

LLOYDS
BANKING
GROUP



CODE OF BUSINESS RESPONSIBILITY

The way we do business
is based on our values



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Code of Business Responsibility

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Foreword by Group Chief Executive António Horta-Osório

Our vision is to be recognised as the best bank for customers.

We believe that we can make our greatest contribution to society by helping Britain prosper, and that means serving the financial needs of UK families, businesses and communities in a responsible and ethical way.

Our Codes of Responsibility help us do this. They set out our commitment, as individuals and as a business, to operating responsibly. They were developed with input from all parts of our business and external experts, and are reviewed annually to make sure they reflect our culture and the way we do business.

We expect all our colleagues and suppliers to work in line with the Codes. They set out what we expect of them and what they can expect from us. They set out their responsibilities, but also their rights. We encourage all colleagues, and stakeholders, to speak out if they see something that is not right.

We take non-compliance with the Codes very seriously. We acknowledge that we won't always be perfect and there will be occasions when we get it wrong. When this happens, we commit to putting things right as quickly and fairly as possible. I encourage you to challenge decisions or behaviours that aren't in line with the way we want to do business and manage risk.

We can only be the best bank for customers by building a great reputation founded on the highest standards of responsible behaviour. I am proud to work for a responsible business, using the Codes as a point of reference and a guide. I encourage you to do the same.

António Horta-Osório

"Our Codes of Responsibility provide clear guidelines for doing business fairly and responsibly, which is the best way to earn the trust of customers, colleagues, suppliers and other stakeholders. Trust is not a 'nice to have' - it provides the foundations for sustainable success."

Lord Blackwell
Chairman, Lloyds Banking Group



“We can only become the best bank for customers by building a great reputation founded on the highest standards of responsible behaviour.”

António Horta-Osório,
Group Chief Executive



Code of Business Responsibility

Introduction

Our Code of Business Responsibility defines what we want to be known for as an organisation and how we operate. It explains the standards we set in our relationships with colleagues, external stakeholders, local communities and the environment. It also covers the issues associated with running an ethical and responsible business.

Our Group Values

We have drawn inspiration from our Group Values in developing this Code.

Our Group Values **putting customers first, keeping it simple and making a difference together**, guide the way we do business collectively and individually.

Everyone who works for Lloyds Banking Group has a part to play in shaping a culture based on our Group Values. The Codes of Responsibility help us to achieve this.

Our pillars of responsible business

Our Codes of Responsibility also help us work in line with our five pillars or responsible business:

1. We put customers at the heart of our business.
2. We aim to be a great company to work for.
3. We work responsibly with our external stakeholders.
4. We invest in communities to help them prosper and grow.
5. We work to continually reduce environmental impact.

“As the Chair of the Responsible Business Committee, I fully support the Codes of Responsibility and congratulate the Bank on its progress in getting them embedded into the everyday work of our colleagues.”

Sara Weller
Independent Director, Lloyds Banking Group



Our Code of Personal Responsibility

This Code explains colleagues' responsibilities and rights whilst at work with us. It provides guidance and support to colleagues when making decisions and carrying out their work in a way that is compatible with our Group Values.

Our Code of Supplier Responsibility

Our Code of Supplier Responsibility defines what we expect from our supply partners.

Group Ethics and Responsible Business Policy

The Codes of Responsibility underpin the Group Ethics & Responsible Business Policy. This Policy defines how the Group ensures ethical behaviour across the Group. It is critical to the way we manage risk.

Who this code is for

The Code of Personal Responsibility and Code of Business Responsibility applies to all colleagues, contractors and temporary employees in Lloyds Banking Group.

In some parts of the Group, we may refer to customers as clients, but for consistency our Codes refer to 'customers' throughout. We also use this term when referring to colleagues whose 'customers' are others in our Group - for example, those working in IT or HR. At the same time, we expect all colleagues, whether they work directly or indirectly with external customers, to consider their needs when performing their day-to-day roles.

What we need to do

We should all read and understand both Codes of Responsibility. We are required to adhere to them and reconfirm we understand them every year. Doing this helps us all to live up to our Group Values and to work in line with our five pillars of responsible business, and to support our strategy to be the best bank for customers.

We are required to adhere to our Codes of Responsibility in conjunction with the Group Ethics and Responsible Business Policy, Colleague Policy, Speak Up Policy and other Group Policies.

It's important that we all:

1. Take time to understand the Codes of Responsibility and how they apply to our roles.
2. Work in line with the Codes of Responsibility.
3. Challenge others who do not work in line with the Codes of Responsibility and if necessary escalate to a Line Manager, a Senior Leader in their business area, HR Advice and Guidance or the Speak Up Line.
4. Feel empowered and confident about speaking out when we suspect that others are not working in line with the Codes of Responsibility. Find out how to do this in the Help, advice and guidance section.

Our commitment to professional standards and professionalism in our industry

Lloyds Banking Group was an initial signatory to the Chartered Banker Professional Standards Board (CB:PSB). As part of our ongoing commitment to support the highest standards of professionalism in banking we have subscribed to the CB:PSB Code of Professional Conduct and have embedded the requirements in both our Codes of Responsibility.

In addition, more of our colleagues have achieved the Chartered Banker Foundation Standard for Professional Bankers than any other UK bank. The Foundation Standard consists of a set of indicators that are used to assess professional knowledge, skills, attitudes and behaviours.

More information

[Chartered Banker Professional Standards Board \(CB:PSB\)](#)

[CB:PSB Code of Professional Conduct](#)

How often do we update our Codes of Responsibility?

We review our Codes of Responsibility every year to ensure they are relevant.

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

Responsible Business
Group Corporate Affairs
Lloyds Banking Group
25 Gresham Street
London EC2V 7HN

Frequently asked questions

Q. Why do we have both a Code of Business Responsibility and a Code of Personal Responsibility?

Our Code of Business Responsibility provides an overview of how Lloyds Banking Group does business responsibly. In contrast, our Code of Personal Responsibility defines colleagues' personal responsibilities whilst at work.

Q. Am I required to keep up to speed with changes in the Codes?

Yes. You are required to review the Codes of Responsibility every year as part of the Mandatory Training curriculum. Once you have completed the training and understand the Codes you will be required to adhere to them every day.



Q. Can I share the Codes of Responsibility with my stakeholders who do not work for Lloyds Banking Group?

Yes. You can share all our Codes with external stakeholders.

To access a copy of the Codes of Responsibility suitable for sharing with people outside the Group, please visit

www.lloydsbankinggroup.com/RBDownloads

THE WAY WE DO BUSINESS



Responsible Business Pillar 1:

We put customers at the heart of our business

Lloyds Banking Group is at the heart of communities, serving the financial needs of more than 25 million customers in the UK. This is a great responsibility and one that we take very seriously. We want to help Britain prosper by being the best bank for customers, meeting all of their financial needs and helping them succeed financially.

Our approach to Conduct underpins the way we treat all our customers, whichever part of our business they deal with, so that we deliver consistently across the Group. Our ambition is to lead the industry on Conduct, delivering fair outcomes for customers through everything we do.

a. Our Group strategy

We are continuing to invest in our vision to become the best bank for customers. This covers all aspects of our conduct with customers, throughout the lifecycle of their relationships with us, to ensure that we put the customer at the heart of every decision-making process, and deliver fair outcomes for them at every stage.

The Group has a conservative business model and takes a prudent approach to managing risk where colleagues are accountable for the risks they take and the needs of customers are paramount. Our focus is on building and sustaining long-term profitable relationships with customers whatever the economic climate.

b. How we treat our customers

The Group Customer Treatment Policy sets out how important it is to treat customers fairly and ensure we are transparent in all our dealings with them. We conduct regular monitoring to check we are meeting our high customer service standards and link our colleagues' remuneration to customer outcomes. We believe that consumers benefit from healthy competition between providers of financial service providers and we compete vigorously and fairly, striving to offer excellent service and competitive products which meet customers' needs. We rigorously test all new and existing products to ensure they are as simple and transparent as possible and only sell those that meet a satisfactory standard.

We also work with consumer and business groups to improve our offering to customers. When we do receive complaints, we take these very seriously, and ensure they are dealt with quickly, fairly and consistently. We learn from our experiences and take action to ensure we share knowledge to drive improvements across the Group.

We take responsibility for making sure our customers are aware of the Financial Services Compensation Scheme (FSCS) and the protection this provides for them.

Useful links†

[Customer Treatment Policy](#)

[Information on the FSCS can be found on interchange](#)

c. Protecting our customers

We take protecting our customers and their assets extremely seriously and invest in activities to deter, detect and prevent financial crime. More information on this can be found on page 15.

d. Supporting the economy

We seek to play a full role in supporting the economy by providing households and businesses with access to affordable and responsible credit. We are committed to supporting business from start-ups through to larger corporates by providing access to credit and the wider support they need to grow and prosper. Our SME Charter details specific commitments for support to SMEs, which we believe are the lifeblood of the economy.

More information

[Lloyds Bank SME Charter](#)

[Bank of Scotland SME Charter](#)

e. Responsible lending

As a responsible lender, we seek 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 do face financial difficulties at some point, we seek to proactively identify and support these customers and find ways in which we can help. We also provide financial support to independent money advice and debt charities to provide customers with alternative access to advice and help.

f. Vulnerable customers

We recognise that vulnerability can impact any of our customers at any time and through personal characteristics and/or circumstances, they may have difficulty in making decisions, accessing the products and services they need to manage their money effectively, or may be in financial difficulty. We have an opportunity to help households prosper in a tangible way, by enabling customers to become fully included or 'fully banked'.

We also recognise our responsibility to help tackle financial exclusion. We invest in products, services and support that increase access to banking and credit and help bring excluded groups into mainstream financial services, while at the same time developing consumers' financial literacy and understanding.

Responsible Business Pillar 2:

We aim to be a great company to work for

We welcome regular feedback from colleagues through our Groupwide Colleague Survey and are committed to acting upon that feedback to enable us to continue to be a great place to work.

There are many aspects of being a great company to work for, including:

a. Diversity and inclusion

We aim to ensure our workforce reflects the diversity of the communities we serve. We recognise that by understanding and valuing difference, we can build trusted relationships with our customers, colleagues and communities. Our business leaders are encouraged to set an example by behaving in line with the Group's Values and demonstrating their commitment to diversity and inclusion.

b. Human rights

We aspire to conduct business in a way that values and respects the human rights of our colleagues, customers and those of the communities in which we operate. We adhere to the rules and regulations of every country we operate in, as well as conforming to the United Nations Declaration of Human Rights together with the International Labour Organization (ILO) Fundamental Conventions.

We are 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.

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

Should we ever infringe the United Nations Declaration of Human Rights, International Labour Organization (ILO) Fundamental Conventions or Equator Principles, we will take the actions necessary to mitigate the violation as swiftly and effectively as possible.

c. Behaviour at work

We treat others as they would like to be treated. We aim to provide a working environment that is free of discrimination, harassment, bullying or victimisation of any kind. In all aspects of employment, we aim to treat colleagues fairly and with respect, ensuring equality of opportunity. We do not tolerate abusive or discriminatory behaviour in any form, or for whatever reason, in any of our business operations. We offer informal and formal processes for addressing any form of inappropriate behaviour, including third party mediation and formal harassment policies.

d. Disputes, grievances and redundancy

We have clear and robust policies and procedures for addressing disputes and colleague grievances and ensure that appropriate structures are in place to facilitate constructive dialogue, involving recognised trade unions where appropriate.

Where colleagues leave the organisation through redundancy, we offer several support mechanisms - including an external, independent career support supplier - to help provide them with an opportunity to review their individual skills, strengths and achievements and to discuss their next steps.

We also support colleagues' rights to exercise freedom of association and the Group has extensive collective bargaining processes in place both in the UK and overseas. We have agreements with trade unions who collectively negotiate and consult on behalf of colleagues in the Group.

e. Reward

We offer colleagues a compelling reward package designed to provide flexibility and choice that will help us to 'Build the Best Team'. We are embedding a performance-driven culture where colleagues are rewarded for driving positive customer outcomes and creating the best customer experience. As described in the 'Performance, pay and bonus' section on page 17, our approach to remuneration is developed with input from both our shareholders and our regulators.

Pension schemes form an important part of our reward package. Our pension schemes are operated independently of the Group and we work to ensure they are properly supported and funded over the long term.

f. Training and development

We ensure that colleagues receive appropriate training and development for their roles and provide opportunities for them to develop their professional knowledge and skills. We recognise that this is crucial in developing and retaining talented individuals, and building a high performance organisation.

g. Health and wellbeing

We seek to help colleagues to find a positive balance between their lives at work and outside of work and we provide a number of opportunities, such as flexible working, to help them do this.

We work to safeguard and promote colleague wellbeing, by ensuring a psychologically-sound working environment to help prevent work-related illness. We provide support and health advice in times of need, including offering access to an independent employee assistance programme.

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. Colleagues share the responsibility for taking reasonable care for the health and safety of themselves and other people (for example visitors, customers and contractors).

Useful links[†]

Employee assistance programme

Health and Safety Policy

Responsible Business Pillar 3:

We work responsibly with our external stakeholders

a. Shareholders

We keep shareholders informed of the Group's strategy and financial performance.

We ensure that our public communications include fair, balanced, understandable, honest, accurate, timely and transparent disclosure.

We comply with the provisions of the Stock Exchange listing rules, including those relating to corporate governance best practice.

We prepare financial statements for each accounting period which give a fair, balanced and understandable view of the Group.

We maintain balance sheet and financial ratios compatible with the long-term stability and continuity of the business, operating at all times within prudent limits of exposure to credit risk, interest rate movements, foreign exchange fluctuations and liquidity, operations and insurance risks.

We buy and sell currencies and financial instruments for customers and trade for our own account only within strictly defined limits approved by the Group Board and regulatory authorities under whom we operate around the world.

b. Responsible financial relationships

We provide finance to companies and other organisations around the world which 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. Where we become aware of an organisation whose operations cause us concern, we will review the situation in line with our prudent approach to managing risk.

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.

c. Suppliers

We work closely with our suppliers to access and make best use of their expertise in developing innovative and quality products and services and to effectively manage risk.

Our external suppliers are very important to us as they enable us to provide the best products and services to our customers. We engage with our suppliers, and the wider supply market, in a way that adds mutual value. This is a key part of the Lloyds Banking Group sourcing approach which has been developed to ensure we gain the best value for our customers across price, quality and social impacts.

We build strong, collaborative relationships with our suppliers and engage in regular dialogue to help them understand the environment in which we operate and to ensure our needs, and those of our customers, are effectively met. This enables us to drive continuous improvement and innovation in our supply chain and to effectively manage risk.

We consider our suppliers' social, ethical and environmental performance as a standard part of our sourcing process. We are a signatory to the Prompt Payment Code that requires us to provide clear guidance on payment procedures and encourage similar good practice amongst our suppliers.

Useful links†

Group Sourcing Policy

d. Regulators

We have a zero appetite for regulatory breaches and aim to meet the regulatory, legal and tax requirements in all the jurisdictions in which we operate. We aim to lead industry best practice. When regulations change, we respond as swiftly as possible to ensure we maintain our compliance. If local laws where we operate are less restrictive than our own standards, we will always follow our own standards where it is appropriate and legal to do so.

In the UK we are regulated by The Financial Conduct Authority (FCA) and The Prudential Regulation Authority (PRA) and our customers have recourse to the [Financial Ombudsman Service](#) where applicable.

We subscribe to the Lending Code, the Finance and Leasing Association's Lending and Business Code.

e. Government

We engage regularly with the UK Government, the European Commission, the European Parliament and other bodies to assist in the formulation of public policy around consumer issues, financial inclusion and financial education and financing infrastructure. We produce economic and social research that champions consumer interests, which is used to inform government policy.

We are a signatory to the EU Transparency Register and comply with its Code of Practice.

f. Media relations

Our policy is to be as open as possible when dealing with all media enquiries.

We are always truthful and accurate to the fullest extent in all of our responses and interactions with the media.

Responsible Business Pillar 4:

We invest in communities to help them prosper and grow

Through our high street brands, we are an integral part of communities across Britain. We believe we can make our greatest contribution to society by helping Britain's communities prosper – when local communities prosper, so do individuals, households and businesses.

We contribute to our local communities in many ways. We run a number of community investment programmes, focused on three core themes: education, employability and enterprise. We encourage colleagues to volunteer their time and expertise to support these programmes, and others – many of which are focused on local charities and social enterprises.

More information on communities is available [online](#).

Responsible Business Pillar 5:

We work to continually reduce our environmental impact

We have an important role to play in the transition to a more sustainable, low-carbon, resource-efficient economy through our own business and our financial relationships.

We aim to be as efficient as possible in our use of resources with a focus on: energy, travel, waste, water, paper and buildings.

We educate and motivate our colleagues to conduct activities in an environmentally responsible manner and we encourage our business partners, suppliers and contractors to do the same.

We recognise that accurate measurement of our environmental impact is critical if we are to manage our resources efficiently. We seek to continually improve our systems and processes to achieve this and our environmental data is reviewed annually by an external auditor.

We engage our key stakeholders in dialogue on our environmental programme. We monitor our performance against best practice to ensure continuous improvement.

We comply with the letter and the spirit of applicable environmental laws and regulations with regards to the environment. Where none exist, we set ourselves appropriately high standards.

We take account of environmental risks in our lending and investment businesses and actively seek to provide finance that enables the transition to a more environmentally sustainable economy.

Our environmental standards apply to all parts of the Group.

BUSINESS INTEGRITY



Lloyds Banking Group is committed to doing business with a high level of integrity through the following Policy areas:

1. Fraud and financial crime (anti-bribery, anti-money laundering and sanctions)

We take our responsibility to protect our customers and their assets extremely seriously. We invest in activities to deter, detect and prevent all aspects of financial crime. Our investment allows us to maintain systems and controls proportionate to the risks we have to manage. Through this, we aim to protect our customers, maintain value for our shareholders and assist society in combating crime by preventing criminals from benefiting from their activities and proceeds.

We run customer-facing campaigns for National Identity Fraud Prevention Week and our websites contain information to help customers identify and avoid common types of fraud. We are a National Strategic Partner of the charity Crimestoppers and support their campaigns to raise awareness of new threats.

We promote high ethical standards and have zero appetite for circumvention of our fraud and financial crime policies. Our colleagues are required to demonstrate honesty and integrity in everything they do. We do not condone, under any circumstances, the offering or receiving of bribes or any other form of improper payments. Our Anti-Bribery Policy applies to all Directors and employees. Anyone else acting on the Group's behalf is also required to

comply with its principles. We support our colleagues in doing this by regular training to develop their understanding of financial crime risks and encourage our colleagues to report instances of suspected bribery via the Speak Up service. During 2014, the Group was invited to apply, and subsequently approved, for membership of Transparency International UK's Business Integrity Forum, which is a network of major international companies openly 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 abused for the purposes of laundering the proceeds of crime, or for facilitating terrorism or breaching sanctions or anti-bribery legislation. The Group is subject to a number of anti-money laundering laws contained in several different Acts. These laws apply to both our business and each of our individual colleagues. We must also comply with the FCA requirements in respect of the management of financial crime.

We respect the traditions and cultures or 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 activity the Group does with the United States or subject to United States law. The SEC expects that colleagues act with integrity in a manner that is not reckless or knowingly causes harm. If we don't comply with this then it would be a violation of US Securities Law. This would also include knowingly or recklessly helping any other person to violate the law.

2. Gifts and improper payments

We only allow the giving or receiving of any benefit, gift, entertainment or hospitality by, or to, the Company or our colleagues, in specific circumstances defined in the Group's Compliance Policy. For example, in the course of normal, local, 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 will be maintained for ten years and reviewed at an appropriate frequency.

3. Conflicts of Interest

We ensure that information received in the course of our business dealings is not used inappropriately for corporate or personal gain or any other purpose except that for which it is given. Monitoring is undertaken to ensure that the Group's activities and the personal and financial interests of our colleagues do not contravene the Group's Conflicts of Interest Policy.

4. 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.

Useful links[†]

Fraud Policy
Anti-Bribery Policy
Anti-Money Laundering and Counter-Terrorist Financing Policy
Group Sanctions Policy
Disclosure Policy
Compliance Policy
Gift and Hospitality Procedure
Conflicts of Interest Procedure
Market Abuse Procedure
Personal Account Dealing Procedure

5. Performance, pay and bonus

The Group is committed to developing a performance-driven, customer-oriented culture where talent, potential and performance are recognised, developed and rewarded. We offer colleagues a compelling reward package linked to Group, business and personal performance in order to strike the right balance between reward, risk management and performance. In designing our reward package, we balance our shareholders' and regulators' views with the need to attract, motivate and retain colleagues of the required calibre.

Our aim is to deliver a reward package that recognises individual contribution, both in terms of what is delivered and how we achieve it, including risk performance, to help us 'Build the Best Team'. This reflects the success of Lloyds Banking Group in delivering for customers and shareholders and supports the delivery of 'Best Bank for Customers'. Performance is assessed across the organisation using a Balanced Scorecard approach. Risk is an embedded consideration in all categories of the Balanced Scorecard and emphasis is placed on reviewing 'how' objectives are achieved, as well as 'what' has been delivered. This ensures colleagues act in line with the Group Values, Codes of Responsibility and the Group's risk appetite.

6. Intellectual property

Intellectual Property includes all patents, trademarks, design rights, copyright or domain names owned by Lloyds Banking Group. Protecting our Intellectual Property helps to ensure the equity of our brands is maintained. We take steps to protect our own Intellectual Property and to ensure we do not infringe on the Intellectual Property rights of others. We have guidance in place for this, covering how we create, register, use and share our Intellectual Property with others.

Useful links[†]

Brand centre

7. 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/or in civil or criminal penalties.

Useful links[†]

Data Privacy Policy

8. Communication

We uphold the integrity and reputation of the Group through factual and appropriate communications, whether written or verbal, which relate to or could be associated with the Group, for example through social media.

Useful links†

Social media microsite

9. Political activity

Colleagues have the right to participate as an individual in political activities. However, these activities are conducted as an individual and not as a representative of Lloyds Banking Group.

It is Lloyds Banking Group's policy not to make political donations (as defined in the Companies Act 2006). We avoid participating in any activity which we have reasonable grounds to believe does not fall within the scope of the Companies Act 2006.

10. Tax

We manage our tax obligations to ensure full compliance with all statutory requirements and we ensure that our tax reporting is in accordance with all applicable accounting standards.

We manage our tax affairs within our risk appetite to keep the bank safe, support sustainable business growth and minimise losses. This means balancing the interests of our stakeholders and protecting the reputation of the Group. In particular:

- a. We do not enter into transactions whose sole purpose is to minimise or reduce tax cost.
- b. We act in accordance with HMRC's Code of Practice on Taxation for Banks and are open and transparent in our dealings with the tax authorities.

11. Competition law

The Group has zero appetite for anti-competitive practices which could lead i) to interventions by competition authorities or ii) to 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 to prevent, restrict or distort competition (such as exchanging commercially sensitive information with competitors or unlawfully fixing prices).

We do not seek to gain unfair advantage over our competitors, actual or potential, or to unfairly exclude them from the market.

We recognise that competition law is not intended to stifle legitimate business. If we are in doubt about whether a proposed agreement, project or strategy complies with competition law, we seek advice beforehand from a competition specialist.

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 the needs of our customers.

Useful links†

Compliance Procedure

COMPLIANCE WITH THE CODE OF BUSINESS RESPONSIBILITY



Acting responsibly and ethically underpins everything we do. We all have a duty to the financial needs of UK families, businesses and communities and believe we can make our greatest contribution to society through helping Britain prosper.

Our Codes outline what we expect from each other but we are also bound by law to act in a certain way.

That means each year we all need to evidence that we understand the requirements of the Codes of Responsibility through annual online Mandatory Training.

What this means for us

We provide training and support to help all colleagues but we recognise that in some circumstances, failure to comply with the Codes of Responsibility may be due to capability or a need for additional training or support. Where this is the case, the relevant Performance Management or Performance Improvement policy will be used to address concerns to ensure that colleagues are treated fairly and are given appropriate management support, coaching and training to improve their performance.

Failure to comply with the Codes of Responsibility, Colleague Policy, Speak Up Policy or any of our other Group Policies, regulations or codes of conduct laid down by external authorities may result in severe consequences for Lloyds Banking Group and Lloyds Banking Group employees. This may, therefore, constitute grounds for disciplinary action, in line with the Group's disciplinary policy, which could potentially include dismissal or, in some circumstances, criminal prosecution.

All colleagues are required to review and comply with all of the Group Policies which are relevant to our roles. The Group Policy Framework is published on Interchange.

 **Q. What will happen if I don't act in accordance with either of the Codes of Responsibility?**

If you do not operate in accordance with the Codes of Responsibility, or the Personal Integrity policy, depending on the circumstances, you may be subject to disciplinary procedures.

HELP, ADVICE AND GUIDANCE



Raising any concerns

We encourage you to Speak Up if you suspect anyone of inappropriate behaviour that is not in line with the standards set out in the Codes of Responsibility.

If you believe that you have witnessed behaviour that contravenes the standards of personal or business conduct outlined in the Codes, our Personal Integrity policy or our other Group Policies, you must report and discuss it. You can do this in three ways:

1. Your first port of call should be your Line Manager (who is the person you report to on a day-to-day basis).
2. If you are unable or unwilling to speak to your Line Manager, you should speak to another Senior Leader in your business area, for example your Line Manager's manager.
3. You are encouraged to raise concerns over wrongdoing directly with your line management. However, if this isn't possible, please do not keep it to yourself - contact the Speak Up Line, or raise your concerns through HR Advice and Guidance.

Speak Up

The Speak Up Line* provides colleagues with a confidential mechanism for expressing concerns about wrongdoing in the workplace that affects colleagues, customers or the Group. Please visit the Speak Up interchange site for more information.

Reports can be made by email, phone or online. Contact details can be found on Interchange.

Colleagues should read the [guidance on when to call the Speak Up Line](#) before making contact to ensure the report is made correctly. Mandatory training is available to help colleagues understand what support is available.

It is important that colleagues maintain contact with the Speak Up Line to ensure the correct information can be gathered to investigate the issue thoroughly.

Non-retaliation

All concerns raised are taken seriously and the identity of colleagues who raise a concern will be kept confidential. No colleague will be discriminated against in any way as a result of raising an issue.

We provide ways to facilitate disclosure if a colleague is unable or unwilling to inform their line management and we will thoroughly investigate all genuine reports.

Useful links†

[Group Policy Framework](#)

[Risk Management Framework](#)

[Colleague Policy](#)

Further information on underlying HR policies referenced within this Code, including Personal Integrity, Harassment, Grievance and Performance Improvement, can be accessed through the HR Advice and Guidance pages.

[Ethics and Responsible Business Policy](#)

[Speak Up Policy](#)

[Lloyds Banking Group Responsible Business pages](#)

*The Speak Up Line is managed by Expolink who are completely independent of Lloyds Banking Group and are experienced in dealing with reports of wrongdoing. All reports are taken seriously and the identity of those who raise a concern will be kept confidential.

†For internal use only

Frequently asked questions

Q. A customer claims that Lloyds Banking Group has not acted in accordance with our Codes of Responsibility - what should I do?

First make sure that you understand exactly which part of the Codes of Responsibility the customer is referring to and treat the complaint as you would any other complaint. You are then advised to speak to your Line Manager who will engage the necessary teams within the Group for support where necessary, such as Group Legal or Group Risk.

Q. I am unsure how to resolve an issue I have and need to make a quick decision - what should I do?

If you want immediate guidance, refer to the Decision Guide in the Code of Personal Responsibility. This will prompt you to answer questions that will help you decide the best course of action. You should also speak to your Line Manager for further guidance.

Q. I have read the Codes of Responsibility and reviewed our Group Policies but I am still not sure what the right course of action is - what should I do?

If a situation arises where, despite reviewing both Codes of Responsibility and the relevant Group Policies, you remain unsure of the right course of action, you must speak to your Line Manager or another Senior Leader in your area for guidance.

Q. I am concerned that a colleague is not acting in accordance with the Codes of Responsibility. I have raised this with my Line Manager, but I do not feel my concerns are being addressed - what should I do?

If you are concerned that a colleague has broken, or is about to break, the Codes of Responsibility, and you feel your concerns are not being suitably addressed by your Line Manager, you should speak to another Senior Leader in your area. If you still feel uncomfortable, you can call HR Advice and Guidance or the Lloyds Banking Group Speak Up Line.

Q. I have followed regulatory requirements to resolve an issue with a customer but they are still not happy and have made a complaint to the Financial Ombudsman Service. I am concerned that I may be disciplined for not having fulfilled all of the Code of Personal Responsibility commitments under Putting Customers First but I did not feel I had a choice - will I be disciplined?

Situations will arise when you may feel that you are breaking the Codes of Responsibility because you are following a regulatory procedure which doesn't appear to be in line with our Group Value of 'Putting Customers First'. You must always follow regulatory procedures and if you feel this means that you are breaking the Codes of Responsibility, you should talk to your Line Manager for guidance.

Q. I do not deal directly with customers, so do the sections in the Codes of Responsibility which refer to 'customers' still apply to me?

Yes. The Codes of Responsibility still apply to you.

We recognise that for many colleagues, for example in parts of IT or HR, their immediate customers may be other colleagues and so, where relevant, 'customer' can mean colleagues or customers. We also recognise, however, that for every colleague, our ultimate customers are the people and businesses who depend on us every day for their banking and other financial services, and we must ensure that we always consider them in our day-to-day roles.

Q. My Line Manager has asked me to do something which I don't feel comfortable with and which I think is not in line with the Codes of Responsibility - do I still have to do as my Line Manager has asked?

No. You should speak to your Line Manager, in the first instance, to explain your concerns that their request would require you to break the Codes of Responsibility and to understand why they have asked you to carry out the task. If after discussing this with your Line Manager you are still uncomfortable, you should speak to another Senior Leader in your area. If you still feel that your concerns are not being addressed and need further guidance, you should call HR Advice and Guidance or the Speak Up Line.

Q. I'm concerned that I've done something which isn't in line with the Codes of Responsibility - what should I do?

You should speak to your Line Manager immediately to ensure that you understand any possible negative implications of your actions. If your Line Manager is not available, you should speak to another Senior Leader in your area. If after doing so you still have concerns, you should call HR Advice and Guidance or the Speak Up Line.

Q. I have an issue which I can't talk to my Line Manager or a Senior Leader about and so I think I need to call the Speak Up Line for help - is there anything that this Line can't help me with?

Yes. If you are unable to talk to your Line Manager or a Senior Leader in your area, concerns relating to bullying and harassment, or your own personal employment terms and conditions should be raised through the Group's HR Advice and Guidance Line. These issues will be dealt with under the appropriate HR policy or procedure.

More details about the type of concerns that should be made via the Speak Up Line are set out in the 'When should I call page' on interchange.

In the first instance, customer complaints should be remedied via the normal Complaints Governance process. It is important that you maintain contact with the Speak Up Line to ensure that issues that do not fall within the scope of the Speak Up Policy can be redirected to the appropriate area.

Q. I have spotted something in the Codes of Responsibility which I think should be changed - who should I contact?

Your feedback is welcome so please contact:

Responsible Business
Group Corporate Affairs
25 Gresham Street
London EC2V 7HN

Contact Us

Responsible Business
Group Corporate Affairs
Lloyds Banking Group
25 Gresham Street
London EC2V 7HN

Available in alternative formats on request