OUR VALUES IN ACTION

Our Code of Responsibility
Welcome to our Code

The Code is a guide and reference point for every colleague. It explains how we can work responsibly, living up to our Values and doing the right thing when we have to make decisions.

If you need help
If you’re unsure about any of the topics covered in the Code of Responsibility, or want to raise a concern, remember to:

- Ask your line manager for guidance
- Talk to a senior leader in your business area
- Contact the Colleague Conduct Management Team
- Raise a concern anonymously

Read more on page 16

Find it fast
What the Code is for  
Living our Values
Making the right decision
Colleagues’ behaviour at work
Avoiding conflicts of interest
Protecting intellectual property
Bribery and internal fraud

Read more on page 16

Extra resources
Useful lists of policies, procedures and other information you may want to see – most of it is available via Interchange.

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Use this section to find out how you can live our Values, make the right decisions and raise any concerns you have at work.

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The Code will help us to do business the right way

At Lloyds Banking Group we have a very clear purpose – to help Britain prosper. This is delivered through our strategy of being the best bank for our customers and shareholders. Our Code of Responsibility underpins our purpose, and guides each of us to make the right decisions and do business the right way. The Code unites us in working together for customers in a responsible and sustainable way, in line with our Group Values – putting customers first, making a difference together and keeping it simple.

Our focus on customers and communities is unique and our stakeholders must be able to count on us to maintain the highest standards and conduct. Doing business the right way has been our way for more than 300 years, through good and through uncertain times. This will not change in the future. We know we will not always get it right, but it is at times of doubt, or when we face dilemmas, that the Code proves its value: helping us avoid mistakes or learn from them to ensure they do not happen again.

We all see things we wish we could change and the Code encourages us to speak up and challenge, uniting us as a force for positive change. We must live the Code every day and in every interaction, inspiring others to follow.

Helping Britain prosper is more than warm words. Together, if we own our purpose and are guided by the Code of Responsibility, we can all make a difference – continuing to help Britain prosper for many years to come.

António Horta-Osório
Group Chief Executive

The Code is our compass

Setting high standards in our professional competence and behaviour, as guardians of our customers’ money, has made ours a bank that people, businesses and communities across Britain have trusted for hundreds of years.

We all know that this trust has been tested in more recent times. Regaining trust means doing business the right way, collectively and individually, in everything we do.

Our Code underpins all we are working for today and will achieve in the future. For me, it provides a compass as we work to become the best bank for customers; a bank that helps Britain prosper through its activities and also by tackling social, economic and financial disadvantage through its independent charitable foundations. A bank we are all proud of.

Please read the Code for yourself and think carefully about how you can work in line with the guidance it provides to help make the right decisions when dealing with our customers and our colleagues.

Lord Blackwell
Chairman, Lloyds Banking Group
1. About the Code

What is the Code?
Why do we need it?
Who’s it for and how should you use it?

This section provides useful information about the Code.
Section 1. About the Code

What the Code is for

The Code is a guide and reference point for every colleague. It explains how we can work responsibly, living up to our Values and doing the right thing when we have to make decisions. It covers the full span of our operations and includes lots of ‘What if...’ scenarios to help you apply the Code to different challenges faced across the Group.

Who the Code is for

The Code is for all colleagues, contractors and temporary employees of Lloyds Banking Group, whether or not they work directly for customers. We refer to them all as ‘colleagues’ in this Code. We also refer to ‘customers’ rather than ‘clients’.

We need the Code because

It sets out our responsibilities and rights as colleagues.
It provides clarity about what doing the right thing involves in any situation – and emphasises our responsibility to always do so.
It explains the consequences of not doing the right thing and not complying with the Code.
It explains how we can work in support of our Values, strategy and all relevant policies, procedures and standards.
It shows our stakeholders that we’re a responsible business with strong values.

Our Code of Responsibility

Our Values
Putting customers first, Keeping it simple and Making a difference together – which guide the way we behave and provide standards to measure ourselves by.

Our purpose
To help Britain prosper through supporting economic activity and tackling socio-economic issues where we are well placed to help.

Our policies, procedures and standards
Set the foundations for our behaviours and decision-making. These translate the Group’s risk appetite into mandatory requirements.

What the Code does

The Code brings together all of the different elements that define how we work and ensure that we do business responsibly. We review the Code every year to make sure it’s relevant and covers all aspects of our operations. If necessary, we will make changes and additions to it.

What if...

“I don’t deal directly with customers – does the Code still apply to me?”
Yes. The Code applies to everyone. You may not deal directly with customers but you probably provide a service to colleagues. Think of them as your internal customers and follow the Code accordingly. Also think about how your actions might indirectly affect our customers and always work with this responsibility in mind.

Read more about our Values on page 12
Section 1. About the Code

Living up to the Code
The Code explains what we expect from each other but also many of our legal obligations. We have to demonstrate that we understand these obligations fully by ensuring all colleagues complete mandatory training every year. Living up to the Code means each of us must:

- Take time to understand the Code and how it applies to our individual role.
- Work in line with the Code and our Values – acting as a positive role model.
- Challenge others who don’t work in line with the Code or our Values to do so – and if necessary, tell your line manager, a senior leader, Colleague Conduct Management Team or the Speak Up line about your concerns.

Failing to follow the Code
Sometimes colleagues don’t do the right thing. This may be on purpose but is often because they misunderstand the Code or believe that other priorities mean they should ‘bend the rules’ – for example, to stay on budget or meet a tight deadline.

If colleagues fail to comply with the Code because they don’t understand it, we will ensure that they get the support or extra training they need.

Non-compliance with the Code or any of our policies or procedures is a serious matter, regardless of the reasons why it happens. Non-compliance can have severe consequences for colleagues and Lloyds Banking Group. It can result in disciplinary action, including dismissal, and even criminal prosecution.

“Do I need to keep up to speed with changes to the Code?”
Yes. You’re required to review the Code every year as part of your mandatory training and to work in line with any changes or new aspects.

“I’m a manager – does the Code apply to me?”
Yes it does. In fact, you have an extra responsibility as a role model and leader for your team. Demonstrating how to do the right thing in your behaviour and by providing them with guidance is crucial to building a responsible culture.

How to use the Code
Please read the Code, particularly the sections and scenarios that are most relevant to your role. It’s not exhaustive so use it as a guide whenever you’re unsure about what doing the right thing means. You may find the decision-making tool on page 14 useful. It can help you do the right thing if you are in doubt.

Our Code of Responsibility

Our Values in Action

Extra resources
- Group Ethics and Responsible Business Policy
- Colleague Conduct Policy
- Code of Supplier Responsibility

Group Ethics and Responsible Business Policy
This policy defines how we ensure ethical and responsible behaviour in the Group and what stakeholders can expect from us. It’s critical to the way we manage risk.

Colleague Conduct Policy
This policy sets out the Group’s requirements about colleagues’ professional conduct. We provide colleagues with guidance to ensure that they understand what’s required of them.

Code of Supplier Responsibility
This Code defines what we expect from our suppliers. It provides them with a framework for assessing and reporting about their social, ethical and environmental performance.

You can read our Code of Supplier Responsibility here.
2. Doing the right thing

How can you be sure you’re doing the right thing?

This section of the Code explains how to work in line with our Values and behaviours, how to make the right decisions and how to speak up if you have any concerns about non-compliance with the Code.
Living our Values

Our Values are embedded across the business and are core to how we all do business. They’re important in helping us do the right thing, because policies can’t cover every eventuality, so we need additional standards to measure ourselves against.

The four behaviours relevant to each of our Values effectively explain how we should behave to bring them to life.

Putting customers first

Our behaviours:

1. I care about customers, putting myself in their shoes and building lasting relationships
2. I always deliver on customer promises and try to exceed expectations
3. I take ownership of customer problems, solve them fast and stop them from happening again
4. I speak up, challenge and act when I see an opportunity or when something feels wrong

What if...

“A customer claims that the Group has not acted in accordance with the Code – what should I do?”

First, make sure you understand what ethical position or behaviour the customer is referring to, then talk to your line manager, who will inform the relevant contacts – for example, Group Legal or Group Risk Division.

“No. You must always follow regulatory procedures in full, even if you feel that doing so contradicts one of our behaviours or the Code, but talk to your line manager for further reassurance and guidance.

Keeping it simple

Our behaviours:

1. I fix bureaucracy and inefficiency, making the bank easier to work at and do business with
2. I focus on what matters, spending my energy on the things that make the most difference
3. I have the courage to test new ways of doing things. When I get it wrong, I learn from my mistakes
4. I use the bank’s money responsibly, in the best interest of our shareholders

Making a difference together

Our behaviours:

1. I trust my colleagues to do their jobs, and give them freedom to do their best
2. I collaborate within my team and across teams to make everyone successful
3. I am inclusive and I care, valuing everyone’s skills and opinions, and helping everyone to be the best they can
4. I play a part in my community, working with others to help Britain prosper

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Section 2. Doing the right thing

Making the right decision

This is a useful decision-making tool. Work through the questions below to help you do the right thing when you are in doubt.

Ask yourself:

1. Is it legal?
   - Yes?
   - No?
     - Talk to your line manager immediately.

2. Does it go against any of our policies or procedures?
   - Yes?
     - Yes?
     - No?
       - Talk to your line manager or a subject matter expert.
   - No?
     - Our standards often go beyond what’s legal.

3. Does it support our Values?
   - Yes?
     - Yes?
     - No?
       - No?
         - It’s probably not something that will enhance our reputation and may even damage it. If you want to be sure, ask your line manager.
   - No?
     - Yes?
       - If it would be hard to justify and would make you embarrassed or uncomfortable, then it’s probably not the right thing to do.

4. Are you happy to justify taking this action to your colleagues, managers, and family?
   - Yes?
     - Yes?
     - Yes?
     - Yes?
     - No?
       - No?
         - Think about the consequences of colleagues or other people you know doing this. If it is not right for them, it’s probably not right for you.
   - No?
     - No?
       - This probably puts our reputation at risk, so don’t do it and talk to your line manager.

5. Does it set a good example to other colleagues or people you know?
   - Yes?
     - Yes?
     - Yes?
     - Yes?
     - No?
       - No?
         - Think about the consequences of colleagues or other people you know doing this. If it is not right for them, it’s probably not right for you.
   - No?
     - No?
       - No?
         - It’s probably okay to do this, but you can always ask someone else for advice.

If you need advice talk to your line manager in the first instance.

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Our Code of Responsibility

OUR VALUES IN ACTION

14

I’ve read the Code and reviewed the relevant Group policies but I’m still not sure what doing the right thing means in this situation.

If you’ve checked all these resources and still can’t decide what to do, definitely speak to your line manager or another senior manager in your area of the business.

“I think I’ve done something that isn’t in line with the Code – what should I do?”

Speak to your line manager or another senior leader in your business area to explain what you’ve done. If you still have concerns having done this, contact the Speak Up line, the Colleague Conduct Management Team or HR Advice & Guidance.

What if...

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“…”

If you still have concerns having done this, contact the Speak Up line, the Colleague Conduct Management Team or HR Advice & Guidance.
How to raise a concern

What should you do if you suspect something you’ve seen or heard about is unsafe, unethical, unlawful or not in line with the Code or any relevant Group policies? You should speak up if you have any suspicions of inappropriate colleague conduct so it can be investigated as soon as possible. Don’t wait until something goes wrong before acting. There will be no negative consequences for you even if your concerns turn out to be unfounded.

You can raise concerns in four ways:

➔ Ask your line manager for guidance
First, tell your line manager (the person you report to on a day-to-day basis).

➔ Talk to a senior leader in your business area
If you’re unable or unwilling to talk to your line manager, speak to another senior leader in your business area – for example, the person your line manager reports to.

➔ Contact the Colleague Conduct Management Team
If you feel unable to report a concern to your line manager or senior leader you can contact the Colleague Conduct Management Team.

➔ Raise a concern anonymously
If it’s not possible to speak to your line manager, please do not keep it to yourself – contact the Speak Up line, or raise your concerns to the Colleague Conduct Management Team.

What if...

“I’ve told my line manager that I think a colleague hasn’t followed the Code but don’t think my concerns are being addressed.”
In this situation, don’t hesitate to talk to another senior leader in your business area or contact the Speak Up line.

“My line manager has asked me to do something that I think the Code prohibits — do I have to do it?”
No. If you can, explain your concerns to your line manager, ask why they’ve set you the task and why they believe it doesn’t go against the Code. Then, if you’re still uncomfortable, speak to another senior leader in your business area or contact the Speak Up line.

“I have an issue I would like external help with. Who should I contact?”
If you would like external confidential advice, contact the independent UK Whistleblowing charity, Public Concern at Work who can talk you through your options and help you raise a concern about risk, malpractice or suspected wrongdoing at work. You do not need to be located in the UK to use this service and interpreters are available. UK freephone: 0800 652 8353/Nun UK: 0044 207 404 6609/ E-mail to advice14@pcaw.co.uk

About Speak Up

Colleagues can raise their concerns confidentially and anonymously by using our Speak Up line. It’s managed by an independent company, Expolink, which has expertise in dealing with reports of misconduct. All reports to Speak Up are taken seriously and dealt with confidentially. Colleagues can contact Speak Up by phone, email or online.

Read the guidance on when to call the Speak Up line before making contact so that you have the right information to make the report. All colleagues complete mandatory training about ways in which they can raise their concerns. This includes details of Speak Up and what support is available.

It’s important that you maintain contact with the Speak Up line to ensure the correct information can be gathered to investigate the issue thoroughly.

Raising concerns without fear of retaliation

However you raise a concern, by telling your line manager, by informing another appropriate contact in the Group, or through the Colleague Conduct Management Team* or Speak Up, you can be sure that:

➔ Your concerns will be taken seriously and all genuine reports will be investigated.
➔ Your identity can remain confidential if you prefer.
➔ No colleague will be discriminated against as a result of raising an issue.

The Colleague Conduct Management Team

This is a specialist team with responsibility for managing and overseeing conduct related allegations across the whole of Lloyds Banking Group. They are responsible for Speak Up — the Group’s Whistleblowing Service, which is managed through an independent third party, Expolink. The team provides confidential guidance and support when you raise a concern. A conduct case specialist will sensitively and discretely determine if the circumstances you have witnessed need a thorough investigation. Alternatively they advise you on how best to progress your concern. They provide guidance on Conduct Rule breaches and ensure that we meet our obligations to report them to the regulator.

Our Code of Responsibility

OurVALUES IN ACTION

Colleague Conduct Management Team
Call: 0345 307 4716
Email: SColleague Conduct Management Team
Online: HR Online/log in/Submit a Breach Allegation
Speak Up
Call: 0800 0141053
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3. Doing business responsibly

How can we do business responsibly, for customers, colleagues, communities, the environment and our external stakeholders?

This section provides the answers, using our five responsible business pillars to make them easy to find.
We aim to be a great company to work for

Colleagues should feel valued, inspired, empowered and incentivised to do the right thing for customers in an inclusive business. We can only achieve our strategic goals if we continue building the best team. This has important implications for the way we behave as individuals, with each other, in teams and as a business.

Inclusion and diversity
Lloyds Banking Group will ensure its workforce reflects the diversity of the communities it serves. By understanding and valuing difference we build trusted relationships with customers, colleagues and communities.

What this means for colleagues:
We treat everyone fairly and with respect, recognising the value that a diverse, inclusive team brings.
We are all responsible for creating the environment we work in – each of us can make sure that it is inclusive and welcoming for everyone.

Behaviour at work
Lloyds Banking Group will provide a working environment that is free from discrimination, harassment, bullying or victimisation. We take a zero-tolerance approach to discriminatory behaviour in any form on the grounds of gender, ethnicity, sexual orientation and disability.

What this means for colleagues:
We treat others as they would like to be treated – and always with consideration, respect and fairness.
We also speak up if we see any kind of non-inclusive language and behaviours, including harassment or bullying.

Handling disputes, grievances and redundancy
Lloyds Banking Group has clear and robust policies and procedures for addressing disputes and colleague grievances. When colleagues leave the organisation through redundancy, there are support mechanisms, including an external independent career support service, to help them with their next steps.

What this means for colleagues:
We ensure that we know what our rights at work are and that the Group’s policies seek to promote fairness for all, providing necessary support to manage the issues we may face at work.
We consult and engage our colleagues about issues that have an impact on them.

Performance and reward
Lloyds Banking Group colleagues are offered a competitive reward package that provides flexibility and choice. It’s designed to attract, motivate and retain people who will help us become the best bank for customers.

What this means for colleagues:
We know that the way we’re measured and rewarded is fair and transparent, with a clear link between doing the right thing in the right way and the rewards we receive.

Health and wellbeing
Lloyds Banking Group helps colleagues find a good work/life balance by encouraging agile working practices. We support their health and wellbeing by ensuring that their working environment is safe and psychologically sound. We also offer them health advice and access to an independent employee assistance programme.

What this means for colleagues:
We share responsibility for taking reasonable care of our personal health, wellbeing and safety and for others.
We think about the potential consequences of our actions to ensure we work safely every day.

Control Environment, and Finance. Assessments are based on colleagues’ whole job contribution, a combination of what’s been delivered and how it’s been achieved. Separate ratings for ‘what’ and ‘how’ are assigned by line managers. These are used to determine an overall rating. Colleagues’ adherence to the Group’s Code of Responsibility is a key consideration when determining the ‘how’ rating.

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We think about the potential consequences of our actions to ensure we work safely every day.
Avoiding conflicts of interest

Lloyds Banking Group ensures that information received in the course of business dealings is not used inappropriately for corporate or personal gain, or any other purpose other than that for which it is provided. We undertake monitoring to ensure that our business activities and the personal and financial interests of our colleagues do not contravene the Group Conflicts of Interest Procedure.

What this means for colleagues:
We make sure we don’t get into situations where our own personal interests conflict with the Group’s – for example, our personal, social, financial or political activities.

What this means for colleagues:
We disclose it as soon as possible, by talking to our line manager.
We respect others’ intellectual property rights.

Protecting intellectual property

Intellectual property includes all patents, trademarks, design rights, copyright or domain names owned by Lloyds Banking Group. Protecting intellectual property helps us maintain the value of our brands. We take steps to protect our own intellectual property and ensure that we don’t infringe the intellectual property rights of others. We have guidance in place that defines how we create, register, use, and share intellectual property with others.

What this means for colleagues:
We respect others’ intellectual property rights.

What if...

“A sub-contractor has pulled out of a project and it could take months to find a new one. My cousin’s company could do the work immediately. Can I employ them?”

No. To avoid any accusations of bias or conflicts of interest, you should tell your line manager about your cousin’s business and then play no further part in the tendering or contracting process.

Building long-term relationships

Our business model is a conservative one, based on a prudent approach to taking and managing risk. All colleagues are accountable for the risks they take and for prioritising their customers’ needs.

What this means for colleagues:

How we treat our customers

Our Group Customer Treatment Policy sets out how important it is to treat customers fairly and ensure that we’re transparent in all our dealings with them. We conduct regular monitoring to assess whether or not we meet our high customer service standards and colleagues’ remuneration is linked to customer outcomes. We believe that consumers benefit from healthy competition between providers of financial service, providers compete vigorously and fairly, striving to offer excellent service and competitive products that meet their needs.

What this means for colleagues:

We rigorously test all new and existing products to ensure they’re as simple and transparent as possible and only sell those that meet a satisfactory standard.

When we receive customer complaints, we take them very seriously and ensure they are dealt with quickly, fairly and consistently.
Section 3. Doing business responsibly

Protecting our customers

As a Group and as individual colleagues we understand how important it is to protect our customers and their assets. We must do all we can to deter and prevent fraud and financial crime, while also taking steps to detect it when it takes place. We must never allow anything that may circumvent the deterrence, prevention, detection and response controls we have in place.

Avoiding fraud and financial crime (anti-bribery, anti-money laundering and sanctions)

We aim to protect our customers, maintain value for our shareholders and assist in combating crime by preventing criminals from benefiting from their activities and proceeds. We invest in processes, procedures, and systems to detect, deter, and prevent all aspects of fraud and financial crime. Our investment allows us to maintain systems and controls proportionate to the risks we have to manage. We run customer and colleague education activities and contribute to industry-led education campaigns. Our websites contain information to help businesses and to every colleague. We must also comply with Financial Conduct Authority requirements concerning the management of fraud and financial crime. We respect the traditions and cultures of every country in which we operate and comply with the appropriate legislation and regulation within each jurisdiction. Colleagues must comply with the provisions of the Securities Exchange Commission (SEC) regarding the Group conducts with the United States or which is subject to United States law. The SEC expects that colleagues act with integrity in a manner that is not reckless or knowingly causes harm, including helping any other person to break the law. Non-compliance would be a violation of US Securities Law. What this means for colleagues:

We each take personal responsibility for understanding the different aspects of fraud and financial crime. We complete training and receive relevant communications to ensure that we recognise fraud and financial crime when it occurs and know how to report or combat it.

We promote high ethical standards and do not tolerate any circumvention of our fraud and financial crime policies. We’re a member of Transparency International UK’s Business Integrity Forum – a network of major international companies committed to high anti-corruption and ethical standards in business practices.

We operate systems and controls designed to ensure that our products and services are not used to launder the proceeds of crime, to commit fraud, to facilitate terrorism, or to breach sanctions and anti-bribery legislation. The Group is subject to a number of fraud and anti-money laundering laws. The Group is subject to AML laws of other jurisdictions it operates in. These apply to our businesses and to every colleague. We must also comply with Financial Conduct Authority requirements concerning the management of fraud and financial crime. We respect the traditions and cultures of every country in which we operate and comply with the appropriate legislation and regulation within each jurisdiction. Colleagues must comply with the provisions of the Securities Exchange Commission (SEC) regarding the activity the Group conducts with the United States or which is subject to United States law. The SEC expects that colleagues act with integrity in a manner that is not reckless or knowingly causes harm, including helping any other person to break the law. Non-compliance would be a violation of US Securities Law. What this means for colleagues:

We each take personal responsibility for understanding the different aspects of fraud and financial crime. We complete training and receive relevant communications to ensure that we recognise fraud and financial crime when it occurs and know how to report or combat it.

Internal fraud

All colleagues are required to demonstrate honesty and integrity in everything they do. We will not tolerate acts of bribery, corruption or internal fraud, committed by anyone acting on our behalf. This includes all colleagues, the Board of Directors and any third parties acting on our behalf. We encourage colleagues to report instances of suspected internal fraud or bribery through internal escalation routes or the Speak Up service.

What this means for colleagues:

We will not offer, promise, give, request, agree, accept or receive any bribe or facilitation payment.

We will not do anything dishonest in the course of our business activities.

Gfts and hospitality or improper payments

We only allow the giving or receiving of any benefit, gift, entertainment or hospitality by or to a business or our colleagues, in specific circumstances defined in the Group Regulatory Compliance Systems and controls Policy. For example, in the course of normal business entertainment or where the giving and receiving of reasonable gifts and tokens cannot be construed as improperly influencing the business relationship. All gifts, entertainment and hospitality received or given must be recorded in a gift register that is maintained for ten years and reviewed regularly.

What this means for colleagues:

We must each think carefully about whether or not to offer, give or accept gifts, entertainment or hospitality. Any gift offered or received with a value of more than £50 must be pre-approved by your line manager.

Confidentiality and data protection

We expect all colleagues to act in a professional, ethical and sensitive manner when dealing with confidential information, and to ensure that privacy and confidentiality is maintained so that our relationships with stakeholders are not compromised in any way. Failure to observe the proper standards of conduct will be treated as a serious disciplinary offence and may result in referral to the appropriate regulator and civil or criminal penalties. Some types of information are market sensitive and subject to specific rules that exist to prevent market abuse.

What this means for colleagues:

We must understand our confidentiality obligations how to access, store and dispose of information so it remains confidential.

Responsible lending

As a responsible lender, we try to ensure that we lend to customers who can afford to repay their borrowing and to businesses that have a fundamentally sound business model. If customers face financial difficulties, we try to identify, support and help them. We provide financial support to independent money advice and debt management charities to provide customers with alternative access to advice and help.

Customer vulnerability

Vulnerability can affect any of our customers at any time and because of personal circumstances. They may find it difficult to make decisions or choose the financial products and services they need. They may also be in financial difficulty. As a Group and as individuals we should treat our customers in a way that achieves the right outcomes.

What this means for colleagues:

We must treat customers in vulnerable circumstances, appropriately and fairly.
We work responsibly with our external stakeholders

Respecting human rights

Human rights are fundamental principles that allow an individual to lead a dignified and independent life, free from abuse and violations. We aspire to conduct business in ways that value and respect the human rights of our colleagues, our customers, and the communities in which we operate. We adhere to the relevant rules and regulations of every country we operate in, as well as taking account of other internationally accepted human rights standards. We seek to operate in accordance with the United Nations Declaration of Human Rights together with the International Labour Organisation (ILO) Fundamental Conventions. The Group is a signatory to the UN Global Compact and is committed to embedding its principles in our business.

We understand that human rights encompass more than just the individual and therefore take into account social, ethical and environmental issues in our investment, lending and service operations.

What this means for colleagues:

We consider the impact our actions have on other people and respect others’ rights wherever we work.

Building responsible financial relationships

We provide finance to companies and other organisations around the world. They can be exposed to environmental, ethical and social risks. To safeguard our business and our reputation, we work to manage these risks effectively and responsibly. We seek to avoid financing activities that are prohibited by international conventions supported by the UK government. Where we finance industries with inherent social and environmental risks – such as mining, oil and gas, power generation, construction, chemicals and forestry – we take account of the risks, and support their efforts to manage them effectively.

The Group is a signatory to the UN Principles of Responsible Investment. The Principles aim to encourage the consideration of environmental, social and governance issues into decision-making and investment decisions. We are also a signatory, and seek to conform to, the Equator Principles, which is a credit risk management framework for determining, assessing and managing environmental and social risk in project finance.

What this means for colleagues:

If we become aware of an organisation operating in ways that cause us concern, we follow the appropriate credit risk or credit sanctioning approach and contact our line manager or the Risk Team if we are unsure what to do.

Upholding competition law

We have no appetite for anti-competitive practices that could lead to: interventions by competition authorities; or breaches of competition law, which may have a detrimental impact on customers or a significant financial or reputational impact on the Group.

We do not become involved in agreements or practices that are unlawful, such as colluding with our competitors to restrict competition or unlawfully fixing prices. We recognise that we must deal in good faith with all our trading partners including our suppliers and competitors.

We recognise that competition law is not intended to stifle legitimate business. If we’re in doubt about whether or not a proposed agreement, project or strategy complies with competition law, we will take prior advice in consultation with our Risk, Compliance or Legal specialists.

We believe that consumers benefit from healthy competition between providers of financial services and we compete vigorously and fairly, striving to offer excellent service and competitive products which meet our customers’ needs.

What this means for colleagues:

We avoid any activities that break, or seem to break, competition laws.

We do not become involved in agreements or practices to prevent, restrict or distort competition – for example, exchanging commercially sensitive information with competitors or unlawfully fixing prices.

If we are in doubt about whether or not a proposed agreement, project or strategy complies with competition law, we always seek prior advice from a competition specialist.
### Co-operating with regulators
We aim to meet the regulatory, legal and tax requirements in all the jurisdictions in which we operate. We have no appetite for regulatory breaches.

We aim to lead industry best practice. When regulations change, we respond as swiftly as possible to ensure we maintain our compliance.

**What this means for colleagues:**
We co-operate with regulators, openly and responsively.

We follow regulatory engagement procedures in all our dealings with regulators.

We follow regulatory requirements in our dealings with colleagues and customers.

### Engaging with government and staying politically neutral
It’s important that we engage regularly with the UK Government, the European Commission, the European Parliament and other political and legislative bodies, to help the formulation of public policy around consumer, social and industry issues. We undertake economic and social research that champions consumer interests and helps to inform government policy.

The Group is an independent institution and must safeguard its apolitical position. It’s Group policy not to make political donations (as defined in the Companies Act 2006 and PPERA). Any engagement we have with politicians must be apolitical and serve the interests of our customers and shareholders without any political bias or preference.

**What this means for colleagues:**
As individuals we each have the right to take part in political activities (including volunteering and party membership) but this must be lawful and must not involve use of the Group’s resources or create any potential conflict of interest.

We must not do anything that may call into question the Group’s political stance or involve it in any political or public controversy.

### Avoiding market abuse
We implement Market Abuse and Personal Account Dealing Procedures that are aligned with the UK’s market abuse legislation. Market abuse, such as trading on the basis of inside information, is a criminal offence in the UK, the US and many other countries. Colleagues are personally responsible for ensuring that they comply with this policy and do not abuse the market. We have monitoring systems in place to detect instances of market abuse and procedures to ensure that any detected instances are dealt with swiftly and effectively. This includes procedures to identify and report suspicious transactions where relevant.

**What this means for colleagues:**
We never buy, sell, or tip-off others, on the basis of inside information acquired through our work — and inform our line manager if we believe we possess inside information.

### Working fairly with suppliers
External suppliers enable us to provide the best products and services to our customers. Our approach to sourcing has been developed to ensure we engage with our suppliers and the wider supply market in ways that add mutual value and do not abuse the market. We have monitoring systems in place to detect instances of market abuse and procedures to ensure that any detected instances are dealt with swiftly and effectively. This includes procedures to identify and report suspicious transactions where relevant.

**What this means for colleagues:**
We follow the Group Sourcing Policy when dealing with suppliers.

We never buy, sell, or tip-off others, on the basis of inside information acquired through our work — and inform our line manager if we believe we possess inside information.

### Preventing tax evasion
We are committed to preventing the criminal offence of facilitation of tax evasion and fraudulent behaviour which intends to mislead or conceal assets or income where tax is due. We comply with relevant legislation and regulation in this area.

**What this means for colleagues:**
We should be aware of and operate in line with the requirements of the Group Minimum Standards for Failure to Prevent the Facilitation of Tax Evasion.

### Fulfilling tax obligations
Our approach to tax is governed by a Board-approved Tax Policy which we have discussed with HMRC. We comply with the HMRC Code of Practice on Taxation for Banks and the Confederation of British Industry’s Statement of tax principles. We do not interpret tax laws in a way that we believe is contrary to the intention of Parliament, and we do not promote tax avoidance products to our customers.

**What this means for colleagues:**
We should be aware of, and act in accordance with, the Group’s Tax Policy.

We should engage collaboratively with Group Tax to ensure the Group complies with the letter and spirit of tax law.

### Managing media relations and communication
We aim to be as open as possible when dealing with all media enquiries. We uphold the Group’s integrity and reputation through factual and appropriate communications across all media, whether written or verbal, which relate to or could be associated with the Group.

**What this means for colleagues:**
We’re always truthful and as accurate as possible in our responses to and interactions with the media.

We should always ensure that anything we say or write in any media including social media, e.g. Facebook, which could be associated with the Group, is appropriate and doesn’t cause embarrassment or harm the Group’s reputation.

### Keeping shareholders informed
We run an active shareholder engagement programme to ensure that investors are regularly updated on Group strategy and financial performance.

**What this means for colleagues:**
We publish statutory reporting documents, send regular shareholder letters, and provide information on our corporate website to help investors understand the Group and our performance.

We meet our disclosure and listing obligations to ensure we report in an understandable, fair and balanced way.
We invest in communities to help them prosper

We’re an integral part of communities across Britain and we believe we can and should use our unique position to help them prosper. We make a positive difference through our four independent Foundations, which support charities in England and Wales, Scotland, Northern Ireland, the Channel Islands, and through our own programmes.

Investing in communities
We invest in local communities in many ways. We run a number of community programmes, focused on three core themes: education, employability and enterprise. We also encourage and support our colleagues to volunteer their time and expertise to support these programmes and others, many of which are focused on tackling disadvantage.

What this means for colleagues:
We have lots of opportunities to support our local communities and can volunteer our time and expertise to make a positive difference.

We work in ways that are sensitive to the cultures and local traditions of the communities we operate in.

We work to continually reduce our environmental impact

Our ability to help Britain prosper is inextricably linked to wider environmental issues, such as climate change and global megatrends such as population growth and resource scarcity. The Group’s Environmental Action Plan sets out our commitment to manage and reduce environmental impact and greenhouse gas emissions. The environmental standards apply to all parts of the Group.

Reducing our environmental impact
We are also committed to supporting the transition to a low-carbon economy. We take account of environmental risks in lending and investment businesses and actively seek to provide finance that enables the transition to a more environmentally sustainable economy.

What this means for colleagues:
We know that even the smallest action can make a positive contribution to reducing the environmental impact of our personal activities.

We should understand what we can do to reduce business travel, recycle more effectively and reduce waste at work.
Tell us what you think about Our Code:

Queries or comments can be shared at any time by writing to:

Group Chief Executive’s Office
Lloyds Banking Group
25 Gresham Street
London EC2V 7HN

@LBGNews

Available in alternative formats on request.