

**LLOYDS**  
BANKING GROUP



# Ethnicity Pay Gap Report

April 2021 - April 2022



# Introduction

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A more inclusive society is a more prosperous society, and a diverse business is a better business.

In the four years since we became the first FTSE100 company to set public goals to increase the representation of our Black, Asian & Minority Ethnic colleagues, we've made some significant progress, including having a Board that continues to exceed the Parker Review recommendation. Our work is being recognised externally too, and we're proud to have received the Outstanding Employer Award at the 2022 Ethnicity Awards for the third time.

But, we recognise that there is still work to be done to ensure our business is truly reflective of modern-day Britain. This is our third Ethnicity Pay Gap Report, and we remain dedicated to the significant shift our business needs to make to address the pay gaps.

In 2020, we broadened our commitment to ensuring diverse representation in senior positions in our Race Action Plan, pledging to increase representation of Black Heritage colleagues in senior roles to 3% by 2025, and increase our overall senior Black, Asian and Minority Ethnic representation to 13% by 2025. Senior representation of these colleagues is improving but the gap remains an obstacle to success, which is why we launched our Career Acceleration Programme to help us identify our next Senior Managers and Senior Leaders from our existing pool of talented colleagues.

We are clear this is a complex challenge with no quick fix. Only time, resource and long-term commitment can ensure we achieve our ambitions for a diverse workforce.

We are taking these steps, including voluntarily publishing our ethnicity pay gap because it's the right thing to do. Our purpose is to Help Britain Prosper, and to do that we must make the UK economy more productive, more agile and – crucially – fairer.



# Current representation within Lloyds Banking Group

The data in this report is based on those colleagues that have chosen to disclose their ethnicity.

Encouragingly, since we set our goals in 2018, our disclosure rate has continued to rise and now accounts for 85.1% of our workforce.

While we're pleased that a growing proportion of our workforce are happy to share their ethnicity data, it's important that all colleagues feel comfortable to share their data and bring their whole selves to work, so we will continue to work hard on improving this.

The disclosure of diversity data, such as ethnicity, is optional for colleagues. The data used in this report is based on data for the 12 months to April 2022 for colleagues who have chosen to disclose their ethnicity to the Group (85.1% of our workforce).

Disclosure rate is those who chose to disclose their ethnicity within HR systems

- This data is based on a disclosure rate of 85.1% (disclosure is higher for senior colleagues).
- In scope population:
  - All colleagues employed on the snapshot date are within the calculations.
  - Includes all colleagues who have been determined to be either a 'full-pay relevant employee' or a 'relevant employee' according to the Gender Pay Gap Regulations.
  - Calculations do not include the Not Disclosed population.
- There is insufficient data at an entity level to publish by entity.
- Goal reporting data is calculated differently to Ethnicity Pay Gap reporting data and includes non-disclosed colleagues. This means the representation of Black, Asian and Minority Ethnic colleagues shows as lower.

# Our Ethnicity Pay Gap

Our Ethnicity Pay Gap data shows the difference in average hourly pay between our White, Black, Asian and Minority Ethnic colleagues. This is different to the concept of equal pay i.e. colleagues of all ethnicities receiving the same pay for the same role.

While we note and welcome the improvement on previous years, lower representation of Black, Asian and Minority Ethnic colleagues at senior grades continues to hamper our efforts to close this gap further and we recognise we have more to do to achieve this.

Our median gap (see definitions to the right) for pay is larger than the mean gap because the mid-point for Black, Asian and Minority Ethnic is a lower grade colleague, compared to the mid-point for White colleagues - this means that they are in a different pay band. Overall representation of Black, Asian and Minority Ethnic colleagues is continuing to increase across our workforce, with the rate of growth higher at senior management levels. This will play a key role in helping us to close our Ethnicity Pay Gap over time.

**Mean Ethnicity Pay Gap**

The **mean Ethnicity Pay Gap** is the difference between the average hourly earnings of White colleagues and the average hourly earnings of Black, Asian and Minority Ethnic colleagues. This is calculated by adding up the average hourly pay of each group and dividing the result by the number of people in the group.

**Median Ethnicity Pay Gap**

The **median Ethnicity Pay Gap** is based on arranging all the pay amounts in numerical order and selecting the middle amounts.

Pay Gap	
<b>MEAN</b> <b>4.6%</b>	<b>MEDIAN</b> <b>12.6%</b>
The <b>mean</b> Ethnicity Pay Gap in Lloyds Banking Group (-0.7% on 2021)	The <b>median</b> Ethnicity Pay Gap in Lloyds Banking Group (-0.5% on 2021)





**Data definitions:**  
‘Black’ colleagues refers to: ‘Black – British’ or ‘African’ or ‘Caribbean’ or ‘Any other Black background’  
‘Asian’ colleagues refers to: ‘Asian – British’ or ‘Indian’ or ‘Pakistani’ or ‘Bangladeshi’ or ‘Chinese’ or ‘Any other Asian background’  
‘Other Minority Ethnic’ colleagues refers to: ‘Middle Eastern or North African’ or ‘Mixed/multiple ethnic groups’ or ‘Other ethnic group’

# Breakdown of results across Black, Asian and Minority Ethnic colleagues

To help us better understand the Ethnicity Pay Gap, we break the data down even further across our Black, Asian and Minority Ethnic colleagues at an individual level. Having a greater understanding of the figures allows us to address the complex and specific needs of our colleagues more accurately and identify the specific barriers that are preventing people from meeting their full potential.

The pay gap is at its widest for our Black Heritage colleagues, as they are disproportionately under-represented at senior levels. This is not the case for our Asian and Minority Ethnic colleagues because they are more consistently represented across all levels of the business. In July 2020, we launched our new Race Action Plan to accelerate progress in this space. However, moving the dial on Black Heritage senior representation is taking longer than we would like. While we are certain it is the right plan to drive change, a profound push is required in this space to see notable improvement in the pay gap figures going forward.

Broadly, the Group has made progress in improving Black, Asian and Minority Ethnic representation at senior levels. Senior Black, Asian and Minority Ethnic representation has increased by 3.7% from 5.6% in January 2018 (when our representation goals were set) to 9.3% in April 2022 (based on

all colleague data). However, our data shows us that under-representation is seen at its highest amongst our Black Heritage colleagues and needs additional focus to progress.

We know that diversity of our workforce is important, and that representation is a key driver to close the gaps that exist. For this reason, we made a public commitment to increase Black Heritage representation in senior roles to 3% by 2025 and increase our overall senior Black, Asian and Minority Ethnic representation to 13% by 2025.

This is a complex challenge, with no quick fixes, but with time, resource and long-term commitment we can make the significant shift our business needs to make. Our Race Action Plan provides clear focuses for the Group, with accountability on all fronts to follow the direction it sets.

## Recap on cumulative group numbers

Pay Gap	
<b>MEAN</b> <b>4.6%</b>	<b>MEDIAN</b> <b>12.6%</b>
The <b>mean</b> Ethnicity Pay Gap in Lloyds Banking Group (-0.7% on 2021)	The <b>median</b> Ethnicity Pay Gap in Lloyds Banking Group (-0.5% on 2021)

## Black colleagues

Pay Gap	
<b>MEAN</b> <b>11.2%</b>	<b>MEDIAN</b> <b>17.5%</b>
The <b>mean</b> Pay Gap (-3.4% on 2021)	The <b>median</b> Pay Gap (-0.6% on 2021)

## Asian colleagues

Pay Gap	
<b>MEAN</b> <b>5.4%</b>	<b>MEDIAN</b> <b>14.4%</b>
The <b>mean</b> Pay Gap (-0.2% on 2021)	The <b>median</b> Pay Gap (0.4% on 2021)

## Minority Ethnic colleagues

Pay Gap	
<b>MEAN</b> <b>-4.4%</b>	<b>MEDIAN</b> <b>-3.9%</b>
The <b>mean</b> Pay Gap (-1.5% on 2021)	The <b>median</b> Pay Gap (-1.1% on 2021)



# Signatories

Sharon Doherty,  
Chief People & Places Officer

## Declaration

I confirm that the Lloyds Banking Group  
Ethnicity Pay Gap calculations featured in the  
above report are accurate.

*Sharon Doherty*

**Sharon Doherty**  
Chief People & Places Officer





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