



PRESS RELEASE

FACING UP TO FIXING INEQUALITY: PROGRESS ON OUR RACE ACTION PLAN

- **Lloyds Banking Group widens its Race Action Plan to better support Black communities externally, starting with support for Black Business owners and entrepreneurs.**
- **It unveils a Black Business Advisory Committee led by Claudine Reid MBE to help it better understand the needs of, and barriers faced by, the UK's Black entrepreneurs and business owners.**
- **News comes as it announces partnerships with Foundervine and the Black Business Network.**
- **Ethnicity Pay Data Report is also shared as part of commitment made in the Race Action Plan.**

We believe that a business which reflects diversity is a better business and a more inclusive society is a better society. Therefore, setting meaningful commitments to improving diversity and achieving tangible results are a must have for any company, rather than a nice to have.

Today, we are widening our Race Action Plan to extend our support to Black communities externally starting with our Black Business Advisory Committee and partnerships to support Black led businesses.

BLACK BUSINESS ADVISORY COMMITTEE

Claudine Reid MBE has today been announced as the chair of our Black Business Advisory Committee, convened to help us better understand the needs of Black business owners and aspiring business owners.

The Black Business Advisory Committee will investigate the barriers to growth for the Black business community. The committee will start to share their recommendations and research findings from Q1 2021, and they will underpin our future actions to ensure Black led businesses have the best opportunity to start, grow, adapt and thrive.

Ms Reid MBE brings a wealth of experience as an award-winning social entrepreneur and a former advisor to the Cabinet Office on social enterprise and social entrepreneurship.

PARTNERING FOR SUCCESS

We recognise the importance of working with external experts that directly support the Black business community to ensure we fully understand and support the ambitions, priorities and unique challenges they face.

Foundervine provides educational and practical programmes to help entrepreneurs accelerate their business growth. The Lloyds Banking Group and Foundervine partnership will kick-off with a four-week course focused on preparing Black entrepreneurs for investment and linking them up with potential investors. The partnership will also deliver events in which talented Black founders will pitch to potential investors and lending providers, improving their opportunities for growth.

We are also partnering with Black Business Network to build a strong, engaged and highly visible audience of black entrepreneurs through sponsoring events such as Black Investor 360 in 2020 and 2021.

PUBLISHING OUR ETHNICITY PAY DATA

As part of our Race Action Plan we made a commitment to voluntarily publish our [Ethnicity Pay Data Report](#) which shows the difference in average pay between Black, Asian and Minority Ethnic colleagues and White colleagues and takes into account all roles at all levels within Lloyds Banking Group. This is different to equal pay comparing the pay received by colleagues performing the same roles at the same grade.

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PRESS RELEASE

The mean ethnicity pay difference in Lloyds Banking Group is 6.8%. * Our data tells us that the pay difference is principally driven by lower senior representation among Black, Asian and Minority Ethnic colleagues. On a mean basis, Black, Asian, or Minority Ethnic colleagues are not paid less than White colleagues at any individual grade.

Group Chief Executive, António Horta-Osório said: “Listening to our colleagues and looking at our data, we recognise that specific groups face difficult and often nuanced challenges in being themselves at work. Our Black colleagues remain significantly under-represented at all levels, accounting for just 1.5% of our total workforce and 0.6% of our senior management.

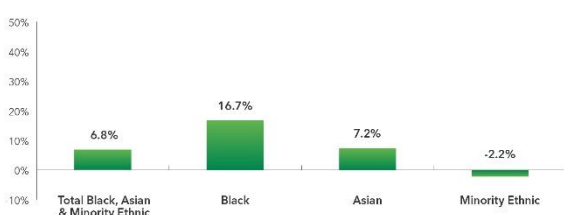
“That’s not good enough; and it’s why we have resolved to take action. We want to be clear that we are an anti-racist organisation – one where all employees speak up, challenge, and act to take an active stance against racism. In doing so, our colleagues will help break down the barriers preventing people from meeting their full potential.”

Breaking down the data further by ethnic group, we can see that the pay difference is widest for our Black colleagues with a far lower representation at senior grades creating an overall difference with a mean average pay difference of 16.7% and a median average pay difference of 19.7%.

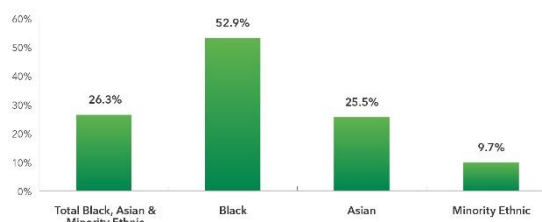
For Asian colleagues the mean average pay difference is 7.2% and a median pay difference of 15.7%. For Minority Ethnic colleagues the mean average pay difference is -2.2% with an average median pay difference of -0.5%.

Our target is to increase Black representation in senior roles to at least 3% by 2025. It’s by achieving this goal that will enable us to close the pay difference and create a truly diverse workforce.

Mean Pay Gap



Mean Bonus Pay Gap



Group Sustainable Business Director, Fiona Cannon also comments: “We know that creating true cultural and operational change within an organisation as big as Lloyds Banking Group will not happen overnight. We also recognise that we also have a responsibility to do all that we can to ensure the business community is representative of the UK as a whole, which is why we’re looking at how we can better support the Black business community.

“The Black Business Advisory Committee will provide us with honest, direct feedback and direction on the steps we can take to address the challenges faced by the Black business community. With these insights, and working together with our partners, we stand ready to support Black-owned businesses.

“As we head into 2021 I have a real sense of optimism that we have momentum behind us, we have the plans and processes in place, and perhaps most importantly the unwavering support of our colleagues to get this right.”

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RACE ACTION PLAN

Our Race Action Plan, launched in July, puts in place a set of initiatives to address the specific challenges faced by Black colleagues focused on Culture, Recruitment and Progress within our business, and now how we can support Black communities externally, starting with Black businesses. It aims to hold us accountable to continuing to understand how our people feel and think, so that we can create an inclusive environment for everyone.

While our Plan is good start, we know we still have a long way to go to becoming a truly diverse and inclusive organisation.

Notes to Editors

* Data accurate to April 2020.

- On an average (mean) basis, Black, Asian and Minority Ethnic colleagues are not paid less at any individual grade within the Group.
- While representation has grown across grades within Lloyds Banking Group, and particularly in more senior grades, there is still under-representation of Black, Asian and Minority Ethnic colleagues at senior grades that drives the pay gap.
- Data from April 2019 to April 2020 for Lloyds Banking Group colleagues, who have disclosed their ethnicity.
- Data is based on disclosure rate of 83%.
- Data takes into account all roles at all levels within Lloyds Banking Group, rather than comparing people of different ethnicity within the same role (as for gender pay reporting).
- In 2018 we were the first FTSE100 company to make a public commitment to increase the ethnic diversity of both our overall and senior workforce to 10% and 8% respectively and currently 10.3% of all colleagues and 7.3% of our senior management population are Black, Asian or Minority Ethnic.

Definitions

- The **mean ethnicity pay difference** is the difference between the average hourly earnings of White colleagues and the average hourly earnings of Black, Asian and Minority Ethnic colleagues.
- The **mean ethnicity bonus difference** is the difference between the mean average bonus payment received by White colleagues and the mean average bonus payment received by Black, Asian and Minority Ethnic colleagues. This is calculated by adding together the bonus payments received in the 12 month period of each group of people and dividing the result by the number of people in the group.
- The **median differences** are based on arranging all the pay amounts in numerical order and selecting the middle amounts.

Links to additional information relevant to our Black Business Advisory Committee and partnerships

- Find out more about our partner, Foundervine: <https://www.foundervine.com/>
- Find out more about the Black Investor 360: <https://www.blackinvestor360.com/home>
- PJ's Community Service: <https://pjsgroup.co.uk/>

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