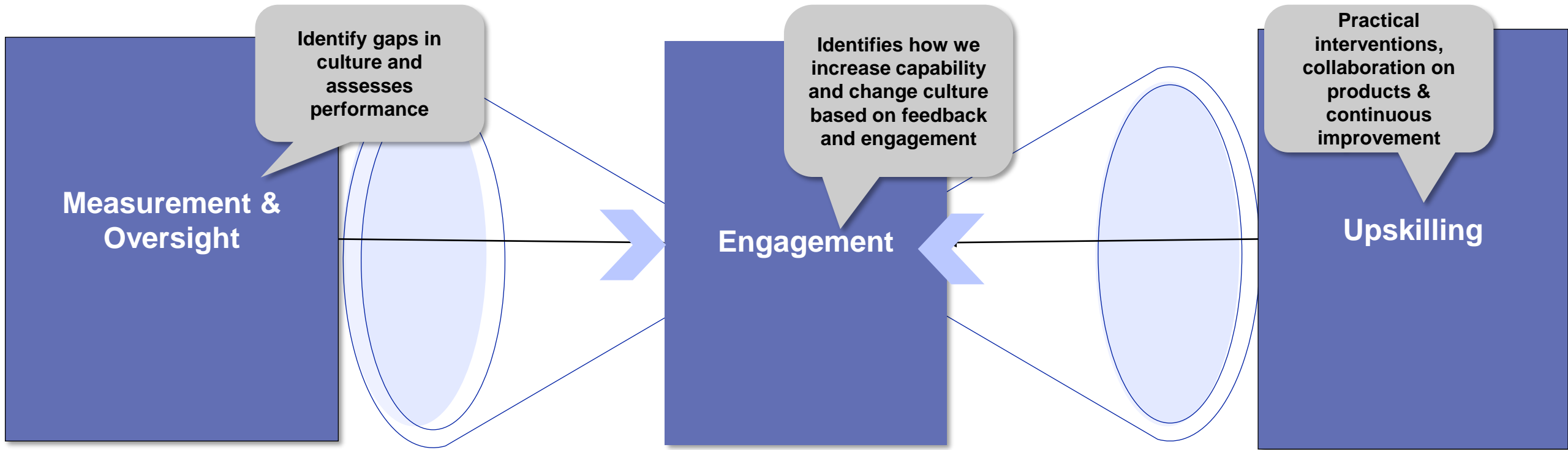
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**Managing agents should be diverse, creating an inclusive and high-performance culture. In order to support this, Managing Agents should:**

- 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.



# Developing a high performing, inclusive culture for Lloyd's Market: Our Model



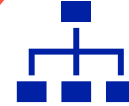
# How we will embed our culture work with the market:



**Culture Survey & Dashboard:**  
measures current market culture annually and provides data on culture & the diversity of market participants



**MP & P Survey:**  
measures the maturity of culture practices and understand how Lloyd's can best support the market



**Culture Principles Oversight process:**  
measures the maturity of managing agents in relation to culture and is fully integrated into the Lloyd's oversight process.



**Speak up advice line:** provides independent advice on issues relating to inappropriate behaviour

# How we will engage with the market

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HRD & Oversight Forums: Ensuring HRD's and Oversight 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 in 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*

# Measures of Success



# Where do we want to be in five years?

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We have transformed the culture in Lloyd's by embedding inclusive practices that enable high performance.

We have changed perceptions of the industry so it is becoming a destination of choice for global talent.



# Our goals and Measures of success: The Corporation

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## Goals

- A diverse workforce & leadership with inclusive behaviours
- Values are part of everyday conversations at Lloyd's
- A highly engaged workforce
- Wellbeing supports high performance

## Measures of success

- Lloyd's is a diverse organisation, Gender parity at leadership level and 20% Ethnic minorities. Staff describe the Lloyd's culture as inclusive & Lloyd's achieves D&I Accreditation
- 90% of staff understand the values and feel they are lived
- Engagement scores are above sector benchmarks
- Wellbeing scores are above benchmark for all groups in the corporation

# Our 5 year vision for the Market

**Leadership** has taken ownership for reputational transformation

- Enforcement action is rare, penalties are reducing year on year
- 50% of managing agents have achieved external accreditation and all have progressed beyond Rio foundational level
- Broker progress against diversity and inclusion practices is improving year on year

**Data** is a proof point validation for talent

- Women in Leadership target achieved (35%), stretch target of parity in leadership progressing, 1 in 3 hiring ambition regularly delivered
- Data collected across all protected groups and socio economic categories
- Policies and practices delivering a strong care framework that retains talent
- Data is published for both enforcement and celebration

Lloyd's is valued and attractive to **Talent**

- School leavers rate insurance within the top 10 industries as a career destination
- % of under 30s in the Market is growing year on year
- Leadership populations are increasingly diverse

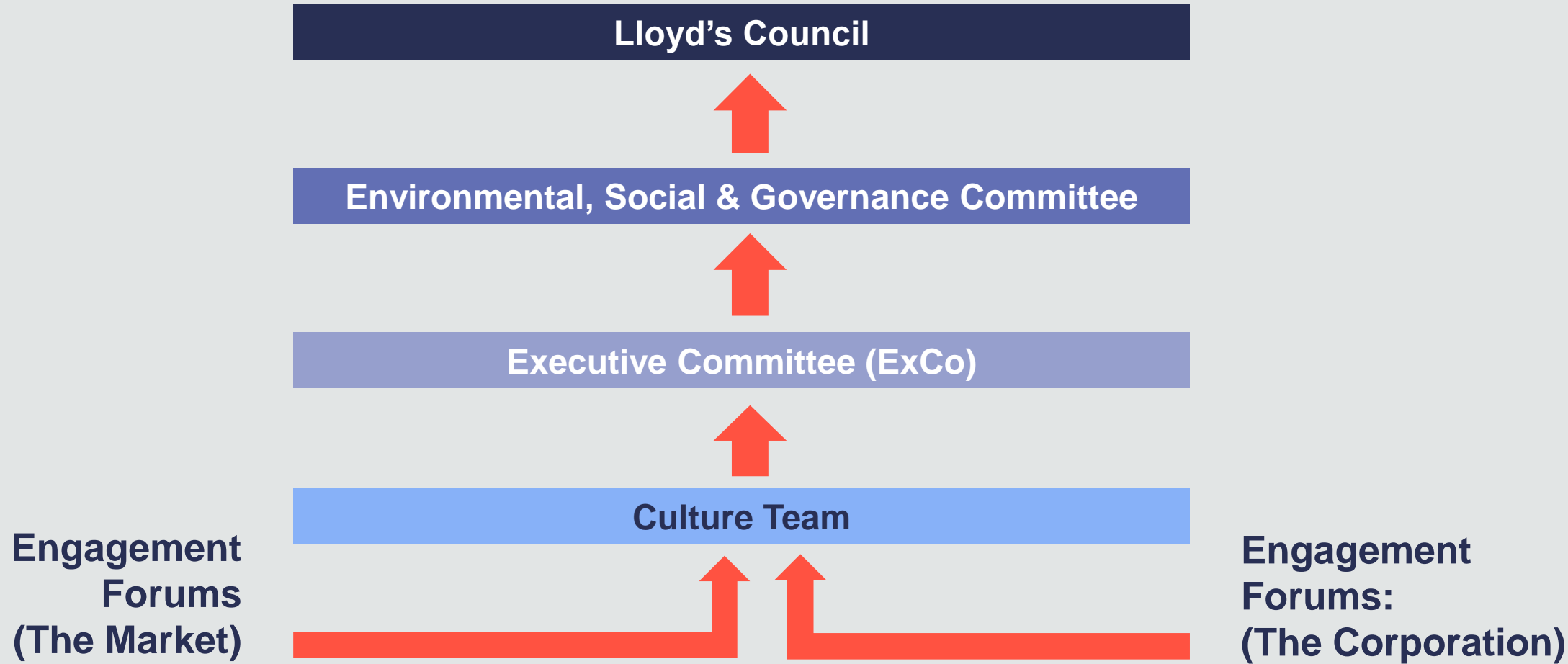
**Engagement**

**Oversight**

**Enforcement**

# Our Governance

# Our Governance Model:



# Communicating our Culture Work





# How we will communicate our work stakeholders

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**Annual Report & ESG reports**



**Culture Dashboard and Insights hub**



**MP & P insights report**



**Inclusion@Lloyds,  
Partner networks and industry groups**

# Year 1 Priorities & Timeline



# 2022 Strategic Priorities

## Culture Strategy Year 1

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- 1.** **Culture Strategy developed, agreed and communicated** to provide a clear strategic direction, success measures and align our efforts behind our priorities, leading the market to transform the culture of Lloyd's
- 2.** **Operationalise Culture Oversight** to create **accountability** in the market for culture, diversity and inclusion outcomes. Build capability to assess culture and adapt our approach to align with evolving D&I policy regulation
- 3.** **Refresh Inclusion@Lloyds, align partner networks and forums** with culture strategy priorities so that together we have more impact in building an inclusive and high-performance culture across the market and deliver on external commitments
- 4.** Take a **data driven** approach to culture, diversity, inclusion, engagement and wellbeing by improving **data and insights** in the Corporation and market (including social mobility), and increase transparency with all stakeholders
- 5.** Embed the **Values and engage** people to build the desired culture in the Corporation, so our mindsets and behaviours enable us to deliver strategy and purpose. We reinforce the values through our people practices and mobilising our leaders.
- 6.** **Embed D&I architecture** clearly articulating governance structures, differentiating engagement forums, embedding aspects of Culture and D&I accountability into leadership performance and business operations (e.g. IT & Procurement)

# 2022 Culture timeline

Use data inputs and key oversight moments to inform our culture strategy and monitor progress

## Culture Work Timeline:

**Market Policy and Practice insights inc:**

- Progress on women in leadership target
- Ethnic diversity inc hiring rate baseline
- Policies and practices insights

**Proposed 2022+ Culture strategy, plan and measures of success**

**Quarterly Corporation diversity scorecard**

**Culture survey insights:**

- Has culture in the market improved?
- Corporation vs Market culture insights
- Where do we need to focus?
- Aligning and mobilising stakeholders
- Update Lloyd's culture narrative and dashboard

**Culture Oversight**

- Insights and Learning from culture assessment of Managing Agents

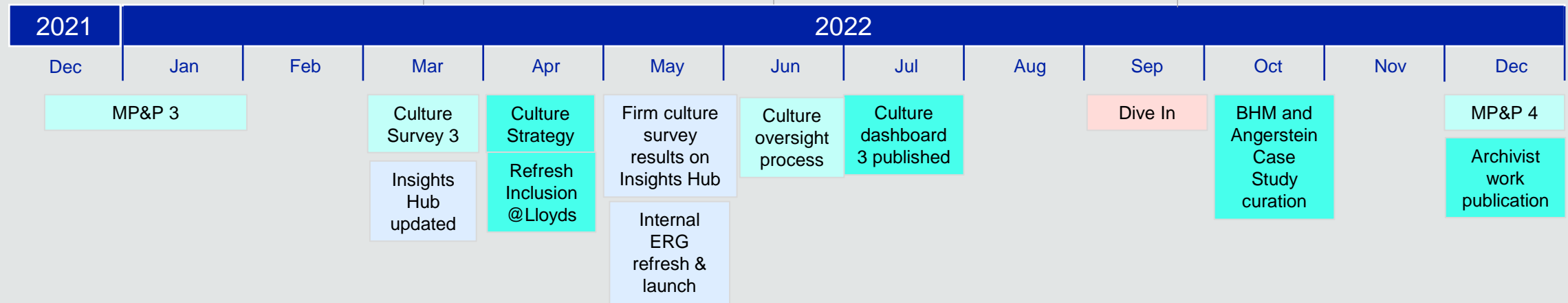
**Quarterly Corporation diversity scorecard**

**Progress update**

- Culture plan
- Ethnicity commitments and engagement plan
- Inclusion@Lloyd's refresh

**Quarterly Corporation diversity scorecard**

Key inputs





# Years 2-4 Approach, Priorities & Timeline



# Where are we now?

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# Culture: The journey so far – no grind no glory

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**Inclusion@Lloyd's launches the Dive In festival in 2015** to raise awareness & buy-in for diversity & inclusion. Resource groups grow, market associations start to engage & regulators take increasing interest

**Bloomberg article in 2019 & Black Lives Matter in 2020** create a media spotlight on sexual harassment in the Lloyd's market & Lloyd's historic links to the slave trade

**Lloyd's responds with specific action plans** aimed at accelerating progress to gender parity and increasing representation of ethnic minorities in the Lloyd's market. Lloyd's achieves Gold level Clear Assured accreditation for inclusive practices, the highest in the market

**Governance, workstreams & frameworks to support these objectives are established & matured** – MP&P survey in its 3rd year, culture principles embedded in RIO, poor behaviours in the market addressed (Atrium et al) steady gains towards gender & ethnicity targets, data collection improved, CAG integrated into ESG Committee, best in class research into slavery links

**Progress is incremental – but culture change takes time.** We are seeing steady gains towards our gender & ethnicity targets

# What is the data story?



Women's representation is increasing at the Corporation (52%) and in the market (42.5%). 32% Women in leadership vs 35% target in the Market. Corporation exceeds the 35% target. 1pp increase in women across the Market overall and 3pp increase in Market leadership since 2021.



We still have four all male boards & seven all male Exec teams in the market. Gender pay gaps range from 16-54% in the market. The Corporation gender pay gap is 20.6% but expected to increase in the short term due to senior turnover.



Ethnic minority representation is increasing in the Corporation (23%) and market (11%) incrementally. Ethnic minorities make up 9% of leadership positions in the Market and 7% in the Corporation. 3pp increase in ethnicity the Market overall and 5pp increase in Market leadership since 2021.



Disabled representation is low across the market, with 60% of firms collecting disability data and 2% disclosing a disability. Corporation shows 3% disclosed disability and 6% with substantive workplace adjustments.



More firms are collecting data on LGBT+ but representation is still low at circa 2%



We don't know how well we represent the demography of our global regions

To achieve the 5 year plan we  
need to move to action.

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# Where will we focus our efforts in 2023 & 2024?

Transform Dive In to deliver the broad talent agenda



Deliver a communication plan to drive the discussion and highlight progress



Establish a regulatory tripartite working party



Execute on our gender and ethnicity commitments holding MA's to account for actionable plans



Embed & further develop the RIO Framework



Benefit all protected groups & socio-economic backgrounds through the inclusion and talent agenda





# How will we achieve our two year goals?



## Dive In

Transform from a three day Festival to year round engagement, an Outreach programme, Market wide mentoring programme & Careers Conference transforming Dive In into the talent brand for the Lloyd's Market



## Recognition

Digital Kitemark for firms who are Top Quartile on Culture Survey and meeting diversity targets



## Early Careers

Transform early careers developing a Market wide talent pool and clearing house to enable firms of all sizes to access a diverse, robustly assessed pool of talent



## Culture Survey & MP&P

Align the Culture Survey to the 5 Culture Principles, enhance MP&P to capture talent pipeline and succession data to enable strategic workforce planning



## Ethnicity Commitments

Long term funding to support our Ethnicity Commitments and ensure positive reputation for Lloyd's post-Archives launch supporting our 1 in 3 hiring ambition



## RIO

Develop additional levels to RIO to enable recognition of the best performers in the market. Hold poor performers to account.



## Outreach

Under the Dive In brand create a Market wide outreach programme utilising our partners to hit 1 in 3 and social mobility ambitions



## Upskilling Programme

Deliver an upskilling programme, update the Culture and Diversity Toolkits, share best practice and case studies



## Leadership pipeline

Develop a future diverse leadership pipeline through our Advance and Accelerate career programmes, succession planning & leadership development

LLOYD'S