LLOYD'S

Sustainability report 2023

Lloyd's Corporation

Sustainable. Resilient. Inclusive.

Sustainable. Resilient. Inclusive.

→ Visit www.lloyds.com for more information

About Lloyd's

Lloyd's is the world's leading insurance and reinsurance marketplace.

Through the collective intelligence and risk-sharing expertise of our market's underwriters and brokers, we provide risk solutions to help people and businesses protect what matters most.

Our market combines the spirit of our beginnings – a few courageous individuals in a coffee house insuring journeys into the unknown – with cutting edge innovation and research to tackle the complex and interconnected risks facing our society today.

From cargo holds to climate change, space exploration to cyber-attacks, the Lloyd's market provides the knowledge, resources and leadership to give people around the globe confidence and stability in an ever-changing world.

We collaborate with, and create value for, a huge range of stakeholders: underwriters and brokers, customers and capital providers, policymakers and regulators, rating agencies and market associations.

All with the purpose of **sharing risk to create a braver world** – one that's more sustainable, resilient and inclusive.

What is the Lloyd's Corporation?

The Lloyd's market provide risk solutions and insights for customers of all sizes in all corners of the world. The insurance written at Lloyd's is brought by Brokers and Coverholders. Managing agents oversee Syndicates who price and underwrite the risk.

Sat behind the market is the Society of Lloyd's, often referred to as the 'Corporation'. The Corporation is not itself an insurance company, but an independent organisation which protects and maintains the market's reputation as well as providing services, research and reports. Lloyd's also provides a common financial security and strong ratings through our capital structure, often referred to as the 'Chain of Security', which sits behind and protects all insurance policies written at Lloyd's. For the purpose of our reporting, when we refer to 'Lloyd's' we are referring to the Corporation and the tools and assets for which the Corporation has operational control.

Lloyd's around the world

Lloyd's global offices and global presence provide a valuable resource as part of Lloyd's commitment to our customers around the world.

Brokers	Syndicates	Lines of business	Coverholders
380+	**75+**	**200+**	**4,030**

Gross Written Premium
£52.1bn
(2022: £46.7bn)

Profit before tax
£10.7bn
2022: £(0.8)bn

Read more about our Performance in our Annual Report here.

Responsible investing
£140m
invested in social bonds through Lloyd's Impact Bond Fund

Global emissions
33%
decrease in the Corporation's global emissions per employee since 2019

Futureset
30%
increase in Lloyd's Futureset audience engagement

Foreword

John Neal
Chief Executive

"Innovation and collaboration drive our purpose to create a more sustainable, inclusive and braver world."

Purpose-driven action

Embedded in our purpose of sharing risk to create a braver world is a responsibility to build a future that's more **sustainable, resilient** and **inclusive**.

Recent years have challenged us to go further in that mission. From the need for more inclusive organisations, to the urgent global transition to a lower carbon world, there are no easy answers to the challenges we face. Those challenges call for imagination, collaboration and action as we work to help businesses and communities around the world to navigate uncertainty.

2023 was an important year for Lloyd's in building both understanding and action, underpinned by our seven priority United Nations Sustainable Development Goals (SDGs). We saw continued progress against our commitments and efforts to create impact and value for our stakeholders and the customers and communities we support.

Sustainability: Protecting people and planet

In 2023, we continued to work to create more sustainable businesses and communities . That meant collaborating with the market to understand how we can support the transition to lower carbon models, in a way that recognises both the urgency of the challenge and the need for a safe and smooth transition.

This work included launching a consultation in November on a three-year roadmap to chart our market's path to support the global transition to a lower carbon economy. The roadmap seeks to highlight market-leading practice for managing climate-related risks, and outlines tangible actions to help market participants develop their sustainability strategies. The results will inform our long-term approach and ensure we stay aligned to global sectors, governments and markets in transition. Our roadmap will be updated on a rolling basis, to ensure it remains useful for our market and keeps pace with new technology and regulatory development.

As chair of the Insurance Task Force of the Sustainable Markets Initiative (SMI), Lloyd's continued to connect with customers, government and industry to deliver solutions for the future. New York Climate Week saw us announce a new partnership with the United Nations Capital Development Fund (UNCDF) to make insurance more accessible in countries vulnerable to rising sea levels and increasingly severe weather events – starting with Fiji and the Pacific Islands. Meanwhile at COP28 in Dubai, we continued to highlight the vital role insurance can play in building resilience and closing protection gaps as the impacts of climate change continue to materialise.

Resilience: Preparing for future risks

In 2023, that meant facilitating the global response to conflict in Ukraine: including through the UN's Black Sea Grain Initiative which enabled over 1,000 ships to leave Ukraine carrying over 30 million tonnes of grain and fertiliser. Those efforts have helped alleviate food shortages and market volatility at a difficult time for global communities.

Meanwhile, the Lloyd's Lab – together with Lloyd's Futureset, our research and insights platform – continued to explore and develop solutions for the risks and challenges of the future. That included working to quantify the greenhouse gas emissions of underwriting portfolios through our newly launched Lab Challenge; using artificial intelligence to develop flood and wildfire models; and highlighting the potential risks to the global economy from cyber attacks through Futureset's nine new systemic risk scenarios.

Inclusion: Closing gaps across society

In striving to make our market and society more inclusive, 2023 saw us continue to make progress against our commitments, targets and ambition to ensure Lloyd's remains a destination of choice for global talent. For the Corporation, that included seeing our gender pay gap decrease in absolute terms by 2.1% from 2022.

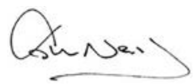
For the market, it meant reaching our target to have 35% of leadership positions filled by women; while seeing progress against our 'one in three' hiring ambition for ethnically diverse backgrounds, seeing 21% of new market hires coming from these backgrounds in 2023.

2023 also saw the launch of Inclusive Futures: a comprehensive programme of initiatives, backed by a coalition of leading market firms, to help Black and ethnically diverse individuals progress from the classroom to the boardroom. The programme includes significant interventions and investment across our hiring and talent development, impact investments, charitable giving and more – spanning the next decade and beyond. We're excited to see and report on the impact those initiatives make in the coming years.

Continuing the momentum

From climate to conflicts, we're building momentum on our journey towards a more sustainable, resilient and inclusive future. We must continue to build on those efforts, taking action to support our stakeholders as they navigate the opportunities and challenges the coming years will bring.

Of course, progress is only possible through the collaboration of our market and its stakeholders: working together to mobilise capital, solve problems and create innovative products. We're grateful to those who have worked with us throughout 2023 – and we look forward to continuing that momentum in 2024.



John Neal
CEO, Lloyd's

Our approach to sustainability

Our Group purpose

Our purpose of sharing risk to create a braver world directs our plans, products and priorities towards thinking about how we can benefit not just our market, but the world.

From ensuring our performance is long-lasting and profitable, so that we can continue to offer our customers protection for years to come; to digitalising the marketplace, so risks can be placed cheaper and claims can be paid quicker. Our work brings together a vast range of stakeholders for the collective benefit of the market to support customers not just in times of need, but also to take the risks that foster innovation and growth.

Our sustainability strategy

At Lloyd's, when we talk about sustainability, we mean our impact on society.

Sustainability is about recognising our responsibility to our stakeholders and the communities in which we operate, and delivering value. Whether that is through innovative insurance products, risk expertise and mitigation or charitable partnerships.

We support and align our impact to the United Nations Sustainable Development Goals (SDGs). The SDGs provide a shared blueprint for the prosperity of people and planet, now and into the future.

We recognise that action in one area will affect outcomes in others, and that development must balance social, economic and environmental sustainability.

With the SDGs as the framework for measuring our impact, we communicate our progress to building a more sustainable, resilient and inclusive market and society through insuring, investing, innovating and our partnerships.

Sustainable

Sustainability involves us developing plans and products that reduce our impact on the planet and support the global transition to a lower carbon economy. We do this through the tools we have available, such as reducing our operational emissions, supporting our market to develop new insurance products, forming strategic partnerships and leveraging our investments to create impact.

Resilient

We build resilience by sharing insight and innovating to close protection gaps and protect what matters most. We've seen the impact global risks can have on our world: from COVID-19 to global conflicts. Our work helps to inform society of systemic and emerging risk, which allows for the market to create innovative products against the risks of the future, and we form partnerships to extend our reach and impact.

Inclusive

Our inclusive work focuses on closing gaps in representation and progression to build a more equitable Corporation, marketplace and society. This involves measuring and monitoring the representation across the market; developing the talent up to leadership within the Corporation; and protecting those who are most vulnerable.

→ For more information, please see our website: **https://www.lloyds.com/about-lloyds/our-impact-on-society**

Thank you for working with us to create a braver world.

Delivering impact through our actions

Throughout 2023 Lloyd's has continued to leverage our expertise, insight and the tools we have available to maximise our impact and build a more sustainable, resilient and inclusive market and society.

We do this by aligning our strategy to the United Nations Sustainable Development Goals

Sustainable

Increased our commitment to
10%
of the Central Fund to impact investments by 2025

Partnered with Moody's Analytics to develop an emissions accounting solution

Lloyds impact Bond
£140m
fund of sustainability focused assets

Published our **insuring the transition roadmap consultation**

33%
reduction in global carbon emissions
per FTE since 2019

Resilient

United Nations Capital Development Fund
Signed a landmark partnership to scale insurance access for climate-vulnerable countries

1,300
stakeholders engaged across 16 events throughout 2023

Lloyd's Futureset
Grew our audience by
30%
across 2023

Hosted our first Cyber Innovation Forum
in partnership with Aon

Over
£22bn
claims paid
to customers around the world

Inclusive

2.1%
decrease
in gender pay gap from 2022

Launched our Inclusive Futures programme with an initial investment of
£50m

Dive in festival 2023 for diversity & inclusion

Record participation

135 events

37 countries

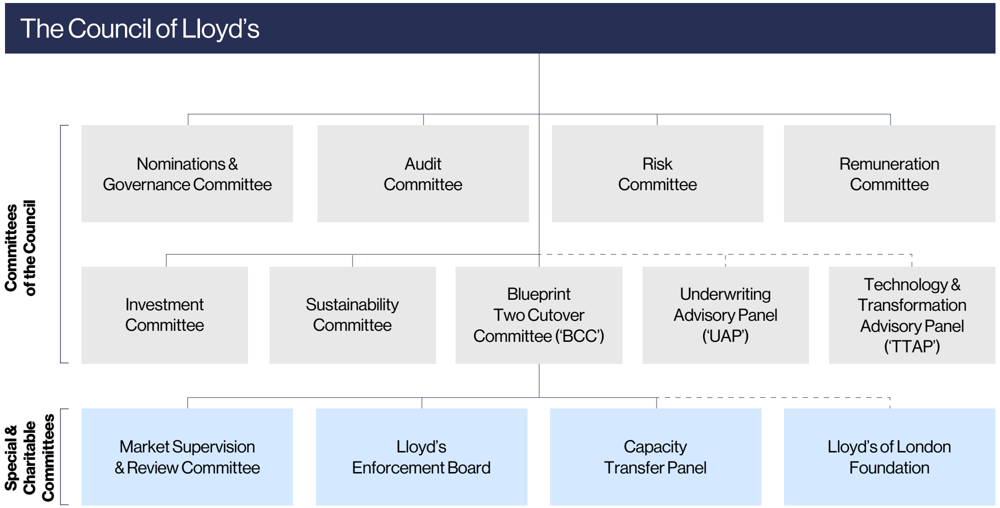
6 continents

£1.8m [a]
of charitable support
to 36 charities

[a] **Assurance**
This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP* ('PwC'). For the results of that assurance, see PwC's assurance report from page 51 of this report and Lloyd's 2023 Reporting Criteria from page 55.

Our sustainability governance

Organisational chart[1]



Executive Committee

→ Click for more information about our Executive Committee

Read more about our Performance in our Annual Report here.

1. Organisational chart as of 28 March 2024.

Council sustainability discussions

Throughout the year the Council has been engaged on the direction of our sustainability strategy, such as:

Decision	Outcome
'Insuring the transition' roadmap consultation	In October 2023, the Council approved the 'Insuring the transition' roadmap consultation document which has been going through a market consultation process during Q1 2024. The consultation sets out Lloyd's proposed approach for the next three years for the market on insuring the transition, including underwriting, investments, exposure management and capital and reserving. Further detail can be found on page 15 of this report. As part of the formation of the draft roadmap, Lloyd's engaged with the market and brokers to understand the needs of the market and help iterate the roadmap prior to publication.

Sustainability Committee activities

Throughout the year our Sustainability Committee has engaged on the delivery and implementation of our sustainability-related activities, including:

Decision	Outcome
Lloyd's Inclusive Futures: communication strategy	In September 2023, the Sustainability Committee received a briefing on the communications plan for the findings of Black Beyond Data's research. The launch plan for the publication of the research included advance briefings to chairs and CEOs of market firms, followed by a launch event. The Committee advised on a number of matters relating to the plan, including, the tone of communications, the importance of ensuring that colleagues were fully briefed on the strategy, and more. The executive agreed to factor these considerations into detailed planning and discuss these further with external communications consultants. The Committee received a further update in October 2023 on the launch and engagement plan for key stakeholders. The Committee endorsed the Lloyd's approach and recommended that early outreach to academics and other influential voices be considered. Post-launch, the Committee received an update that market support of Inclusive Futures was strong and press coverage had been generally positive.

United Nations Sustainable Development Goals

The United Nations have created 17 Sustainable Development Goals as a framework for prosperity for people and planet, now and in the future. Lloyd's supports the Sustainable Development Goals (SDGs) and we have highlighted our actions throughout this report.

We have selected seven UN SDGs as our priority goals as they align with our strategic priorities and where we can make the most impact.

5

- 2.1% decrease in the Corporation's gender pay gap from 2022
- Exceeded our 35% target for female leadership in the Corporation (38%)
- Reached our 35% target for female leadership in the market

7

- 100% of electricity purchased for our London and Chatham office is renewable
- Purchase of biogas for heating in our London and Chatham office
- Futureset event collaboration with the Lloyd's Market Association (LMA) on battery energy storage solutions

8

- Investment in an Inter-American Development Bank bond that focuses on improving access to education and training across Latin America and the Caribbean
- Ukraine grain facility

9

- Launched the Lloyd's and Moody's Analytics emissions accounting proof of concept collaboration
- Launched a consultation on our roadmap for insuring the transition

10

- Achieved Disability Confident Leader status
- Doubled membership of our diversity and inclusion network, Lloyd's Together
- Awarded a Diversity & Inclusion Award for our LGBTQ+ mentoring programme at Insurance Insider Honours

11

- Held our first ever Cyber Risk Summit
- Launched an insurance mechanism to support the International Federation of Red Cross and Red Crescent Societies' Disaster Response Emergency Fund

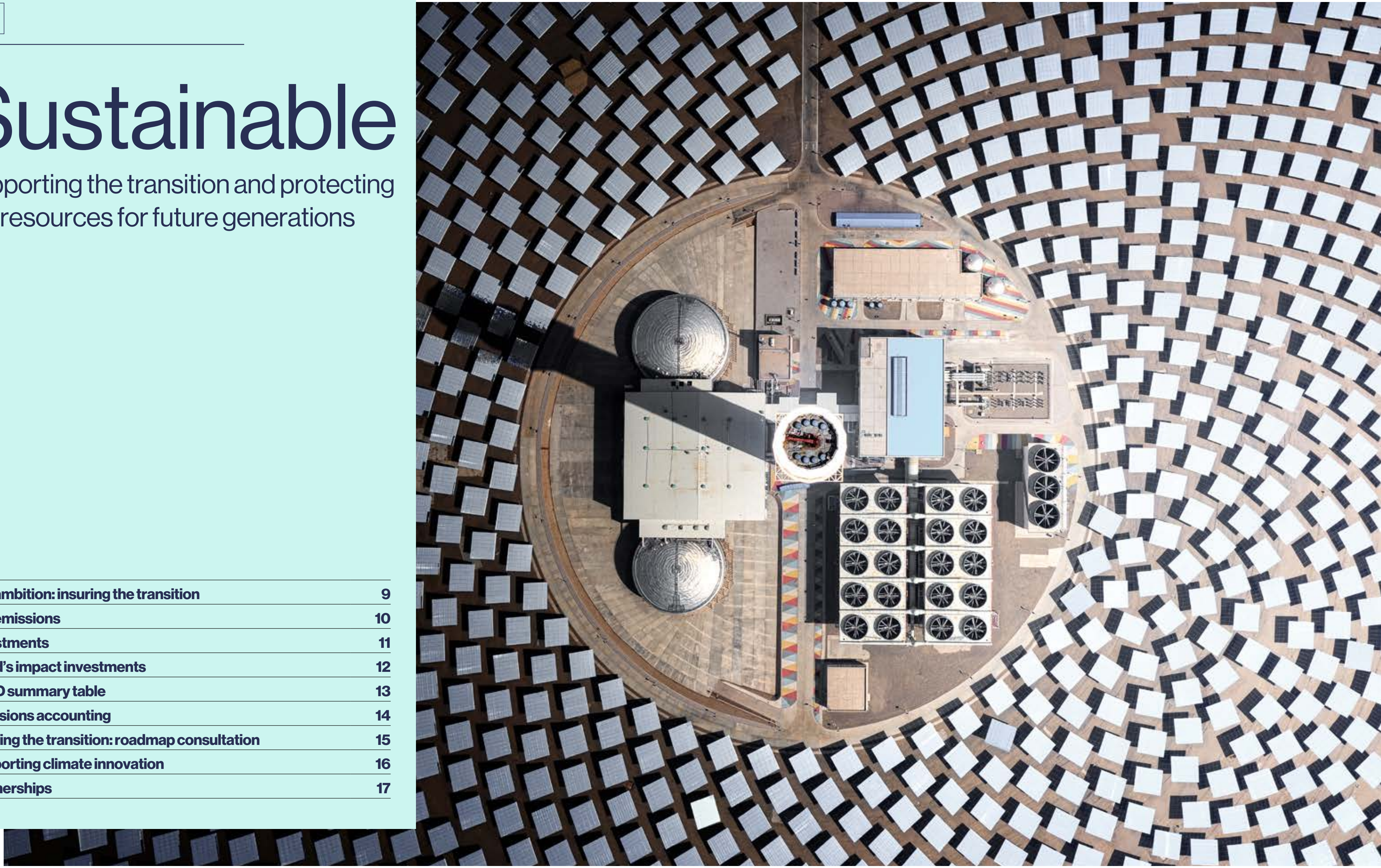
13

- 33% reduction in our total global emissions per FTE since our baseline year of 2019
- Launched the Lloyd's Private Impact Fund on our investment platform, with targeted assets centred around themes of climate mitigation and adaptation

01

Sustainable

Supporting the transition and protecting our resources for future generations



Our ambition: insuring the transition

The ambition of the Corporation is for Lloyd's to be the specialist (re)insurance marketplace to enable a just transition to net zero globally. **To do this, the marketplace will need a diversity of strategies that rise to the challenges and opportunities the global low-carbon economy transition will bring**.

The market can deliver this by providing the risk solutions and expertise our stakeholders need; understanding current as well as future exposures; and capturing the financial and reputational value this movement drives . This will allow us to support our customers and maintain a profitable position, both now and in the future.

Lloyd's vision of the transition

The transition to a low-carbon economy is a global challenge. It involves addressing economic and geopolitical fluctuations, energy security disparities, together with differentiated pathways across advanced and developing economies.

For Lloyd's Corporation, we will need to ensure the collective management of both the risks of transition, alongside the growth opportunities spurred on by new economic activities. We will also need to support a just transition that is as fair and inclusive as possible to communities and businesses globally.

Insuring the transition for Lloyd's means developing plans and enabling the market to create products that help our customers reduce their impact on the planet and supports the transition to a lower carbon economy.

Over 2023 we have continued to progress this ambition through:

Underwriting – Providing the market with the tools and guidance to support its customers with their transition, such as our emissions accounting proof of concept or our insuring the transition roadmap. In return, the market is innovating its product offering and supporting the carbon removal industry.

Investments – Ensuring we utilise all the levers available to us as an asset manager. We've committed 10% of our assets to impact investments by 2025, some of which have already been drawn upon. Our impact investments cover themes of social benefit and sustainable development, as well as climate adaptation and mitigation

Partnerships – Through our leadership position on the Sustainable Markets Initiative's Insurance Taskforce and convening leaders from across industries, our partnerships have led to opportunities enabling private sector finance to flow to projects and territories that need it most.

Our emissions

*tCO_2e GHG emissions	2022 UK emissions	2022 Global emissions (excluding UK)	2022 Total	**2023 UK emissions**	**2023 Global emissions (excluding UK)**	**2023 Total**
[a] **Direct emissions (Scope 1)**						
Location based	1,295	22	1,317	**1,568**	**3**	**1,572**
[a] **Indirect emissions (Scope 2)**						
Location based	2,582	599	3,181	**2,715**	**403**	**3,117**
Market based	–	641	641	**-**	**423**	**423**
[a] **Total Scope 1 + 2 (location based)**	3,877	622	4,499	**4,283**	**406**	**4,689**
[a] **Total Scope 1 + 2 (market based)**	1,295	663	1,958	**1,568**	**427**	**1,995**
Other indirect emissions (Scope 3)						
Total of selected Scope 3	1,162	244	1,406	**1,717**	**525**	**2,241**
Grand total scope 1, 2, 3 (location based)	5,039	866	5,905	**6,000**	**931**	**6,930**
Grand total scope 1, 2, 3 (market based)	2,457	907	3,364	**3,285**	**951**	**4,236**
Carbon intensity location based (tCO_2e/FTE)	4.7	2.4	4.1	**5.6**	**2.3**	**4.9**
Total energy usage (kWh)	20,324,585	1,482,626	21,807211	**22,489,862**	**1,225,078**	**23,714,939**

Methodology

The methodology used to compile our Greenhouse Gas (GHG) emissions inventory is in accordance with the requirements of the World Resources Institute GHG Protocol Corporate Standard (revised version) and Defra's Environmental Reporting Guidelines, including Streamlined Energy and Carbon Reporting (SECR) requirements (March 2019).

We report our GHG emissions on an organisational control approach. This means our GHG emissions cover all legal entities and sites for which Lloyd's has organisational control – this includes all office locations where Lloyd's has management control of energy ownership and usage. These locations exclude "representative offices" where employees of the Corporation work in physical sites outside the operational control of the Corporation.

The reporting does not cover the Lloyd's marketplace or any of its participants. These are separate entities which have their own strategies, over which Lloyd's has no operational control. This is an accepted consolidated approach from the GHG Protocol.

Our **Scope 1** emissions include natural gas. This is calculated via invoices from our suppliers stating gas consumption in kWh. We then apply emissions factors from Defra's Environmental Reporting requirements to convert this to tCO_2e. For our London site, we source biogas which emits fewer GHG emissions than natural gas. However, as the GHG Protocol does not yet provide definitive guidance on accounting for emissions from biogas, we report as if natural gas has been used for our Scope 1.

100% of our calculated Scope 1 emissions across the UK and globally are from actual data.

Our **Scope 2** includes electricity; we collect invoices or meter readings directly from our offices which state their electricity consumption in kWh. We then apply emissions factors from Defra's Environmental Reporting requirements to convert this to tCO_2e.

Where actual data is not available, estimations are calculated based on the number of employees, office floor area and average occupancy, with the appropriate emissions factor for the country from the International Energy Agency (IEA). 93% of our calculated Scope 2 emissions across the UK and globally are from actual data. The 7% estimated come from electricity consumption of international offices where meter readings/ invoices were not available.

As we source 100% of electricity for our London and Chatham offices from renewable sources with zero GHG emissions, our UK Scope 2 market-based emissions are zero.

Our **Scope 3** emissions cover a number of categories:
Category 1 – Purchased goods and services, paper and water use only; Category 3 – Fuel and energy related activity not already included in Scope 1 and 2 [a]; Category 5 – Waste generated in operations (waste and wastewater);Category 6 – Business travel [a], including flights, domestic and international rail travel, hotel accommodation made

[a] **Assurance**
This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP* ('PwC'). For the results of that assurance, see PwC's assurance report from page 51 of this report and Lloyd's 2023 Reporting Criteria from page 55 .

Our emissions continued

through our third-party travel partner; Category 7 – Employee commuting. As above, data is collected directly where available and converted from the appropriate ton, m^3, kWh, km, room per night to tCO_2e using the Defra conversion factor. 68% of our calculated Scope 3 emissions across the UK and globally are from actual data. The 32% estimated largely comes from collecting data on employee commuting and working from home and extrapolating this to the entire workforce.

We have sought limited assurance on our scope 3 category 3 (262 tCO_2e [a]) and category 6 (1,337 tCO_2e [a]) emissions. As part of this we have restated our 2022 total selected Scope 3 figures. This is because in 2022 we only calculated emissions associated with business travel booked through our travel partner. For 2023 we were able to calculate the emissions associated with booking outside of our travel partner using a spend based method, in line with the GHG Protocol. We have followed this methodology for 2022 so that a more accurate year-on-year comparison can be made.

Environmental performance summary

As with many UK and even global companies, 2023 was the first full year without COVID-19 related restrictions in place. This means we saw a 37% increase in footfall in the Lloyd's building in 2023 compared to 2022, even with the ground floor closed for a period of 10 weeks. This had an impact to our Scope 1 emissions, with a 19% increase reported since 2022.

Our Scope 2 emissions have decreased due to a reduction in our global footprint, through the closure of some of our global offices.

The easing of COVID-19 restrictions has also led to an increase in business travel, as in-person market events have returned. This is combined with Defra's flight emissions factor increasing in 2023 from 2022, attributing more tCO_2e emissions to flights. Both of these factors have been the main driver for an increase for our Scope 3 emissions.

However, since our baseline year of 2019, we have seen our total Corporation global emissions per FTE reduce by 33%.

Outlook

Under the terms of the new lease agreement, the landlord of the building has committed to investing in decarbonising and improving the energy efficiency of the building over the next five years. Their aim is to achieve an EPC rating of 'C' by 2027 and 'B' by 2030. This will allow us to continue to provide our services to the market with less impact to our environment.

Investments

The Central Fund makes up one of the three pillars of our unique capital structure, which helps spread risk to provide unrivalled confidence and protection to policyholders.

The Central Fund can be utilised, at the discretion of Lloyd's Council, to support policyholders in the event a member is unable to meet its underwriting liabilities.

The Central Fund is under the operational control of the Corporation of Lloyd's. It is separate to the individual assets and investments held by the managing agents.

We have increased our commitment to allocate 10% of the Central Fund to impact investments by 2025.

Review of market responsible investment policies

In 2023, Lloyd's collected and reviewed Responsible Investment policies across the entire market to understand how managing agents have developed and embedded responsible investment practices.

Managing agents' responsible investment policies play an integral role in outlining how ESG and sustainability issues are considered in undertaking investment activities. This includes how fiduciary responsibilities as an asset owner will align to their ESG strategy and outline what guidance on ESG issues will be provided to external asset managers that have been appointed by the market.

As with underwriting, managing agents remain solely responsible for establishing their own investment strategy which aligns with their individual sustainability strategy and ESG risk appetite for each managing agent.

This may include sustainability metrics, engagement strategy for assets, review and validation of third-party asset managers and inclusion of impact investments.

[a] **Assurance**
This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP* ('PwC'). For the results of that assurance, see PwC's assurance report from page 51 of this report and Lloyd's 2023 Reporting Criteria from page 55.

Lloyd’s impact investments

Impact investments

Ensuring a just transition means recognising the contribution we can make in providing the investment to accelerate progress to lower carbon economy, as well as development of communities. Lloyd’s allocates approximately 5% of the Central Fund assets under management to impact investments at present, and has committed to increasing this to 10% by 2025. Our investment team anticipates an additional £100m of impact investments will be made over 2024 and 2025.

Lloyd’s Impact Bond Fund

The Lloyd’s Impact Bond Fund (LIBF) is an innovative, internally managed bond portfolio worth £140m consisting of sustainability-focused bonds. The LIBF is made up solely of Lloyd’s Corporation capital and is under management by the Corporation.

The LIBF is designed to channel investments that yield not only financial returns, but positive social change. Inaugurated in 2021, the fund targets seven UN Sustainable Development Goals (SDGs).

In 2023, Lloyd’s added three impact bonds to the fund: a $25m African Development Bank (ADB) Bond, a $25m Inter-American Development Bank (IADB) Bond and a $3m Bank Nederlandse Gemeenten (BNG) Social Housing Bond. The first $50m formed part of our Inclusive Futures plan and involved new capital being added to the fund, while the $3m was re-invested capital distributions received from existing investments in the fund.

The ADB Bond

The ADB Bond offers Lloyd’s the opportunity to contribute to vital funding projects across infrastructure, healthcare, education and sustainable development. Aiming to improve the quality of life for people in Africa, it covers six SDGs including: SDG 6 (Clean Water and Sanitation) and SDG 8 (Decent Work and Economic Growth). The investments help support SDG-aligned projects including initiatives to improve water and sanitation, job creation and skills development.

The IADB investment

Our investment in the Inter-American Development Bank’s EYE (Education, Youth, Employment) Bond focuses on developing programmes across Latin America and the Caribbean. These programmes take a ‘life cycle’ approach covering early childhood care and education, formal primary and secondary education, and vocational training to improve the transition from school to the workplace. The EYE programme focuses on four SDGs including SDG 4 (Quality Education) and SDG 5 (Gender Equality). Investing in the IADB allows Lloyd’s to align our financial resources with global development priorities and sustainable development across these regions.

The BNG Social Housing Bond

The BNG allocates investment proceeds to social housing projects in the Netherlands and is expected to contribute to various SDGs. Investment in these bonds directly supports the development and maintenance of affordable housing for low income individuals and families. This allows Lloyd’s to contribute directly to tackling the housing crisis in the Netherlands by helping to create thriving communities where everyone can access safe, affordable housing.

Lloyd’s Private Impact Fund

We launched our first fund on the Lloyd’s investment platform in 2023, with an initial allocation of £250m into the sustainability-focused Lloyd’s Private Impact Fund (LPIF) managed by Schroders Capital. $55m has been invested in the fund to date. This fund on the Lloyd’s investment platform is available to all Lloyd’s members that are UK-domiciled professional investors and managing agents.

LPIF invests globally in a wide range of private equity, infrastructure, real estate and natural capital in both developed and emerging markets. The fund focuses on four impact themes: climate mitigation, climate adaptation, circular economy and social inclusion. The innovative and open-ended nature of the fund will support our industry’s aims to address the impacts of climate change and facilitate a smooth transition to a low-carbon economy.

Case study: Adler Smart Solutions

LPIF has invested in Adler Smart Solutions, a German company which provides commercial solar power and electric vehicle charging infrastructure. This is targeting SDGs 7 (Affordable and Clean Energy) and 11 (Sustainable Cities and Communities) with quantitative performance metrics such as KWp of photovoltaic capacity installed and number of vehicle charging points installed.

TCFD summary table

We believe disclosure is important to remain transparent with our stakeholders and to continually make progress. We are voluntarily disclosing how we manage our climate-related risk and opportunities in line with the Task Force on Climate-related Financial Disclosure (TCFD) framework, as a recognised cross-industry disclosure framework. We have highlighted some key information and updates below, full disclosure is available in the supplementary reporting section,

→ Read more detail in the Supplementary reporting section of this report

Governance

- Our governance structure, key sustainability-related decisions made, and actions taken throughout 2023 are outlined on page 6 of this report.
- Climate-related risks can impact multiple areas of the business, and this is why risks and opportunities could be escalated to Council by the Sustainability, Risk or Investment Committees dependent upon the subject matter.
- Each Committee has multiple members of Lloyd's Executive Committee present who can escalate considerations for Council.
- Council are then able to align our sustainability strategy and delegate action via the Executive Committee and respective functions.
- Lloyd's Executive remuneration is assessed against a rigorous balanced scorecard of quantifiable metrics. 9% of Executive remuneration is weighted to key performance indicators for Lloyd's purpose, which encompasses our sustainability strategy. Further information can be found in the Remuneration report of our Annual Report.
- We have embedded a Climate Change Risk working group, which is a cross-functional forum to collaborate, align and track progress on activities to identify and manage the financial risks from climate change.
- In Q1 2024, we established an Executive Sustainability Committee, to support Lloyd's Executive Committee with discussions on transition.

Strategy

- We recognise the significance of the risks posed by climate change, including their potential to impact over uncertain time horizons and across many areas of the risk profile, as well as the complex and systemic nature of these risks. Our approach to climate change remains thoughtful, proportionate and risk based – this is one of many current and emerging risks that we are focused on.
- There are areas of best practice emerging within the market organically, with the leading syndicates developing proactive, innovative and rigorous responses. We also recognise our unique position which is why we are focused on providing thought leadership, consulting with the market, as well as building our own capabilities.
- There are a number of ways Lloyd's sustainability strategy has looked to explore climate-related opportunities in 2023. Some examples include:
  - Lloyd's Private Impact Fund (page 12)
  - Emissions accounting proof of concept (page 14)
  - Insuring the transition three-year roadmap (page 15)
  - Partnership with the Sustainable Market's Initiative Insurance Taskforce and the United Nations Capital Development Fund (page 22)

Risk management

- In 2021 we participated in the bank of England's Climate Biennial Exploratory Scenario (CBES) – a stress testing exercise assessing Lloyd's capital and solvency position by applying physical, litigation and transition stresses across deterministic climate pathways. This was an important step in beginning to quantify some of the potential outcomes of climate change. CBES demonstrated that, under the deterministic climate pathways set out, Lloyd's balance sheet would remain in a surplus asset position. As a result of the exercise, we have been able to identify specific areas for improvement and build capability.
- We currently monitor a number of climate-related financial risks through the risk framework, including risk appetite metrics and key risk indicators (KRIs), and we are looking to expand this suite of KRIs further.
- Our ongoing oversight of the market includes consideration of syndicates' response to climate change risk embedded within our Principles Based Oversight.
- We have continued to develop our understanding of potential current and future impacts, including through Futureset research and the SMI Insurance Taskforce.
- We have assessed the appropriateness of climate change capture in Lloyd's Internal Model, through a validation deep dive.

Metrics and targets

- Lloyd's aims to reduce our greenhouse gas (GHG) emissions.
- Looking to 2024, one of the ways we will drive these reductions will be through investment in upgrades to our London offices, the largest source of our operational emissions. This investment was agreed as part of our lease extension in December 2023.
- The investment will improve energy performance over the next six years allowing us to reach an energy performance certificate rating of C by 2027 and B by 2030. Giving our Corporation and our market the same space and value proposition, with lower carbon emissions in future.
- Each year we share key performance indicators for our research and insight platform Futureset (page 20).
- We aim to build on these goals annually increasing the reach and community of our Futureset platform, which provides vital insights into how the insurance industry can mitigate emerging and systemic risks facing global economies .
- Read more on the Lloyd's sustainability strategy emissions accounting proof of concept (page 14) and our insuring the transition roadmap (page 15).

Emissions accounting

What is emissions accounting?

Emissions accounting is a framework to measure and monitor the greenhouse gas (GHG) emissions an organisation emits across three scopes of emissions:

Scope 1	Scope 2	Scope 3
Direct emissions from sources owned or controlled by a company	Indirect emissions from purchased electricity, steam, heat, and cooling	All other emissions associated with a company's activities across its upstream and downstream supply chain

For insurers, measuring Scope 3 emissions presents huge challenges, since this includes the measurement of an insurer's emissions relating to their investment and underwriting portfolio. These emissions are also known as Scope 3 Category 15 under the GHG protocol, and financed and insurance-associated emissions in the Partnership for Carbon Accounting Financials (PCAF) standard.

Lloyd's ambition

In 2022, Lloyd's announced its ambition to meet expected future regulatory requirements and support the market in insuring the global energy transition. Under current frameworks such as the UK's Streamlined Energy and Carbon Reporting (SECR), many insurers will be required to report their GHG emissions.

At Lloyd's we are constantly looking to the future, and with further international regulatory regimes such as the International Sustainability Standards Board (ISSB) and Corporate Sustainability Reporting Directive (CSRD) coming into force in the next few years, we announced our collaboration with Moody's Analytics to develop an emissions accounting proof of concept.

This partnership will develop a solution that will provide standardised reporting methodologies, which are ready for adoption and use.

Lloyd's and Moody's Analytics emissions accounting proof of concept collaboration

In October 2023, Lloyd's and Moody's Analytics collaboratively entered the Lloyd's Lab, undertaking a 12-week proof of concept (POC) which iterated an emissions accounting methodology, targeted at credibly assessing managing agents' insurance-associated emissions, considering nuances that work across regions, sectors and lines of business.

The proof of concept used the PCAF standard as the starting point for measurement, baselining the emissions of underwriting portfolios, assessing the credibility and limitations of both data and methodology. Together, Lloyd's and Moody's are considering the longer-term transition analytics required to give context to carbon disclosures.

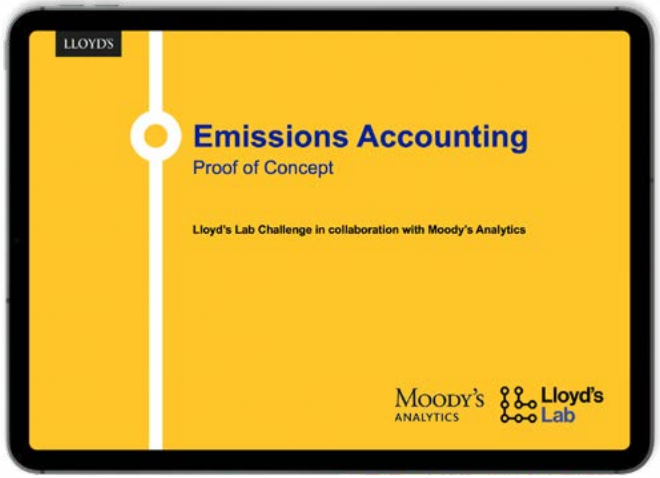
Market representatives volunteered to participate in one of two roles to feed into the solution; strategy or validation. Both strategy and validation roles steered the strategic direction of the solution, allowing participants to provide input in structured market engagement activities: product interviews, show and tells, office hours, and education sessions.

Participants voluntarily shared additional data in a confidential manner from their underwriting portfolio to support Lloyd's and Moody's validation of the solution. This data allowed us to better understand the challenges of using Lloyd's centralised vs. market data for our solution.

The challenges Lloyd's and Moody's encountered through this process were based predominantly around data availability and data quality. This highlighted the potential to leverage machine learning models to proxy sector-based economic activity emissions in the instances where emissions were not reported.

Outcomes

After working with market participants to understand their feedback and evaluating the results we gathered over the 12-week collaboration, Lloyd's and Moody's outlined a possible use-cases to take forward beyond the proof of concept. This is a centralised **emissions accounting tool** fit for **disclosure**.



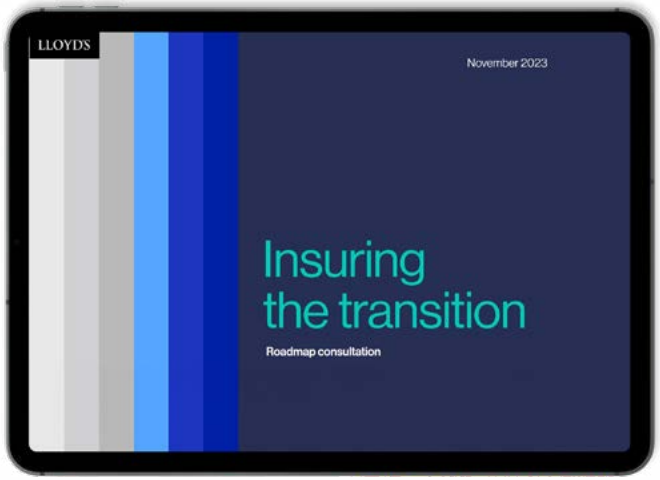
Highlights

30
organisations engaged and onboarded

30+
product interviews completed

240+
attendees at our education sessions

Insuring the transition: roadmap consultation



The purpose of the roadmap is to provide the following:

- Clarity to all stakeholders on Lloyd's ambition to be the insurer of the transition and what this means for the market. Including how we will follow global policy on transition and have an oversight framework that balances the complex needs of a global transition, including for hard-to-abate sectors.
- Clarity to the Lloyd's market on how Lloyd's oversight framework, subject to the consultation process, may consider transition over the coming years. Accepting this will be an evolving process but by sharing the key milestones Lloyd's can support the market in planning around these interactions.
- Sharing key transition-focused toolkits that the market can choose to use to build capability and understand how a global transition can be considered in their business strategy.

In November 2023, we launched a consultation on our **roadmap for insuring the transition**.

The roadmap covers Lloyd's proposed approach for the next three years across all areas of sustainability for the market, including underwriting, investments, exposure management and capital and reserving.

The roadmap has been designed to support market participants in evolving and embedding their own sustainability strategies, including navigating evolving regulatory reporting requirements.

Acknowledging that effectively planning and executing on transition plans is one of the greatest challenges businesses will face in the coming years, the details provided in the roadmap can be used by brokers in their discussions with clients, as well as managing agents formulating their own transition plans, as and when it is appropriate for each business.

What's next?

We've received a lot of well-thought-out and engaged responses to our consultation, which closed at the end of January 2024.

We will now look to finalise the roadmap, developing certain areas and providing more tangible examples where possible in response to the feedback.

Following finalising the roadmap, we will look into how responses received on the consultation can be integrated into our sustainability strategy going forward, so that we can ensure we're providing a service to the market to facilitate their sustainability strategies.

One of the ways we will do this is by reviewing what tools we can use to enable managing agents to develop greater capacity for renewable energy and transition business, subject to delivering sustainable financial performance. This will help to position Lloyd's as the specialist (re)insurance marketplace for customers developing innovative climate solutions or looking to transition their business.

The roadmap will be updated on a rolling basis, so that over time it continues to provide more support to underwriting and product development.

Supporting climate innovation – Oka™ case study

In October 2023, Lloyd's Capital Planning Group granted in-principle approval to Oka, a syndicate-in-a-box (SIAB) offering an insurance solution for carbon credits.

As many organisations are measuring and disclosing their carbon emissions, firms are looking to offset these emissions. Carbon offsetting is the process of investing in carbon negative solutions, or carbon sequestration, to balance out the carbon emitted by the organisation's activities. From a balance sheet perspective, this creates a carbon neutral position for the organisation.

Included in the annual list of the world's

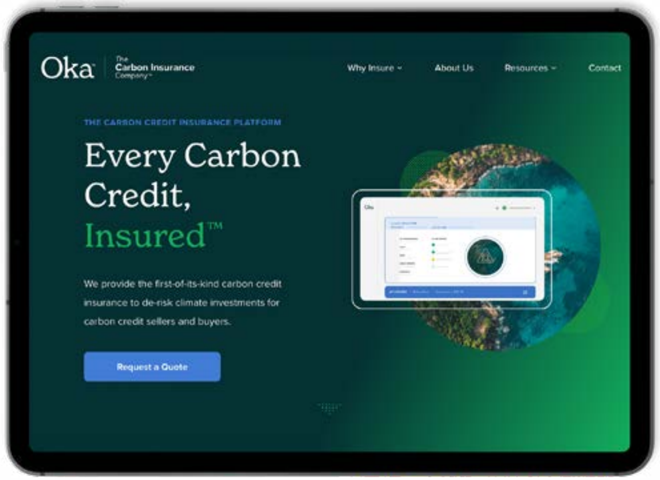
100

most innovative ESG Fintech companies

"The Lloyd's syndicate model had a couple of advantages that I couldn't get elsewhere. The brand and the A rated paper, and Lloyd's gives us the global licence. Over time that will give us an ability to execute on an international plan. By doing the SIAB model, you get access into the Lloyd's market and to syndicated capital that effectively reduces the capital that we need to deploy ourselves, which at this stage is crucial to write profitable business."

Chris Slater,
Founder &CEO Oka

Oka | The Carbon Insurance Company™



Challenge

The volume of carbon credit purchases has quadrupled over the past four years, and the market is expected to experience exponential growth as corporations continue to transition their business models to lower carbon models.

However, the voluntary carbon market is unregulated, so the pricing and issuance of quality carbon credits can vary wildly.

Solution

Oka offers a first-of-its-kind carbon credit insurance solution, Carbon Protect™, providing buyers with financial compensation in the event of unforeseeable and unavoidable post-issuance risks.

That means that companies have assurance that their purchase is safe as any carbon emissions which leak or are re-emitted through accidental damage, fire etc will receive indemnity.

Result

Providing this level of assurance gives purchasers greater confidence in their carbon credit investments and will ultimately lead to more companies purchasing carbon credits in the future.

Oka, which began writing as at 1 January 2024, has already been included in the ESGFinTech100, an annual list of the world's 100 most innovative technology companies helping the financial sector tackle ESG challenges.

Oka was launched through Lloyd's SIAB framework, which is designed specifically to enable entrepreneurial businesses to establish a Lloyd's underwriting platform at a smaller scale and lower cost base.

LEGAL DISCLAIMER
Carbon Protect™ is an insurance policy available to certain eligible owners of carbon credits in jurisdictions where Carbon Insurance Agency, LLC is licensed as a surplus lines insurance producer. Eligibility is determined based on applicable underwriting criteria, and coverage is always subject to the terms and conditions of an applicable policy. Carbon Insurance Agency, LLC has authority to enter into contracts of insurance on behalf of the Lloyd's underwriting members of Oka syndicate 1922 which is affiliated with Carbon Insurance Agency, LLC and managed by Asta Managing Agency, a managing agent at Lloyd's.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION

Partnerships

Lloyd's has proudly led and chaired the Sustainable Markets Initiative's (SMI) Insurance Task Force (ITF) since 2021. Founded by His Majesty King Charles III in 2020, then Prince of Wales, the SMI is a catalyst for private sector collaboration and has become the world's 'go-to' private sector organisation on transition.

UN Climate Change Conference of the Parties (COPs) takes place every year, and is the world's only multilateral decision-making forum on climate change with almost complete membership of every country in the world. COP is where the world comes together to agree on ways to address the climate crisis, limiting global temperatures, helping vulnerable communities adapt to the effects of climate change and achieving net zero emissions by 2050. Lloyd's played a significant role at both the SMI's Autumn Summit as part of New York Climate Week and the Business and Philanthropy Climate Forum at COP28 in Dubai.

Scaling regenerative agriculture

We are proactively exploring risk transfer for hard-to-abate sectors to support their transition pathways. Alongside the ITF we are collaborating with the SMI Agribusiness Task Force to unlock a ground-breaking cross sector financial solution which aims to accelerate the global transition to a regenerative agricultural system.

We have helped the Agribusiness Task Force develop a blueprint for blended finance, that pairs investment and insurance together with support from the public and philanthropic sectors, to de-risk sustainable agriculture and make regenerative farming achievable worldwide.

Astra Carta

As part of our COP28 activity and SMI engagement, we were delighted to support the launch of the Astra Carta, bringing the role of the private sector in supporting space sustainability to the forefront.

As part of this commitment, we were proud to sign the Memorandum of Principles for the Earth and Space Sustainability Initiative, where we will work with industry, academia, governments, international organisations and finance to establish a set of Space Sustainability principles to guide outer space activities and responsible behaviour.

Insuring a sustainable future

We have been actively involved in workstreams across the SMI, from energy transition to agricultural transition and supporting climate vulnerable communities through societal resilience solutions.

To inform and complement our work, in November 2023, we published our report Insuring a Sustainable Future, in collaboration with all Insurance Task Force members, outlining how as a Task Force we protect global progress for nature, people and planet.

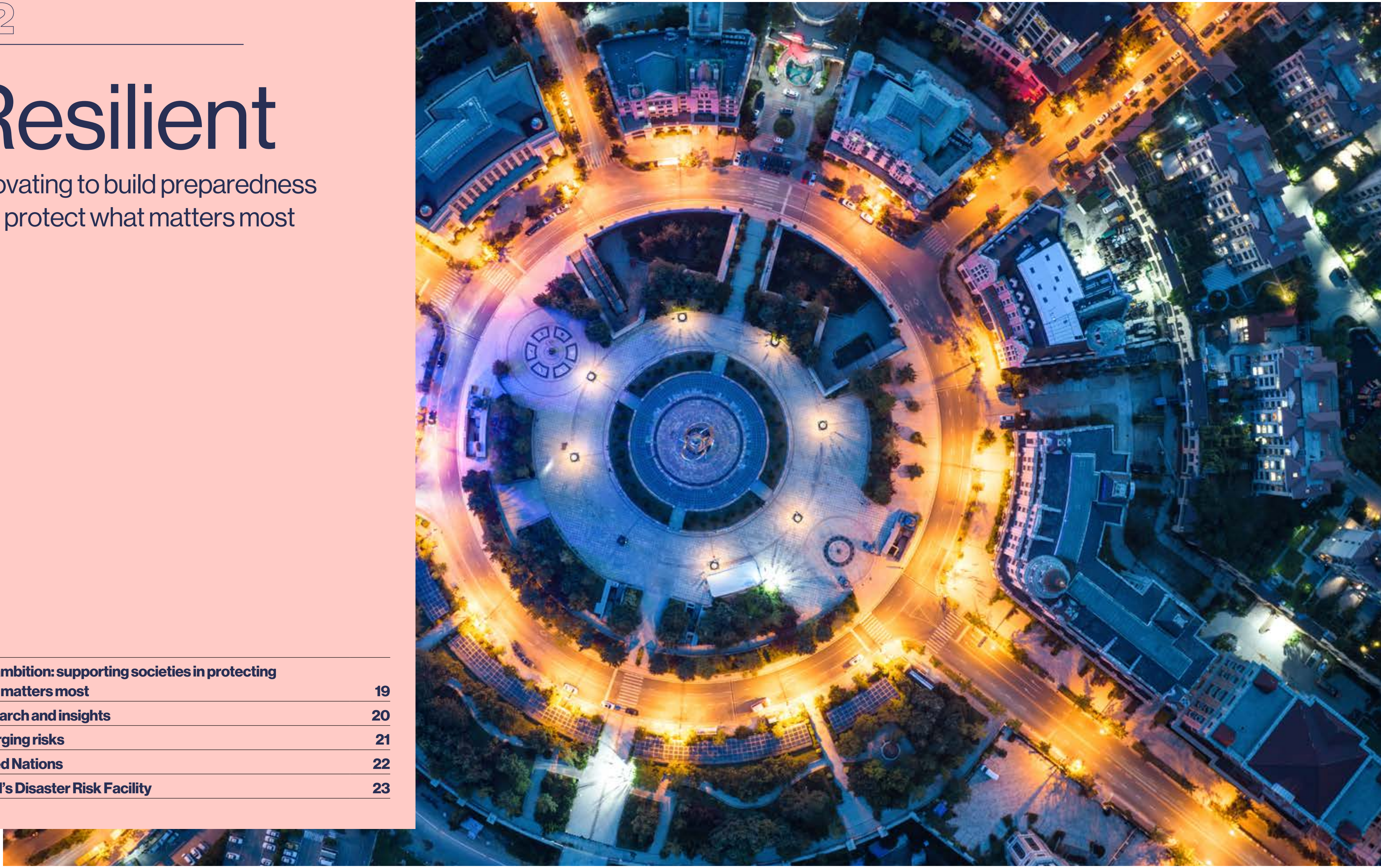
The report showcases the breadth and depth of existing market offerings and identifies growth opportunities for our members and the industry for nascent green technologies, hard-to-abate sectors, sustainable financing and post-disaster recovery.

17 PARTNERSHIPS FOR THE GOALS

02

Resilient

Innovating to build preparedness and protect what matters most



Our ambition: helping society protect what matters most

The risks that shape our world, shape our work at Lloyd's. With society facing a more uncertain landscape than ever, we're here to help people and businesses prepare for a host of systemic and emerging risks: from climate change and cyber attacks to political instability and the effects of inflation. **Resilience means working with governments, businesses and communities around the world to find new solutions and bring brilliant minds together to protect what matters most.**

Our **Futureset community** conducts groundbreaking research to empower our market and our customers with the knowledge and strategies they need for risk mitigation. Through our **Lloyd's Lab** we're uncovering innovative ideas that will revolutionise insurance, while our **Disaster Risk Facility** aims to close the protection gap, particularly in developing economies facing natural disasters.

Incredible new technologies are lighting our way. We have smart grids, AI technology for disaster prediction and inspirational nascent technologies in emerging markets.

But resilience is about more than just technology, it's about aligning to and supporting policy and regulation, data and risk analysis. It's about integrating resilience into every layer of our planning and response, and collaborating with our stakeholders and across our sector to share innovative new solutions.

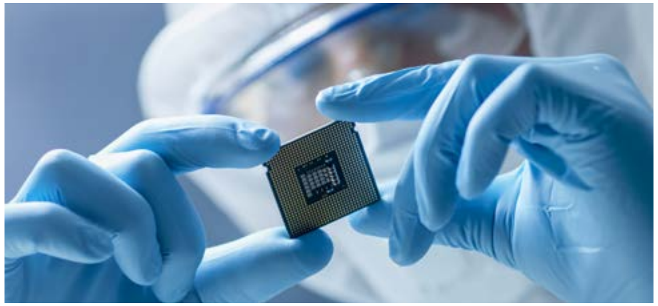
This section provides highlights of our journey in building resilience in 2023, notably Futureset's Risk Revealed series which convened over 3,000 industry experts, insurance practitioners and risk managers across six technologies and solutions at 13 events. These sessions included discussion on carbon capture and storage, hydrogen, floating offshore wind, biofuels, carbon credits, and battery and energy storage solutions. It explores the significant work they undertook to better understand the emerging cyber risk, including, the cyber simulation event and the innovation forum.

Additionally, our leadership of the Insurance Task Force of His Majesty The King's Sustainable Markets Initiative showcases our commitment to building global resilience, especially in climate-vulnerable nations. Our recently signed memorandum of understanding with the UN Capital Development Fund (UNCDF) demonstrates our dedication to cross-sector collaboration in our mission to build resilience to climate-related shocks.

Research and insights

In 2023, our research and insights platform, Lloyd's Futureset , focused its efforts across three areas of risk understood to be most challenging for clients and our own industry: **sustainability**, **resilience** and **cyber**.

Its work spanned the publication of new research reports, data-driven insights, convening industry, government, and insurance experts to discuss risk challenges at educational events and in intimate workshops – exploring insurance gaps and innovation opportunities.



About Lloyd's Futureset

Our global platform and community to create and share risk insight, expertise, and solutions to the world's most challenging problems. Through cutting-edge risk research and insights, events and access to leading experts, we work together to spark innovation, build understanding, and drive forward resilient solutions.

Futureset's year in numbers

- Ran 16 in-person events reaching over 3,000 stakeholders
- Grew our audience by 30%
- Six new initiatives established with partners in 2023 to deliver tangible action

Sustainability

Risk revealed by Lloyd's

Connecting green businesses with the insurance sector

In 2023, our Risk revealed by Lloyd's series convened over 3,000 industry experts, insurance practitioners and risk managers across six technologies and solutions at 13 events, including sessions on carbon capture and storage, hydrogen, floating offshore wind, biofuels, carbon credits, and battery and energy storage solutions.

Understanding battery energy storage solutions (BESS)
In collaboration with the Lloyd's Market Association (LMA) Sustainability Committee, Futureset delivered a three-part educational series on BESS. The series addressed the knowledge gap in the market across topics of BESS and empowered action from the Lloyd's market and the broader (re)insurance industry to support client needs more effectively across large-scale battery storage projects.

The commercial insurance opportunity for carbon capture and storage (CCS) – delivered in partnership with the Department for Energy Security and Net Zero (DESNZ), the North Sea Transition Authority (NSTA) and the LMA and International Underwriting Association's (IUA) Joint Natural Resources Committee, this five-part series included learnings on geological risks, repurposing oil and gas sites, the development of the hydrogen transport network, HyNet, and the Northern Endurance Partnership, NEP, projects, and moved the conversation forward between government, business, and insurers around the commercial insurance opportunity for CCS.

"The series affirmed the vital role of insurance in underwriting investments in CCS. This commitment will be vital for achieving net zero and global decarbonisation, as well as to continue Lloyd's place as a world leader in the CCS industry for years to come."

Alex Milward,
Director Carbon Capture Utilisation & Storage at the Department for Energy Security and Net Zero (DESNZ)

Resilience

A more risk aware and resilient society – systemic risk

For those who manage risk, whether they are businesses, governments or insurers, the need to anticipate the risks of tomorrow has never been greater than today. To help build greater understanding and preparedness, and to encourage proactive approaches to risk mitigation and management, Lloyd's Futureset has partnered with the Cambridge Centre for Risk Studies (CCRS) to develop a series of plausible, but hypothetical scenarios. Each explores the potential economic impact of some of the world's greatest threats, and considers the role that insurance, together with the public and private sectors, can play in strengthening society's resilience.

If we are to increase our collective resilience to system wide threats and global perils, we must work with flexibility, imagination, and collaboration to empower innovation and encourage economic progress. Through this research, we hope to help our customers and stakeholders do just that, fostering a more resilient and risk aware society.

Explore each scenario in depth below:

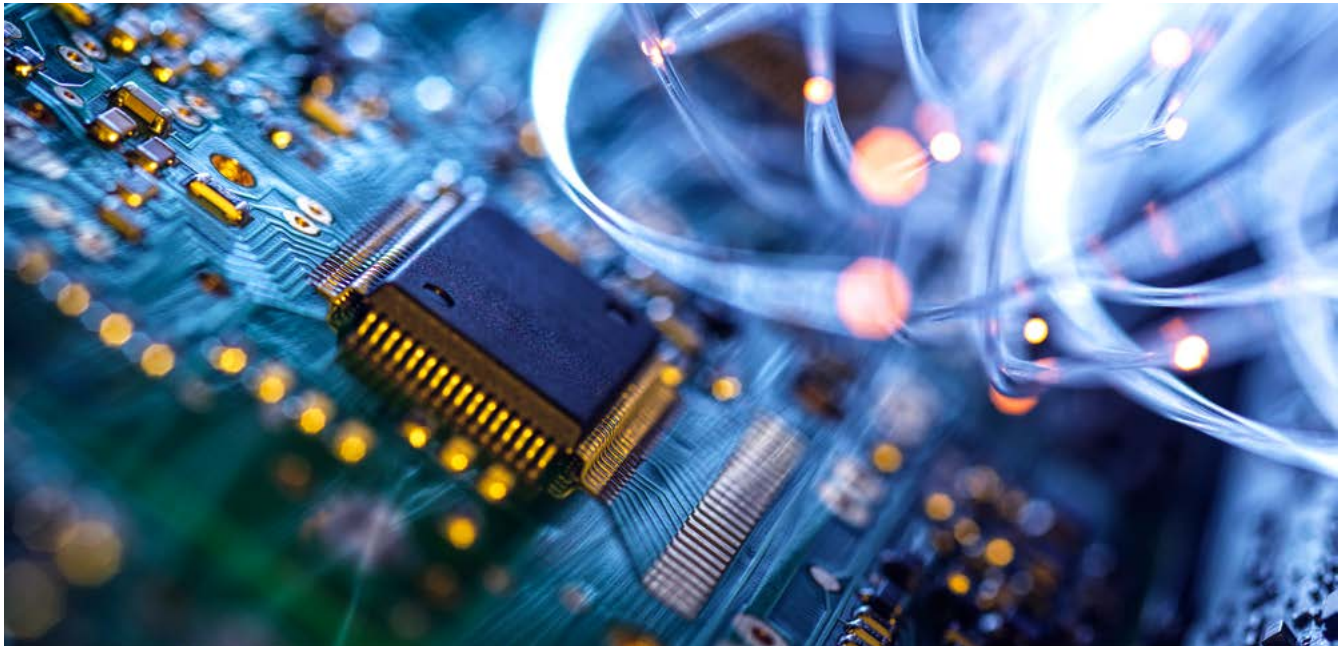
→ 1) Extreme weather leading to food and water shock

→ 2) Illuminating cyber crime

→ 3) Deconstructing global economic stagnation

Emerging risks

The Lloyd's market has been **underwriting cyber insurance since 1999.** However, as our world changes, so does our dependency on technology and our vulnerability to cyber risk.



Cyber

Tackling cyber threats head on

Cyber is a risk that has the potential to affect all areas of society – there are few organisations or individuals immune from its effects. It is both a complex and connected risk that evolves in line with the other dynamics at play: supply chains, geopolitics and more.

Cyber was both a focus and a growth area for Lloyd's in our 2023 market plans, and we have been seeking to support the growth of the class thoughtfully – while also enabling innovation for new products.

To better understand cyber as an emerging risk, Lloyd's has run a series of events, including our first ever Cyber Risk Summit, an interactive cyber attack simulation and a Cyber Innovation Forum bringing together senior business leaders, policy makers, law enforcement, technology firms and cyber risk specialists to discuss creative solutions for this emerging and interconnected threat.

Cyber simulation event – In July 2023, Futureset held an interactive cyber attack simulation, which brought together representatives from across the insurance, public sector, and law enforcement industries. The participants explored the potentially enormous economic and societal impacts from a systemic cyber attack, and the insurance sector's tools to help mitigate the evolving threat.

Cyber Innovation Forum – Run in partnership with Aon and placing clients at the centre of the conversation, Futureset held our inaugural Cyber Innovation Forum in September 2023. The forum convened risk owners, insurers, brokers and government representatives, with the aim of acting as a catalyst moment in navigating the path towards achieving cyber and ultimately, business resilience.

"Cyber is complex and ever changing, but as an insurance market, it's important we challenge ourselves to insure these types of risk, those that are difficult to understand."

Bruce Carnegie-Brown,
Lloyd's Chairman

United Nations

Scaling insurance access for climate-vulnerable countries

Lloyd's and the SMI Insurance Task Force launched an industry partnership at New York Climate Week with the UN Capital Development Fund (UNCDF) that will scale insurance access for climate vulnerable countries in the Pacific, Asia and into Africa.

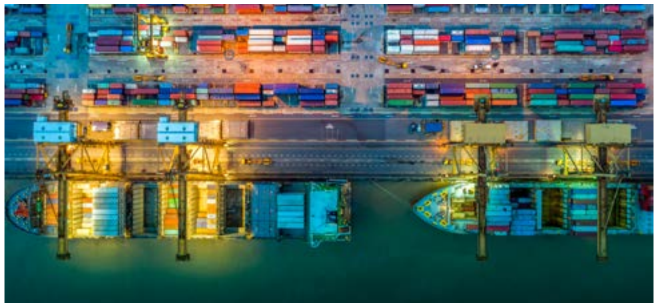
The partnership illustrates our commitment to public-private frameworks to support countries such as Fiji, to provide increased insurance capacity in communities impacted by climate-related disasters. The ambition of the partnership is also to promote public-private partnerships in these regions so we can continue to close the protection gap and ensure the knowledge gained from these activities is shared with key national, regional and international stakeholders.

"Insurance can serve as a powerful tool, not only in support of climate resilience, but also to secure the delivery of the Sustainable Development Agenda in the world's most vulnerable countries. To deliver on this promise, we will need innovation and collaboration. The SMI as well as the partnership we are entering into today deeply reflects both of these elements."

Pradeep Kurubulasuriya,
Executive Sectretary a.i. UNCDF

"Insurance has a vital role to play in building resilience against climate-related risks. This partnership with the UNCDF underpins the SMI's mission to develop a coordinated global effort to mitigate climate and natural catastrophe risks as we progress towards a more sustainable future."

John Neal,
CEO of Lloyd's



Our support for Ukraine and global supply chains

Since the invasion of Ukraine, Lloyd's has partnered with the United Nations, governments, brokers and insurers to keep economies and supply chains moving in spite of difficult circumstances.

This includes our support for the 'As One' and 'Unity' facilities, launched by Marsh McLennan together with the Ukrainian government and Lloyd's to provide affordable insurance for shipments in the Black Sea, to support ongoing humanitarian efforts and alleviate pressure on supply chains and global food security.

Lloyd's Disaster Risk Facility

Insurance has a vital role to play in building society's resilience: by deploying our expertise and risk understanding to support preparedness and providing financial relief when disaster strikes.

The Disaster Risk Facility (DRF), launched in 2015, holds this objective at the heart of its work. Now a consortium of six Lloyd's syndicates, the facility seeks to close protection gaps for the countries and communities around the world most impacted by disasters. This may include countries where insurance has traditionally been unaffordable or doesn't exist at all.

The group engages with governments, municipalities, and multilateral organisations around the world and is peril agnostic in its support for vulnerable communities, implementing pre-arranged risk financing to reduce the cost, impact and recovery time following a disaster by ensuring financial support reaches those who need it most.

Case study – Our partnership with the International Federation of the Red Cross Disaster Response Emergency Fund (DREF) risk transfer mechanism

In 2023, together with Aon and the Centre for Disaster Protection, the Lloyd's Disaster Risk Facility launched a new insurance mechanism to support the International Federation of Red Cross and Red Crescent Societies' (IFRC) Disaster Response Emergency Fund (DREF).

The DREF releases finance rapidly and directly, both before and immediately after a crisis hits.

As both the scale of humanitarian need and the impacts of climate-linked disasters grow, the DREF must remain able to respond where and when it is needed, to meet the needs of today while standing ready for the crises of tomorrow.

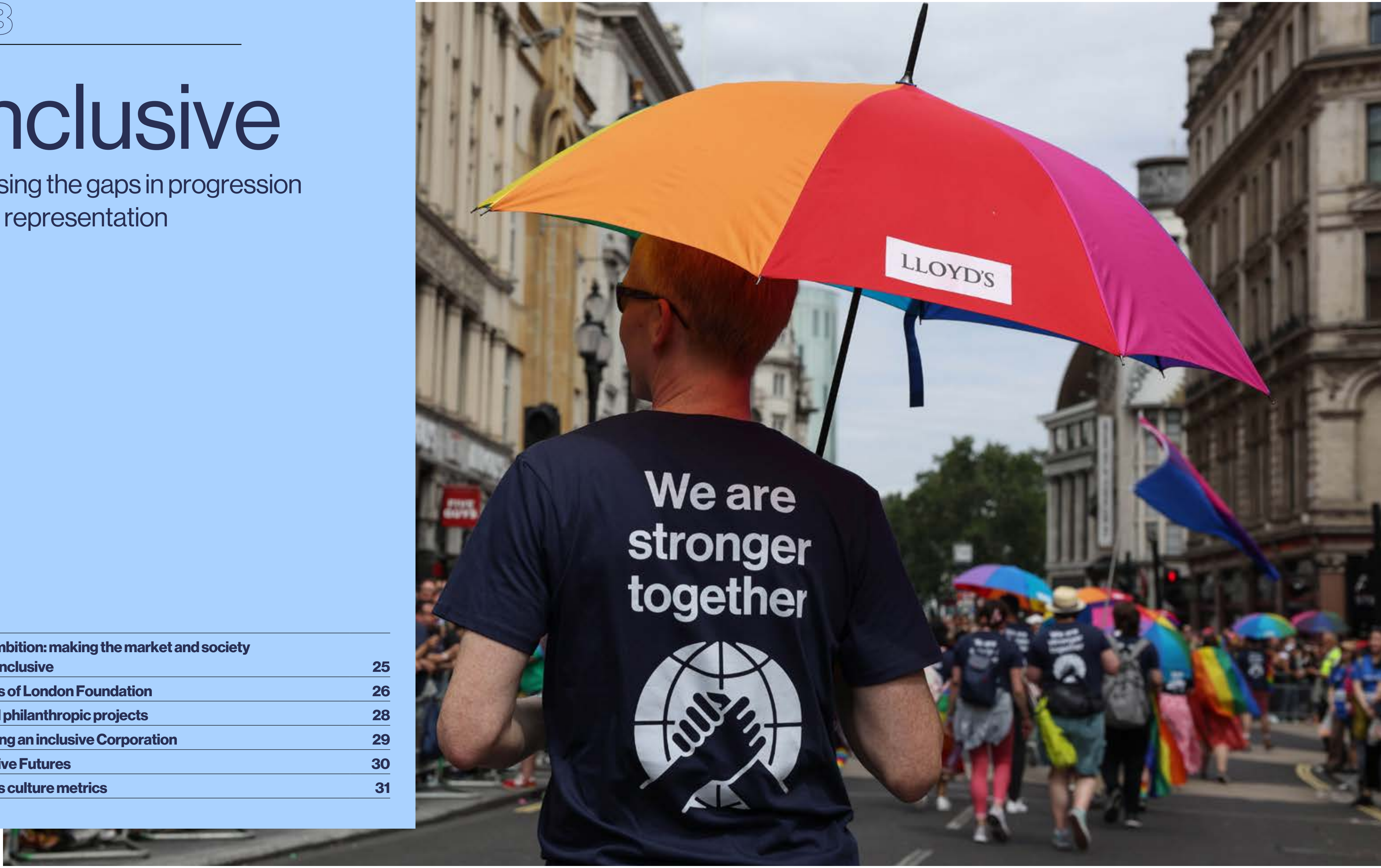
The groundbreaking risk transfer mechanisms means that a pay-out is triggered at the point when expenditure on disaster responses from the DREF in any given year reaches a pre-agreed level, unlocking up to 20 million Swiss Francs in further support and enabling the IFRC to reach an estimated six million additional vulnerable people each year.

This innovative response tool builds on the work of our Disaster Risk Facility and shows what our market can do when we collaborate with our partners across the public, private and humanitarian sectors to close global protection gaps and mitigate the human and financial impacts of natural catastrophes.

03

Inclusive

Closing the gaps in progression and representation



Our ambition: making our market and society more inclusive

Our ambition of an inclusive and equitable future begins with looking at the inequalities we see across our market and society, and taking action to address them: whether tackling representation gaps through our hiring and development, or closing economic gaps through our charitable partnerships.

In 2023, Lloyd's maintained its focus on contributing towards a more equitable and inclusive society. From targeted action backed by careful data collection, **we're beginning to see improvements across the market, that demonstrates our impact.**

Looking specifically at our market's progress in 2023 , female representation in leadership positions across the market increased by 3%, which means we have now **reached our short-term target of 35% female representation in leadership positions**.

We've also seen improvement in ethnic diversity across the market, as **21% of new hires came from ethnically diverse backgrounds in 2023**, an increase of 4% from 2022. This moves us closer to our ambition of one in three new hires coming from ethnically diverse backgrounds. This inclusive hiring has led to the overall ethnic minority representation in the market increasing by 2%, to 13% overall.

In 2023 we sought to continue our efforts in supporting an inclusive and high performance culture in Lloyd's Corporation and the market. That included providing oversight of market culture through our principles-based oversight, where culture remains one of four 'hurdle' principles for market ratings.

We also **launched Inclusive Futures**: a market-wide programme of initiatives to help Black and ethnically diverse individuals progress from the classroom to the boardroom. Covering our hiring, development, investments and more, the programme targets meaningful and systemic change over a ten-year period, so we're excited to report on the impact it has in the coming years.

Beyond our market, we continued to close economic gaps in communities around the globe in 2023, through the work of the Lloyd's of London Foundation. The Foundation supported 36 charities across the globe to build resilient communities, as well as supporting our key 2023 partners — Doorstep Library, Mental Health Foundation and Thames Reach.

2023 saw us make tangible progress towards a more inclusive market and society, but we'll continue working and forming partnerships in 2024 and beyond.

Lloyd's of London Foundation

The Lloyd's of London Foundation is a vehicle for charitable activity for the Lloyd's Corporation and the market. The mission of the Foundation is to deliver long-term, meaningful social impact that engages stakeholders and leverages Lloyd's unique convening position.

The Foundation does this through a range of charity partnerships, focusing on social mobility and disaster recovery and resilience.

In 2023, the Foundation worked with **36 charities across the globe**, including organisations providing development opportunities to improve young people's skills, education and future career prospects.

Lloyd's Patriotic Fund

One of the Foundation's charity partners is the Lloyd's Patriotic Fund . In 2023, the Patriotic Fund donated £262,000 to its key charity partners: Forces Employment Charity, Scotty's Little Soldiers and Ripple Pond. Additionally, it provided smaller grants to four other charities.

Lloyd's Benevolent Fund

The Lloyd's Benevolent Fund, which supports former Lloyd's staff facing financial difficulties, continues to support 21 beneficiaries, who collectively receive a total of £250,000.

Lloyd's Market Charity Awards

In addition to supporting our key partners, the Lloyd's of London Foundation celebrated the annual Lloyd's Market Charity Awards, donating £120,000 to nine different winners.

University bursaries

The Foundation also continues to support our Lloyd's University bursary students. The current cohort consists of 35 students, studying a variety of subjects including: History, Law, Land Economy, and Theology and Religion. Each undergraduate receives £5,000 per year for three years.

The Global Community Engagement team is excited to launch the Lloyd's Inclusive Futures Bursary in 2024. This initiative aims to support students from Black and ethnically diverse backgrounds in pursuing university education.

Fundraising and volunteering

Our Global Community Engagement team creates added value for our charity partners by facilitating volunteering and fundraising opportunities for Corporation colleagues and staff across the market.

In 2023, more than **2,000 staff members across the Lloyd's market volunteered over 8,000 hours** of their time to support these charities and other good causes.

An impressive £150,000 was collected by a challenging bike ride from Lime Street to Lloyd's Brussels. These efforts supported our flagship partners: Mental Health Foundation, Doorstep Library and Thames Reach, as well as the Charlie Watkins Foundation and Youth Start.

In total, **Corporation employees raised over £215,000** during the year, with Lloyd's Corporation matching over £50,000 of this amount. Furthermore, our Corporation colleagues generously donated over £55,000 through our payroll giving scheme.

a Total charitable donations in 2023

£1.8m

Hours volunteered by staff across the Lloyd's market

8,000

a Assurance
This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP* ('PwC'). For the results of that assurance, see PwC's assurance report from page 51 of this report and Lloyd's 2023 Reporting Criteria from page 55.

Lloyd's of London Foundation continued

Case study – Education For All

Education offers children globally a brighter future and an opportunity to step out of the cycle of poverty. Through our Africa team, the Lloyd's Asia-Pacific Middle East and Africa (APMEA) region supports **Education For All** (EFA), a charity set up in 2007 which provides secondary school education for girls living in the most remote villages in the Atlas Mountains, Morocco.

This transformative project offers girls an alternative to early marriage and the prospect of futures beyond the mountains, which see high illiteracy rates for women – up to 70% in some areas – due to lack of access to, or awareness of, the value of education for girls. Lloyd's partnership with EFA and funding of £20,000 sponsors the entire year of education for 21 girls who are in their final year of their Baccalaureate (A Level equivalent). This sets them up to continue onto university and give them broader options for employment.

The grant goes towards safe boarding houses next to schools, each one managed by a house mother, with spaces to study and relax, cosy dorms, three nutritious meals a day, access to books, computers and essential sanitary items and toiletries and transport home at weekends. A team of supportive staff and international volunteers give academic and skills-based support. EFA's programme, which Lloyd's and many others help fund, has seen great success, showing the life-changing impact of EFA's work and the achievements of these rural young women.

Over 600 girls have passed through EFA's doors, with over 200 of them going on to university. Kabira, an alumnus of the programme, received her Master's degree in the summer of 2022 and has now been accepted to begin her PhD, with many other students embarking on global internships and finding full-time employment in those companies.

"We are delighted to have supported Education for All in Morocco for many years, particularly after the devastating earthquake in 2023. Our funding secured further education for 25 determined young women this year in communities that are often hard to reach and delivers life-changing impact. The young women we supported are often the first in their families to go to school. This meant they could access essential support to set them up for academic and career success. A key partnership which was aligned with our interests in North Africa, we are really excited to connect with the community in an impactful way."

Amit Khilosia,
Lloyd's Regional Head, Africa

Earthquake response

Following a devastating earthquake in the Atlas Mountains region in September 2023, EFA tragically lost one of its students and her family, as well as five of its six boarding houses. Many of its students also lost their homes and were transferred out to schools and Dar Taliba's (local boarding houses) in and around Marrakech by the government.

Lloyd's donated £20,000 to support the rebuilding of the boarding houses, and to provide emergency support for the girls, their families, and the local communities. This, combined with the other donations they received, means they have enough funding to rebuild the houses – but due to how recently the earthquake happened and the severe damage to the entire Al Haouz region, the timescales for this are unclear. In the meantime they've rented two houses that will help support the students while new homes are rebuilt and the girls are enjoying being back with their house mothers and friends again.

Global philanthropic projects

Creating an inclusive Corporation

2023 was a year of cultural transformation where we put in place the mechanisms that will help us accelerate the rate of progress across the Corporation and the market.

Key achievements

- Achieved Disability Confident Leader status
- Doubled membership (to 24% of Lloyd's colleagues) of our diversity and inclusion network, Lloyd's Together
- Named in the 100 Great British Employers of Veterans
- LGBTQ+ mentoring programme won Diversity & Inclusion Award at the Insurance Insider Honours and Best Talent or Recruitment Strategy at the Link: LGBTQ+ Insurance Network LGBTQ+ awards

2023 Dive In

- Part of our role at Lloyd's is to use our convening power to create an inclusive and high-performance culture in the market. The Dive In Festival is the global diversity and inclusion festival for the insurance sector. "Unlocking Innovation: The Power of Inclusion" was the theme for Dive In 2023
- 2023 saw record international participation across 84 countries.
- Over 135 events in 37 countries across six continents, led by more than 500 speakers
- Dive In Festival events were Continuing Professional Development (CPD) certified

Disability and wellbeing

Our disability support includes the use of Clear Talents and our ability to make adjustments both in our recruitment process and for employees of the Corporation, and our private medical cover that includes neurodiversity assessment and support.

Our Wellbeing programme delivered training to 93 managers in 2023, equipping them with critical skills needed to have supportive and productive conversations surrounding mental health. This is in addition to our Wellbeing Champions and Mental Health First Aiders.

83% of Lloyd's Corporation colleagues strongly agreed or agreed that they are able to look after their health and wellbeing while working at Lloyd's.

Inclusive procurement

As part of Inclusive Futures, we committed to measuring spend with diverse suppliers and embedding contractual requirements throughout 2024. We have disclosed 2023 data below which relates to our 105 suppliers in our supply chain which meet our definition of Small Medium Enterprise (SME), Social Enterprise or Diverse Suppliers. Work will continue throughout 2024 to further mature our approach to inclusive procurement and supplier diversity.

- **£4m spent with women-owned suppliers**
- **£3m spent with veteran-owned suppliers**
- **£70k spent with disabled women-owned suppliers**
- **£50k spent with ethnic minority-owned suppliers**
- **£12m on Small Medium Enterprise (SME)**
- **£330k spent on Social Enterprise suppliers**

Lloyd's gender and ethnicity pay gap

This year the Corporation had the lowest mean and median gender pay gap since the introduction of gender pay reporting. Our 2023 mean gender pay gap is 18.5% (for hourly pay), a decrease in absolute terms of 2.1% from 2022. Our median for hourly pay has decreased by 5.1% to 16.2%. Gender pay quartiles have also seen an improvement.

The guidance for calculating the ethnicity pay gap reporting has changed. "Prefer not to say" data is now included in the overall salary calculations. This means there is a material change to the consistency of analysis from previous years. A small variance in a small sample has a sizeable impact, which is evident from our data.

The overall mean ethnicity pay gap for the Corporation in 2023 is 22.3%, an increase of 5.9% from last year, the median is 11.6%, an increase of 1.1% from 2022, and the overall ethnicity bonus gap is 31.7% mean with a median of 19.5%. There have been minor negative fluctuations in the lower, upper middle and upper quartiles during the 2022 and 2023 period. However, since 2020 there has generally been a positive trend across the middle and upper quartiles.

Inclusive Futures

In 2020, prompted by activism of Black individuals and allies, Lloyd's issued an apology for our historical links to the transatlantic slave trade. The apology included a commitment to research our past in more detail, leading to an independent research collaboration with **Black Beyond Data**, from Johns Hopkins University, to explore our past and set it in context.

This research was published in November 2023 as the interactive digital exhibition, Underwriting Souls. The findings make clear Lloyd's prominent role in enabling the transatlantic slave trade and economy as part of a sophisticated network of financial interests and individuals. It's a difficult truth, but one we must recognise and respond to.

As part of our response in November 2023 we launched **Inclusive Futures**: a market-wide programme of initiatives to create meaningful, sustainable change for Black and ethnically diverse individuals from the classroom to the boardroom. Backed by a coalition of leading market firms and delivery partners, the plan makes thoughtful and targeted interventions across our hiring, investments, education and training in order to break down barriers and support fairer outcomes.

The initiatives were designed based on the feedback of over 200 Black and ethnically diverse market colleagues, alongside Black experts in the fields of history, finance and DE&I (diversity, equity & inclusion), on what would create the most impact in addressing the legacy of slavery today. The programme therefore seeks to enable hundreds more Black and ethnically individuals to access higher education; thousands more to access our market and its leadership positions; and millions of pounds to be created for communities around the world.

→ The full details of these initiatives can be found on the Inclusive Futures web page.

Equity

One of our key partners for Inclusive Futures is Equity: a recruitment company which developed from a market network dedicated to addressing under-representation inthe insurance industry and the City.

Equity was founded in 2018 by Junior Garba and Godwin Sosi, two underwriters in the market, who noticed the opportunity to help Black heritage talent access and thrive in the insurance industry. They founded the African Caribbean Insurance Network (ACIN) – which, after five years of impactful work, rebranded as Equity.

Lloyd's partnership with Equity through Inclusive Futures will create an early careers talent pool to bring thousands more Black and ethnically diverse individuals into our market, in support of our one in three hiring ambition. The talent pool will attract, connect and develop diverse individuals into roles in the insurance industry – while pairing this talent with mentors and sponsors from partner firms.

Junior Garba and Godwin Sosi,
Equity co-founders

"We've hired hundreds of Black and minority candidates into the market and the plan is to work closely with Lloyd's and other insurers to build a workforce of the future. We want to build an insurance community that's going to be more reflective of society."

Junior Garba,
Co-founder of Equity

Lloyd’s culture metrics

Lloyd’s continues to maintain a diverse staff and leadership workforce, the details of which are set out below. We continue to exceed the market target of 35% of women in leadership and are committed to ensuring that the best diverse talent can develop their careers at Lloyd’s.

The data below shows the Corporation breakdown of representation by diversity strand.

→ For market data, please click here.

Leadership is defined as Council + Executive Committee + Executive Leadership Group (ELG) – There are currently three Executives who also sit on Council.

* Grades 13+ representation excludes the Executive Committee and Executive Leadership Group.

PNTS refers to 'prefer not to say', colleagues who have disclosed that they do not want to provide their social attribute.

Corporation metrics – Gender (Global)

			Q4 2023 31-Dec-23
Global	a Female representation by level	Council	20%
		Executive Committee	33%
		Executive Leadership Group	46%
		Leadership* (Target 35%)	**38%**
		Leadership (excluding council)	**43%**
		Grades 13+**	40%
		Corporation	**51%**
	Disclosure	Gender	100%

Corporation metrics – Ethnicity (UK only)*

			Q4 2023 31-Dec-23
UK only	Overall ethnic minority representation by level	Council**	NA
		Executive Committee	0%
		Executive Leadership Group	4%
		Leadership*	**2%**
		Leadership (exc Council)	**3%**
		Grades 13+**	15%
		Corporation	**22%**
	a Breakdown of Ethnic minority representation	White	66%
		Black	5%
		Asian	14%
		Mixed	3%
		Other	1%
		Prefer not to say	7%
		No data	5%
	Disclosure	Ethnicity disclosed (including PNTS)	95%

Corporation metrics – Sexual orientation (UK only)

			Q4 2023 31-Dec-23
UK only	Breakdown of sexual orientation representation	Bisexual	1.1%
		Gay/Lesbian	1.7%
		Heterosexual/straight	74.0%
		Other	0.2%
		Prefer not to say	10.5%
		No data	12.5%
	Disclosure	Sexual orientation disclosed (including PNTS)	87.5%

Corporation metrics – Disability (UK only)

			Q4 2023 31-Dec-23
UK only	Breakdown of disability representation	Dyslexia	1.7%
		Hearing	1.2%
		Long term health condition	1.3%
		Mental health	1.6%
		Mobility	0.2%
		Musculoskeletal incl. back, neck, shoulder	2.5%
		Other	1.6%
		Other neurodiverse (dyscalculia, autism)	0.5%
		Speech	0.2%
		Vision	0.5%
		Prefer not to say	5.3%
		No disability	69.8%
		No data	13.6%
	Disclosure	Disability disclosed	86.4%

a **Assurance**
This metric was subject to external independent limited assurance by PricewaterhouseCoopers LLP* ('PwC'). For the results of that assurance, see PwC's assurance report from page 51 of this report and Lloyd's 2023 Reporting Criteria from page 55.

Lloyd's culture metrics continued

Corporation metrics – Socio-economic background (UK only)

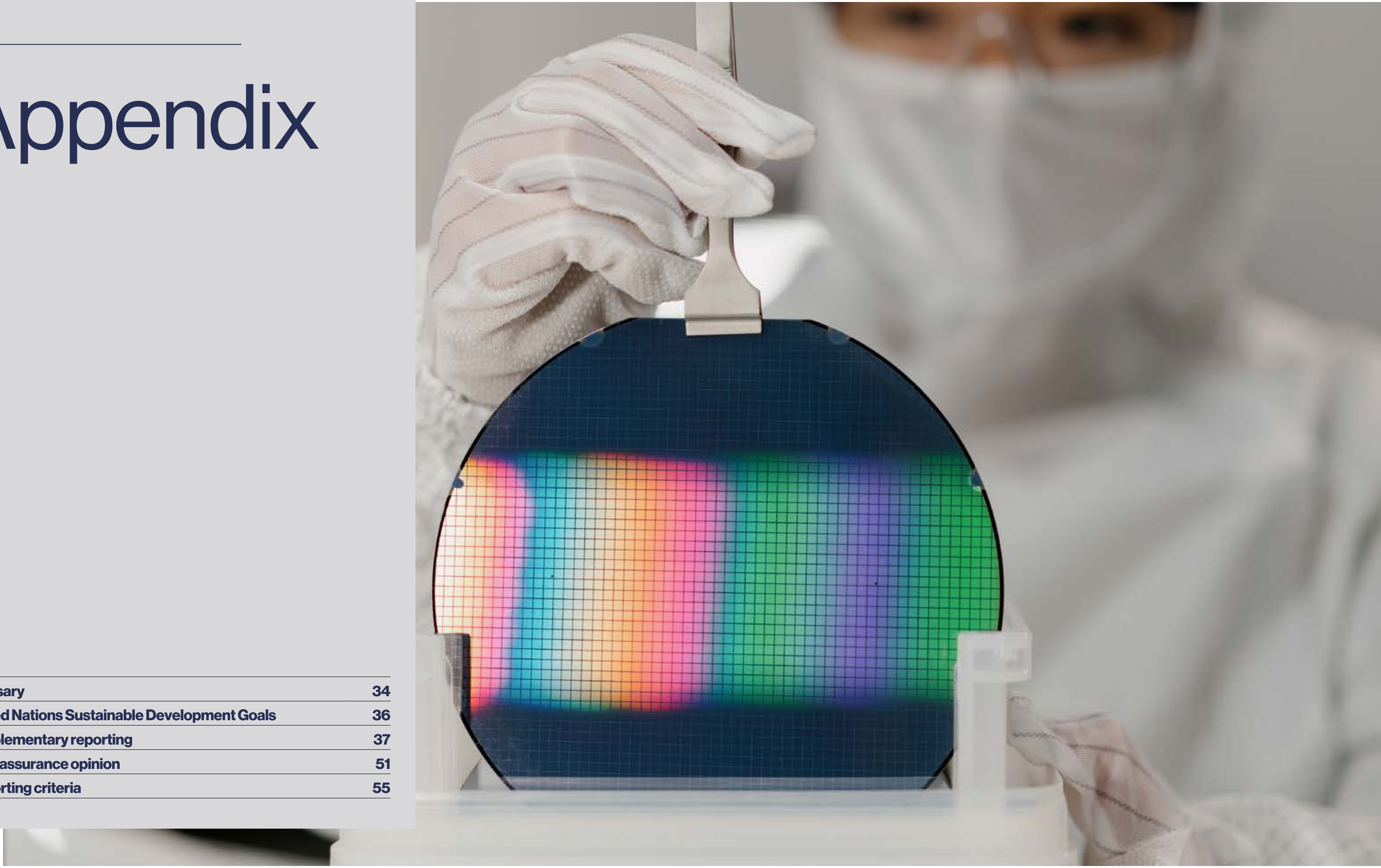
			Q4 2023 31-Dec-23
UK only	Socio- economic background Parent's profession at age 14	Professional	40.1%
		Intermediate	13.3%
		Lower socio-economic	19.8%
		Other/Prefer not to say	13.2%
		No data	13.6%
	Disclosure	Social mobility disclosed (including PNTS)	86.4%

			Q4 2023 31-Dec-23
UK only	Breakdown of social mobility representation Type of school attended ages 11 to 16	State-run or state-funded school	60.0%
		Independent or fee-paying school	8.1%
		Independent or fee-paying school where means tested bursary covering 90% of total cost of attendance	1%
		Attended school outside the UK	10.0%
		Don't know	0.5%
		Prefer not to say	6.7%
		No Data	13.6%
	Disclosure	Social mobility disclosed (including PNTS)	86.4%

Corporation metrics – Religion (UK only)

			Q4 2023 31-Dec-23
UK only	Breakdown of religion representation	Buddhist	0.5%
		Christian, CofE, Catholic, Protestant, other Christian	29.3%
		Hindu	4.2%
		Jain	0.3%
		Jewish	0.9%
		Muslim	3.7%
		No religion/belief	34.3%
		Sikh	1.1%
		Other	0.9%
		Prefer not to say	10.7%
		No data	14.0%
	Disclosure	Religion disclosed (including PNTS)	86.0%

Appendix



Glossary

Term	Definition
Astra Carta	A roadmap for the private sector to lead the acceleration of sustainable practices across global space-related industries.
Battery energy storage solutions (BESS)	A type of energy storage solution, a collection of large batteries within a container, that can store and discharge electrical energy upon request.
Carbon capture, utilisation and storage (CCUS) / Carbon capture and storage (CCS)	A suite of technologies that enable the mitigation of carbon dioxide emissions from large point sources such as power plants, refineries and other industrial facilities, or the removal of existing carbon dioxide from the atmosphere.
Carbon credits	One tradable carbon credit equals one tonne of carbon dioxide or the equivalent amount of a different greenhouse gas reduced, sequestered or avoided. When a credit is used to reduce, sequester, or avoid emissions, it becomes an offset and is no longer tradable.
Carbon footprint	The greenhouse gas emissions (carbon equivalent) from an individual or organisation.
Carbon negative	Removing CO_2 from the atmosphere, or sequestering more CO_2 than is emitted.
Carbon neutral	Companies that are 'carbon neutral' achieve net zero carbon emissions. That means the given company offsets the amount of carbon it produces by removing carbon emissions elsewhere or purchasing carbon credits.
Carbon offset	Carbon offsets reduce carbon emissions by purchasing credits or using carbon trading schemes.
Carbon sequestration	A natural or artificial process by which carbon dioxide is removed from the atmosphere and held in solid or liquid form.
Climate Biennial Exploratory Scenario (CBES)	Find out more here.
ClimateWise	Find out more here.
Corporate Sustainability Reporting Directive (CSRD)	Find out more here.
Earth and Space Sustainability Initiative	Find out more here.
Emissions accounting	A framework to measure and monitor the greenhouse gas emissions an organisation emits across three scopes of emissions.

Term	Definition
Environmental, social and governance (ESG)	ESG is a framework that helps stakeholders understand how an organisation is managing risks and opportunities related to environmental, social and governance criteria.
Faster Claims Payment (FCP)	A funding and payment solution which provides fast and direct payment of a claim to a policyholder. Find out more here.
Greenhouse Gas (GHG) Protocol	Find out more here.
Greenhouse gases (GHG)	A gas that contributes to the greenhouse effect by absorbing infrared radiation.
Gross Written Premium (GWP)	The total premium an insurer writes during a specific period of time before deductions for expenses.
International Sustainability Standards Board (ISSB)	Find out more here.
Lloyd's Capital Planning Group (CPG)	The Capital Planning Group is a key part of Lloyd's governance and oversight, bringing together the processes of business plan review, capital setting and independent risk oversight.
Lloyd's Central Fund	Established for the protection of policyholders in the event of a member being unable to meet their underwriting liabilities. It is financed by contributors from all active members based on their premium limits and administered by Lloyd's.
Lloyd's Chain of Security	The 'Chain of Security' is Lloyd's unique capital structure that provides the financial strength that backs all insurance policies written at Lloyd's and the common security that underpins the market's strong ratings and global licence network. There are three 'links' in the chain: syndicate assets, funds at Lloyd's and central assets.
Lloyd's Impact Bond Fund (LIBF)	An internally managed bond portfolio that consists of sustainability-focused bonds.
Lloyd's investment platform	A solution to improve the competitiveness of the Lloyd's market by making it easier to generate risk-adjusted investment returns on capital held at Lloyd's.
Lloyd's Patriotic Fund (LPF)	A military charity supporting the armed forces community on behalf of the Lloyd's market.
Lloyd's Private Impact Fund (LPIF)	The LPIF is a fund on the Lloyd's Investment Platform that invests globally across private equity, infrastructure, natural capital and real estate, targeting the long-term themes of Climate Mitigation, Climate Adaptation, Circular Economy and Social Inclusion.

Glossary continued

Term	Definition
Lloyd's Syndicate in a Box (SIAB) framework	A model developed to allow smaller, entrepreneurial business proposals the opportunity to establish an underwriting platform in Lloyd's at a smaller scale and lower cost base.
Location based emissions	The average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data).
London Market Association (LMA)	A body formed of managing agents that represents their interests to organisations such as governments, regulators, and the market's central supporting body – the Corporation of Lloyd's.
Loss and Damage fund	A fund set up to support developing countries particularly vulnerable to the adverse effects of the climate crisis with the losses arising from droughts, floods, rising sea levels and other disasters attributed to climate change.
Low-carbon economy	An economy characterised by relatively low greenhouse gas emissions per person.
Market based emissions	The emissions from electricity that companies have purposefully chosen. Emission factors are derived from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.
Net zero	Where global greenhouse gas emissions from human activity are in balance with emissions reductions. At net zero, carbon dioxide emissions are still generated, but an equal amount of carbon dioxide is removed from the atmosphere as is released into it.
Operational emissions	The emissions released during the in-use operation of a building.
Partnership for Carbon Accounting Financials (PCAF)	Find out more here.
Physical risk	The potential for physical damage and financial losses to occur because of increased exposure to climate hazards.
Proof of concept (POC)	The gathering of evidence to support the feasibility of a project.
Protection gap	Insurance protection gaps are the difference between the amount of insurance that is economically beneficial and the amount of coverage actually purchased.
Responsible investment (RI)	Responsible investment involves considering environmental, social and governance issues when making investment decisions and influencing companies or assets.

Term	Definition
Scope 1 emissions	Direct emissions from sources owned or controlled by a company.
Scope 2 emissions	Indirect emissions from purchased electricity, steam, heat, and cooling.
Scope 3 emissions	All other emissions associated with a company's activities across its upstream and downstream supply chain.
Streamlined Energy and Carbon Reporting (SECR)	Find out more here.
Sustainable Development Goals (SDGs)	The United Nations have created 17 Sustainable Development Goals as a framework for prosperity or people and planet, now and in the future. Find out about the 17 goals here.
Sustainable Markets Initiative	The Sustainable Markets Initiative was launched by His Majesty King Charles III. It is a global private sector organisation on sustainable transition with the power to convene top organisations from industry and the financial services, alongside governments.
Task Force on Climate-related Financial Disclosures (TCFD)	A global organisation formed to develop a set of recommended climate-related disclosures that companies and financial institutions can use to better inform investors, shareholders and the public of their climate-related financial risks.
Transition risk	Transition risks result from the relative uncertainty created by the global shift towards a more sustainable, net zero economy.
UN Capital Development Fund (UNCDF)	Find out more here.
UN Principles for Responsible Investment (UN PRI)	Find out more here.
UN Principles for Sustainable Insurance (PSI)	Find out more here.
Unity facility	An arrangement between Marsh McLennan's UK division and the Ukrainian Government that provides affordable shipping insurance for grain and other critical food supplies globally from Ukraine's Black Sea ports.
Voluntary carbon market	The voluntary carbon market enables private investors, governments, non-governmental organisations, and businesses to voluntarily purchase carbon offsets to offset their emissions.

United Nations Sustainable Development Goals

The table below shows a mapping of this report to the Sustainable Development Goals (SDGs). While we consider all of the SDGs important, we have highlighted seven* which have particular relevance for Lloyd's, and which remain the focus of our work.

	1	2	3	4	5*	6	7*	8*	9*	10*	11*	12	13*	14	15	16	17
Our progress against our priority UN SDGs					■		■	■	■	■	■		■				
Sustainable																	
Our emissions							■					■	■				
Our investments																	■
Lloyd's impact investments	■		■	■	■	■	■	■		■	■						
Emissions accounting									■				■				■
Insuring the transition: roadmap consultation									■				■				
Supporting climate innovation – Oka case study									■		■		■				
Partnerships																	■
Resilient																	
Research and insights							■	■	■		■	■	■				
Emerging risks									■		■						
United Nations								■									■
Lloyd's Disaster Risk Facility			■						■		■					■	
Inclusive																	
Lloyd's of London Foundation				■	■					■							
Creating an inclusive Corporation			■		■					■							
Inclusive Futures				■				■		■							

Task Force on Climate-related Financial Disclosures (TCFD)

Area	Disclosure	Evidence
Governance	**G(A)** – Describe the board's oversight of climate-related risks and opportunities	Climate-related risks and opportunities are escalated to Lloyd's Council through our governance structure, outlined on page 6 of this report. Climate-related risk can affect multiple parts of the business through physical and transition risk. Relevant teams will escalate risks and opportunities to the Investment, Risk and Sustainability Committees for discussion. The Sustainability Committee is responsible for reviewing, challenging and approving submissions in respect of the Lloyd's sustainability and culture strategies. Further information on the quarterly Committee meetings, the open lines of communication with the Chief Executive Officer and the wider business, can be found on page 6 of this report and in the 2023 Annual Report. Lloyd's Executive remuneration is assessed against a rigorous balanced scorecard of quantifiable metrics and is subject to risk adjustment. 9% of Executive remuneration is weighted to key-performance indicators for Lloyd's Purpose, which encompasses Lloyd's sustainability strategy. Further information can be found in the Remuneration report in the 2023 Annual Report.
	G(B) – Describe the management's role in assessing and managing climate-related risks and opportunities	Climate-related risks and opportunities can impact multiple areas of the business. There are several members of our Executive Leadership Group, who all report directly to members of our Executive Committee, with responsibility for not only escalating climate-related risks to Committees and Council but ensuring strategy is delegated and leads to action taken by colleagues at Lloyd's. Our Corporate Affairs Director is responsible for the oversight and delivery of Lloyd's sustainability strategy. She reports directly to the Chief Executive Officer, has direct communication with our Chief Risk Officer and is an Executive Member of our Sustainability Committee. Our Director of Portfolio Risk Management is responsible for the oversight of the market's total exposure management, which includes climate-related risk. She reports directly to our Chief of Markets. Our Chief of Markets frequently attends our Risk Committee meetings, alongside our Chief Risk Officer. Our Head of Risk Management is responsible for the Corporation's activity remaining within Lloyd's wider risk tolerance strategy and that effective mitigation is in place. Following CBES, Lloyd's have developed climate-related key risk indicators, which are monitored and form part of our Climate Risk Report, which is presented to the Risk Committee. Our Chief Investment Officer is responsible for Lloyd's investment strategy and oversight of the market's responsible investment policies. She reports directly to the Chief Financial Officer and sits on our Investment Committee. We know Lloyd's have a responsibility to monitor not only our climate-related risks and opportunities, but also the markets. Our Market Oversight Director is responsible for the performance oversight of the market, including the oversight framework of the market, syndicate business plans and third-party oversight. Lloyd's Oversight team facilitated the collection of the market's sustainability strategies and assessment. He reports directly to our Chief of Markets. Our Commercial Director oversees Lloyd's commercial strategy and innovation. Part of this remit includes Lloyd's insurtech incubator, the Lloyd's Lab, providing a vehicle to bring innovation and opportunities to the Lloyd's market. The impact of the Lloyd's Lab and specifically related to climate change is discussed earlier in this report. He reports directly to our Chief of Markets. From the above you can see Lloyd's has the people with the expertise and experience to deliver our sustainability strategy and escalate and act on climate-related risks and opportunities to our Council and Committees and deliver on actions delegated as a result.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Area	Disclosure	Evidence
Strategy	**S(A)** – Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	During 2021, Lloyd's, along with ten of its managing agents, took part in the CBES exercise, which provided a detailed climate change stress test for the banking and insurance industry. More detailed information on the exercise, including the three scenarios tested, can be found here.

Lloyd's capital and solvency position were assessed by applying **physical, transition** and **litigation** stresses across deterministic climate pathways. These risks were deemed to be material due to their potential impact to Lloyd's solvency and capital.

The time periods considered were **short-term: 0–10 years, medium-term: 11-20 years and long-term: 21-30 years**.

Physical risk is due to the increase in frequency and severity of natural catastrophes, which will affect losses globally, but the territories and exposures are modelled in detail due to a high-level of exposure for the Lloyd's market portfolio.

When considering the most extreme modelled impacts for the exercise – at the gross 1-in-100 level, the size of loss we would expect to be exceeded with an annual probability of 0.01:

- Lloyd's could see a material increase in US Tropical Cyclones, with potentially ~£11bn more gross losses at this extreme level
- The magnitude of increases are in line with those seen at the expected level
- All peril-regions tail losses are expected to be more severe, except EU Windstorm

The interplay between the severity and rating for physical, transition and litigation risk changes over time and dependent upon the scenario:

- US Tropical Cyclone
- US Wildfire
- Japan Tropical Cyclone
- US Severe Convective Storm
- US Inland Flood
- EU Windstorm
- US Other perils
- UK Inland Flood
- Canada Wildfire
- Canada Inland Flood
- Canada Winterstorm

	Early action	Late action	No action
Transition risks	Medium	High	Limited
Transition begins in	2021	2031	N/A
Nature of transition	Early and orderly	Late and disorderly	No change from 2021
Physical risks	Limited	Limited	High
Mean global warming	1.8ºC	1.8ºC	3.3ºC
Mean sea level rise	0.16m	0.16m	0.38m
Impact on output	Temporarily lower growth	Sudden contraction (recession)	Permanently lower growth and higher uncertainty

The total impact to Lloyd's total market portfolio, dependent upon the early action, late action or no action scenario, has been assessed over a 30 year period. Lloyd's balance sheet would remain in a surplus position across all three scenarios.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Area	Disclosure	Evidence
Strategy (continued)	**S(B)** – Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Following the CBES exercise, we have identified key risk indicators (KRIs), which are monitored through our risk framework. Should these KRIs change over time, Lloyd's will be able to provide recommendations to the Council and enact a change to strategy or financial planning. The KRIs are: **Physical risk:** 1-in-200 losses from the top 5 region perils, as a proportion of aggregate capital. Further work is also ongoing to consider expanding the current list of top 5 perils. **Transition risk:** The CBES results demonstrated that central assets do not have material exposure to sectors most impacted by climate risk. Exposure to transition risk within the investment portfolio is now monitored via KRIs in the 'Investments' risk category. This exposure continues to be low. i) Number of investment parameter breaches over the quarter – 1 as at Q4 2023 ii) Exposure to sub-sectors most exposed to climate transition risk (to align with CBES we assume this to be those sectors with GVA loss 30%+) – 1.4% as at Q4 2023 Lloyd's are looking to expand our climate-related KRIs. The opportunities Lloyd's has acted on as a result of monitoring climate-related risks have been described in the report above, including but not limited to: Lloyd's Futureset event series on carbon capture and storage and battery energy storage solutions; Lloyd's emissions accounting proof of concept in collaboration with Moody's Analytics ; Lloyd's Lab as an incubator for insurtechs including those with a climate focus; supporting businesses committed to 'Insuring the transition' through the new entrants pipeline and Lloyd's Lab; our involvement in the Sustainable Markets Initiative and signing the Global Supply Chain Pledge; and launching the Lloyd's Private Impact Fund.
	S(C) – Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	The Lloyd's market is fundamentally well placed to manage climate risks. While there is inherent complexity and uncertainty in how the future climate pathway will develop, Lloyd's has controls and processes in place to manage and mitigate the exposures as they emerge, including: • Re-underwriting and re-pricing insurance risks each year at renewal, adjusting exposure in line with risk appetite • A robust business planning and capital setting process for the market, including annual capital raising in line with risk exposure • Independent assessment of the adequacy of reserves for every syndicate, taking account of any emerging trends • Holding a well understood, short-term and liquid asset portfolio across the Chain of Security, in line with Solvency II rules, which we would be able to de-risk quickly as financial markets react to a transition • Systemic risk research and thought leadership from the Society of Lloyd's, which understands emerging risks and supports economies in building back better following any loss, regardless of whether this is driven by climate change. The degree to which Lloyd's decides to implement the above levers will depend upon the severity identified through monitoring key risk indicators. Should the key-risk indicators appear to move outside of Lloyd's risk appetite, guidance can be issued to the market, with effective oversight implemented to ensure strategic action has been taken. The financial impacts as a result of climate-related risk have been modelled and are discussed above alongside the actions which have been taken as a result. Lloyd's does not currently account for carbon pricing on our balance sheet, however, we annually measure our emissions across Scope 1, Scope 2 and selected Scope 3. Lloyd's business planning process is refreshed on an annual basis, which includes the oversight and review of each syndicate's business plan, including review of their natural catastrophe loss assumptions.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Area	Disclosure	Evidence
Risk management	**R(A)** – Describe the organisation's processes for identifying and assessing climate-related risks	Lloyd's considers current and emerging regulatory requirements through monitoring of policy, regulation and consultations. Our Head of Government Policy & Affairs, who reports directly to our Corporate Affairs Director and Executive Committee member, is responsible for monitoring policy and legislative change that could impact Lloyd's as well as our wider public affairs strategy. Our Head of International Regulatory Affairs who reports directly to our Chief Risk Officer, is responsible for monitoring regulatory change and maintaining Lloyd's global network of licences. Both of the above are part of Lloyd's Executive Leadership Group and in collaboration with Lloyd's Sustainability team, legislative changes and consultations are monitored globally and impact to Lloyd's is assessed. Lloyd's have responded to a number of consultations in the UK, Australia, New Zealand, Canada and India and remain up to date with current reporting requirements. Lloyd's process for identifying and assessing climate-related risk has been stated above, alongside the process for prioritising and identifying materiality; see S(A). Lloyd's does not use an external terminology or framework for climate-related risk, but has integrated climate-related risk into Lloyd's Own Risk and Solvency Assessment (ORSA) reporting and framework. In 2023 we launched a consultation on our roadmap for insuring the transition. The roadmap outlines how Lloyd's oversight framework may consider transition over the coming years. More information can be found on page 15 of this report. Policy horizon scanning is carried out monthly with the Sustainability and Government, Policy and Affairs teams to ensure Lloyd's is well prepared for upcoming regulatory and policy changes.
	R(B) – Describe the organization's processes for managing climate-related risks	Lloyd's processes for monitoring climate-related risk, including how to mitigate, transfer, accept and control those risks is available above in S(B), S(C) and R(A).
	R(C) – Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	There are three key tools for managing all risk at Lloyd's: 1.) Risk appetite reporting framework (climate risk KRI's are embedded within this). 2.) Risk & Control Self-Assessment process (RCSA), 5x5 method (likelihood vs impact). There are now multiple climate-related risks that are part of this process. All these now have controls which are assessed by the risk owner. 3.) Risk incident reporting process. If things go wrong, e.g. Lloyd's failed to meet its net zero commitments, this would be escalated through this process. The escalation route would depend on the risk which had been identified, e.g. impact to capital or investment returns from transition risk, physical risk increase through natural catastrophe exposure modelling or progress against climate-related commitments not being met discovered by Internal Audit – in each of these instances, the risk would be escalated to the Council via the Investment, Risk and Sustainability Committee respectively. Climate change risks are embedded into all these tools. The Climate Change Risk Working Group is chaired by Risk Management and serves as a forum to collaborate, align and track progress on the identification and management of the financial risks from climate change. The Sustainability Committee's responsibilities include the review, challenge and approval of the Corporation's sustainability strategy.

Task Force on Climate-related Financial Disclosures (TCFD) continued

Area	Disclosure	Evidence
Metrics & targets	**M(A)** – Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Metrics used to identify climate-related risk are stated above in S(B). We acknowledge that as advised by the Intergovernmental Panel on Climate Change (IPCC) global emissions need to be reduced in order to limit global warming to an average increase of 1.5°C above pre-industrial levels. This is why Lloyd's monitors its Scope 1, Scope 2 and selected Scope 3 emissions as stated above in the report. Lloyd's has a role to play in ensuring the market is in a position to provide assurance to our policyholders as they transition their business to lower carbon models, which is why we have oversight of managing agents' sustainability strategies. Climate-related opportunities are also monitored by Lloyd's as we aim to encourage the market to provide the risk mitigation and expertise to enable lower carbon technologies and solutions. In 2023, Lloyd's has provided support to the market through Futureset's carbon capture and storage and battery energy storage solutions events series . The emissions accounting proof of concept with Moody's Analytics will allow Lloyd's to support the market with the Scope 3 emissions disclosures necessitated by expected future regulatory reporting requirements. The metrics used for climate-related progress and remuneration are available above in G(A). All of the above align to Lloyd's sustainability strategy and building a more resilient and sustainable market and society.
	M((B) – Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	Our emissions are available in the Our emissions section of this report. The GHG Protocol methodology is used, with a baseline year of 2019 and the industry-specific metrics of intensity per FTE: tCO_2e/FTE. The main risk associated with our emissions is failure to reduce our emissions in line with government legislation, which will lead to reputational and financial impact, particularly if carbon pricing becomes mandatory in UK regulation. As stated above in R(A), government legislation and regulation is monitored by Lloyd's, on a daily basis, so Lloyd's would respond appropriately, deploying resource and capital if required to continue to meet UK government legislation and manage the risk of our scoped emissions.
	M(C) – Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	In 2019 we set a target for an absolute reduction in our operational emissions of 25.2% (4.4% year-on-year) by 2025. At the end of 2023 we have surpassed that target, reducing our global emissions across Scope 1, 2 and that of our selected Scope 3 per full-time employee by 33% since our 2019 baseline. As Lloyd's is a marketplace, we are unable to set targets on the amount of business written which supports transition to a lower carbon economy, however we will continue to support the market with guidance and oversight to ensure it is in a position to provide the assurance needed by policyholders in transitioning their businesses. You can find more information in our Insuring the Transition roadmap here. Our climate-related targets are dependent upon the action of UK and global governments and whether or not they enact policy to transition to lower carbon economies and net zero by 2050. Lloyd's is actively engaging the UK government to offer support where possible, as evidenced through our engagements with Futureset. We understand that adapting to climate change and being the insurer of the transition requires more than monitoring of climate-related risk. This is why Lloyd's sustainability strategy looks to embed sustainability across the Corporation, so that we can ensure the profitability and strength of the market for years to come, and so that we can live out our purpose of sharing risk for a braver world, building the resilience in the communities within which we operate.

ClimateWise

Lloyd's is committed to the ClimateWise principles, and has taken actions to achieve progress against the principles; as detailed below:

Area	Disclosure	Evidence
1. Be accountable	**1.1** Ensure that the organisation's board is working to incorporate the Principles into business strategy and has oversight of climate risks and opportunities	Full details of how the Council at Lloyd's is incorporating climate-related risk and opportunity into strategy and action can be viewed above in our TCFD Disclosure G(A).
	1.2 Describe management's (below board-level responsibility) role in assessing and managing climate-related issues	Full details of how the management at Lloyd's assess, manage, escalate and then act on climate-related risk and opportunity can be viewed above in our TCFD Disclosure G(B).
	1.3 Demonstrating planned activities and progress against prior-year planned activities	Evidence of how Lloyd's governance has facilitated the Council and management to consider climate-related risk when reviewing and guiding Lloyd's strategy and budgets can be found in our 2023 Annual Report. We have also provided evidence of strategic decisions made as a result of effective governance in escalating climate-related opportunities, which have led to delegated action on page 6 of this report. All of these have occurred since our previous ClimateWise disclosure. Other progress against prior-year activities is: • Launching our first fund on the Lloyd's investment platform, with an initial allocation of £250m into the Lloyd's Private Impact Fund. • Launching the Lloyd's and Moody's Analytics proof of concept exercise to develop an emissions accounting solution for the market. • Released an 'Insuring the transition' roadmap consultation to set out our proposed sustainability approach for the market in the next three years. All of the above demonstrate tangible progress against Lloyd's sustainability commitments and ClimateWise principles.
2. Incorporate climate-related issues into our strategies and investments	**2.1** Evaluate the implications of climate change for business performance (including investments) and key stakeholders	Full details of the implications on Lloyd's Central Fund due to climate change across potential scenarios and timelines are explained above in our TCFD Disclosure S(A), S(B) and S(C). We know climate change will impact all our policyholders and stakeholders in many ways, which is why we launched a consultation on our roadmap to insuring the transition. The roadmap has been designed to support market participants in evolving and embedding their own sustainability strategies. The roadmap can be found here.
	2.2 Measure and disclose the implications of climate-related issues for business performance (including investments) and key stakeholders	Climate-related key risk indicators are quantified and monitored through our risk framework to measure the implications of climate-related issues on the business, as discussed above in our TCFD Disclosure S(B) and the tools for monitoring and escalating are discussed in R(C). We also measure our GHG emissions across Scope 1, 2 and selected Scope 3 – further detail about our efforts to reduce our emissions can be found on page 10 of this report.

ClimateWise continued

Area	Disclosure	Evidence
2. Incorporate climate-related issues into our strategies and investments (continued)	**2.3** Incorporate the material outcomes of climate risk scenarios into business (and investment) decision making	Climate risk scenarios are monitored across three key areas of physical, transition and litigation risk. Lloyd's has acted upon these identified areas through the following business decisions: Physical risk – reducing our GHG emissions, as outlined on page 10 of this report; modelling across our territories with the highest natural catastrophe exposure, outlined in our TCFD Disclosure S(A). Transition risk – utilising our voting engagement on assets we hold with significant equity and launching our first fund on the Lloyd's investment platform, further detailed on page 12 of this report.
	2.4 Demonstrating planned activities and progress against prior-year planned activities	The key areas expected to be materially impacted in last year's ClimateWise report and the actions taken as a result since: Underwriting – released a consultation on our insuring the transition roadmap, supporting market participants with their own sustainability strategies. Catastrophe exposure – Conducted Thematic Review of the managing agents' approach to exposure management of climate change. Investments – Launched our first fund on the Lloyd's investment platform.
3. Lead in the identification, understanding and management of climate risk	**3.1** Ensure processes for identifying, assessing and managing climate-related risks and opportunities are integrated within the organisation (including investments)	The process for identifying and assessing climate-related risk is detailed above in TCFD Disclosure R(C). The management roles across the organisation that are responsible for identifying and managing climate-related risks and opportunities are detailed above in TCFD Disclosures G(B) and R(A).
	3.2 Support and undertake research and development to inform current business strategies (including investments) on adapting to and mitigating climate-related issues	On page 10 of this report, we talk to our insuring the transition roadmap consultation. The roadmap covers Lloyd's proposed approach for the next three years across sustainability, including underwriting, investments, exposure management and capital and reserving. Futureset, our research platform into systemic and emerging risk, conducted research and published:- Extreme weather leading to food and water shock, alongside the event series Risk revealed, which was created to increase awareness, help educate and connect the Lloyd's market with pioneering firms in the renewable and low-carbon energy space. Futureset launched an event series in 2023 in collaboration with the UK Government's Department for Business, Energy and Industrial Strategy and the North Sea Transition Authority to facilitate the difficult, but important questions around clean technology risk mitigation and accelerate the learning curve of new flexible energy systems so that the market is positioned to understand the risk and support low-carbon technologies for the UK and global economies.

ClimateWise continued

Area	Disclosure	Evidence
3. Lead in the identification, understanding and management of climate risk (continued)	**3.3** Demonstrating planned activities and progress against prior-year planned activities	In 2023, Lloyd's released a three-year roadmap for consultation which sets out expectations of the Lloyd's market over the next three years and how we will provide support. The roadmap provides more detail on Lloyd's climate transition measurement approach and requirements. Futureset's activity for 2023: the programme has expanded to cover technologies and solutions like energy storage and carbon credits and workshops and roundtables were facilitated exploring the insurance gaps faced by project developers. New reports were published on low-carbon technologies, illustrating the development pathways of the energy mix and the potential commercial opportunity for insurers. In 2024, we're going to see how we can refine and finalise the roadmap as well as action some of the points raised in the consultation to ensure we're supporting the market and creating an ecosystem for the market to insure the transition. Our proof of concept measurement framework, outlined on page 14 of this report, has been well received by the market, with over 70+ entities (brokers & insurers) registering interest. In 2024 we are continuing to work with our market to operationalise – taking a significant resourcing and cost burden off the market, aiming to centralising a data product for the market to meet future expected regulatory regimes.
4. Reduce the environmental impact of our business	**4.1** Encourage our suppliers to improve the environmental sustainability of their products and services, and understand the implications these have on our business	Lloyd's has all suppliers agree to our Supplier Code of Conduct, which we renew and publish annually. The Code of Conduct includes expectations that suppliers have a sustainability policy, have an effective environmental management programme and reduce their environmental impact where feasible, including a valid environmental impact assessment report. More detail can be found in the Code of Conduct. Lloyd's is also signed up to the Global Supply Chain pledge as part of our work with the SMI ITF.
	4.2 Disclose our Scope 1, 2 and 3 GHG emissions using a globally recognised standard	Our Scope 1, 2 and selected 3 emission disclosures can be found in the Our emissions section of this report.
	4.3 Measure and seek to reduce the environmental impacts of the internal operations and physical assets under our control	Actions taken to reduce our environmental impact outside reducing our GHG emissions, including internal operations and physical assets, can be found in the Our emissions section of this report.
	4.4 Engage our employees on our commitment to address climate change, helping them to play their role in meeting this commitment in the workplace and encouraging them to make climate-informed choices outside work	Lloyd's has an internal Environmental Policy which is reviewed annually. All Corporation employees, including temporary contractors and in-house service partners, are required to complete a mandatory internal e-learning module covering Occupational Health Safety and Environment. The module covers topics such as environmental management and ISO 14001, employee best practices and net zero.
	4.5 Demonstrating planned activities and progress against prior-year planned activities	To improve our response from last year, Lloyd's was asked to consider engagement with suppliers, which we carry out through our Supplier Code of Conduct and evidence employee engagement, which is outlined above. Details of our lease extension are outlined in the Our emissions section of this report. The lease extension will seek to improve the energy efficiency of our London office, as this is something that is greatly contributing to our Scope 1, 2 and selected Scope 3 emissions.

ClimateWise continued

<table>
<tr><th>Area</th><th>Disclosure</th><th>Evidence</th></tr>
<tr><td rowspan="3">5.
Inform public policy making</td><td>5.1 Promote and actively engage in public debate on climate-related issues and the need for action. Work with policy makers locally, regionally, nationally and internationally to help them develop and maintain an economy that is resilient to climate risk</td><td>Lloyd's has long aimed to help and support with UK government strategy with respect to the insurance industry, and continue to do so in supporting the government's plans for net zero and mitigating climate risk. We do this in a number of ways including through direct engagement, joint events and responding to policy consultations. Over the reporting period we have engaged in a number of areas:
• Signed the Memorandum of Principles for Earth and Space Sustainability Initiative, where we will work with governments and international organisations to establish a set of Space Sustainability principles.
• Joint event with the Department of Energy Security and Net Zero (DESNZ), the North Sea Transition Authority (NSTA) and the LMA and International Underwriting Association's (IUA) Joint Natural Resources Committee on Carbon Capture and Storage (CCS)
• Our CEO sits on His Majesty's Governments (HMG's) Net Zero Delivery Council chaired by Minister of State for Energy Security and Net Zero, Graham Stuart
• Direct engagement with government through the SMI to understand how insurance industry capital can be unlocked and be invested in climate-positive assets and projects

We also engage with policy makers to support the Lloyd's market in developing new products to insure low-carbon projects and support carbon-intensive sectors with an orderly transition should they wish to do so, and we are in a position to convene the industry to mobilise investment in green infrastructure and projects. This has informed our business strategy and led to Lloyd's attending several roundtable discussions on the topics of sustainability and the green transition. Roundtables were cross-party and organised by the UK government's Department for Science, Innovation and Technology, HM Treasury and the Department for Business, Energy and Industrial Strategy.

All of the above demonstrate that Lloyd's engages locally and internationally to provide support for governments and ultimately our customers to develop resilience to climate-related risk and mitigate risk from transitioning to a lower carbon economy.</td></tr>
<tr><td>5.2 Support and undertake research on climate change to inform our business strategies and help to protect our customers' and stakeholders' interest. Where appropriate, share this research with scientists, society, business, governments and NGOs in order to advance a common interest</td><td>Evidence of research conducted by Futureset, Lloyd's systemic and emerging risk platform, the business strategy taken as a result and how this was shared with the market, government, experts and society is referenced above in Sub-Principle 3.2.

Launched the Lloyd's and Moody's Analytics emissions accounting proof of concept collaboration to develop an emissions measurement methodology that quantifies the emissions associated with an insurer's underwriting portfolio. This proof of concept will support the market in disclosing their insurance-associated Scope 3 emissions in line with anticipated regulatory reporting requirements.</td></tr>
<tr><td>5.3 Demonstrating planned activities and progress against prior-year planned activities</td><td>The consultation responses, government engagement and collaboration with the Lloyd's market detailed above have all been actioned as progress following our prior ClimateWise report.

Lloyd's will continue to engage government, particularly leading up to the UK general election this year to ensure Lloyd's contribution and value in supporting the UK government's net zero ambitions are brought to the table.</td></tr>
</table>

ClimateWise continued

Area	Disclosure	Evidence
6. Support climate awareness amongst our customers/clients	**6.1** Communicate our beliefs and strategy on climate-related issues to our customers/clients	Futureset maintains a steady campaign of engagement with our wider stakeholders and customers on a range of topics; metrics around this can be found in the main body of the report. Lloyd's also uses our position as Chair of the SMI ITF to engage wider industry and society on climate-related issues at relevant forums including New York Climate Week and COP28.
	6.2 Inform our customers/clients of climate-related risk and provide support and tools so that they can assess their own levels of risk	As mentioned above, we communicate with our stakeholders and clients on climate-related risk and provide support through Futureset, participation in the SMI and Lloyd's Lab. From access to insurtech solutions, market support in our insuring the transition roadmap and event series on CCS and BESS, Lloyd's provides support and tools for all our stakeholders to assess and manage their own climate-related risk exposure. We will be able to share the insights from our emissions accounting proof of concept, and will continue to develop a tool that allows insurers to quantify their Scope 3 Category 15 emissions.
	6.3 Demonstrating planned activities and progress against prior-year planned activities	The above activity mentioned has been progressed following publishing of the prior year's ClimateWise report. Lloyd's will continue to work on developing an emissions measurement methodology to quantify the greenhouse gas emissions associated with managing agents' insurance portfolios. We will also continue to review responses to our Futureset engagements and events. This will inform our future business strategy and where the market would like further support for their policyholders.
7. Enhance reporting	**7.1** Submission against the ClimateWise Principles	Lloyd's publicly discloses climate-related information within our Annual Report and this Sustainability Report acts as our public disclosure against ClimateWise Principles.
	7.2 Public disclosure of the ClimateWise Principles as part of our annual reporting	Lloyd's will continue to publicly disclose against the ClimateWise Principles annually.

United Nations Global Compact: Communication of progress

Our commitment to support the United Nations' sustainability principles

Area	Principle	Evidence
Human Rights	**1.** Businesses should support and respect the protection of internationally proclaimed human rights **2.** Businesses should make sure they are not complicit in human rights abuses	The Corporation fully supports the principles set out in the United Nations Universal Declaration of Human Rights and the International Labour Organisation core labour standards and the Modern Slavery Act 2015. Lloyd's has an internal Human Rights Policy which expresses Lloyd's commitment to respect and support human rights, which is approved by our Chief People Officer and the Council of Lloyd's. The policy applies to all persons working for Lloyd's or on its behalf in any capacity. Lloyd's annually review our **Modern Slavery Act Statement** and our **Supplier Code of Conduct** to reflect the standards expected of our suppliers. We also have our **Data Protection Policy** which provides a framework for ensuring the Corporation and overseas offices meets obligations under the General Data Protection Regulation (GDPR) which is considered the 'gold standard' of data protection and privacy compliance. One of our key Principles for Doing Business, which set out fundamental responsibilities and expectations of how all managing agents should operate ensures managing agents create an inclusive, high-performing culture.
Fair Labour	**3.** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining **4.** Businesses should uphold the elimination of all forms of forced and compulsory labour **5.** Businesses should uphold the effective abolition of child labour **6.** Businesses should uphold the elimination of discrimination in respect of employment and occupation	At Lloyd's, our aim is to attract, retain and reward the very best talent. We do this by attracting colleagues that bring with them a diversity in capability, experience, perspective and approach; ensure we treat all colleagues with fairness and consistency; rewarding the unique contribution employees bring to our business and supporting colleagues to be the best they can be. We outline this in our **UK Employee Handbook** and **International Employee Handbook**. The handbooks also cover topics such as anti-bullying and harassment; diversity and inclusion; social media and drug and alcohol use, which apply to all employees as well as job applicants, consultants, temporary and third party workers. Lloyd's recognises its responsibility to provide a safe and healthy working environmental for all its employees, tenants, contractors and visitors who use its premises and prevent injury and ill health in accordance with the Health and Safety at Work etc. Act 1974. This is why our **Occupational Health and Safety Policy** aligns to the International Standard for health and safety at work ISO 45001. As per our **Global Compliance Policy**, Lloyd's have various whistleblowing protocols in place, with multiple channels to report in confidence and anonymously should any employee have concerns.

United Nations Global Compact: Communication of progress continued

Area	Principle	Evidence
Environment	**7.** Businesses should support a precautionary approach to environmental challenges	Further information on how we're reducing our carbon emissions and targeting our investments for impact, to tackle environmental challenges, can be found in the Our emissions and Investments sections of this report.
	8. Businesses should undertake initiatives to promote greater environmental responsibility	Further details of how Lloyd's is promoting environmental responsibility amongst colleagues and market participants is in Sub-principle 4.4 of our ClimateWise reporting. Sub Principles 6.1 and 6.2 elaborate on how we engage with market participants and wider society on environmental challenges facing our policyholders and how best we can equip the market with the tools required to mitigate these risks. Additionally, our work on developing a measurement framework for insurance-associated GHG emissions is on page 14 of this report.
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies	The emissions accounting proof of concept with Moody's Analytics will allow Lloyd's to support the market with Scope 3 emissions disclosures necessitated by future regulatory reporting requirements. This evidences Lloyd's support for climate-related innovation. More information can be found on page 14 of this report.
Anti-corruption	**10.** Businesses should work against all forms of corruption including extortion and bribery	Our **Global Financial Crime Policy** ensures all employees, in all jurisdictions are aware of financial crime risks and have appropriate processes for managing these risks. Lloyd's complies with anti-corruption laws, has a robust anti-corruption approach, and encourages a supportive environment where employees feel able to speak up. All Lloyd's employees carry out mandatory training in Gifts and Hospitality, Conflicts of interest and Financial crime essentials training – which includes anti-money laundering and anti-bribery. Failure to complete these modules will result in a negative impact on an employee's remuneration. Emma Hardaker, Head of Financial Crime and Compliance, is responsible for all anti-corruption training and monitoring,reporting directly to Lloyd's Chief Risk Officer, a member of Lloyd's Executive Committee. This governance structure allows for financial crime risk to be monitored and escalated quickly and for business strategy to be delegated as a result. The Corporation also makes sure that the market adheres to the Lloyd's Principles for Doing Business, of which Regulatory and Financial Crime forms one of the 13 principles. This principle ensures managing agents have robust frameworks in place to assess and address financial crime risks arising from their UK and international businesses. Frameworks should support compliance with law, regulation and guidance, and allow for well informed, transparent relationships with Lloyd's and applicable regulators. We continue to strengthen our whistleblowing protocols by increasing the channels people can use to report concerns (e.g. a web-based reporting system, a mobile reporting app, via an internal email address and directly to the Whistleblowers' Champion) and ensuring selected employees are equipped to handle concerns that are raised.
Supporting broader UN Goals	We have summarised our progress against our priority UN Sustainable Development Goals at the beginning of this report. However, we realise all of the UN SDGs are important and so have highlighted throughout the report and in the Appendix how our work with the market, our policyholders and in our communities has progressed these goals.	

United Nations Environment Programme Finance Initiative – Principles for Sustainable Insurance

Lloyd's joined the United Nations Environment Programme – Principles for Sustainable Insurance as a supporting member in October 2022. A requirement of which is to evidence annually an activity which would encourage the adoption of the Principles.

Key examples contained within this report where we have evidenced this are through:

- The research conducted and events hosted by Futureset
- Our work with the market in supporting managing agents to offer the risk mitigation and expertise to provide the assurance to their customers who are looking to transition to low-carbon business models or develop green technology solutions
- Training offered to Corporation colleagues
- Our leadership position on the Sustainable Markets Initiative Insurance Taskforce

Directors' Statement on Society of Lloyd's' selected ESG metrics for the year ended 31 December 2023

As the Directors of Society of Lloyd's ("Lloyds"), we confirm that we are solely responsible for the preparation of the Sustainability Report 2023, including this Directors' Statement, and for reporting the selected ESG metrics (as detailed on page 56) in accordance with the reporting criteria set out on page 55.

We confirm, to the best of our knowledge and belief, that we have responsibility for:

- designing, implementing and the maintenance of internal controls and processes over information relevant to the measurement, evaluation and preparation of the selected ESG metrics that is free from material misstatement, whether due to fraud or error;
- establishing objective reporting criteria for preparing and presenting the selected ESG metrics, including clear definition of the entity's organisational boundaries, and applied them consistently;
- presenting information, including the reporting criteria, in a manner that provides relevant, complete, reliable, unbiased/neutral, comparable and understandable information; and
- reporting the selected ESG metrics in accordance with the reporting criteria.

RClement

Rebekah Clement
Corporate Affairs Director

For and on behalf of the Board of Directors of Society of Lloyd's

27 March 2024

Selected ESG Metrics and Reporting Criteria

Selected ESG Metrics

Emissions (Global)

Scope 1 emissions in 2023 (tCO_2e)

Scope 2 emissions (location and market basis) in 2023 (tCO_2e)

Total of selected Scope 3 emissions (categories 3 and 6) in 2023 (tCO_2e)

Charitable donations (Global)

Total amount of charitable donations in 2023 (£)

Diversity and inclusion (UK only)

Female representation by level (%)

Breakdown of ethnic minority representation (%)

Independent Limited Assurance Report to the Members of Lloyd's of London (Lloyd's) on selected Sustainability Metrics

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Our limited assurance conclusion

Based on the procedures we have performed, as described under the "Summary of work performed" and the "Key Assurance Matters" sections below, and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information marked with the symbol a in Lloyd's 2023 Sustainability Report for the year ended 31 December 2023 (the "Report") and summarised below (together, the 'Subject Matter Information'), has not been prepared, in all material respects, in accordance with Lloyd's Reporting Criteria (the 'Reporting Criteria') set out on pages 55 - 60 of Lloyd's 2023 Sustainability Report.

What we were engaged to assure

The Subject Matter Information needs to be read and understood together with the Reporting Criteria set out on pages 55 - 60 of Lloyds 2023 Sustainability Report which Lloyd's Directors are solely responsible for selecting and applying. The Subject Matter Information are as set out below and set out in Appendix A:

Emissions (Global)
- Scope 1 emissions in 2023 (tCO_2e)
- Scope 2 emissions (location and market basis) in 2023 (tCO_2e)
- Total of selected Scope 3 emissions (categories 3 and 6) in 2023 (tCO_2e)

Charitable donations (Global)
- Total amount of charitable donations in 2023 (£)

Diversity and inclusion (UK only)
- Female representation by level (%)
- Breakdown of Ethnic Minority representation (%)

The scope of our work did not extend to information in respect of earlier periods or to any other information included in, or linked from, the Report including any images, audio files or videos. Specifically, but without limitation, the scope of our assurance did not extend to the Lloyd's marketplace or any of its participants. These are separate entities which have their own strategies, over which Lloyd's has no operational control.

Our work

Professional standards applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and, in respect of the greenhouse gas (GHG) emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board.

Our independence and quality control

We have complied with the Institute of Chartered Accountants in England and Wales Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code).

We apply International Standard on Quality Management (UK) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

We performed a limited assurance engagement. Because the level of assurance obtained in a limited assurance can vary, we give more detail about the procedures performed, so that the intended users of the Subject Matter Information can understand the nature, timing and extent of procedures we performed as context for our conclusion. These procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Independent Limited Assurance Report to the Members of Lloyd's of London (Lloyd's) on selected Sustainability Metrics continued

In performing our assurance procedures, which were based on our professional judgement, we performed the following:

- evaluated the suitability in the circumstances of Lloyd's use of the Reporting Criteria as the basis for preparing the Subject Matter Information including considering reporting boundaries;
- obtained an understanding of Lloyd's control environment, processes and systems relevant to the preparation of the Subject Matter Information. Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities;
- evaluated the appropriateness of measurement and evaluation methods, reporting policies used and estimates made by Lloyd's, noting that our procedures did not involve testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Lloyd's estimates;
- compared year on year movements and obtained explanations from management for significant differences we identified;
- performed limited substantive testing on a selective basis of the Subject Matter Information, which is aggregated from information submitted by Lloyd's corporation. Testing involved agreeing arithmetical accuracy of calculations, and agreeing data points to or from source information to check that the underlying subject matter had been appropriately evaluated or measured, recorded, collated and reported; and
- evaluated the disclosures in, and overall presentation of, the Subject Matter Information.

Materiality

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Subject Matter Information is likely to arise. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our procedures in support of our conclusion. We believe that it is important that the intended users have the information they need to understand the concept and the level of materiality to place our conclusion in context. Based on our professional judgement, we determined materiality for the Subject Matter Information as follows

Overall materiality

Materiality may differ depending upon the nature of the Subject Matter Information. We apply professional judgement to consider the most appropriate materiality benchmark for each aspect of the Subject Matter Information, having considered how the intended users may use the information.

The benchmark approach for each aspect of the Subject Matter Information indicated in the "What we were engaged to assure" section is:

- This metric is an absolute number. A benchmark materiality of 5% has been applied.
- This metric is a percentage. A benchmark materiality of 5% has been applied.

We also agreed to report to the Directors misstatements ('reportable misstatements') identified during our work at a level below overall materiality, as well as misstatements below that lower level that in our view warranted reporting for qualitative reasons. The Directors are responsible for deciding whether adjustments should be made to the Subject Matter Information in respect of those items.

Key assurance matters

Key Assurance Matters are those areas of our work that in our professional judgement required particular focus and attention, including those which had the greatest effect on the overall assurance strategy, the allocation of resources, and directing the efforts of the engagement team.

We determined that there are no key assurance matters to communicate in our report.

Challenges of non-financial information

The absence of a significant body of established practice upon which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities, and over time.

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for measuring or evaluating it. The precision of different measurement techniques may also vary.

Independent Limited Assurance Report to the Members of Lloyd's of London (Lloyd's) on selected Sustainability Metrics continued

Reporting on Other Information

The other information comprises all of the information in the Report other than the Subject Matter Information and our assurance report. The Directors are responsible for the other information. As explained above, our conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Responsibilities of the Directors

As explained in the Directors' Statement on page 50 of the Report, the Directors of Lloyd's are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying subject matter;
- ensuring that those criteria are relevant and appropriate to Lloyd's and the intended users of the Report;
- the preparation of the Subject Matter Information in accordance with the Reporting Criteria including designing, implementing and maintaining systems, processes and internal controls over the evaluation or measurement of the underlying subject matter to result in Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- documenting and retaining underlying data and records to support the Subject Matter Information;
- producing the Report that provides a balanced reflection of Lloyd's performance in this area and discloses, with supporting rationale, matters relevant to the intended users of the Report; and
- producing a statement of Directors' responsibility.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Lloyd's.

Use of our report

Our report, including our conclusion, has been prepared solely for the Directors of Lloyd's in accordance with the agreement between us dated 15 March 2023 (the "agreement"). To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Board of Directors and Lloyd's for our work or our report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
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Independent Limited Assurance Report to the Members of Lloyd's of London (Lloyd's) on selected Sustainability Metrics continued

Appendix A

Subject Matter Information	Reported Emission (tonnes CO_2e)	Materiality (tonnes CO_2e)
GHG Emissions (Global)		
Scope 1		
Location-based	1,572	78
Scope 2		
Location-based	3,117	
Market-based	423	177
Total selected Scope 3 (category 3 and 6)		
Scope 3, Category 3	262	13.1
Scope 3, Category 6	1,337	66.9

Charitable Donations (Global)	Reported amount (£m)	Materiality (£)
Total amount of charitable donations	1.8	92,285

Diversity and inclusion	Female	Materiality
Female representation by level		
Council	20%	5% of balance
Executive Committee	33%	5% of balance
Executive Leadership Group (ELG)	46%	5% of balance
Leadership	38%	5% of balance
Leadership (excluding council)	43%	5% of balance
Grade 13+	40%	5% of balance
Corporation	51%	5% of balance
Breakdown of Ethnic minority representation		
White	66%	5% of balance
Black	5%	5% of balance
Asian	14%	5% of balance
Mixed	3%	5% of balance
Other	1%	5% of balance
Prefer not to say	7%	5% of balance
No data	5%	5% of balance
Disclosure - Ethnicity disclosed (including PNTS) 95%	95%	5% of balance

Reporting criteria

Overview

Lloyd's is the world's leading insurance reinsurance marketplace. The Lloyd's market provide risk solutions and insights for customers of all sizes in all corners of the world. The insurance written at Lloyd's is brought by Brokers and Coverholders. Managing agents oversee Syndicates who price and underwrite the risk.

Sat behind the market is the Society of Lloyd's, often referred to as the 'Corporation'. The Corporation is not itself an insurance company, but an independent organisation which protects and maintains the market's reputation as well as providing services, research and reports. Lloyd's also provides a common financial security and strong ratings through our capital structure, often referred to as the 'Chain of Security', which sits behind and protects all insurance policies written at Lloyd's.

For the purpose of our reporting, when we refer to 'Lloyd's' we are referring to the Corporation and the tools and assets for which the Corporation has operational control.

Lloyd's sustainability reporting sets out how we are building a more sustainable, resilient and inclusive society in line with the United Nations Sustainable Development Goals (SDGs).

This document sets out the principles, definitions, scope and methodology for selected data points within Lloyd's Sustainability Report 2023, subject to limited assurance by PwC.

General reporting principles:

Lloyd's sustainability report looks to show the action taken from Lloyd's sustainability strategy and governance, including committees and senior leadership. These responsibilities start with the Council of Lloyd's. Under the Lloyd's Act 1982, the Council undertakes the management and superintendence of the affairs of the Society and has the power to regulate and direct the business of insurance at Lloyd's.

Frameworks and standards: ClimateWise, TCFD, UN SDGs, UN Global Compact, SECR

Lloyd's continues to be led by the Sustainable Development Goals (SDG's) which enable us to assess the impact we have on the world. We align our progress to the SDG's throughout this report, and we also disclose against two other frameworks to monitor Lloyd's progress and report on our sustainability journey: ClimateWise and the United Nations (UN) Global Compact Report. Our greenhouse gas (GHG) emissions are calculated and reported in line with the GHG Protocol and the UK Government's Streamlined Energy and Carbon Reporting (SECR) requirements.

Organisational boundaries

The report includes legal entities controlled by Lloyd's. For greenhouse gas (GHG) emissions this covers all legal entities and sites for which Lloyd's has organisational control – this includes all office locations and data centres where Lloyd's has management control of energy ownership and usage. These locations exclude "representative offices" where employees of the Corporation work in physical sites that are outside of the operational control of the Corporation.

The reporting does not cover the Lloyd's marketplace or any of its participants. These are separate entities which have their own strategies, over which Lloyd's has no operational control.

Threshold criteria

Certain criteria may arise whereby changes or a restatement of figures are required. Amendments or restatements of figures will occur when threshold criteria is met, such as: where errors have been discovered in the calculation or statement of figures that create a discrepancy of over 5%; this is across all reported metrics. For our culture metrics, a change in methodology, such as classification of leadership, would also lead to a restatement of figures.

Currency

All figures referenced within the report are in GBP. Local currencies have been converted to GBP using the conversion rate on the date of transaction.

Employees as at 31 Dec 2023

For the purpose of this document, the term employee includes all:

- Permanent full and part time staff; and
- Temporary staff and contractors employed directly by Lloyd's

Key sustainability metrics

As part of the scope of this document, Lloyd's has considered the following metrics across three key areas:

The metrics that we have sought limited assurance include:

Emissions accounting: Lloyd's 2023 Greenhouse Gas (GHG) emissions

- Scope 1 emissions in 2023 (tCO_2e)
- Scope 2 emissions (location and market basis) in 2023 (tCO_2e)
- Total of selected Scope 3 emissions (categories 3 and 6) in 2023 (tCO_2e)

Charitable giving: Lloyd's charitable giving metrics

- 2023 total amounts of charitable donations

Culture metrics: Lloyd's Corporation 2023 culture statistics

- Female representation by level (%)
- Breakdown by ethnic minority representation (%)

Reporting criteria continued

Emissions accounting (Scope 1 and 2)

	2023 Scope 1 GHG Emissions	2023 Scope 2 GHG Emissions (location and market based)
Definition	Total quantity of direct GHG emissions from Lloyd's operations, scope 1 covers emissions from sources owned or controlled by Lloyd's. This includes natural gas. Emissions included are from CO_2, N2O and CH4. Emissions from HFCs, PFCs, SF6 and biogenic activities are not applicable to Lloyd's operations and so are not reported.	Total quantity of indirect GHG emissions from Lloyd's purchased energy on both a location and market basis. Emissions included are from CO_2, N2O and CH4. Emissions from HFCs, PFCs, SF6 and biogenic activities are not applicable to Lloyd's operations and so are not reported.
Scope	This is reported from the period of 1 January – 31 December 2023, covering Scope 1 and 2 GHG emissions from all legal entities and sites for which Lloyd's has organisational control – this includes all office locations whether owned or rented globally.	
Units	CO_2e Tonnes (tCO_2e)	
Methodology	The methodology used to compile our (Greenhouse Gas) GHG emissions inventory is in accordance with the requirements of the following standards: the WRI GHG Protocol Corporate Standard (revised version) and Defra's Environmental Reporting Guidelines including Streamlined Energy and Carbon Reporting requirements (March 2019).	
Calculation and reporting	Invoices are collected directly from our suppliers which state our gas consumption in kWh. We then apply emissions factors from DEFRA's Environmental Reporting requirements to convert this to tCO_2e. For our London site we source biogas, which emits fewer GHG emissions than natural gas, however, as the GHG Protocol does not yet provide definitive guidance on accounting for emissions from biogas, we report as if natural gas has been used for our Scope 1. 100% of our calculated Scope 1 emissions across the UK and globally are from actual data.	Our Scope 2 includes electricity, we collect invoices or metre readings direct from our offices which state their electricity consumption in kWh. We then apply emissions factors from Defra's Environmental Reporting requirements to convert this to tCO_2e. Where actual data is not available, estimations are calculated based on the number of employees, office floor area and average occupancy, with the appropriate emissions factor for the country from the International Energy Agency (IEA). 93% of our calculated Scope 2 emissions across the UK and globally are from actual data. The 7% estimated come from electricity consumption of international offices where meter readings/ invoices were not available. Our electricity is reported on location- and market-based totals,. Location-based emissions calculate the emissions from electricity use based on the average emission intensity of the power grid. Market-based emissions calculates emissions from the electricity use factoring in the electricity the company has purchased. As we source 100% of electricity for our London and Chatham office from renewable sources with zero GHG emissions, our Scope 2 market-based emissions in the UK are zero.
Source	We use invoices direct from our suppliers to calculate our scope 1 GHG emissions.	We use data direct from metre readings to calculate our Scope 2 GHG emissions. Where direct data is not available, particularly in the case of our overseas offices, estimations are used. Where data exists but it is incomplete, extrapolations are calculated and then annualised across the calendar year.

Reporting criteria continued

Emissions accounting (Scope 3)

	Select 2023 Scope 3 GHG Emissions (category 3)	Select 2023 Scope 3 GHG Emissions (category 6)
Definition	Total quantity of indirect emissions (not included in Scope 1 and 2) Scope 3 emissions covering category 3 of the GHG Protocol. This covers: • **Category 3: Fuel – and energy related activities (not included in Scope 1)** – extraction, production, and transportation of fuels and energy purchased or acquired by the Corporation in the reporting year, not already accounted for in Scope 1 or Scope 2.	Total quantity of indirect emissions (not included in scope 1 and 2) scope 3 emissions covering category 6 of the GHG Protocol. This covers: • **Category 6: Business travel** – Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the Corporation.)
Scope	This is reported for the period 1 January – 31 December 2023. Emissions included are from CO2, N2O and CH4. Emissions from HFCs, PFCs, SF6 and biogenic activities are not applicable to Lloyd's operations and so are not reported.	This is reported for the period 1 January – 31 December 2023 – covering all air and rail transport and hotel accommodation.
Units	CO_2e Tonnes (tCO_2e)	
Methodology	The methodology used to compile our (Greenhouse Gas) GHG emissions inventory is in accordance with the requirements of the following standards: the WRI GHG Protocol Corporate Standard (revised version) and Defra's Environmental Reporting Guidelines including Streamlined Energy and Carbon Reporting requirements (March 2019).	
Calculation and reporting	Our Scope 3 category 3 includes electricity, we collect invoices or metre readings direct from our offices which state their electricity consumption in kWh. We then apply emissions factors from Defra's Environmental Reporting requirements to convert this to tCO_2e. Where actual data is not available, estimations are calculated based on the number of employees, office floor area and average occupancy, with the appropriate emissions factor for the country from the International Energy Agency (IEA). Our total Scope 3 emissions are made up of several sub-categories: Category 1 – Purchased goods and services, paper and wate use only; Category 3 – Fuel and energy related activity not already included in Scope 2; Category 5 – Waste generated in operations (waste and wastewater); Category 6 – Business travel, including flights, domestic and international rail travel, hotel accommodation made through our third-party travel partner; Category 7 – Employee commuting. 68% of our calculated Scope 3 emissions across the UK and globally are from actual data. The 32% estimated largely comes from collecting data on employee commuting and working from home and extrapolating this to the entire workforce.	Our GHG emissions are calculated using mode of transport, distance to destination and class travelled for travel booked through our travel partner. Data is collected directly from airlines for distance to destination and converted from the km to tCO_2e using the Defra conversion factor. Similarly our hotel accommodation emissions are calculated converting room per night to tCO_2e using the Defra conversion factor. For travel booked outside of our travel partner through personal expenses, we do not have the distance, class of travel or date of travel data we collect through our travel partner, so we have estimated the emissions related to these expenses. This estimation has been calculated in line with GHG Protocol for estimation of emissions where there is an absence of more granular data. To do this we used the booking data from our travel partner, including the split of class of travel, cost of trip and associated emissions. This data was then used as a proxy to distribute the personal expense spent to extrapolate GHG emissions in a similar proportion to that which is booked through our travel partner. The estimated portion of the expenses represented c. 43% of the total balance reported. Our total Scope 3 emissions are made up of several sub-categories: Category 1 – Purchased goods and services, paper and wate use only; Category 3 – Fuel and energy related activity not already included in Scope 2; Category 5 – Waste generated in operations (waste and wastewater); Category 6 – Business travel, including flights, domestic and international rail travel, hotel accommodation made through our third-party travel partner; Category 7 – Employee commuting. 68% of our calculated Scope 3 emissions across the UK and globally are from actual data. The 32% estimated largely comes from collecting data on employee commuting and working from home and extrapolating this to the entire workforce.
Source	We use invoices direct from our suppliers to calculate our scope 3 category 3 GHG emissions. Where direct data is not available, particularly in the case of our overseas offices, estimations are used. Where data exists but it is incomplete, extrapolations are calculated and then annualised across the calendar year.	We use data direct from our third-party travel partner to calculate our business travel-related GHG emissions. This includes: • Mode of transport • Distance to destination (distances are calculated between airports using the great circle distance methodology) • Date • Class travelled

Reporting criteria continued

Charitable giving

Total amounts of charitable donations 2023	
Definition	The total amounts of charitable donations represents all funds donated by the Corporation and Lloyd's of London Foundation. The Foundation is comprised of four individual charities: Lloyd's of London Foundation (formerly Lloyd's Charities Trust), Lloyd's Patriotic Fund, Lloyd's Benevolent Fund, Lloyd's Tercentenary Research Foundation.
Scope	Charitable donations by the Lloyd's of London Foundation are approved at trustee meetings, with approval given during or subsequent to the meeting. The figures disclosed cover charitable donations which have been paid within the calendar year 1 January 2023 - 31 December 2023. Screening is undertaken on the charity receiving the donation, including through Lloyd's Financial Crime and Compliance due diligence process.
Units	GBP
Calculation and reporting methodology	The total amounts of charitable donations represents the sum of donations across the four Lloyd's charities and by the Corporation. 'Charitable donation' constitutes: • Donations made by the Lloyd's of London Foundation • Direct donations to Lloyd's charity partners by the Corporation • Matched fundraising by Corporation employees, including through payroll giving • Covered catering costs for charity events • University bursaries. It does not include an attributable cost of hours volunteered by Corporation or the market staff.
Source	We use invoices, bank statements, and annual accounts to calculate the total sum of charitable donations.

Reporting criteria continued

Culture data

	2023 female representation of leadership positions	2023 ethnic minority representation
Definition	For the purpose of this document, the term leadership position includes members of Council, Executive Committee, Lloyd's Employee Leadership Group (ELG) and those who report to a member of the Executive Committee – without double counting where there is crossover between these employment types.	For the purpose of this document, the term employee includes all: permanent full and part time staff; and temporary staff and contractors employed directly by Lloyd's. Ethnic minority is defined as any ethnicity other than White, including but not limited to: Black, Asian, Mixed, Other etc.
Scope	This percentage is calculated based on headcount as at 31 December 2023. **Employment level:** Council Executive Committee ELG (Executive leadership Group) **Gender:** Female	This percentage calculation based on headcount as at 31 December 2023. **Ethnicity:** White Black Asian Mixed Other Prefer not to say
Units	Percentage	
Calculation and reporting	Calculations are based on the number of positions within a set employment level, occupied by someone who identifies as female over the total number of positions within that level. The percentage of female representation in leaderships positions is then able to be calculated by calculating the percentage of those who identify as female across the Council, Executive Committee and Executive Leadership Group (ELG). The calculations are based on headcount as at 31 December 2023.	95% of Lloyd's employees have disclosed their ethnicity data (including those who have stated 'prefer not to say'). Ethnicity by percentage is calculated, by totalling the number of employees by each ethnicity and dividing by the total number of employees. This percentage is for UK based employees only.
Source	Data is sourced from the Global HR system for all employees	

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