



2016 in review



Sara Weller, Chairman of our Responsible Business Committee, answers questions about the Helping Britain Prosper Plan and our performance as a responsible business in 2016.

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What impact do you think the recent changes in Britain and beyond will have on the Group’s approach and purpose to help Britain prosper?

A 2016 was a year of significant change not least the uncertainty following the EU Referendum in June. This uncertainty means our goal of helping Britain prosper is more important than ever.

Helping Britain prosper is about creating opportunities for all to share in the economic and social benefits of a successful UK. As a sustainable, low-risk business we can support this ambition in many ways. We can fund infrastructure investment, house building, and businesses that are starting up and may be exporting for the first time. And we can give people access to new opportunities, through our apprenticeship scheme, our Lloyds Scholars programme and our own efforts to build a more diverse workforce and enable colleagues to share their skills with local communities.

Given our skill and scale, we must play our part in minimising the risks and maximising the opportunities that change brings. We reach millions of retail and commercial customers, thousands of local communities, and through our four Foundations, some of the most disadvantaged people in Britain today. We can use that reach to help Britain prosper.



What progress has been made this year?

A We made good progress in 2016, although it wasn’t all plain sailing. I am, however, very encouraged by the way colleagues have embedded responsible business principles in how they work. I believe that we’re changing culture and behaviour, both from the top down and bottom up – building real momentum behind a clear purpose and way of operating that’s distinctively ours.

I am pleased with the progress we have made in developing the Helping Britain Prosper Plan. We have intentionally set stretching targets and in striving to achieve them we are changing the way our business works. We are also adapting the targets themselves, to match our stakeholders’ evolving priorities.

We have made encouraging progress, but this is not a journey we will ever complete, so we cannot rest, believing our job is done. Even as we deliver our goals, new challenges arise. What is reassuring is that, as our culture changes and the whole business becomes involved in the delivery of the Plan; we have a better chance of success.



What new developments stand out for you?

A More areas of the business are now developing ideas about how they can contribute to the Plan, which tells me that it is becoming integral to the way we work. We have seen some really innovative thinking to support our objectives, such as the Green Loan Initiative that incentivises business customers in the property sector to reduce carbon emissions, and the Housing Growth Partnership, a joint venture with the Government, which is enabling smaller home builders to diversify the supply of Britain’s housing stock.

We’ve also made progress in addressing a number of social issues through the Plan. We’ve increased the number of colleagues serving as Digital Champions and helped more individuals, businesses and charities improve their digitally capability. We’ve provided additional support for social enterprises through the School for Social Entrepreneurs, done more to address financial inclusion through our support for Credit Unions, and invested £18.5 million through our independent charitable Foundations, so that they can support some of the most disadvantaged people in Britain today.



How important are colleagues to the Group's approach?

A Colleagues consistently show their enthusiasm to support good causes, through fundraising and by giving up their time. In 2016, they raised £6.1 million for Children in Need and they voted overwhelmingly for mental health as their preferred Charity of the Year in 2017, recognising the clear links between mental health and financial pressure. Now many of them are adding even greater value by volunteering their specialist skills to support charities and community organisations. After all, who is better equipped to help a charity create a business plan, a school improve its financial model, or a social enterprise improve its admin, than a colleague who does this during her or his day job?

We need colleague enthusiasm, energy and innovation to make the Plan effective and are optimistic that even more colleagues will get involved, because we know they take pride in working for a business that aspires to help Britain prosper and recognise that the Plan also makes commercial sense for the Group. For example, our innovative Green Loan Initiative appeals to customers who want to future-proof their businesses: exactly the forward-thinking, low risk customers we want to attract and exactly the impact we want our commercial development to have on the environment.



Why is doing business responsibly so important to Lloyds Banking Group?

A Doing business responsibly is not an alternative to our commercial activities. It makes sustainable sense and is integral to our strategy. Supporting businesses to grow by exporting or to become more carbon efficient; ensuring we have the most talented colleagues from the most diverse backgrounds; helping people become more comfortable with their finances and with digital living – these are all activities that will help build a stronger, more successful and inclusive Britain, which is something we will all ultimately benefit from. We will seek out more of these win-win opportunities.



How important are the recent changes in the Group's approach?

A Our new Stakeholder Panel includes subject experts from outside the Group, who have specific expertise in issues such as sustainability and financial inclusion. The Panel will play a key role in ensuring that we stay focused on our long-term targets, play to our strengths and address issues that are most relevant to Britain.

Our new Executive-level, Responsible Business Management Committee reports into the Group Chief Executive. It's responsible for setting and implementing the Group's Responsible Business strategy and ensures that all of our business divisions help shape the Plan as it evolves.



What are your 2016 highlights and what's coming next?

A I am particularly excited by the fact that more than a third of all colleague volunteering hours were skills based this year. This is a significant step forward and I believe that there is still further potential right across our workforce that can be unlocked through collaboration with our Foundation charities. We have a wellspring of expertise that can make a tangible and lasting contribution to helping Britain prosper.

Our biggest challenges in 2017 and beyond will surely be how we respond to further unpredictable shifts in the wider world. For example, we need to plan how we can extend specific initiatives such as the Green Loan Initiative and our ESG bonds into a broader plan to support the transition to a low carbon economy. And as Britain's digital dependency grows exponentially, we must do more to help vulnerable customers, businesses, communities and charities adapt, so they take full advantage of digital communications and reap its benefits.

In 2017 and beyond, helping Britain prosper will still be our core purpose and we will continue to set ourselves stretching targets to make sure we make a measurable and sustainable difference to our society and our economy.



Sara Weller
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Chairman, Responsible Business Committee.