Human Rights Policy Statement
We are a UK financial services provider with around 26 million customers and a presence in nearly every community.

Our main business activities are retail and commercial banking, general insurance and long-term savings, provided through well-recognised brands including Lloyds Bank, Halifax, Bank of Scotland, MBNA and Scottish Widows.

We believe in the importance of doing business in ways that value and respect the human rights of our colleagues, customers, business partners and everyone who is affected by our business.

We have a set of policies and procedures to translate this belief into action. Together with our purpose-driven strategy, we have developed an inspiring mission sitting at the heart of our business and bringing to life what it means for the Group to Help Britain Prosper. Our mission aims to frame our actions, guide future decisions and drive impact beyond business as usual. We aim to Help Britain Prosper by creating a more sustainable and inclusive future for people and businesses – shaping finance as a force for good.

This policy statement provides an overview of the work we do to support and protect human rights within our business and communities. It has been developed by consolidating the Group’s guidance and policies that relate to human rights and identifying further opportunities to integrate human rights decision-making into our business operations.

UN Sustainable Development Goals
We support the UN Sustainable Development Goals (SDGs) and have identified goals that are most relevant to our business.
Our approach

The Group recognises its influence and impact as an organisation on the human rights of a range of stakeholders, including as a provider of financial services, employer, contractor, procurer, investor and supporter of communities.

Our approach is set out in this Statement along with details of other policies and procedures relevant to human rights.

Lloyds Banking Group is committed to respecting all internationally accepted human rights. We have focused our risk management efforts on our priority issues, as follows:

- Inclusion and diversity
- Mental health in the workplace
- Supporting vulnerable customers
- Tackling modern slavery
- Protecting customer privacy and data security to keep our customers’ money and data safe

The UN Guiding Principles on Business and Human Rights (UNGPs) and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises guide the implementation of our policy commitment through our human rights due diligence processes. The focus of our implementation is on the human rights that are most relevant to our operations and supply chain.

In 2020, our colleagues experienced major shifts in the way we work. The onset of the coronavirus pandemic (COVID-19) not only affected colleagues’ health but altered how we engage with each other and changed our ways of working. In 2021, colleagues continued to engage around issues related to flexible working arrangements, supporting employee mental and physical wellbeing, talent retention and competitive remuneration, climate change and sustainability, inclusion and diversity.

Our commitment to respect international human rights standards

We seek adherence to a number of relevant international standards and commitments as regards to human rights.

Our policy commitment to respecting human rights is guided by the International Bill of Human Rights, the UN Declaration of Human Rights, and by the International Labour Organization’s Declaration on Fundamental Principles and Rights at Work. We are committed to meeting these international standards as well as aligning to the OECD Guidelines for Multinational Enterprises and the UNGPs.

As signatories to the UN Global Compact, we are aligned with its human rights and labour standards, and report on our progress annually.

In addition, we support the UN’s wider development agenda including the UN SDGs, and are signatories to the UN Environment Programme Finance Initiative (UNEP FI) and the UN Principles for Responsible Investment (UNPRI), which are designed to accelerate the financial sector’s contribution to achieving society’s goals as expressed in the SDGs and the Paris Agreement.

Our commitment to respect international human rights standards, carefully assessing relevant international standards to determine an appropriate framework for operating in areas in which there are relevant material human rights implications. If there is a difference between a local legal requirement and our Code, you should apply the most stringent standard.

We expect our suppliers, corporate customers, and investors and mandated asset managers to uphold these same standards.

We report annually against the UK Modern Slavery Act 2015 on the steps we take to combat modern slavery and human trafficking in our business and supply chains. Our most recent Modern Slavery Act Statement can be found here.

Where national law and international human rights standards differ, we are mindful of local contexts,
Governance

The Board has overall oversight of ESG matters and as they are an integral part of the Group’s strategy, the Board considered them during the development of our new strategy.

The Responsible Business Committee (RBC) oversees and monitors the Group’s strategy and helps to deliver the Group’s aspiration to be a trusted, responsible business as part of our purpose to Help Britain Prosper.

Our Board-level RBC oversees the Group’s performance as a responsible business and delivery of our sustainability strategy. Both the Board and the RBC are supported by the Group Executive Committee (GEC).

During 2021, the RBC discussed regular updates on key environmental and social issues, providing oversight and challenge on those activities that impact our stakeholders.

To help drive our commitment to respecting human rights, in 2021 we established an accountable Executive for human rights and modern slavery. This responsibility was given to our Chief of Staff and Group Director Responsible Business and Inclusion and as part of their role, they are responsible for developing our Group agenda on human rights.

Other relevant committees include the:

- Group People Committee which is responsible for the governance of the Group’s people and colleague policies, covering conduct, values and behaviours that can relate to human rights concerns, as well as related areas including remuneration. The Committee reports to the Chief Executive, by way of the GEC.
- Supplier Management Governance Committee which is responsible for overseeing supplier management capability and delivery and is made up of representatives from across the Group in order to embed strategy and best practice.
Our colleagues

The Group’s commitment to respecting human rights in the workplace is embedded in our purpose, our values and through our policies.

A number of policies and procedures support our commitment to operating responsibly and ethically, both as a business and at an individual level. These policies promote human rights and are developed and approved in accordance with formally defined governance structures.

These policies include our:
- Code of Ethics and Responsibility (the Code)
- Group Colleague Policy
- Health, Safety and Fire Policy
- Group Data Policy
- Security Policy
- Harassment and Grievance Resolution Policy
- Group Compliance Policy
- Group Accountability Standards
- Speak Up (whistleblowing)
- Anti-Bribery Policy

Our policies cover provisions for:
- Non-discrimination
- Equality
- Child labour
- Minimum wage work
- Forced/bonded labour
- Freedom of association/collective bargaining
- Health and safety
- Working conditions, including hours
- Harsh or degrading treatment/harassment
- Accessibility for persons with disabilities
- Maternity protection
- Right to strike

The Group is committed to meeting its statutory responsibilities as an employer. We take a zero-tolerance approach for non-compliance with relevant employment legislation. We do not tolerate discrimination on the basis of protected attributes including race, religion, national or ethnic origin, citizenship status, political opinion, age, marital or relationships status, carer responsibilities, sex, sexual orientation, gender identity, intersex status, pregnancy, parental status, breastfeeding, disability, veteran status, trade union activity or other legally protected status. We expect the same from all our business partners, clients and suppliers.

Our Code provides an overarching framework to ensure the highest possible standards of behaviour and underpins our approach to being a responsible, ethical, sustainable and inclusive business, for customers, colleagues, communities and our external stakeholders. The Code applies to all colleagues, contractors and temporary employees and includes the ways in which respect for human rights should inform colleagues’ and contractors’ actions and decisions.

2015
we became a Living Wage Employer
Our colleagues

Building an inclusive bank
We recognise that everyone is different and we are working hard to build an inclusive bank that reflects the diversity of modern Britain. Getting this right is at the heart of our purpose of helping Britain prosper – a more inclusive society is a more prosperous society, and a diverse business is a better business.

Representation, recruitment and fair remuneration
We support colleagues’ rights to exercise freedom of association and have extensive consultation and collective bargaining processes in place, both in the UK and overseas. We have a recognition agreement with two trade unions which collectively consult and negotiate on behalf of our UK workforce and have engagement with the CEO, Group Executives and Board members. Union membership is relatively high for our sector at approximately 45 per cent, and our relationship with the 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.

We became a UK Living Wage Employer in 2015 and review our pay rates annually to ensure minimum rates are above the statutory minimum and living wage requirements that are applicable in the countries we operate in. Our current salary minimum is 2 per cent higher than the minimum rate announced by the Living Wage Foundation in November 2021. We have worked, and continue to work, with third-party contractors to ensure that they operate in line with our commitments and expect them to ensure that the wages they pay meet legally mandated minimum requirements without unauthorised deductions.

The Group uses a number of recruitment agencies to fill roles. UK agencies are bound by contracts which require compliance with our Colleague Screening Standards and the Code of Supplier Responsibility, which include specific Modern Slavery and Anti-Bribery clauses. UK agencies also attest compliance annually via the Financial Services Supplier Qualification System (FSQS).

Training is supported by other internal initiatives, such as Dress for your Day, which aims to ensure colleagues feel comfortable and included in the workplace, by removing strict dress code requirements where appropriate. We have refreshed our performance management approach to foster an inclusive environment through the Back to your Best toolkit, which emphasises getting to the root of any challenges and offers colleagues support to overcome those challenges, for instance through the Employee Assistance Programme. Additionally, our Courageous Conversations training is designed to support difficult management conversations, by showing leaders how to manage emotional reactions so that important conversations become positive and constructive. We do not tolerate discrimination, harassment, bullying or victimisation in our business and deal with any colleague disputes and grievances fairly, following clear policies and procedures, including the ability to resolve issues informally.

Championing mental health, safety and wellbeing
We are committed to achieving the highest standards of health and safety and wellbeing for our employees and customers. Our approach has been guided by the recognition that everyone’s circumstances are different and that certain groups have been disproportionately impacted by the pandemic, for instance due to health conditions and risk factors, ethnicity, caring and parenting responsibilities or living arrangements. The Group has introduced a number of measures to support vulnerable colleagues, from support for those living with domestic and financial abuse, to providing desks to colleagues working from home.

Significant actions have been taken during 2021 in terms of improving the overall health and safety management system of the Group, with the aim of transitioning the current processes towards a system that is aligned to the requirements of ISO 45001, an internationally agreed standard for health and safety at work. This is supported by the relaunch of the new employee health and safety portal, which simplifies the process around incident reporting and safety reviews. Colleagues have easy access to health and safety subject matter experts and can learn from the Group-wide health and safety community through the user-friendly health and safety SharePoint site.

As a Group, we have particularly championed the importance of mental health for both employees and broader society, protecting fundamental rights to health and empowering people to achieve more. In the UK, our Mental Health Strategy supports colleagues and leaders through a Health and Wellbeing resource centre and we work 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.

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Our customers

It is critical to our business to act with the highest standards of integrity and honesty at all times in delivering our strategy to be the best bank for customers.

We have policies and procedures in place that help protect our customers from exploitation including our Group Economic Crime Prevention Policy, Anti-Money Laundering and Counter Terrorist Financing Policy and Fraud Risk Management Policy, as well as our Group Data Policy and Security Policy. We take data privacy and our General Data Protection Regulation (GDPR) obligations very seriously and have robust processes in place to manage any risks.

We maintain a strong relationship both strategically and operationally with the Information Commissioner’s Office, the UK’s independent authority set up to uphold information rights in the public interest.

Retail customers
We believe in being fair and transparent, ensuring access to vital financial services that act as the foundation for many other human rights, including access to housing and work. We have a Customer Policy that helps ensure we treat customers fairly and we provide customers with access to appropriate, affordable, responsibly structured credit; supporting them when they have financial difficulties; and investigating any complaints they have, thoroughly and fairly.

We are sensitive to the challenges some people face in financial matters and through our financial inclusion and education programmes we focus on improving access to financial services and building financial skills.

We work with other financial service providers, NGOs, taskforces, law enforcement agencies and key organisations to help identify and prevent human rights abuses, such as modern slavery and human trafficking, by mitigating two key banking challenges survivors face: fraud and identification. This ensures that survivors do not become victims twice over. Working closely with charities such as Hope for Justice, Jericho Foundation, City Hearts, Medaille Trust and Crisis UK, we support former victims in accessing banking services by ensuring gangmasters’ fraudulent activity doesn’t prevent victims from holding a bank account. In the UK, our Acceptable Documentation procedures also allow for alternative forms of documentation when opening accounts as survivors of trafficking may not have these in conventional forms. We have also introduced a central directory of resources and procedures so that colleagues at all branches across the Group can assist prospective customers who lack standard forms of identification.

We have also taken steps to support survivors of human rights abuses, such as modern slavery and human trafficking, by mitigating two key banking challenges survivors face: fraud and identification. This ensures that survivors do not become victims twice over. Working closely with charities such as Hope for Justice, Jericho Foundation, City Hearts, Medaille Trust and Crisis UK, we support former victims in accessing banking services by ensuring gangmasters’ fraudulent activity doesn’t prevent victims from holding a bank account. In the UK, our Acceptable Documentation procedures also allow for alternative forms of documentation when opening accounts as survivors of trafficking may not have these in conventional forms. We have also introduced a central directory of resources and procedures so that colleagues at all branches across the Group can assist prospective customers who lack standard forms of identification.
Our customers

Our Group Vulnerability Strategy outlines our approach to supporting those who may be more vulnerable or excluded, including those with mental health challenges, those with a critical illness, older customers, those with gambling issues, and victims of domestic abuse, financial abuse and modern slavery.

One example of the approaches we take to support and include our diverse range of customers is the work we have done with the National Autistic Society. In ensuring our branches and services are accessible for autistic people, we received the Autism Friendly Award in 2019. We are also part of the Valuable 500 movement which launched at Davos in 2019.

As a result, we have committed to drive activity which supports, sustains and promotes an inclusive and diverse organisation for both customers and colleagues with visible and non-visible disabilities, including further increasing accessibility of financial services. We offer British Sign Language video calls for deaf customers and Talking ATMs to provide assistance for people who are unable to read the ATM screen.

Business customers

We know that finance has an important role to play in influencing better social, human rights and environmental outcomes, and we take this into account in our investment, lending and service operations.

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 HM Government. These conventions include the Oslo Convention on Cluster Munitions, the Ottawa Treaty Convention on the prohibition on the Use, stockpiling, production and transfer of Anti-Personnel Mines and on their Destruction, the Chemical Weapons Convention, and the Biological Weapons Convention.

We want to play our part in supporting the transition to net zero, and remain committed to working with customers, government and the market to help reduce the carbon emissions that we finance by more than 50 per cent by 2030 on the path to net zero by 2050 or sooner. In 2021, we became the first major pensions and insurance provider to target halving the carbon footprint of our investments by 2030 on our path to net zero by 2050 and published the Scottish Widows Climate Action Plan. We have specific policies for sectors that are known to have prominent social and environmental risks. These Sector Statements detail our expectations of our corporate customers and specify that we expect customers to respect human rights, both of their own workforce and in their supply chain. We require them to comply with applicable international conventions and laws whilst demonstrating a clear commitment to robust ESG risk management.

Insurance and savings

As a signatory to the UNEP FI Principles for Sustainable Insurance since 2019, we are committed to embed in our decision-making ESG issues relevant to our insurance business, address ESG risks and opportunities, work together with our clients and business partners to raise awareness of ESG issues, manage risk and develop solutions, work together with governments, regulators and other key stakeholders to promote widespread action across society on ESG issues and will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.
Our suppliers

Responsible sourcing is integral to the way we do business. We expect all suppliers to respect human rights within their own workforce and in their own supply chain and to uphold the same high human rights standards as the Group.

Employees who manage the supplier relationship (Supplier Managers) must confirm that the FSQS is satisfactorily completed throughout the duration of the supplier’s contract with the Group. If a supplier provides a non-compliant answer to any responsible business FSQS questions, Supplier Managers are required to investigate and manage through to resolution.

Where a supplier fails to meet the expectations set out in the Code, we commit to working with them to develop an improvement plan. If any issues are deemed sufficiently serious or cannot be resolved in a reasonable time frame, the Group may undertake a review of the terms of the contract, which could include triggering the right to terminate where modern slavery issues or human rights abuses have arisen. The Group Sourcing Supplier Assurance team conducts an annual programme of assurance reviews for suppliers which represent the highest risk exposure to the Group. Suppliers that trigger agreed risk criteria are selected for an onsite supplier assurance visit to test the supplier’s adherence to relevant Group policies, which include an assessment of modern slavery risks as required.

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.

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Our four independent charitable Foundations are fundamental to our vision of tackling social disadvantage, covering the whole of the UK, Isle of Man and Channel Islands, partnering with local charities to help people overcome social issues such as mental health, domestic abuse and homelessness. Through receiving a share of the Group’s profits annually, the foundations support thousands of charities, which also receive support through colleague volunteering and mentoring.

Additionally, our Lloyds Scholars programme provides less privileged students with the financial support they need to study at university along with a package of support, including mentoring and internships. Our work on financial inclusion has also supported the growth and profile of credit unions. We are strong advocates of the importance of mental health and of supporting the right to good mental health in the face of the pressures of modern society. We work extensively with Mental Health UK to help improve awareness and action across society.

Our Code of Supplier Responsibility outlines the commitments regarding human rights and labour issues that suppliers are expected to make and adhere to.

To enforce our responsible sourcing practices, Lloyds Banking Group subscribes to the FSQS, a widely used and respected third party managed supplier qualification system for the financial sector, through which our c.1,100 managed suppliers are contractually obligated to self-attest their compliance to the Group’s policy expectations annually. As part of the FSQS, these suppliers are asked to provide evidence of processes and procedures for assessing and complying with relevant human rights legislation and labour standards, including the UK Modern Slavery Act.
Remedy

The UNGPs fundamentally acknowledge that grievance mechanisms must be known, trusted and accessible to those who need them. We are committed to supporting access to effective remedy for individual victims of human rights violations.

Colleagues and other stakeholders, including suppliers, can raise concerns through our confidential whistleblowing service, Speak Up, which supports anonymous reporting. Colleagues are also encouraged to speak to their line manager or to seek advice via our online Colleague Connect portal.

In 2021, we have launched a new informal resolution channel, Let’s Talk, to support colleagues in the UK to reflect on their concerns and understand their rights and options so that grievances can be effectively and appropriately resolved. Those who speak up are protected from all forms of retaliation and supported through the Harassment and Grievance Resolution Policy. Colleagues are made aware of the policy through induction and mandatory training.

The Speak Up Third-Party Policy has been designed to assist in managing any risk that third-party Suppliers’ employees are prevented from reporting any concerns about risk, malpractice or suspected wrongdoing. If any human rights violations are identified, we take appropriate action swiftly.

We do not tolerate retaliation against individuals raising genuine complaints and expect the same from our business relationships.

Lloyds Banking Group is committed to continuously improving our mechanisms and remediation processes through stakeholder engagement and dialogue, to maintain alignment with the expectations for effective mechanisms set out in the UNGPs.

Find out more
We take an integrated approach to reporting that reflects the way we operate. Our Anti-Slavery and Trafficking Statements are available online here. Further information can also be found in our 2021 Annual Report and Accounts and 2021 ESG Report. Supplementary information and disclosures are provided in the following documents.

Our 2021 Annual Report and Accounts
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