



Gender & Ethnicity Pay Gap Report

April 2022 – April 2023





Sharon Doherty
Chief People and Places Officer

I am really privileged to be leading the Diversity, Equity and Inclusion strategy here at Lloyds Banking Group as the first FTSE 100 company to set targets to increase both gender and ethnic diversity at senior levels, we continue to invest in making our organisation a leading inclusive employer, where the unique differences our people bring to work every day are valued.

Inclusion is part of our values and enables us to understand our customers and represent our communities. A more inclusive society is a more prosperous society, and a diverse business is a better business – all supporting the transformation of Lloyds Banking Group to Help Britain Prosper. It also creates a place where we can attract and retain diverse talent in a place they love to work.

We've set aspirations for a diverse leadership team to ensure we understand our customer needs and reflect the society we serve, **increasing representation to 50% women, 13% Black, Asian and Minority Ethnic, 3% Black heritage colleagues and 12% colleagues with a disability in senior roles by 2025.**

We've learnt that to successfully increase representation requires long-term focus and visible commitment from the top of the business, as well as a delivery plan with milestones, accountability, and robust governance.

Holding ourselves to account by measuring our progress in gender and ethnic diversity and publishing our pay gaps is an important part of maintaining momentum towards achieving this vision.

The progress we've made in this last year demonstrates that our actions continue to move us in the right direction, however, this is still slower than we would like and it's clear there are further actions we need to take to speed up progress.

So, as we now seek to transform our business and reshape our ways of working, systems and processes, we have a huge opportunity to ensure we do so with diversity equity, and inclusion always in mind. We remain committed to driving this vital work forward and ensure we're a business that reflects the society it serves to best serve our purpose and help Britain prosper.

Sharon Doherty



Gender pay gap

Lloyds Banking Group has committed to becoming a leader in gender diversity. We recognise that companies with proportionate gender diversity see increased performance, and make better decisions. We are working towards an ambition of 50% of senior leadership roles being held by women by 2025. As end of April 2023 we are at 39.8%, an increase from when we first set our original gender goal in 2014 when we were at 28%.

Overview

Our gender pay gap exists because women hold fewer senior positions within the Group than men.

What the data shows

Continued progress has been made in closing the Gender Pay Gap, with the gap reducing by 2.6 percentage points to 26.7 per cent, the largest improvement since we started reporting. This improvement demonstrates that our actions are moving us in the right direction, however, we remain committed to accelerating our progress.

Why we have a bonus gap

Generally, bonus pay gaps would be expected to vary more from year to year than hourly pay gaps. Our variable pay (bonus) is higher at more senior levels, and we have a higher proportion of men in senior roles. In addition, the bonus gap is exacerbated by the fact that bonuses are

pro-rated for reduced hours workers – with the majority of these flexible positions held by women.

The gender bonus gap is 54.9 per cent, the first 'true' comparator since 2020, given there was no bonus paid in 2021. Since 2020, the gender bonus gap has reduced by 7.6 percentage points and there has been a 10.3 percentage points reduction in the mean bonus gap since 2017.

While we have further reduced the mean pay gap and bonus gap since we started reporting, it is still larger than we would like. Continuing to improve the representation of women in senior roles is therefore crucial as we work to close our Gender Pay Gap.

As of April

39.8%

of senior leadership roles are held by women

Gender pay gap

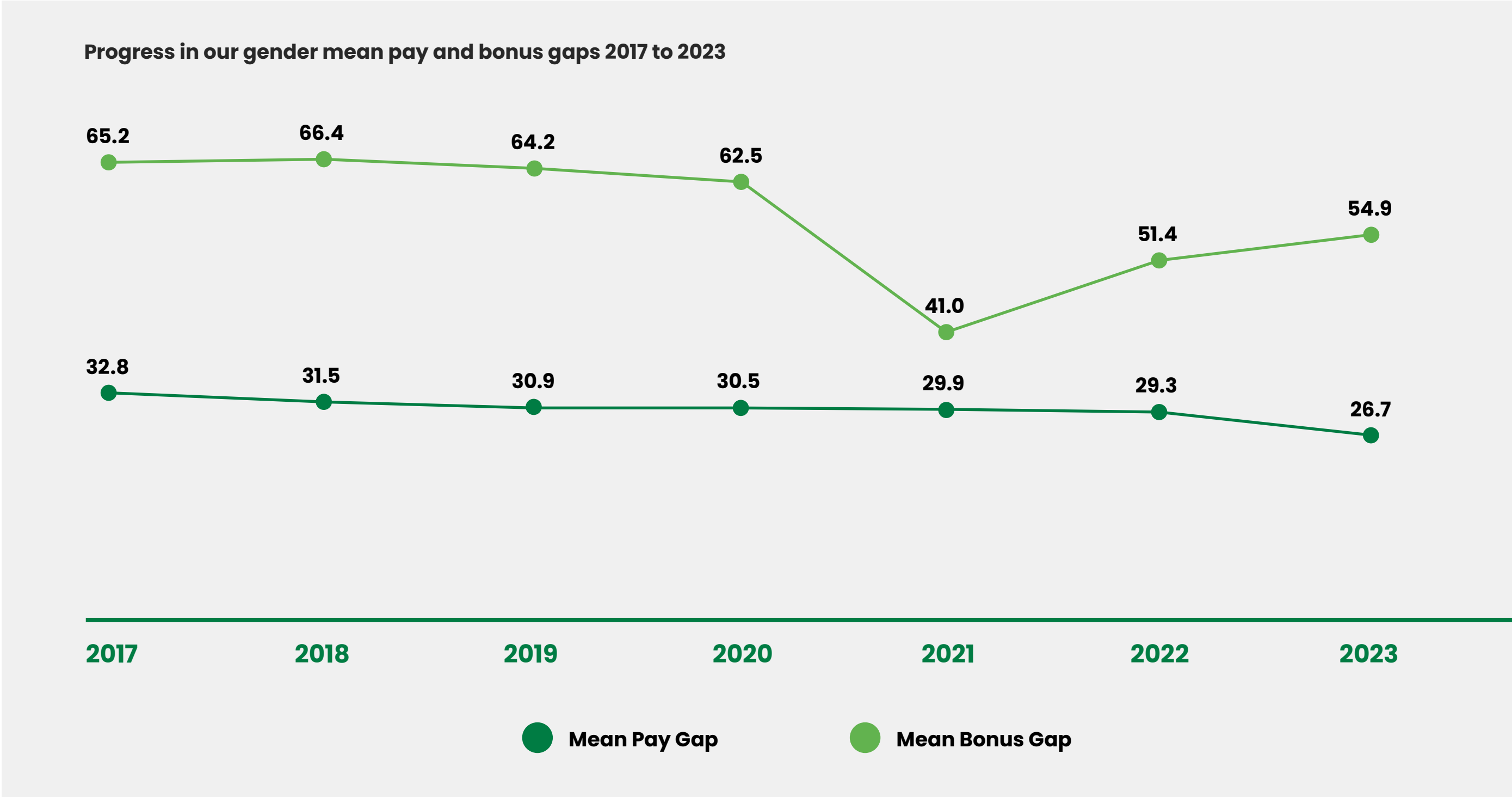
Our Commitments to Gender Inclusion

Integrating DE&I into the way we run our business has been core to our success to date. Beyond our Group wide goals we also have individual business unit level targets and delivery against these forms a core part of the Group Executive Committee member’s individual scorecards and performance conversations. Our data led approach, which is grounded in key metrics and insight gathered through colleague feedback, allows our business unit CEO’s to identify opportunities to accelerate progress, by developing bespoke initiatives which help to address business unit or industry specific challenges.

We take active steps to improve equity through all stages of our colleague lifecycle from recruitment, to progression and retention. For example, we monitor gender diversity for all senior management internal and external appointments.

Additionally, since 2015, all of our external recruitment agencies have been asked to ensure that suitably experienced and qualified women must now account for 1/3 of all shortlists for roles at senior manager level and above.

As part of our commitment to helping Britain prosper, we believe it is essential for us to make an impact beyond our organisation. We therefore co-sponsor the FTSE Women Leaders review, which has set a target of a minimum of 40% women on Boards and in Leadership teams. Our ongoing work to improve gender balance in our organisation has resulted in us being named in the 2023 Bloomberg Gender Equality Index for the 5th consecutive year, and in The Times 2023 Top 50 Employers for Gender Equality for the 12th consecutive year.



Note: 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.

Ethnicity pay gap

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. At the end of April 2023, 10.5% of senior manager roles were held by Black, Asian or Minority Ethnic colleagues, and 1.6% held by Black heritage colleagues.

Overview

When it comes to Ethnicity Pay Gap reporting, there is no legislative requirement on UK organisations to publish these figures. However, for the past three years we have published our Ethnicity Pay Gap on a voluntary basis. As a leading UK employer, we've chosen to publish this data because we recognise the importance of transparency in encouraging focus and inspiring purposeful, action-led change. It holds us accountable, helps us to learn, and we believe will lead to positive improvement.

What the data shows

Encouragingly, our disclosure rate has increased from 85.1 per cent in April 2022 to 88.2 per cent in April 2023 (of those colleagues who have chosen to disclose their ethnicity with us).

We're pleased to see that our overall representation of Black, Asian, Minority Ethnic talent has increased. This is due to higher volumes of inclusive recruitment and a greater proportion of colleagues sharing their ethnicity data with us at the more junior levels of our business. This has, however, resulted in an increase in our ethnicity pay gaps from 4.6 per cent to 5.7 per cent because our junior colleagues hold lower paid positions within our business.

Whilst we have also seen improvements within the representation of our senior leadership teams this remains lower, affecting our efforts to close the gaps further and we recognise we have more to do to achieve this.

As of April

10.5%

of senior leadership roles are held by Black, Asian and Minority Ethnic colleagues

Ethnicity pay gap

Our Commitments to Ethnic Diversity

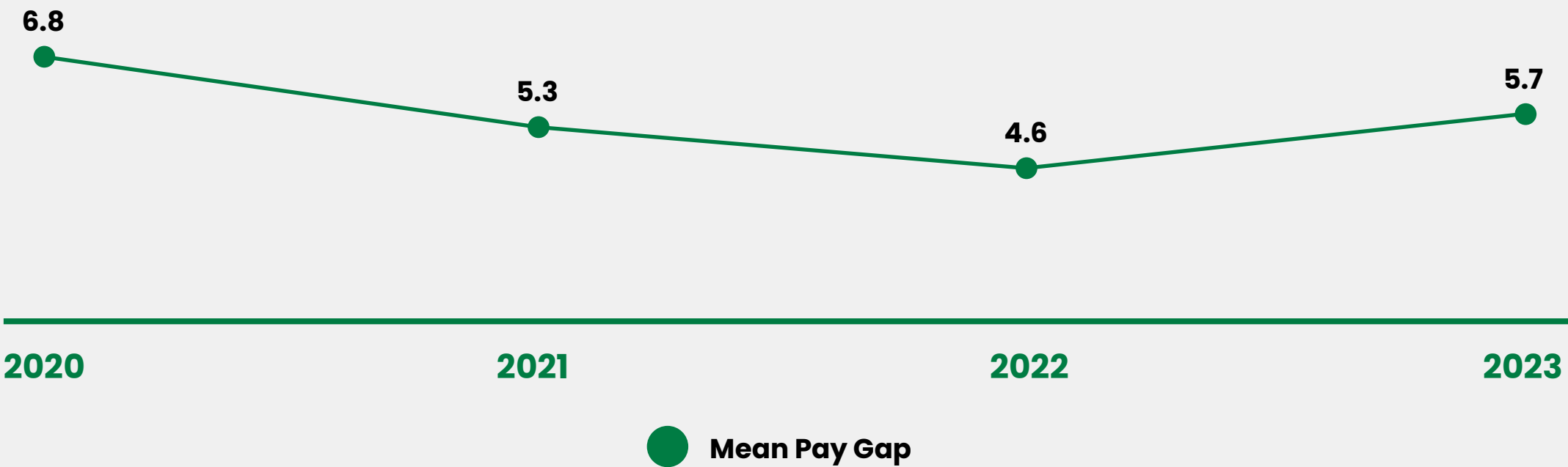
As an organisation we stand against racism, and our Race Action Plan created in 2020 outlines the steps we are taking to drive sustainable change for our people, customers and the communities we serve.

We are focused internally on driving change through our culture, recruitment and progression to improve representation. For example, our Race Education and Cultural Capability training programmes, undertaken by all colleagues within the Group aims to equip everyone with the skills they need to reflect on their own behaviours and the impact these can have on those around them, ultimately helping us to create a more positive working culture for everyone.

Having identified opportunities to improve the progression of our Black heritage colleagues, we continue to invest in our bespoke Senior Leadership and Career Acceleration programmes, with over 40 per cent of colleagues promoted or making lateral moves to enhance their career progression since inception. We believe the success of these programmes can be accredited to the sponsorship, networking opportunities and support given to our delegate's line managers, ultimately setting them up for success as they move to the next stage of their career with us.

Additionally, we have widened our Race Action Plan to go further and work beyond our internal boundaries. As noted in our active support for Black business communities through our partnership with Foundervine and the Black Business Network.

Progress in our cumulative ethnicity mean pay gap 2020 to 2023



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:

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

Sharon Doherty

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Chief People & Places Officer

	Pay												Bonus					
	Mean Gender Pay Gap		Median Gender Pay Gap		Upper Quartile		Upper Middle Quartile		Lower Middle Quartile		Lower Quartile		Mean Gender Pay Gap (Bonus)		Median Gender Pay Gap (Bonus)		Proportion with a Bonus	
	Result	Difference to 2022	Result	Difference to 2022	Male	Female	Male	Female	Male	Female	Male	Female	Result	Difference to 2022	Result	Difference to 2022	Male	Female
Lloyds Banking Group	26.7	-2.6	32.8	-2.0	61.9	38.1	47.9	52.1	34.8	65.2	29.6	70.4	54.9	3.5	59.4	21.4	95.6	96.4
Lloyds Bank PLC	28.0	-3.4	37.4	-3.5	63.5	36.5	50.1	49.9	36.8	63.2	31.9	68.1	56.3	-0.2	54.8	13.1	93.3	94.2
HBOS PLC	25.1	-0.9	27.8	-0.7	58.0	42.0	44.6	55.4	33.1	66.9	21.1	78.9	52.7	16.0	61.7	24.4	99.8	99.9
Scottish Widows Services Limited	15.0	-0.7	14.5	0.4	62.6	37.4	51.7	48.3	45.7	54.3	41.5	58.5	37.3	15.5	48.2	48.2	99.8	99.9
MBNA	14.3	-1.7	14.7	-4.2	53.6	46.4	44.2	55.8	36.4	63.6	33.5	66.5	34.9	20.0	38.2	9.0	98.8	95.2
Lloyds Bank Asset Finance Limited	20.2	-1.3	28.4	-0.1	63.5	36.5	56.6	43.4	41.0	59.0	25.2	74.8	42.5	20.0	62.3	32.1	99.8	99.6
Lloyds Bank Corporate Markets Limited	13.4	-0.4	3.7	-8.8	39.3	60.7	29.5	70.5	31.2	68.8	30.4	69.6	54.9	26.4	3.6	-13.0	91.8	94.6
Cheltenham & Gloucester PLC	15.8	-1.0	24.8	4.1	58.8	41.2	42.7	57.3	40.2	59.8	28.4	71.6	30.1	34.9	51.3	51.3	100.0	99.6

Note: 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.

Ethnicity Pay Gaps

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:

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



Sharon Doherty
Chief People & Places Officer

	Pay				Bonus			
	Mean Ethnicity Pay Gap		Median Ethnicity Pay Gap		Mean Ethnicity Pay Gap (Bonus)		Median Ethnicity Pay Gap (Bonus)	
	Result	Difference to 2022	Result	Difference to 2022	Result	Difference to 2022	Result	Difference to 2022
Lloyds Banking Group	5.7	1.0	12.5	0.0	29.2	17.1	28.6	-0.4
Black	11.8	0.6	17.8	0.3	46.8	20.5	32.0	-1.4
Asian	5.7	0.3	14.0	-0.4	29.6	21.3	30.5	-0.4
Other Ethnic Minority	-2.6	1.8	-2.6	1.3	6.6	-8.4	0.0	0.0

Note: 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 reporting periods.



Current representation within Lloyds Banking Group

As at end April 2023

Percentage of colleagues that have shared their data (All Grades):

Ethnicity	Disability
88.2%	28.7%

Representation – Senior Management:

Gender	Black, Asian & Minority Ethnic	Black Heritage
39.8%	10.5%	1.6%

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

- 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 strategic DE&I commitments

Should you want to learn more about our work and commitments to **Diversity, Equity and Inclusion**, please check out our links below:

Overall commitments - [Inclusion and diversity - Lloyds Banking Group plc](#)

Ethnicity - [Ethnicity - Lloyds Banking Group plc](#)

Gender - [Gender - Lloyds Banking Group plc](#)





Helping Britain Prosper