



Social impact report

Basis of preparation

Legal & General Group Plc



Basis of preparation for diversity, gender pay gap and ethnicity pay gap data

This document sets out the basis of preparation for data subject to Independent Limited Assurance by Deloitte LLP and reported in Legal & General's 2023 Social impact report.



1. Headcount by gender and ethnicity

Scope and exclusions	Unit of reporting	Method for gathering, processing and reporting data	Internal controls
<p>The scope of the data is all direct, permanent and fixed-term contract employees of Legal & General or one of its fully-owned and fully-controlled subsidiary employing entities. This includes employees in all countries and territories in which the Group employs individuals:</p> <ul style="list-style-type: none"> • UK • US • Ireland • Bermuda • The Netherlands • Italy • Germany • Sweden • Switzerland • Hong Kong • Japan • Australia • Singapore <p>There are certain exclusions:</p> <ul style="list-style-type: none"> • indirect employees (those employed by outsourced suppliers, those employed through agencies and those providing services on a self-employed or consultancy basis) • employees of entities not fully owned or controlled by Legal & General, including certain joint ventures and equity investees. <p>In the case of headcount by ethnicity, we exclude employees of CALA Homes Ltd and Legal & General Modular Homes. This is because, in these entities, the disclosure rates for ethnicity are sufficiently low that reporting the breakdown would not provide stakeholders with useful information.</p>	<ul style="list-style-type: none"> • Total headcount for employees who are male or female. Note that all employees are identified as male or female on our Human Resource management systems, so coverage of our reported workforce is 100%. • Headcount for each category above, expressed as a percentage of total headcount. • Breakdown of the above data by: <ol style="list-style-type: none"> a. Board members b. Group Management Committee members; c. Middle and Senior Managers (defined as being within the four most senior grades of management within the company) d. All other employees (defined as being within the company's junior grades). <p>The breakdown of data by seniority is outside the scope of assurance.</p> • Total headcount for employees identifying as: Black; South Asian; East or Southeast Asian; Hispanic/Latinx; Mixed or Other; White; preferring not to say; or undeclared. • Headcount for each category above, expressed as a percentage of total headcount. • The criteria for self-declaration of ethnicity are aligned with the UK Office for National Statistics' census categorisations of ethnicity, with 'Black', 'East Asian/Southeast Asian', 'Mixed/Multiple', 'South Asian' and 'Other' composing the 'All minority ethnicities' category over which Limited Assurance is given. For US employees, the US Census Bureau's categorisations are used, with 'Black', 'Asian', 'Hispanic/Latinx', 'Mixed/Multiple' and 'Other' composing the 'All minority ethnicities' category over which Limited Assurance is given. <p>Please note we report other metrics associated with the diversity of our workforce but these are outside the scope of our Limited Assurance regime.</p>	<p>Gender and ethnicity data are recorded in our Human Resource management systems. The Group operates five such systems for the recording of these data.</p> <p>Gender data are gathered at the point when an employment offer is accepted and are as set out in an individual's Right To Work documentation (typically a passport).</p> <p>Submission of ethnicity data is by individual choice and takes place during the recruitment process or during employment with the Group, using a self-service software tool which interfaces with our Human Resource management systems: Oracle, ResourceLink (two instances: one for Modular Homes and one for our Bermuda-based business); HRevolution (CALA Homes Ltd); Dayforce (US businesses).</p> <p>We define 'non-respondents' as those who have neither chosen to supply us with information about their ethnicity, nor actively opted out of sharing this information. Those who actively inform us that they do not wish to share this information are reported as 'Prefer not to say'.</p> <p>The data are gathered and processed by our Human Resources department and total numbers by the categories listed to the left are reported via Power BI (reporting software).</p> <p>The data reported in our Social impact report are correct as at 31 December of the reporting year.</p>	<p>For internal reporting purposes, all employee data are anonymised and reported in groups of five people or more, to prevent reporting data being used to identify individuals.</p> <p>Access to individual-line employee data is restricted to those members of our Human Resources department who need access to these data for the purposes of their administration and management OR who need access to employee records for the purposes of administering established and agreed employment-related processes.</p> <p>Supporting these processes are data protection impact assessments that risk-assess, validate and challenge the ethical use of special category and personal data.</p>

2. Median gender pay gap (aggregated at Group level)

Scope and exclusions	Unit of reporting	Method for gathering, processing and reporting data	Internal controls
<p>The scope of the data reported is that set out by the UK Government's Gender Pay Gap reporting regulations (The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 – 'the Regulations'). In line with these, we report gender pay gap data for entities in the UK employing more than 200 individuals. In addition to reporting required under the Regulations, we report data about UK-based employees of the Group in aggregate. See 'Method for Gathering, Processing and Reporting Data' for further information.</p> <p>We do not report data for entities which are not wholly owned or controlled by Legal & General (for example certain joint ventures or equity investees).</p>	<p>We report the difference between the median hourly pay figure for female employees and the median hourly pay figure for male employees, expressed as a percentage of the latter.</p> <p>Please note that we report other metrics associated with the gender pay gap, but these are outside the scope of our Limited Assurance regime.</p>	<p>The data reported in our Social impact report are taken on the 'snapshot date', in line with the Regulations. For the 2023 reporting year, the 'snapshot date' was 5 April 2023.</p> <p>The information published as 'Group' figures (accompanying those for each 'relevant employer' in the Group) covers all employees, so also represent those who would not be captured pursuant to the Regulations.</p>	<p>Gender pay gap calculations are based on payroll data in which the 'snapshot date' falls. This data includes employment dates and working hours from which hourly rates can be established for relevant employees.</p> <p>In 2017 Legal & General's Group Internal Audit function reviewed the process and methodology to gather data and complete the calculations from extracts of underlying HR systems. The controls observed in that exercise:</p> <ul style="list-style-type: none"> • completeness and accuracy of data used in the calculations • completeness, accuracy and presentation of the calculations required by the Regulations <p>continue to be applied.</p>

3. Median ethnicity pay gap (aggregated at Group level)

Scope and exclusions	Unit of reporting	Method for gathering, processing and reporting data	Internal controls
<p>We report ethnicity pay gap data on an aggregated basis for all employees of UK entities which would fall under the scope of the UK Government's Gender Pay Gap reporting regulations (The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017 – 'the Regulations'). We use these Regulations because no such analogous regulations exist for ethnicity pay gap reporting, but we have aligned our approach with the UK Government's Ethnicity Pay Gap Reporting Guidance (Ethnicity pay reporting: guidance for employers – GOV.UK (www.gov.uk)).</p> <p>We report data about UK-based employees of the Group in aggregate. See 'Method for Gathering, Processing and Reporting Data' for further information.</p> <p>We do not report data for entities which are not wholly owned or controlled by Legal & General (for example certain joint ventures or equity investees).</p> <p>We further exclude employees of CALA Homes Ltd and Legal & General Homes. This is because, in these entities, the disclosure rates for ethnicity are sufficiently low that reporting pay gap data would not provide stakeholders with useful information.</p>	<p>We report the difference between the median hourly pay figure for employees who identify themselves as being of an ethnic background other than white, and the median hourly pay figure for employees who identify themselves as being of a white ethnic background, expressed as a percentage of the latter.</p> <p>Please note that we report other metrics associated with the ethnicity pay gap, but these are outside the scope of our Limited Assurance regime.</p>	<p>The data reported in our Social impact report are taken on a 'snapshot date' which echoes the requirements of the Gender Pay Gap Regulations. For the 2023 reporting year, the 'snapshot date' was 5 April 2023.</p>	<p>Ethnicity pay gap calculations are based on payroll data in which the 'snapshot date' falls. This data includes employment dates and working hours from which hourly rates can be established for relevant employees.</p> <p>The following controls which are applied to our gender pay gap calculation methodologies are also applied to our ethnicity pay gap calculations:</p> <p>In 2017 Legal & General's Group Internal Audit function reviewed the process and methodology to gather data and complete the calculations from extracts of underlying HR systems. The controls observed in that exercise:</p> <ul style="list-style-type: none"> • completeness and accuracy of data used in the calculations. • completeness, accuracy and presentation of the calculations required by the Regulations <p>continue to be applied.</p>