

LLOYDS
BANKING GROUP



Gender Pay Gap Report

April 2021 - April 2022

Introduction

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Sustainable Business Director
at Lloyds Banking Group

Our values drive everything we do as a Group. We're working every day to create a fully inclusive environment for our colleagues, customers and communities. Our goal is to be truly representative of modern-day Britain.

A key part of this goal is our continued mission to reduce the pay gap between men and women at Lloyds Banking Group, and we've made some good progress over the past 12 months. It's not been as fast as we'd like, but we're heading in the right direction and the overall gender pay gap is closing.

The biggest challenge that we're facing is the under representation of women at senior levels. In 2021, we introduced an ambitious aspiration to have 50% of senior roles held by women by 2025, and at the end of April 2022 we were 38.4% - an improvement on last year.

Companies with a gender-diverse senior team perform better than those without. Reaching our goal would also bring us in line with the UK workforce, and would make us a more representative example of the society we live in.

Continuing our progress on minimising the Gender Pay Gap is a key priority for us as we strive to reach our goal of being a fully inclusive organisation.



Overview

Our Gender Pay Gap data shows the difference in average pay between women and men, and takes into account all roles at all levels within Lloyds Banking Group. This is different to the concept of equal pay i.e. the comparison in pay received by women and men performing the same roles at the same grade.

Within the Group, there are comparatively more women in junior roles, and more men in higher-paid leadership roles. This is the main source of the overall pay gap, as the lower number of senior women brings down the average pay for these colleagues. Other factors which influence the gap include working patterns, maternity leave and other leaves of absence.

Continuing to improve the representation of women in senior roles is therefore crucial as we work to close our Gender Pay Gap.

In 2014, we became the first FTSE 100 organisation to make a public commitment to improve the representation of women in senior leadership roles. At that point, representation of women in senior roles stood at 28%. We have since announced a new ambitious aspiration for women to represent 50% of our senior management population by the end of 2025. As at the end April 2022, we have increased this to 38.4% of women in senior roles. We have made good progress towards achieving this goal, but we recognise that we have more to do. It is our aspiration to ensure that the makeup of our senior leadership team reflects our society.

Attracting, developing, nurturing and retaining talented women is important to us as a business.

Recruitment is an undoubtedly vital part of improving gender representation within senior leadership but is only one element. To improve representation, we also need to look internally, and make sure we're creating the right environment to nurture and develop talented women already within the Group. We want to create a pipeline of future leaders and role models for the women in our workforce.

Our work to improve gender equality continues to be recognised externally: in 2022, Lloyds Banking Group was listed in The Times Top 50 Employers for Women list for the eleventh year running. We were also included in the Bloomberg Gender Equality Index for a fourth consecutive year running.

While we have further reduced the mean pay gap to 29.3%, from 32.8% in 2017, it is still larger than we would like and our progress has been too slow. Through our actions over the past few years, we've learned a lot about what works and what doesn't. What's clear is that our focus needs to be on creating an organisation

that is more agile and reflects the social and demographic changes we are seeing.

The reduction in our pay gap is due to an improvement in gender representation across our business, with a slight increase in the proportion of women in senior roles. The biggest driver of our pay gap continues to be the shape of our workforce.

MEAN AND MEDIAN GENDER PAY GAPS 2022

	PAY	
	Mean Gender Pay Gap	Median Gender Pay Gap
Lloyds Banking Group	29.3%	34.8%

Mean Gender Pay Gap

The **mean Gender Pay Gap** is the difference between the average hourly earnings of men and the average hourly earnings of women.

Median Gender Pay Gap

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

Gender Pay Gap By Employing Companies

Lloyds Banking Group is made up of a number of employing companies, seven of which have more than 250 employees. While we manage our gender strategy at a Group level, and all policies and action plans apply to all parts of the Group, the UK Gender Pay Gap Reporting legislation requires us to report separately for each of our employing companies, as set out below:

	Pay											
	Mean Gender Pay Gap (Hourly Rate)		Median Gender Pay Gap (Hourly Rate)		Upper Quartile		Upper Middle Quartile		Lower Middle Quartile		Lower Quartile	
	Result	Difference to 2021	Result	Difference to 2021	Male	Female	Male	Female	Male	Female	Male	Female
Lloyds Banking Group	29.3	-0.6	34.8	0.6	62.3	37.7	48.0	52.0	34.4	65.6	27.6	72.4
Lloyds Bank Plc	31.4	-1.2	40.9	0.0	64.4	35.6	50.7	49.3	35.5	64.5	29.7	70.3
HBOS Plc	26.0	0.0	28.5	0.7	57.7	42.3	44.5	55.5	32.9	67.1	21.1	78.9
Scottish Widows Services Limited	15.7	0.6	14.1	0.0	63.3	36.7	53.6	46.4	42.6	57.4	44.0	56.0
MBNA	16.0	0.2	18.9	-0.9	54.0	46.0	42.8	57.2	36.3	63.7	32.8	67.2
Lloyds Bank Asset Finance Limited	21.5	0.5	28.5	1.8	64.2	35.8	56.3	43.7	42.8	57.2	25.0	75.0
Lloyds Bank Corporate Markets Limited	13.8	N/A	12.5	N/A	42.2	57.8	31.2	68.8	23.9	76.1	26.6	73.4
Cheltenham & Gloucester Plc	16.8	-1.7	20.7	-1.4	57.5	42.5	43.9	56.1	41.1	58.9	27.4	72.6

Note: Bonus data has been excluded from this report, as this year's bonus data cannot be compared like-for-like with the equivalent data for last year. This is because no bonuses were awarded for the 2020 performance year, which would normally have been paid during 2021, and therefore impacted the bonus data for the 2021 and 2022 Gender Pay Gap reporting periods.

Declaration

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

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