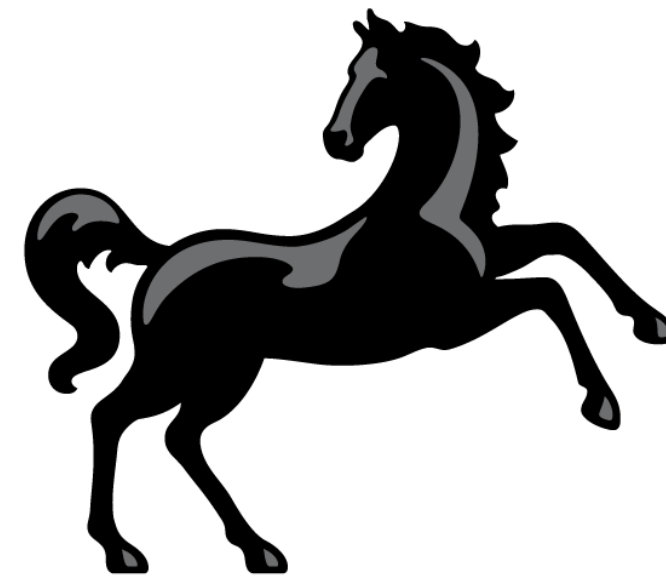


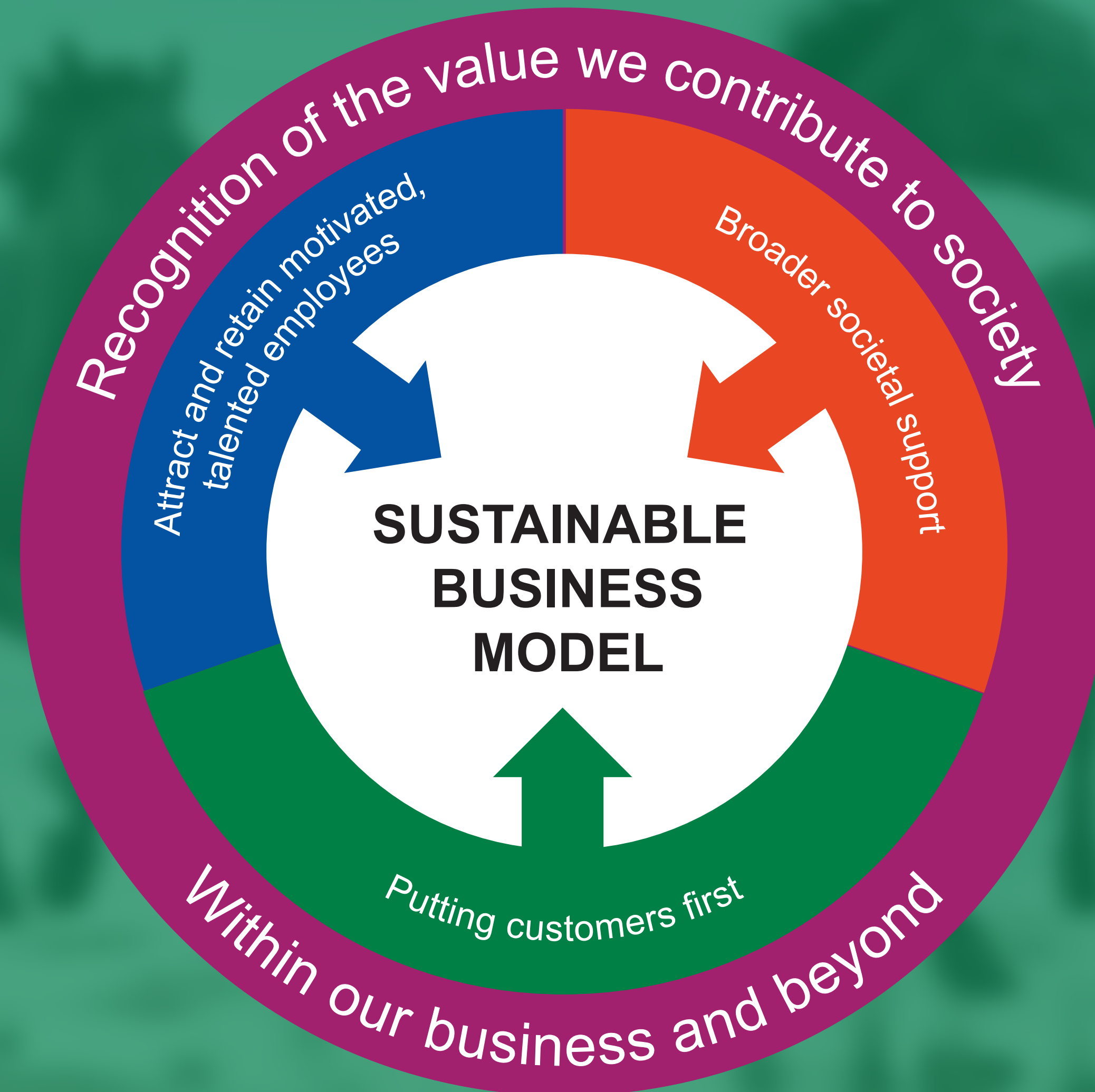
LLOYDS
BANKING GROUP



Our approach to Environmental, Social and Governance (ESG) topics

February 2020

We recognise being a responsible citizen is a fundamental component of maintaining a sustainable business model



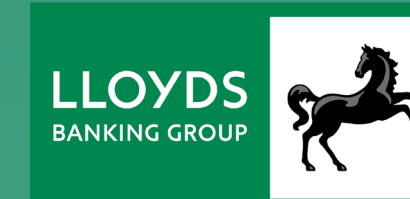
Lloyds Banking Group at a glance



- **Largest UK retail and commercial financial services provider**, with over 300 years heritage across our brands
- Our brands extend to **c.26m customers**; the **largest digital bank** in the UK with >16m digitally active customers, and the **largest branch network**
- Unique integrated propositions across **Retail, Commercial and Insurance & Wealth**, delivered through a differentiated **multi-brand, multi-channel customer focused** strategy
- Only provider in the UK serving **all individual financial needs in one place**
- One of the largest companies in the FTSE100 with a **£44bn¹ market cap**, and the **largest shareholder register** in the UK, including **c.2.3m retail shareholders**
- **Leading current account and mortgages** provider
- **Leading SME lender²**, increasing market share by **c.6pp to 19%** since 2010
- **Prudent, low-risk** participation choices

Our business model at a glance

Delivered a total shareholder return of 200% since our first strategic review in 2011 (vs 85%¹ FTSE100)



Our purpose:

Helping Britain Prosper

Group values:

Putting Customers First, Keeping it Simple, Making a Difference Together

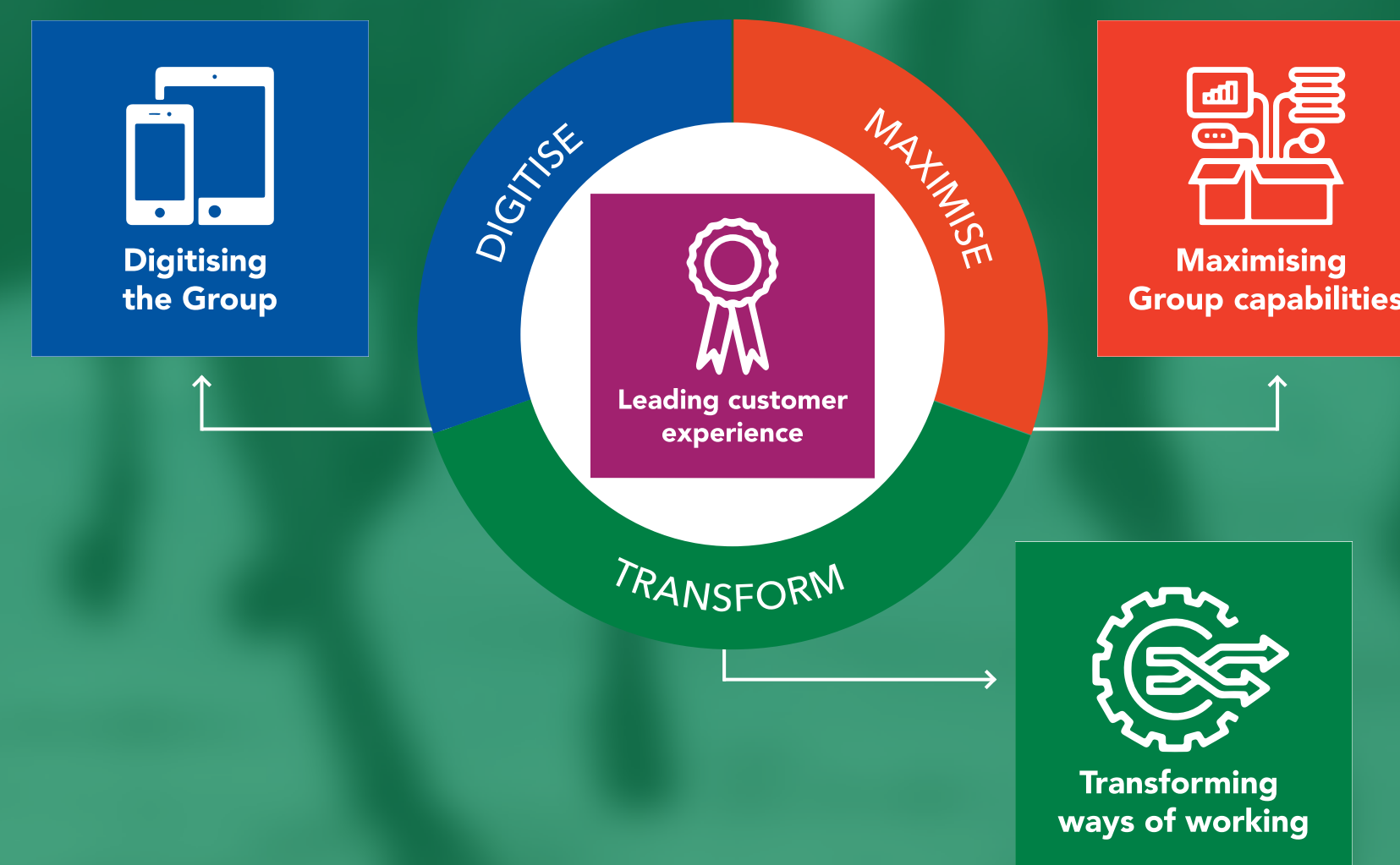
GSR1 (2011-2014)

- Reshaped our portfolio
- Simplified the Group
- Invested in the core business
- Strengthened balance sheet and liquidity positions

GSR2 (2015-2017)

- Delivered sustainable growth
- Became simpler and more efficient
- Created the best customer experience

GSR3 (2018-2020)

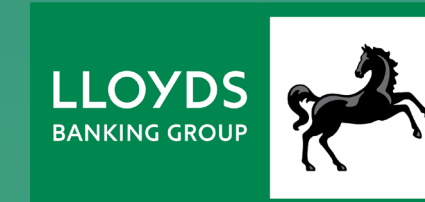


Our strategy:

Transforming the Group for success in a digital world

¹Bloomberg, close 31/12/11 to 31/12/19.

Our ESG achievements at a glance



A proven track record		New ambitious goal
Environmental	<ul style="list-style-type: none"> • Raised >£2.8bn in green bonds for UK corporate issuers, more than any other UK bank • One of the UK's leading low-emission fleets through Lex Autolease • Group carbon emissions down 63% since 2009, achieving our 2030 target 11 years early • One of the first businesses globally to sign up to all three of The Climate Group's campaigns 	<p>We aim to help reduce the emissions we finance by</p> <p>>50% by 2030</p> <p><i>(January 2020)</i></p>
Social	<ul style="list-style-type: none"> • The first FTSE100 company to set public diversity goals on gender (2014) and ethnicity (2018) • 37% of senior roles held by women, up 8pp from 2014; 7% by BAME • Donated >£100m since 2014 to our four independent charitable Foundations • Highest corporate payer of UK taxes¹ over the last four years • Leading SME lender², increasing market share by c.6pp to 19% since 2010 	
Governance	<ul style="list-style-type: none"> • Dedicated Board-level Responsible Business Committee established in 2015 • Robust governance structures to protect customers and their data • Comprehensive stakeholder consultation across a variety of topics, including remuneration 	

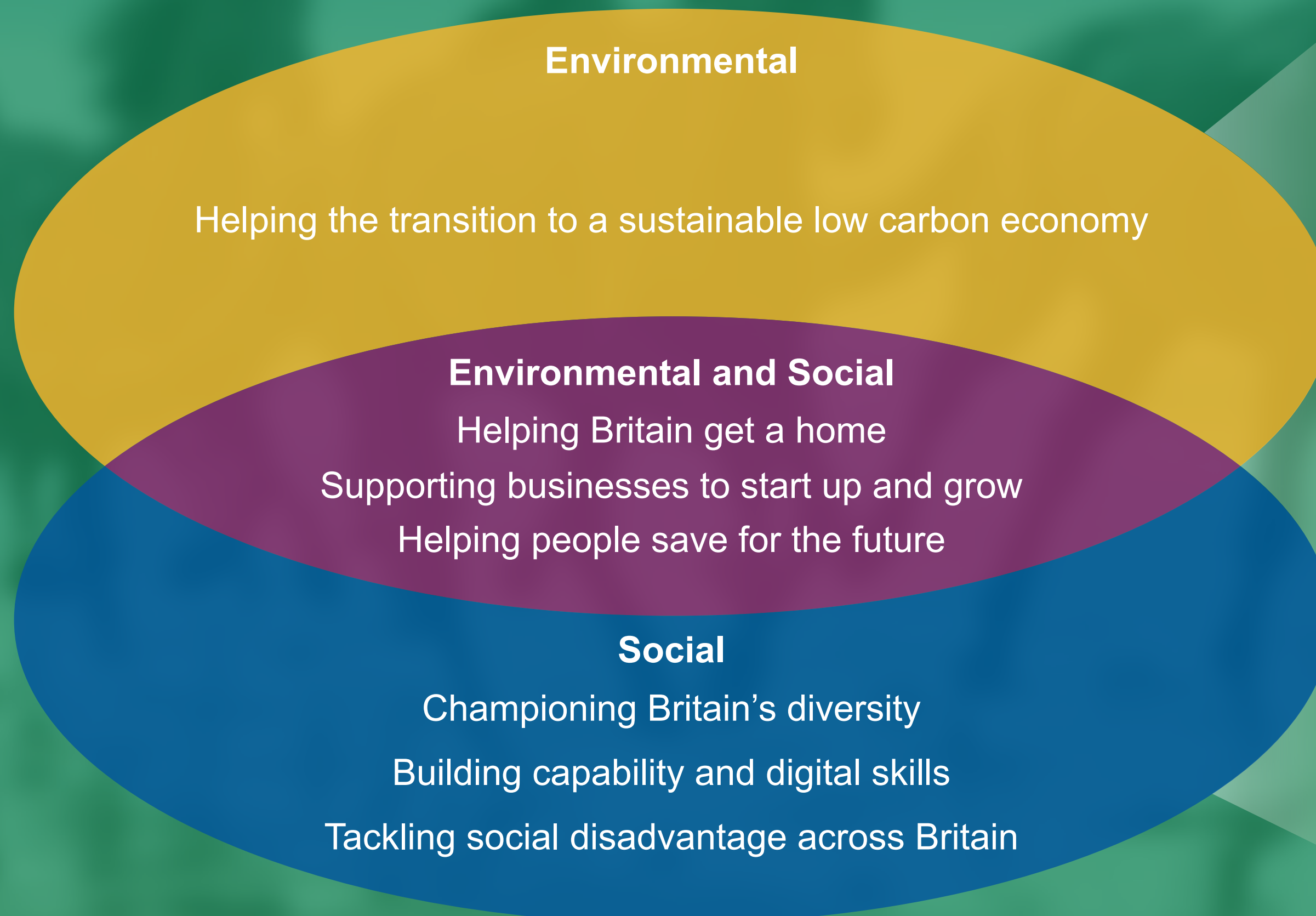
¹As reported in the annual PWC Total Tax Contribution survey of the 100 Group. ²SME lending balances include Business Banking and Commercial Cards. Market data source: BoE (Dec-19).

The Helping Britain Prosper plan is a key part of our ESG strategy



Our Helping Britain Prosper plan¹...

...directly supports global external goals



¹Our Helping Britain Prosper Plan consists of seven key commitments across Environmental and Social issues.

The history of our Helping Britain Prosper plan

As the largest UK financial services provider, our prosperity is interwoven with the prosperity of the UK



Helping Britain Prosper launched in 2014

Set out **7** key commitments with over **20** measurable metrics, including being the **first FTSE100 company** to set a public goal on gender diversity



Helping Britain Prosper throughout all regions of the UK



Foundations

>£25m donated to the Group's four independent charitable Foundations in 2019

Apprenticeships

£9m of funds contributed to the Apprenticeship Levy to support smaller businesses

Leading lender to SMEs

Increased market share by c.6pp to 19% since 2010¹. In 2019 we lent >£18bn to UK businesses

Lloyds Bank Academy

The Academy teaches basic digital and workplace skills through online and face-to-face courses. It has taught c.65,000 learners in Manchester and Bristol

Manufacturing Training Centre

£10m sponsorship supporting 3,500 apprentices, graduates and engineers to be trained by 2024

Regional ambassadors

10 senior representatives of LBG offering insight and value to the major economic and social debates in regions across the UK



¹SME lending balances include Business Banking and Commercial Cards. Market data source: BoE (Dec-19).

Our four independent charitable Foundations

As one of the UK’s largest corporate donors, we use our scale to reach communities across the country



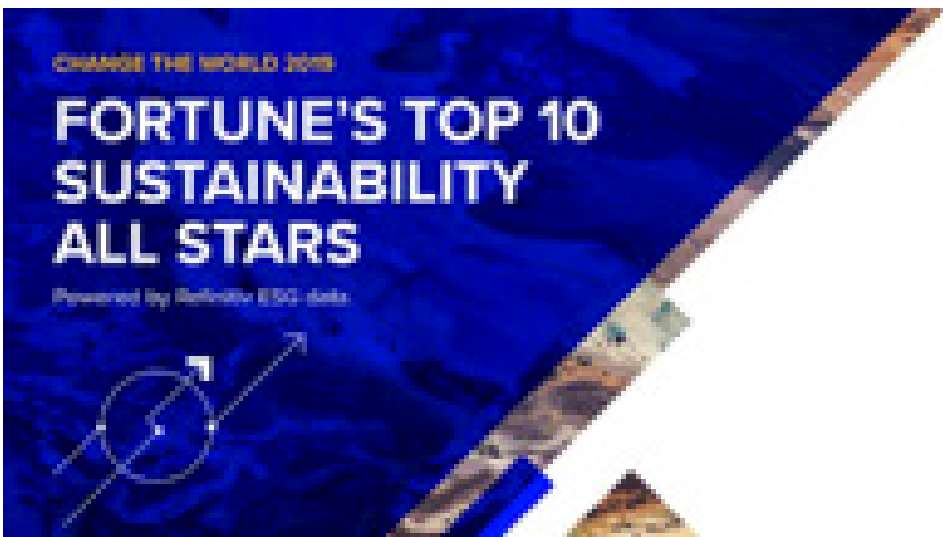
Our Foundations are critical to our vision of **tackling social disadvantage** by partnering with local charities to help overcome social issues and rebuild lives

>£25m donated to Foundations in 2019
>2,900 charities supported in 2019

Share our skills, experience and knowledge, demonstrating a genuine partnership between Lloyds Banking Group and our Foundations



Awards and recognition in 2019



Helping the transition to a sustainable low carbon economy



Our goal is to be a leader in supporting the UK to successfully transition to a more sustainable, low carbon economy, which cannot happen overnight and relies on a phased approach

Our commitments	Objectives supported			Progress
<p>We have set an ambitious goal to work with customers, Government, and the market to help reduce the carbon emissions we finance by >50% by 2030</p> <p>We will partner with the Woodland Trust to plant 10m trees over the next 10 years</p> <p>We support the TCFD and plan to fully implement by 2022</p> <p>We will be developing new carbon, energy and travel targets in 2020</p>	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div></div> <div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div> <div></div>	<div><div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div></div> <div><div>13 CLIMATE ACTION</div></div> <div></div>	<div><div>11 SUSTAINABLE CITIES AND COMMUNITIES</div></div> <div></div> <div><div>PARIS2015 COP21-CMP11</div><div>RE100</div></div>	<p>We have provided >£4.9bn in green finance since 2016 through our sustainable finance initiatives</p> <p>Over the last five years we have raised over £2.8bn in green bonds for UK corporate issuers, more than any other UK financial services company</p> <p>One of the first businesses globally to sign up to all three¹ of The Climate Group's campaigns in 2019</p> <p>We have supported >40 renewable energy projects, the equivalent of generating power for 5.1m homes, achieving our 2020 target a year early</p>

Case study

In 2019, Lloyds Banking Group provided funding and risk management services to the £2.3bn Neart na Gaoithe (Strength of the Wind) offshore wind farm located 15km off the coast of Fife, it has the potential to power c.375,000 Scottish homes and offset 400,000 tonnes of CO₂ emissions annually

¹RE100, EP100 and EV100 initiatives.

Helping Britain get a home



As the largest lender to the UK housing sector, we are committed to supporting home ownership across the UK and are working to make it an affordable reality for millions of people



Case study

LiveWest offer affordable rent and shared ownership, building new homes, and using profits to build more affordable homes across the South West; Lloyds Bank were delighted to support the £250m bond they issued in September 2019, and through this, their plans to develop 7,000 new homes over the next 5 years

Helping people save for the future

We recognise the importance of savings to build financial resilience and help tackle disadvantage. We're making saving for the future as easy as possible by improving choice, flexibility and control



Our commitments

Grow the amount of open book assets under administration we hold on behalf of retirement and investment customers by **£50bn** over the plan period (end of 2020)

Aim to be a leading UK pension provider offering **sustainable investment choices**, challenging companies we invest in to behave more sustainably

Objectives supported

8 DECENT WORK AND ECONOMIC GROWTH



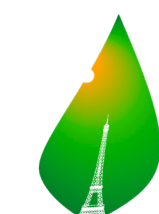
Maximising
Group capabilities



Transforming
ways of working



Leading customer
experience



PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21·CMP11

Progress

Grew customer assets in retirement and investment products by **£37.1bn** since 2018

Launched **Schroders Personal Wealth**, serving a growing need for professional advice

Our banking savings range operates with **transparent pricing** for all, and customers can upgrade their accounts online with one click when better products become available

Case study

Through the launch of Schroders Personal Wealth, we have helped more people save for their future, with the number of retail customers referred for wealth advice increasing by 33% in 2019

Supporting businesses to start up and grow

We want to be the best bank for business customers by providing products and services based on a real understanding of their needs, whilst adhering to our responsible lending practices¹



Our commitments

Support **300,000** businesses to start-up over the plan period (end of 2020)

Increase the amount of net lending to start-up, SME and Mid Market businesses by a total of **£6bn** over the plan period (end of 2020)

Become a **leading UK commercial bank for sustainable growth**, supporting our clients transition to sustainable business models and operations, and to pursue new clean growth opportunities

Objectives supported

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Progress

Increased net lending to start-up, SME and Mid Market businesses by **£3.4bn** and helped **>233,000 start-ups** since 2018

Our **Clean Growth Finance Initiative (CGFI)** provides discounted borrowing to businesses investing in reducing environmental impacts

Helped **17.4m sq ft** of commercial real estate become more **energy efficient** since 2018

The **first financial partner** of 'Be the Business', helping UK businesses measure and increase their productivity

Case study

As part of our £2bn Clean Growth Financing Initiative, we supported Company Shop with a £4.2m funding package, a business built around sustainability, buying and selling surplus food and household products which otherwise would have gone to landfill

¹We have sector statements outlining specific activities within a number of industries that we will not support – see slides 19-20 for more detail.

Tackling social disadvantage across Britain

As one of the UK's largest corporate donors, we use our scale to reach people in communities across the country to help improve lives



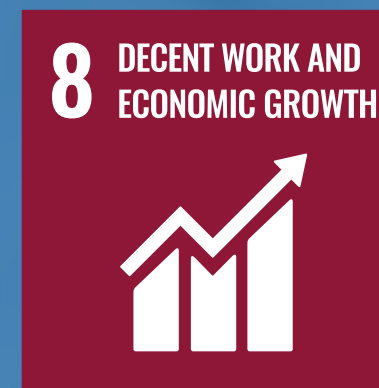
Our commitments

Through our **£100m** commitment to the Group's independent charitable Foundations, support **2,500 charities** each year in our plan period (end of 2020)

Critical to our vision of tackling social disadvantage, **our Foundations partner with local charities to help overcome complex social issues and rebuild lives**

We are committed to providing banking services to those that need them; the Group currently supports **>30% of all social bank accounts** in the UK

Objectives supported



£50.8m of total community investment in 2019

Since the start of our **partnership with SSE¹** 8 years ago, we have helped **>1,800** social entrepreneurs start up or grow businesses, collectively **creating >4,000 jobs** and benefiting **>350,000 beneficiaries**

Continued our partnership with **Mental Health UK** having raised **>£11m** to date, and are working with them to create the UK's first **Mental Health and Money Advice Service**

Case study

In 2019, the Foundations received >£25m, enabling them to support >2,900 charities. One of these charities is Angel Eyes NI, set up in 2007 in Belfast by parents of visually impaired children who wanted to improve the support available to other parents in the same situation. Our grant helped Angel Eyes to develop an innovative virtual reality app, to allow others to see the world through the eyes of a partially sighted child

¹The School for Social Entrepreneurs.

Building capability and digital skills

Our ambition is to enhance capability and digital skills to help address the UK skills and productivity gap



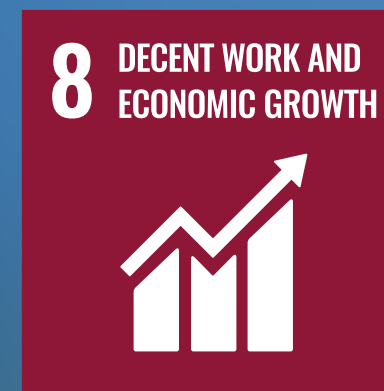
Our commitments

Provide **digital skills training** to **>1.8m individuals, SMEs and charities** over the plan period (end of 2020)

We have committed **£9m over 3 years** to SMEs to develop apprenticeships through our Levy Transfer Initiative

We will deliver **4.4m cumulative training hours** to develop key skills for the future, over the plan period (end of 2020)

Objectives supported



Progress

Delivered **>25 apprenticeship programmes** for colleagues, with **>1,100** apprenticeship positions resulting in permanent employment in 2019

We have **20,000 Digital Champions** across the Group committed to supporting their local communities

Held **‘Digital Knowhow’ workshops**, helping thousands of organisations learn how to **avoid fraud** and take advantage of digital marketing techniques

Delivered **3.2m cumulative training hours** to develop the skills for the future since 2018

Case study

Following our successful launch in Manchester in 2018, an additional Lloyds Bank Academy was opened in Bristol in November 2019, providing additional support for start-ups and SMEs. One participant in our Academy was the founder of start-up ‘Better Together’, which provides training to parents to help safeguard children online. She has drawn on our expert knowledge and experience to gain digital confidence and now understands the positive difference that digital marketing can make to her business

Championing Britain's diversity

Diversity is a business issue. Diverse teams, supported by inclusive environments, are more engaged, more innovative and deliver better outcomes for customers



Our commitments

40% of senior roles to be held by **women** by the end of 2020

8% of senior roles held by **BAME colleagues** by the end of 2020

10% of roles held by **BAME colleagues** by the end of 2020

Objectives supported



Progress

In 2019, **36.8%** of senior roles were held by **women** (up from 29% in 2014), and we remain committed to **40% by 2020**

Increased roles held by BAME colleagues to 10.2%, achieving our 2020 target early; **increased senior roles held by BAME colleagues to 6.7%**

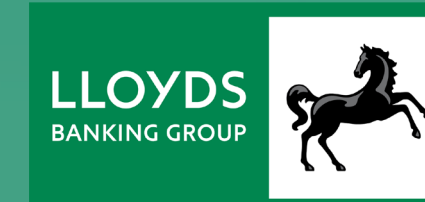
On track to meet the voluntary 2020 target set by the **Hampton-Alexander Review**, of having 33% representation of women either on, or reporting into, our Executive Committee

Committed to improving the transparency of workforce disclosure, participating in the **Workforce Disclosure Initiative**

Case study

Our award-winning Returners Programme, now in its sixth year, helps professionals who have been on a career break of at least two years. The programme provides support, including coaching a buddy and a mentor as well as peer-to-peer help. Enhancing our diversity efforts, 85% of successful applicants have been female, with 46% from BAME communities

Our Helping Britain Prosper 2020 targets



Area of focus	2018 achieved	2019 achieved	2020 targets ¹	SDGs supported
Helping the transition to a sustainable low carbon economy Average number of homes that could be powered as a result of our support of UK renewable energy projects	2.6m	5.1m ²	5m	
Helping Britain get a home Amount of lending committed to help people buy their first home	£12.4bn	£13.8bn	£30bn	
Helping people save for the future Growth in assets that we hold on behalf of customers in retirement and investment products ³	£7.4bn	£37.1bn ²	£50bn	
Supporting businesses to start up & grow Increased amount of net lending to start up, SME and Mid Market businesses	£3bn	£3.4bn ²	£6bn	
Tackling social disadvantage across Britain Number of charities we support as a result of our £100m commitment to the Group's independent charitable Foundations	3,113	2,929	2,500	
Building capability and digital skills Number of individuals, SMEs and charities trained in digital skills, including internet banking	700,232	738,504	1.8m	
Championing Britain's diversity Percentage of senior roles to be held by women Percentage of roles held by Black, Asian and Minority Ethnic colleagues Percentage of senior roles held by Black, Asian and Minority Ethnic colleagues	35.3% 9.5% 6.4%	36.8% 10.2% 6.7%	40% 10% 8%	

¹Figures are all cumulative 2018 to 2020 excluding Tackling social disadvantage across Britain and Championing Britain's diversity. ²Figures are cumulative from 2018. ³Growth in assets under administration in our open book.

Sector statements – existing

Managing our risk appetite to a number of sectors is a critical part of our sustainability strategy. Our external sector statements set out our risk appetite for lending to these particularly sensitive sectors



Sector	Lloyds Banking Group will not:	Sector	Lloyds Banking Group will not:
Coal	<ul style="list-style-type: none"> Finance new coal-fired power stations or thermal and metallurgical coal mines Provide general purpose banking or funding to new customers where >30% of their revenue comes from operating coal-fired power stations and/or thermal coal mines Finance any coal mine using mountaintop mining (MTM) techniques 	Power	<ul style="list-style-type: none"> Finance new large dams for hydro-electric projects that are inconsistent with the World Commission on Dams Framework Finance new customers that are lead contractors in the construction or design of nuclear plants/facilities or lead contractors involved with the transport, storage and disposal of nuclear waste in countries that have not ratified or acceded to the Nuclear Non-Proliferation Treaty Finance new nuclear projects in countries that are not members of the relevant agencies²
Defence	<ul style="list-style-type: none"> Support any businesses which engage in any activities prohibited by international conventions ratified by the UK Government Support any businesses involved in the manufacture, sale, trade, servicing or stockpiling of nuclear weapons¹ 	Mining	<ul style="list-style-type: none"> Finance (whether for any new or existing customer) any mine using the mountaintop removal technique Support new customers involved in the extraction of asbestos Support new or existing customers involved in the disposal of tailings in rivers or shallow sea environments Support (new or existing) customers undertaking deep-sea mining Support new or existing customers engaged in gold mining that use cyanide or mercury in processing operations³
Forestry (incl. Palm Oil)	<ul style="list-style-type: none"> Support businesses directly involved in illegal logging, the purchase of illegally harvested timber or companies that use illegal and/or uncontrolled use of fire for land clearance Support businesses involved in deforestation or the burning of natural ecosystems for the purpose of land clearance, removal of primary or High Conservation (HCV) forests, removing or harming peat lands or producing, processing and/or trading of palm oil by companies that are not a member of - or in the process of becoming a member of - the Round Table for Sustainable Palm Oil (RSPO) and/or the International Sustainability & Carbon Certification (ISCC) 	Oil & Gas	<ul style="list-style-type: none"> Support project specific finance involving oil or gas exploration and production operations in the Arctic region or Antarctic territories Support project specific finance involving the exploration, extraction or production of oil from oil sands Support project specific finance exclusively dedicated to the transport or storage of oil from oil sands, or coal liquefaction Support project specific finance involving Onshore shale fracking Support reserve based lending or borrowing based financing for oil and gas companies with exploration or production in the Arctic region or Antarctic territories

Note – For further detail please find our sector statements online in our reporting centre: <https://www.lloydsbankinggroup.com/our-group/responsible-business/reporting-centre/>

¹Other than when these activities are undertaken in connection with the national nuclear weapons programmes of UK, US or France.²International Atomic Energy Agency (IAEA), have not ratified the Convention on Nuclear Safety, the Convention on the Physical Protection of Nuclear Material, the Joint Convention on the Safety of Spent Fuel Management and on the Safety of Radioactive Waste Management, the Treaty on the Non-Proliferation of Nuclear Weapons, and the International Convention for the Suppression of Acts of Nuclear Terrorism.

³Without adoption of the International Cyanide Management Code for cyanide (or equivalent) or appropriate chemical management controls (for mercury).

Sector statements – new in 2020



Managing our risk appetite to a number of sectors is a critical part of our sustainability strategy. Our external sector statements set out our risk appetite for lending to these particularly sensitive sectors

Sector	Lloyds Banking Group will:	Sector	Lloyds Banking Group will not:
Automotive	<ul style="list-style-type: none"> Continue to support the sector to identify cost savings through development, manufacture and operation of more efficient vehicles with a low environmental burden, and achieve CO₂ reduction targets Change our internal car scheme and will only supply zero emission vehicles from 2021 	Manufacturing	<ul style="list-style-type: none"> Support businesses without the relevant environmental licenses Support businesses that persistently breach regulations
Agriculture	<ul style="list-style-type: none"> Support customers in the sector as it transitions to a lower carbon environment through the development of new innovative products Support customers in reducing the carbon output of their production in line with NFU's target to render British farming carbon neutral by 2040 	Animal Welfare	<ul style="list-style-type: none"> Support businesses engaged in trade in wildlife or wildlife products, or trade involving endangered species for commercial purposes Support businesses engaged in animal testing and biotechnology Support new customers involved in fur activities (excludes leather and wool), or provide new or increased facilities to existing customers Support businesses engaged in using animals for entertainment
		Fisheries	<ul style="list-style-type: none"> Support fisheries which use damaging fishing methods¹ Support fisheries which have direct involvement in shark-finning or trading in shark fin; commercial whaling, Illegal, Unreported or Unregulated (IUU) fishing activities or trade in IUU products
		UNESCO World Heritage Sites	<ul style="list-style-type: none"> Support projects which could result in a World Heritage Site being placed on the 'In Danger' list, unless the World Heritage Committee specifically agrees in advance to that project Support projects which could result in the special characteristics of a Ramsar Wetland being threatened

Note – For further detail please find our sector statements online in our reporting centre: <https://www.lloydsbankinggroup.com/our-group/responsible-business/reporting-centre/>

¹Including but not limited to the use of explosives and/or poison related to the catching of fish or shellfish; use of driftnets in excess of 2.5km or use of driftnets intended for the capture of species such as tuna, oceanic sea bream, marlin, sailfishes, sardines, dolphin fishes, sharks, swordfish and cephalopods.

Governance at Lloyds Banking Group – Board of Directors



Our Board of Directors has a diverse mix of skills and experience to provide independent and robust oversight of management. They actively engage with a wide variety of stakeholders and are committed to being responsive to them

Board focus areas

- Key focus areas for the Board in 2019 included: **business strategy, culture and values, customers, ESG, financial performance, regulatory issues, risk management, cyber security, and the ring-fenced bank**
- Deep dive sessions were held on key areas of strategic focus, including **open banking, strong customer authentication, fintech and data ethics**

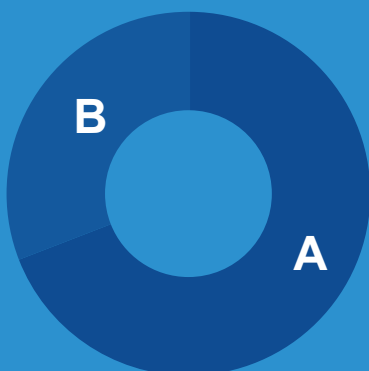
Board oversight of succession planning

- The Board ensures that it has the **desired mix of skills and experience** now and in the future, through **effective succession planning**
- The Board is **committed to recognising and nurturing talent** within the executive and management levels across the Group
- This ensures the Group **creates opportunities to develop leaders**
- The Group has a range of policies which **promote the engagement of underrepresented groups** within the business in order to **build a diverse talent pipeline**

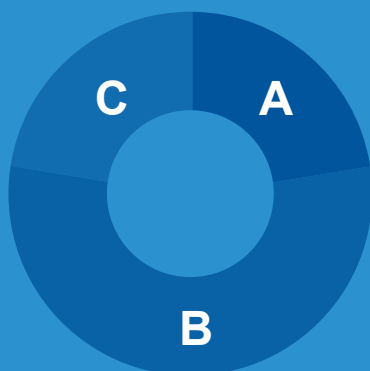
Board skills matrix¹

Skills and experience (Non-Executive Directors only)	
Retail/Commercial Banking	8 out of 10
Financial markets/wholesale banking/corporate clients	8 out of 10
Insurance	6 out of 10
Prudential and conduct risk in financial institutions	10 out of 10
Core technology operations	5 out of 10
Government/regulatory	10 out of 10
Consumer/marketing/distribution	7 out of 10
Strategic thinking	10 out of 10
Digital impact	8 out of 10
Major change programmes	9 out of 10

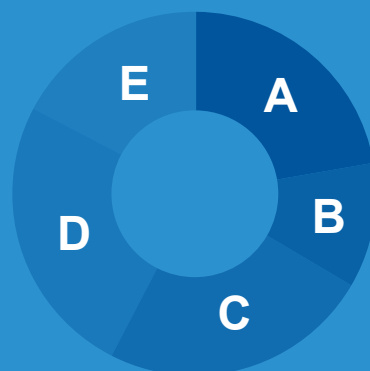
Gender diversity



Age



Board tenure



¹Data as at 31 December 2019.

Responsible Business Committee

A sub-committee of the Board established in 2015 that provides oversight for the Group's Helping Britain Prosper Plan, and the plans for delivering the aspiration to be seen as a trusted and responsible business



Overview				Areas of focus in 2019	
Committee members	Lord Blackwell	Sara Weller	Amanda Mackenzie	Helping Britain Prosper Plan At each meeting, updates have been provided on the performance against the metrics of the Plan	
	Anita Frew	Lord Lupton	Stuart Sinclair	Digital Skills Reviewed the programme regularly with updates on the direction of and progress with the Lloyds Bank Academy, which successfully launched a second location in Bristol, and also considered 'future.now' launched by the Lord Mayor of London, bringing together organisations to boost digital skills in the UK	
Purpose	<ul style="list-style-type: none"> Supports the Board in overseeing the Group's performance as a responsible business, and delivery of our sustainability strategy, as part of the objective of Helping Britain Prosper Responsible for detailed consideration and recommendation to the Board for approval of the Group's Responsible Business Report and Helping Britain Prosper plan Oversees and challenges management on the activities which impact the Group's behaviour and reputation 			Sustainability Continually presented challenge on the Group's strategy of developing new products and strategies to help and support customers in a sustainable way; a number of targets were achieved ahead of plan such as the EV1000 initiative of supporting 1,000 electric vehicles which was achieved during the third quarter of 2019	
				Charitable Foundations Reviewed the work done to support the charitable Foundations work in the charitable sector through strengthening skills-based volunteering across their supported charities	
				Other activities Undertook an in-depth review of Inclusion and Diversity within the Group focusing on BAME colleagues, identified opportunities to strengthen the Group's approach to attract and develop talent, and looked closely at the progress on mental health and resilience in conjunction with the launch of a Resilience portal for colleagues	

Governance case study – cyber security

Our Board and senior management provide robust oversight of key risks



Governance

Robust governance structures focus on cyber security right up to Board level

- Accountability for cyber sits at the top of the Group
- Culture of security awareness with tone set at the top
- Three lines of defence oversight at every level
- Focus on protecting customers and their data



- Cyber risk management is a top priority for LBG, with the Group Chief Security Officer reporting to the Group Chief Operating Officer
- The IT & Cyber Advisory Forum is a board-level forum dedicated to cyber security and IT resilience. It meets quarterly to assess the cyber-security threat and hot topics from both an internal and external perspective
- Scenario exercising the Board on cyber-security incidents

Cyber Aware

Focus on protecting our customers and their data

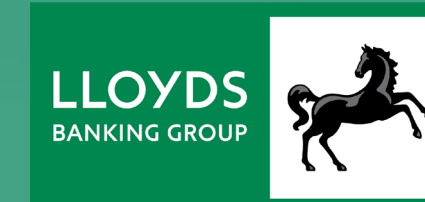
- Significant and sustained **investment** to face into the cyber threat and **mitigate material and emerging cyber risks**
- **Specialised training** for specific colleagues and **engaging awareness content** for all LBG colleagues to encourage vigilance
- Helping our **customers stay safe** online
- Assuring the cyber capability and security culture of **key suppliers**
- **Playbooks and regular scenario exercises** to ensure there is a ready and tested capability to respond to and recover from incidents

Building Partnerships

LBG sits at the forefront of industry collaboration

- Founding member of the **Financial Services Cyber Collaboration Centre**, working with the Government's National Cyber Security Centre, and the **Cross-Market Operational Resilience Group**, where LBG both lead and participate in a number of initiatives
- Board member of the **Cyber Defence Alliance (CDA)**, and member of the **Joint Fraud Taskforce** working with government
- Landmark partnership with the **London Office of Rapid Cyber Security Advancement (LORCA)** to support UK cyber innovation
- Working closely with Israeli incubators on **new cyber technologies**

Group remuneration policy changes – 2020 policy year



Pension contributions	<ul style="list-style-type: none">• Reduce Executive Directors' pension allowances to 15% of base salary, aligned with the majority of the workforce in a single step in 2020, with no offsetting adjustment in base salary or other fixed remuneration• Invested £20m in enhancing pension contributions for the wider workforce
Long-term variable remuneration	<ul style="list-style-type: none">• Introduce long-term restricted share plan to replace LTIP. This will lead to lower and less volatile potential reward outcomes aligned to a stable long-term business model, whilst introducing a simpler, clearer structure with one set of annual metrics, and promoting fairness and consistency• Plan will include a pre-grant test based on the Balanced Scorecard, and a pre-vest test against defined underpins after three years
Balanced Scorecard	<ul style="list-style-type: none">• Further simplification of Balanced Scorecard metrics• Measures are equally weighted across three blocks (Customer, Colleague and Conduct, and Financial)
Post-employment shareholding requirements	<ul style="list-style-type: none">• No formal policy but existing reward structures in line with regulatory requirements mean that a substantial proportion of variable reward for Executive Directors and other senior employees takes the form of shares deferred and held over a period of up to eight years

For further information



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Useful links

Investor Relations <https://www.lloydsbankinggroup.com/investors/>

Annual Report <https://www.lloydsbankinggroup.com/investors/annual-report-2019/download-centre/>

Responsible Business <https://www.lloydsbankinggroup.com/our-group/responsible-business/>

Helping Britain Prosper <https://www.lloydsbankinggroup.com/our-group/responsible-business/prosper-plan/>

Sector Statements <https://www.lloydsbankinggroup.com/our-group/responsible-business/reporting-centre/>

Forward looking statements



This document contains certain forward looking statements with respect to the business, strategy, plans and /or results of Lloyds Banking Group plc together with its subsidiaries (the Group) and its current goals and expectations relating to its future financial condition and performance. Statements that are not historical facts, including statements about the Group's or its directors' and/or management's beliefs and expectations, are forward looking statements. By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. Factors that could cause actual business, strategy, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward looking statements made by the Group or on its behalf include, but are not limited to: general economic and business conditions in the UK and internationally; market related trends and developments; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; any impact of the transition from IBORs to alternative reference rates; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Group's credit ratings; the ability to derive cost savings and other benefits including, but without limitation as a result of any acquisitions, disposals and other strategic transactions; the ability to achieve strategic objectives; changing customer behaviour including consumer spending, saving and borrowing habits; changes to borrower or counterparty credit quality; concentration of financial exposure; management and monitoring of conduct risk; instability in the global financial markets, including Eurozone instability, instability as a result of uncertainty surrounding the exit by the UK from the European Union (EU) and as a result of such exit and the potential for other countries to exit the EU or the Eurozone and the impact of any sovereign credit rating downgrade or other sovereign financial issues; political instability including as a result of any UK general election; technological changes and risks to the security of IT and operational infrastructure, systems, data and information resulting from increased threat of cyber and other attacks; natural, pandemic and other disasters, adverse weather and similar contingencies outside the Group's control; inadequate or failed internal or external processes or systems; acts of war, other acts of hostility, terrorist acts and responses to those acts, geopolitical, pandemic or other such events; risks relating to climate change; changes in laws, regulations, practices and accounting standards or taxation, including as a result of the exit by the UK from the EU, or a further possible referendum on Scottish independence; changes to regulatory capital or liquidity requirements and similar contingencies outside the Group's control; the policies, decisions and actions of governmental or regulatory authorities or courts in the UK, the EU, the US or elsewhere including the implementation and interpretation of key legislation and regulation together with any resulting impact on the future structure of the Group; the ability to attract and retain senior management and other employees and meet its diversity objectives; actions or omissions by the Group's directors, management or employees including industrial action; changes to the Group's post-retirement defined benefit scheme obligations; the extent of any future impairment charges or write-downs caused by, but not limited to, depressed asset valuations, market disruptions and illiquid markets; the value and effectiveness of any credit protection purchased by the Group; the inability to hedge certain risks economically; the adequacy of loss reserves; the actions of competitors, including non-bank financial services, lending companies and digital innovators and disruptive technologies; and exposure to regulatory or competition scrutiny, legal, regulatory or competition proceedings, investigations or complaints. Please refer to the latest Annual Report or Form 20-F filed with the US Securities and Exchange Commission for a discussion of certain factors and risks together with examples of forward looking statements. Except as required by any applicable law or regulation, the forward looking statements contained in this document are made as of today's date, and the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The information, statements and opinions contained in this document do not constitute a public offer under any applicable law or an offer to sell any securities or financial instruments or any advice or recommendation with respect to such securities or financial instruments.

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