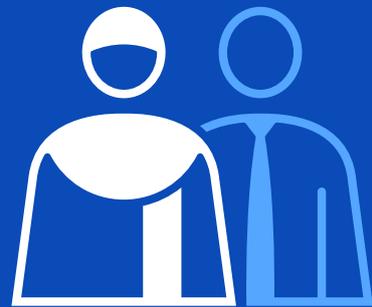


Gender and Ethnicity Pay Gap Reports 2021



Statement from John Neal, Lloyd's CEO

Lloyd's is the world's most advanced insurance marketplace and its long-term success is dependent on its ability to attract and retain the very best people. Pay gaps point to the under-representation of specific employee groups and communities, and therefore Lloyd's is committed to minimising pay gaps as part of our ambition to build a high performance and inclusive working environment both within the Corporation and across the market.

In this report we set out the pay gap data for both Gender and Ethnicity

Our 2021 mean gender pay gap is 18.6%, an improvement of 1.8% on 2020. While there is still more to do, this shows a continually improving trend since the 27.7% pay gap in our first report in 2017. In our most senior roles (Council, Executive Committee and their Direct Reports), we continue to focus on hiring and retaining the best diverse talent. Due to the size of these populations within Lloyd's the figures may fluctuate from year to year, but we remain close to gender parity.

Continued improvements to the gender pay gap will require a continued focus on recruiting and actively supporting women throughout their careers, as well as addressing the barriers that get in the way of their success. Our Advance career development programme is proving effective at preparing our talent for progression and will continue to be a core element of our talent development programmes.

The Corporation's mean ethnicity pay gap in 2020 is 16.1% (and median 9.5%). 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 actions more specific. As for gender, the ethnicity pay gap is driven by under-representation in senior roles within the Corporation. Our Accelerate career development programme is proving effective in facilitating progression for ethnic minority colleagues.

Closing our pay gaps will take time, but we are committed to long-term actions and will continue to hold ourselves to account.



John Neal, CEO Lloyd's

What's the difference between equal pay and pay gaps?

Equal pay

Equal pay is the **right for men and women to be paid the same for the same, or equivalent, work or work of equal value**. It's an aspect of UK sex discrimination law which has been in force for over 40 years.

Where men and women are not receiving **equal pay**, the employer must prove that the reason isn't gender-related – *Source: CIPD*

Note: *Some reasons for differences in pay which are not gender related may include performance in role, experience or other market related factors*

Gender Pay Gap

The **gender pay gap** is the difference between the average (mean or median) earnings of **all men and all women** across a workforce – *Source: .gov.uk*
The **same methodology** is applied for other pay gap calculations such as the Ethnicity pay gap. Publishing the Gender Pay gap is a **statutory** obligation. Publishing the Ethnicity pay gap is **voluntary**. Publishing pay gap figures is always 1 year in arrears.

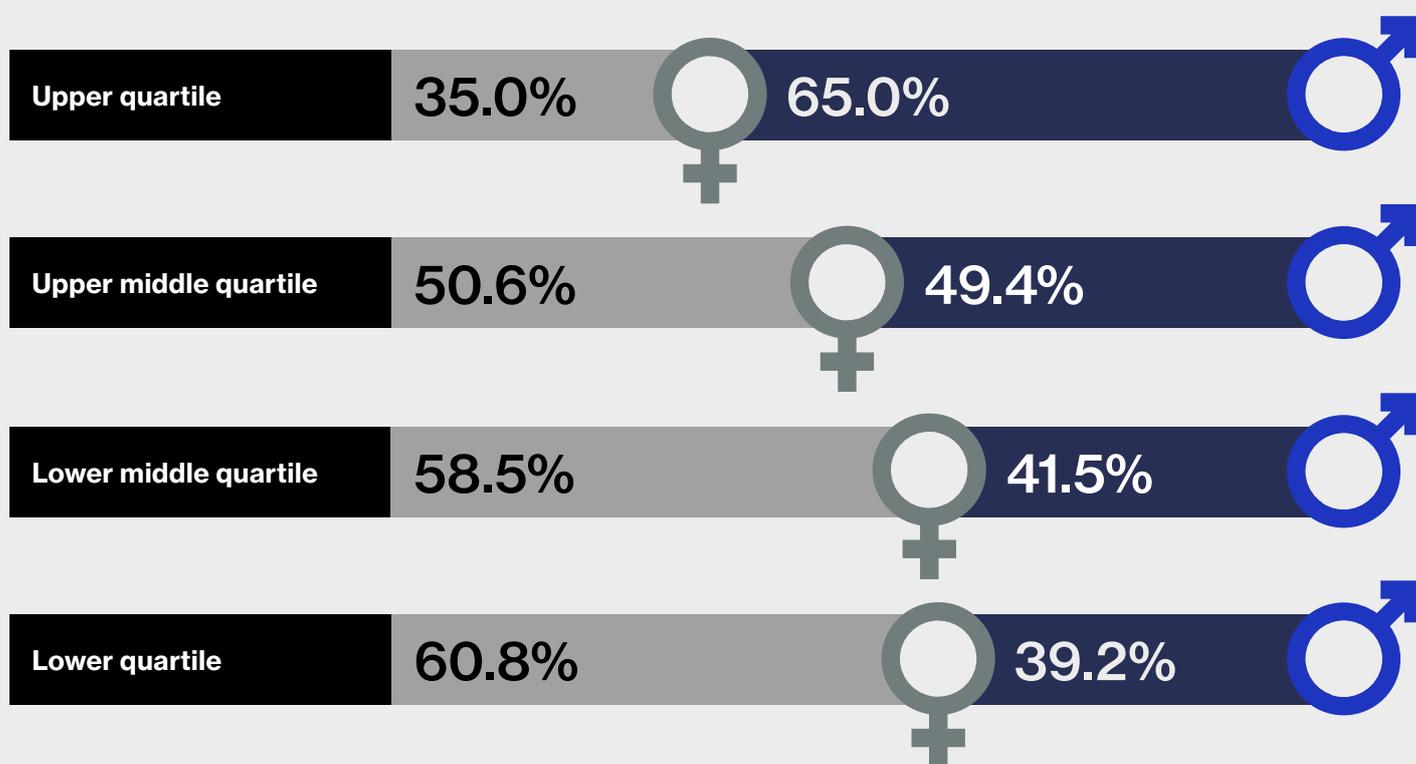
Note: *The Gender and other pay gaps e.g. ethnicity pay gap are influenced by a number of factors including representation at senior levels within a business and the prevalence of some groups in less well remunerated roles.*

Lloyd's Gender Pay Gap

Key: Women ♀ Men ♂

		2018	2019	2020	2021
Gender pay gap	Mean	19.9%	22.2%	20.4%	18.6%
	Median	29.9%	26.5%	20.8%	19.2%
Gender Bonus Gap	Mean	30.1%	37.4%	28.1%	23.0%
	Median	42.8%	40.5%	33.6%	25.9%
Proportion of Employees in receipt of Bonus	♀	82.4%	74%	63.3%	73.6%
	♂	77.8%	71.1%	64.6%	71.7%

2021 Employees by pay quartile



What the data is telling us:

At Lloyd's, globally, our female colleagues represent 51% of our workforce. We continue to make progress in closing the gender pay gap, with the Corporation reporting a mean gender pay gap of 18.6% in 2021, a decrease of 1.8% from 2020, and an overall reduction of 9.1% since 2017.

Lloyd's Ethnicity Pay Gap

Lloyd's is one of only 14 of FTSE 100 companies that have conducted Ethnicity Pay Gap Reports

	Mean pay gap	Median pay gap	Bonus mean gap	Bonus median gap	Proportion of Employees in receipt of Bonus
Black	17.3%	17.3%	23.7%	19.4%	75.0%
Asian	16.1%	6.9%	24.9%	-1.5%	56.8%
Mixed	13.6%	10.3%	20.6%	13.7%	53.8%
Ethnic Minority	16.0%	9.5%	24.1%	8.0%	60.4%

Employees by pay quartile

White

Ethnic minority

Upper quartile

83.8%

16.2%

Upper middle

78.1%

21.9%

Lower middle

67.0%

33.0%

Lower quartile

75.8%

24.2%

What the data is telling us:

23% of our colleagues come from an ethnic minority background. Disclosure rates: 87%.

The mean ethnicity pay gap in 2021 is **16.1%** shows a **small increase of 0.7%** compared to the previous year.

What are we doing to close the Pay Gaps?

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1. 1 in 3 Ethnic minority hiring ambition
 2. Advance: Career Development Programme for women
 3. Accelerate: Career Development Programme for ethnic minorities
 4. Inclusive Recruitment Training for managers
 5. Best in class Family leave policies
 6. Equality Analysis of pay and performance processes
 7. D&I Accreditations focussed on audit and impacts
 8. Ethnicity commitments and EDGE action plan
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