

INCLUSION @LLOYD'S

The business case for Diversity and Inclusion

What is Diversity and Inclusion?

- **Diversity** describes the make-up of our workforce by demographic and other defining factors: age, ethnicity/race, gender, gender identity, sexual orientation, disability, faith, language, family circumstances, social background, education etc.
- **Inclusion** is how we derive value from this diversity; it's the extent to which employees feel valued and included by an organisation.
- Diversity and Inclusion is not the latest fashion or fad, business language or HR-speak. It's not an initiative or positive discrimination. It's not a campaign of limited duration. It's an ongoing endeavour of collaboration which strives to make the Lloyd's market the best place to work.

Why is Diversity and Inclusion important to the Lloyd's market?

- Diversity and Inclusion matters to our employees, customers, suppliers, investors and our regulators.
- The market has a diverse, international distribution network and customer base. Better reflecting that diversity within the market itself makes us more relevant to them.
- By attracting, motivating and retaining the best talent in the market we will drive better results. Prospective employees want to know that they will feel valued and included at Lloyd's and evidence suggests that employees who feel included perform better and are stronger advocates to others.
- There is a clear correlation between enhanced business performance and broader team diversity.
 - Organisations that rate highly in both diversity and inclusion are 70% more likely to have success in new markets and 45% more likely to improve their market share¹.
 - Analysing a statistically significant sample of companies across Europe, Brazil, Russia, India and China, McKinsey & Company showed that companies with the highest share of women in their senior management teams outperformed those with no women from 2007-2009 by 41% in terms of return on equity (22% vs 15%) and by 56% in terms of operating results (17% vs 11%).²

¹ The Centre for Talent Innovation.

² McKinsey & Company (2011), Women Matter 2010: Women at the top of corporations: Making it happen.

- Research also shows that concealing sexual orientation at work reduces productivity by up to 30%³. People who have “come out” in supportive workplaces are more creative, loyal and productive.
- Decision-making processes that take account of a diverse range of views and experiences result in better outcomes than those that don’t. Integrating people with different characteristics into teams brings new perspectives, ideas and challenges to accepted practice, adding value and leading to improvements in how we conduct business.

This is about ensuring our business continues to thrive for the next 325 years... and beyond.

Lloyd’s has a long history of understanding risks around the world and demonstrating expertise in delivering tailored risk management solutions based on specialist knowledge, innovation and experience. Central to this success story has been Lloyd’s investment in establishing great relationships with clients, customers, and underwriters and formulating a detailed understanding of their needs and circumstances.

It is vital to ensure that Lloyd’s remains as relevant to our clients and other stakeholders in the future as it has been in the past. As we develop Lloyd’s presence in existing markets and as new high-growth markets open up, Lloyd’s needs a workforce that is not only of the highest possible calibre, but can also quickly establish strong relationships with new clients and understand their needs, to be able to work creatively and collaboratively with them, regardless of their characteristics. Diversity throughout our workforce can help identify opportunities and build these relationships more quickly.

Research indicates that 64% of insurance CEO’s are concerned about a lack of availability of key skills being a threat to their growth prospects⁴. With only 1% of students saying that they are interested in working in the insurance sector when they leave school (compared with finance and banking at 15% or professional services including law and accounting at 22%) we need to act now to attract the best talent into the Lloyd’s Market before it’s too late⁵.

So what are we doing about this opportunity?

Across Lloyd’s we are focusing on diversity and inclusion to ensure that we attract and retain the best people to support the growth of our business. Lloyd’s managing agents, Lloyd’s brokers, the Corporation of Lloyd’s and the Lloyd’s Market Association are collaborating to raise awareness and share best practice so that our workplace is highly inclusive and delivers the talent and innovation required for continued success.

Building inclusion throughout our business won’t happen overnight. You’ll start to see events, training, discussions and publications which all encourage the discussions needed to create a diverse and inclusive working environment. Everyone has a role to play to develop their personal awareness and to contribute to making sure we are ‘open for business’, wherever and whoever it comes from, so please get involved.

www.lloyds.com/inclusion

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³ Stonewall Top 100 Employers (2009), The Workplace Equality Index.

⁴ PricewaterhouseCoopers, Dealing with disruption, 16th Annual Global (2012) CEO Survey Summary: Key Findings in the Insurance Industry

⁵ CII (2012), Insuring a better future: How to attract the best students into insurance