



# HUMAN RIGHTS POLICY STATEMENT

Our strategy is to be the best bank for customers, colleagues and shareholders. A responsible and sustainable approach to doing business is central to this strategy and our purpose to help Britain prosper. We aspire to do business in ways that value and respect the human rights of our colleagues, customers, suppliers and the communities in which we operate. We understand that the financial services sector has an important role to play in supporting human rights and we have policies and governance processes in place to mitigate risks.

We adhere to the rules and regulations of every country in which we operate and are guided by the International Bill of Human Rights as well as the International Labour Organisation's Core Labour Standards and its Tripartite Declaration of Principles. As signatories to the UN Global Compact, we align with its human rights and labour standards. We recognise the OECD Guidelines for Multinational Enterprises and support the UN's Guiding Principles on Business and Human Rights. In addition, we support the UN's wider development agenda including the UN Sustainable Development Goals.

In 2017, the Group published its first Modern Slavery and Human Trafficking Statement. This demonstrates the Group's commitment to doing business responsibly and to explaining the meaningful steps taken to ensure that workers' fundamental rights and freedoms are respected.

## Our colleagues

A number of internal policies and procedures support our commitment to operating responsibly and ethically (both at a business and an individual level). These include our Group Ethics and Responsible Business Policy, Group Colleague Policy, Speak Up and Anti-Bribery Policy. Our Code of Responsibility applies to all colleagues, contractors and temporary employees. It provides an overarching framework to ensure the highest possible standards of behaviour. The

Code also contains a guide that outlines the ways in which respect for human rights should inform colleagues' and contractors' actions and decisions.

We recognise that everyone is different and we are working hard to build an inclusive bank that reflects the diversity of modern Britain. Our Group Inclusion and Diversity approach focuses on gender, ethnicity, disability, LGBT and agile working (including maternity/paternity leave) with each topic sponsored by a Group Executive Committee member. We do not tolerate discrimination, harassment, bullying or victimisation in respect to employment and occupation and deal with any colleague disputes and grievances fairly, following clear policies and procedures.

We support colleagues' rights to exercise freedom of association and have extensive collective bargaining processes in place – both in the UK and overseas. We have recognition agreements with two trade unions that collectively negotiate on behalf of around 95% of colleagues. Our relationship with these trade unions allows all parties to work together to improve the working environment and ensure colleagues are rewarded fairly for their contribution to the Group. Our decision to become a Living Wage Employer in 2015 resulted from this approach.

We are committed to achieving the highest standards of health and safety, and fire protection for our colleagues, customers, and anyone who visits our premises. This includes working to safeguard and promote colleague wellbeing by ensuring a psychologically sound working environment to help prevent work-related illness, and providing support and health advice in times of need. We try to help colleagues find a positive balance by providing opportunities such as flexible and agile working.

## **Our customers**

We have approximately 27 million retail customers and around 1 million small business customers. We value them all, including those who are vulnerable and who might otherwise be excluded from vital financial services. We aspire to be fair and transparent in everything we do for them: to provide every customer with access to appropriate, affordable, responsibly structured credit; to support them when they have financial difficulties; and to investigate any complaints they have, thoroughly and fairly.

We acknowledge that human rights encompass social, ethical and environmental issues and consequently take these into account in our investment, lending and service operations. We also require our business customers to meet certain requirements in these areas. We will not enter into credit or investment relationships with businesses believed to be in breach of any activities prohibited by international conventions supported by the UK government. These include the Oslo Convention on Cluster Munitions and the Ottawa Treaty on Anti-Personnel Landmines.

We have policies and procedures in place that help protect our customers, including our Group Anti-money Laundering and Fraud Policies which also disrupts perpetrators, as well as our Data Privacy and our Information and Cyber Security Policies.

We are signatories to the United Nations Principles for Responsible Investment and the Equator Principles – a credit risk management framework we use to determine, assess, and manage environmental and social risk in project finance. We recognise the impact of environmental phenomena, such as extreme weather and temperature increases, and that we must address climate change in our efforts to ensure human rights are protected.

## Our suppliers

Responsible sourcing is integral to the way we do business. Before selecting suppliers, we follow a due diligence process, which evaluates them against key criteria, including their human rights provisions. We require all suppliers to sign up to our Code of Supplier Responsibility, which defines our expectations and highlights the importance we place on respect for human rights in all our business relationships. All suppliers must respect their employees' human rights and comply with all relevant legislation, regulations and directives in the countries and communities in which they operate.

The Code addresses seven specific issues including human rights and details the expectations we place on our suppliers and those in their supply chains:

- Respect the human rights of their employees and comply with all relevant legislation, regulations and directives in the countries and communities in which they operate
- Prohibit forced labour (slavery) and human trafficking in their supply chain and give their employees the right and ability to leave employment if they choose
- Prohibit child labour
- Ensure that wages meet legally-mandated minimums without unauthorised deductions
- Allow their employees to legally organise and join associations (such as labour unions)
- Provide clear and uniformly applied disciplinary and grievance procedures including prohibiting mental, physical or verbal abuse
- Ensure working hours are in accordance with local regulation and industry practice, and voluntary overtime is at a manageable level

To reinforce our responsible sourcing practices, our Sourcing Policy makes it clear that we have no appetite for unethical treatment of our suppliers. All colleagues engaged in sourcing must follow the defined Business Sourcing Process and undertake sourcing in line with the requirements of our Group Ethics and Responsible Business Policy. Compliance with our standards is required and monitored throughout our relationship with all suppliers. We help them to address any human rights violations that may arise.

## Our communities

We are committed to help protect human rights and improve opportunities for people living in the communities we serve. Our support for local communities is focused on tackling social disadvantage and helping vulnerable people or those excluded from mainstream banking. We

have set targets to support communities in our Helping Britain Prosper Plan, including through our four independent charitable Foundations.

### **Grievance mechanisms**

Colleagues and other stakeholders can raise concerns through our grievance mechanisms, including the Speak-Up Line and through our Colleague Conduct Management team. If any human rights violations are identified, we endeavour to take appropriate action swiftly.

### **Find out more**

For further information, please contact: [Responsible.Business@lloydsbanking.com](mailto:Responsible.Business@lloydsbanking.com)

Our Anti-Slavery and Trafficking Statements are available online:

[www.lloydsbankinggroup.com/our-group/responsible-business/reporting-centre](http://www.lloydsbankinggroup.com/our-group/responsible-business/reporting-centre)