

# Building an inclusive society

**Lloyds Banking Group**  
Social Sustainability Report 2022





# At Lloyds Banking Group, our purpose is Helping Britain Prosper. As the UK’s largest financial services provider with more than 26 million customers in the UK, we have an important role to play in creating a more sustainable and inclusive future, for people and businesses, shaping finance as a force for good.

Additional links

Annual report and accounts 2022



- Environmental sustainability report 2022
- 2022 Deloitte non-financial assurance opinion
- 2022 consolidated reporting criteria
- ESG reporting framework index
- Gender pay gap report
- Ethnicity pay gap report
- Pillar 3 disclosures
- ESG performance review 2022

Our 2022 reporting

In 2022, we have prepared our external reporting to assist our stakeholders in understanding our strategic progress on our key societal and environmental focus areas.

Our **social sustainability report** and **environmental sustainability report** supplement our annual report and accounts with more detailed information on our social and environmental sustainability progress, demonstrating how we’re bringing our purpose to life every day across communities in Britain.

Our reporting is designed to facilitate better communication to a range of stakeholders and has been compiled using globally recognised reporting frameworks to guide our reporting. For more information on the frameworks reference, please see our ESG reporting framework index available for download at our **Responsible Business downloads centre**.

Supplementary information and disclosures are referenced throughout this report.

We take an integrated approach to reporting that reflects the way we operate and how we manage Environmental, Social and Governance (ESG) issues.

Further information on our approach to the governance of ESG issues and governance related statements can be found in our annual report and accounts and ESG performance review 2022.

Our supplementary **ESG performance review 2022** provides key management statements and performance data in relation to material ESG performance. The review also contains further details of our materiality process and stakeholder engagement processes.

Scope of this report

The data and examples in this report reflect activities undertaken during the 2022 fiscal year (1 January to 31 December 2022) and where relevant

to performance, refers to activities and events before and after this period. The report includes information about Lloyds Banking Group and its subsidiaries’ performance.

Please see the Disclaimer on page 43 for further information about the basis on which this document, and the information contained it (including forward-looking statements), has been prepared.

Further information about our ESG-related policies, sector positions, performance ratings and benchmarks can be found online at our **Responsible Business downloads centre**.

Assurance

Deloitte LLP has provided limited assurance over selected environmental and social key performance indicators. Deloitte’s 2022 assurance statement and the 2022 consolidated reporting criteria are available on the **Responsible Business downloads centre**.

✓ Indicator is subject to limited ISAE 3000 (revised) assurance by Deloitte LLP for the 2022 reporting.

Promoting financial inclusion and resilience

See page 09

Enabling regional development

See page 22

Improving access to quality housing

See page 18

Inclusion and diversity leadership

See page 26

# About Lloyds Banking Group

## Our external drivers, risks and opportunities

We've built our business and strategy to manage the fluctuations in our external environment and to adapt to ever-changing stakeholder needs. This helps ensure the Group remains sustainable over the longer term and is able to manage risks and opportunities as they emerge.

We regularly review the associated risk implications to ensure the right choices are being made for customers, colleagues and the Group.

See our external environment in the **annual report and accounts** page 16

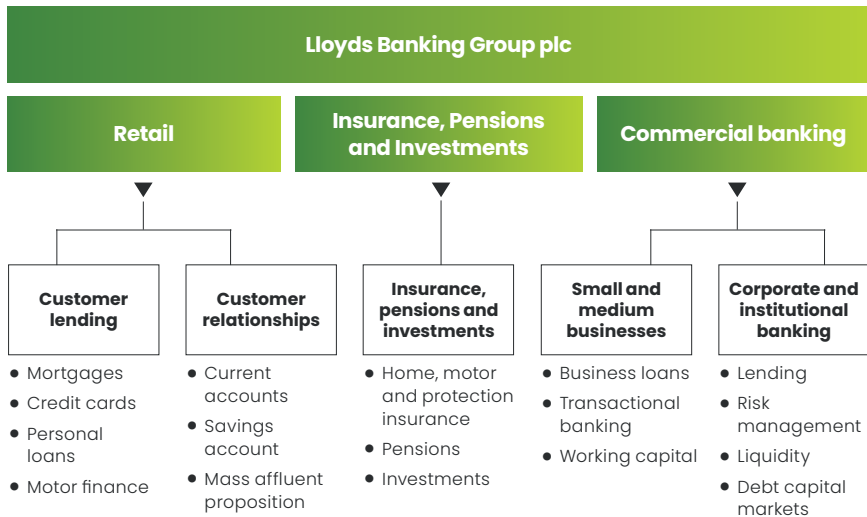
See our risks in the **annual report and accounts** page 38

As a large, UK-focused financial services provider our business model is influenced by a number of external factors:



## Our structure

We have three core divisions and in line with our new strategy launched in 2022, we restructured our business areas to optimise synergies and efficiencies to best serve our customers' needs.



## Our competitive advantages

We have a number of distinct competitive strengths that collectively differentiate our proposition.

### Financial strength and disciplined risk management

We have a strong capital position and continue to take a disciplined approach to risk, as reflected through the quality of our portfolio and underwriting criteria.

### Dedicated colleagues with strong values

We have a highly engaged, customer focused, diverse, workforce with significant expertise and experience.

### Leading UK customer franchise with deep customer insight

Our scale and reach across the UK means that our franchise extends to 26 million customers with 19.8 million digitally active. Extensive customer data and analysis ensures we can meet the needs of these customers more effectively.

### Operating at scale with cost discipline

Our scale and efficiency enables us to operate more effectively.

### Differentiated business model, meeting all consumer and business financial needs in one place

We have a unique customer proposition, serving all our customers' banking and insurance needs in one place through a comprehensive product range.

### All-channel distribution focus with digital leadership and trusted brands

Operating through a range of distribution channels ensures our customers can interact with us when and how they want. Operating a range of leading, trusted, brands enables us to address the needs of different customer segments more effectively.

## Our trusted brands

Our products and services are made available to our customers through our trusted brands, which enables us to address the needs of different customer segments more effectively.



# Driven by our purpose

For over 325 years we have supported Britain through the good times and the bad. Given our clear purpose and unique position at the heart of the UK economy, we embrace our responsibility to help address some of the biggest economic, social and environmental challenges that the UK faces.

In February 2022, as part of our new strategy, we set out an ambition to become a truly purpose-driven organisation and we are taking steps to embed purpose at the core of our business, decision making, operations and culture.

Our strategy is directly aligned to our purpose of Helping Britain Prosper, building on the scale and position of the Group, that will deliver long-term and profitable growth while making a meaningful and positive difference for all stakeholders.

The Board of Lloyds Banking Group is responsible for the long-term success of the Group, setting and overseeing purpose, culture, values and strategy for the Group. Together with the Group Executive Committee, the Board actively drives our efforts and engages in shaping our strategic plans, ensuring these are aligned to our purpose, while overseeing their delivery.

## Our purpose is Helping Britain Prosper

**We Help Britain Prosper by creating a more sustainable and inclusive future for people and businesses, shaping finance as a force for good.**

To deliver on our purpose, we have identified four focus areas where we are best placed to provide significant positive change enabling us to create a more inclusive society and sustainable future:

- **Creating a more inclusive future**
- **Improving access to quality housing**
- **Enabling regional development**
- **Greening the built environment**

## Our Group strategy

Our new strategy, unveiled in 2022, will be a multi-year transformation requiring us to build towards our ambition progressively, through commitments, objectives and ambitions, and to embed our purpose into our decision making, culture and capabilities.

Core to our purpose and strategy is our focus on building a more inclusive society and supporting the transition to a low carbon economy, as this is where we can make the biggest difference, while creating new opportunities for our future growth. It is only by doing right by our customers, colleagues and communities that we can achieve higher, more sustainable returns for investors, while meeting the needs of our broader stakeholders.

See our **annual report and accounts 2022**



**Grow**

**Drive revenue growth and diversification**

**Focus**

**Strengthen cost and capital efficiency**

**change**

**Maximise the potential of people, technology and data**

## Our values

Our values guide how we work together and how we make decisions, so that we're always Helping Britain Prosper and that we're meeting the needs of customers, colleagues, and communities – today, and for generations to come. We are aiming to embed these values into every decision-making moment across the business, from big strategic decisions to smaller everyday choices.



### People-first

**We put people first to go further for customers**

We listen and care for people as individuals. We go the extra mile to help customers, colleagues and communities feel more supported, in control and confident about their future.



### Bold

**We're bold and take action**

We innovate and do things differently to better serve our customers and grow with purpose. We challenge things that aren't right, and take action to change them.



### Inclusive

**We're inclusive to value everyone**

We learn about and embrace our differences and seek out diverse perspectives. We shape what we do and what we offer around the different needs and circumstances of our customers, colleagues and communities.



### Sustainable

**We champion sustainability to care for our planet**

We take responsibility for the impact of our actions on nature and Britain's transition to net zero. We see the bigger picture and think through the consequences of our decisions.



### Trust

**We trust each other to achieve more together**

We give each other the space and support to take things on and see them through. We are honest with each other and explain our decisions.



# Focusing our impact

We are committed to Help Britain Prosper by creating a sustainable and inclusive future for all and to that end, we have identified high-impact focus areas which are material to the Group, but also where we are best-placed to act and deliver significant positive change through cross-Group efforts.

We have established clear ownership for each of these areas and are bringing the organisation together to truly maximise its capabilities and the contribution to building a more sustainable and inclusive society.

Through this report, we detail the progress we have made in the course of 2022 in the areas of enabling regional development, improving access to quality housing and creating a more inclusive future.

## Our focus areas

Grow

### Enabling regional development

See pages 22 to 25 of this report.

Regional inequality is one of the major challenges facing the UK. This inequality leads to adverse economic and social consequences across many communities. Sitting at the heart of communities, we are uniquely placed to leverage our scale to help address these issues. We will do this by meeting the needs of these regions, focusing on opportunities to support housing and physical regeneration; increase regional productivity and create high-quality jobs; encourage inclusive growth by broadening economic opportunity across the community; and enable a just transition to net zero.

7 AFFORDABLE AND QUALITY HOUSING

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Grow

### Improving access to quality housing

See pages 18 to 21 of this report.

Access to secure and quality housing is becoming increasingly challenging. We're uniquely placed to enact change and want to explore the opportunities to increase access to the benefits of home ownership, including through shared ownership, supporting a quality rental and social housing sector, taking the building of housing that supports inclusive communities further, and increasing the availability of specialist housing.

7 AFFORDABLE AND QUALITY HOUSING

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

Grow

### Greening the built environment

Environmental sustainability report 2022

Our objective is to help close the finance gap in greening the built environment in the commercial and residential UK market, creating employment and addressing fuel poverty. There are opportunities for us to build on our financing to the social housing and commercial sector, broaden the finance and partnerships we make available to our mortgage customers, and our work on city-scale retrofit in the UK regions.

More information on this ambition as well as our activities in providing sustainable finance, managing our climate risks, reducing our greenhouse emissions and transitioning our business can be found in our environmental sustainability report 2022.

7 AFFORDABLE AND QUALITY HOUSING

11 SUSTAINABLE CONSUMPTION AND PRODUCTION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

17 PARTNERSHIPS FOR THE GOALS

Grow

### Creating a more inclusive future

See pages 09 to 17 of this report on how we are promoting financial inclusion and education.

See pages 26 to 42 on our initiatives related to building an inclusive and diverse organisation and communities.

#### Financial inclusion

We aim to support the financial needs of all groups of customers, either through our services or strategic partnerships, provide further support through the increased cost of living, and make our products, processes and services accessible and inclusive by design.

#### Inclusion and diversity

We will continue to create a fully inclusive organisation that is representative of modern-day Britain, where differences are embraced and everyone can reach their potential and we will use our experience and inclusion principles in our engagement with the communities we serve across Britain.

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

17 PARTNERSHIPS FOR THE GOALS

As we become a more purpose-driven organisation, we have an opportunity to play our part in helping the UK to meet the targets set by the UN Sustainable Development Goals (SDGs). They provide a common framework for us to identify how we can play a more active role in the sustainable development of UK society and help us frame how we use our operating model, scale, resources and skillsets to respond to some of the biggest societal challenges faced by the UK today.

When developing our purpose and strategic focus areas, we considered the SDGs with the highest materiality to our business and sector. We reviewed our commercial exposure considering both the potential for positive impact as well as risk mitigation, and considered the spheres of influence that the Group may feasibly have an impact on, as well as those of highest impact to our key stakeholders.

Throughout this report and our environmental sustainability report, we have demonstrated how our activities support the achievement of specific SDG sub-targets through selected examples and case studies. We also include selected non-financial performance indicators in the Group Balanced Scorecard that support the achievement of our ambitions, focus areas and the SDGs (see page 110 of the 2022 Lloyds Banking Group annual report and accounts).

# I'm pleased to bring you our social sustainability report 2022, our separate, standalone report on how we're supporting a more inclusive society.

Last year we put our purpose, Helping Britain Prosper, at the heart of our new strategy for growth. The challenges of the past few years show why our purpose has become even more important, and that doing the right things for our customers, communities and colleagues will help deliver higher, more sustainable long-term returns for shareholders and create value for all our stakeholders.

To that end we've identified four high impact themes that are material to our business and where we're best-placed to make a significant impact. We will focus our efforts on widening access to housing; boosting regional development in lower income areas; supporting the greening of the built environment; and financial inclusion and education.

Social sustainability is central to this, and one of the ways we will deliver on our purpose and priorities is by playing our part in building a more inclusive future, for the benefit of all members of society. When you remove barriers to inclusion you increase the chances of success. You open the door to more ideas and opportunities, and the unique perspectives that different people can bring. As the UK's largest financial services provider, our scale, resources, products and services are how we will remove these barriers, and by Helping Britain Prosper we will show how finance is a force for good.

That's why, for the first time, I'm pleased to bring you our social sustainability report 2022, our separate, standalone report on how we're supporting a more inclusive society. Alongside our environmental sustainability report 2022, which covers our climate strategy and how we're supporting the transition to a low carbon economy, we clearly set out the progress we've made.



One of the ways we will deliver on our purpose and priorities is by playing our part in building a more inclusive future, for the benefit of all members of society.

**Charlie Nunn**  
Group Chief Executive





Addressing the increased cost of living

Over the past few months, I've spoken with many people up and down the country, including customers, business leaders and members of the public. Some are really struggling to make ends meet, many are having to significantly adapt their spending, while others are looking to invest and grow.

Although their needs differ, there's consensus that helping households with the increased cost of living will continue to be the most important challenge facing the UK for the foreseeable future. And while individuals, families and businesses are showing real financial resilience as inflation bites and real incomes are squeezed, they're looking to us on things like helping mortgage holders navigate interest rises and helping customers manage debt.

That's why we launched our Cost-of-Living Hub, giving our individual customers access to free and independent advice to manage their finances; at the same time, we picked up the phone or wrote to more than 550,000 businesses that bank with us to offer the same.

It's why we offered a six-month interest rate holiday on overdrafts of up to £500 for 130,000 customers who use them regularly, and why we're so proud of our Green Building Tool — that's helping businesses make cost savings on their commercial premises by identifying more sustainable and energy efficient solutions.

And given our reach across the country, we are well positioned to support the communities we serve. It's why we've committed to donating £2 million to the debt charity StepChange, and it's why in December we added £2 million to the £20 million already committed to our four Lloyds Banking Group charitable Foundations, enabling them to provide additional funding and support to the many local charities they work with.

This is finance as a force for good in action.

Highlights from the year

As this report will show, there are many things we've done to support a more inclusive society, and we have many proud achievements.

Driven by the commitments in our Race Action Plan, we supported over 3,300 Black entrepreneurs and business owners, released the second **Black. British. In Business & Proud report**, and 100 of our colleagues acted as official mentors to Black business owners. We've also made progress internally on our own diversity and inclusion targets and were proud to win Outstanding Employer at the Ethnicity Awards.

If the economic productivity gap between poor-performing UK regions and the national average could be closed by half, this would lead to an £80 billion GDP benefit per annum. Our efforts to address regional inequalities will focus on opportunities to support housing and physical regeneration, increase regional productivity, and create high-quality jobs.

I was honoured to represent the Group as part of the Prime Minister's Business Council, looking at how to accelerate the energy transition in the UK's regions with a particular focus on housing, transport and local energy infrastructure. The Council has provided practical support to three city regions and identified opportunities that could be replicated across others.

Finally, as the largest mortgage lender in the country and at the forefront of the housing industry, I want to touch on what we've done to help increase access to quality, affordable and sustainable homes for everyone — whether existing homeowners, aspirational ones or renters. We have supported £2.1 billion of new funding to the social housing sector, £14.3 billion to first time buyers, and announced a new partnership with Octopus Energy to provide affordable, energy-efficient solutions for our homeowners.

Driving progress in the next 12 months

We will continue to drive progress over the next 12 months. We will ensure our purpose is at the heart of everything we do, and embed it throughout our operations, making it an even more important part of our culture. This is how we will help build a fully inclusive organisation and society and support the transition to a low carbon economy.

We are here to Help Britain Prosper — now and for generations to come.

Charlie Nunn

Charlie Nunn  
Group Chief Executive





# £14.3bn

of funding provided to first time buyers in 2022



## £2.1bn

of new funding supported the social housing sector



## £2m

donated to the debt charity StepChange



## >3,300

entrepreneurs and business owners are supported by our Race Action Plan

# 2022 in review

**Awarded Outstanding  
Employer at the  
Ethnicity Awards**

**£22.4m**

donated in total to our  
Foundations to support  
charitable causes

**c38k**

Afghan and Ukrainian  
nationals were supported  
to open bank accounts

**75%**

Employee engagement score

**1.7%**

increase in women in  
senior management roles



**Race  
Education  
Training  
programme  
delivered to  
our workforce**

**Over 95k**  
small businesses  
and start-ups have  
been supported  
through online  
support, advice  
and accounts

**£2.1bn**

of new funding  
supported to social  
housing in the UK



**1.4%**

increase in Black, Asian and  
Minority Ethnic colleagues'  
representation at senior  
management levels

**400k**

consumers and businesses  
supported with bespoke  
support and skills-building  
through and with partners by  
our Bank of Scotland, Lloyds  
Bank and the newly launched  
Scottish Widows Be Money  
Well website

**Specialised  
support  
teams**

Our Domestic and  
Economic Abuse Team  
has supported more than  
4,700 victim-survivors  
to rebuild their finances

**Small  
Business  
Boostcamps**

Launched a small business  
training programme where  
businesses can learn, network  
and develop their digital skills

**Supported c185,000 small businesses  
through boosting their digital  
capability and technology  
adoption in 2022 through the Lloyds  
Bank and Bank of Scotland Academy**





# Cost of living support

It has been an exceptionally turbulent and difficult time for our customers, many of whom are still navigating the consequences of the pandemic and now find themselves dealing with increased costs of living and uncertainty – we’re continuing to support our personal and business customers, employees and communities through these challenging times.



## Individual customers

- We launched our Cost-of-Living Hub and through it, customers can get access to free and independent advice to help them manage their finances.
- We contacted 5.5 million customers pro-actively to provide financial resilience tools
- We provided 246,000 customers with bespoke financial support through interactions and digital support
- We opened 44,000 loans to help customers to consolidate their debts
- Contacted customers on our Standard Variable Rates mortgage products to provide help to reduce their monthly repayments
- Offered 130,000 customers who use their overdraft regularly, a £500 interest-free buffer for six months
- Since 2020, donated over 2,000 devices and data, and supported 17,000 people through our Digital Helpline. The Helpline will continue to operate in 2023, supporting our customers and communities.



## Communities

- The support of money management charities is more important than ever to the thousands of people who turn to them for free impartial advice and that’s why we’ve committed to donate £2 million to the StepChange Debt Charity over 2022 and 2023
- To help our Foundations to support charities and organisations through the increased cost of living, this year we donated an additional £2 million to them

- We recognise that there are some vulnerable groups who are at risk of financial exclusion and for whom opening a bank account is more challenging, including: people experiencing homelessness; people experiencing financial abuse; victims of modern slavery; refugees; asylum seekers; and prisoners. We have simplified our processes to make it as easy as possible for colleagues to support these vulnerable groups



## Employees

- As one of the UK’s largest employers, we understand the impact that the increased cost of living has continued to have on our colleagues. We launched our Money Chats service that allows colleagues to have a free and confidential conversation with an internal financial wellbeing expert and allows colleagues to maximise their full reward package, understand their pensions, access information and guidance on budgeting and proactive signposting to additional support services
- For our colleagues, following our one-off payment in August to help with the cost of living, we have launched a dedicated colleague mortgage hub to provide help faster and we announced a new approach to pay and reward
- In addition, we made significant changes to our reward approach which reflects our continued desire to support our colleagues during these extraordinary times and over the longer term. The pay reward for 2022 has a cash value typically in the range of 8 per cent to 13 per cent for around 43,000 of our lowest paid colleagues, with a minimum pay award of £2,000 and a £500 cash payment in December 2022 for lower-graded colleagues



## Businesses

- Representing 20 per cent of all UK businesses, we know the challenges that they are facing with increased energy bills, higher raw material costs, supply chains delays and a shortage of skilled labour. We’ve proactively contacted more than 550,000 corporate customers to offer support and run through options to help them manage their finances
- Through our financial wellbeing tool, we’re monitoring our customers who may be at risk of falling into financial difficulty and have been working with them to offer bespoke support such as temporary payment plans and 30-day holds which can stop interest or product fees continuing to build
- We have updated our Managing Business Costs and Uncertainty Hub to include insights to help businesses improve their cash flow, manage short-term cash flow pressures and protect against financial risk. Through our Green Building Tool we are encouraging energy efficiency and cost reductions by introducing sustainable alternatives to commercial properties
- In 2022, we supported £2.1 billion of new funding of which £1 billion relates to sustainability improvements including retrofit investment and decarbonisation of social housing homes, which also reduces tenants’ energy bills and helps to tackle fuel poverty

Further information on the value that we have brought to our stakeholders in 2022 is included in our **annual report and accounts** on pages 04 to 07 [↗](#)



# Promoting financial inclusion and resilience

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**At Lloyds Banking Group we are focused on ensuring that all our customers, regardless of their personal circumstances, can pursue their financial objectives.**

**This means that the people, communities and businesses that rely on us for their financial needs feel supported, in control and confident about their future.**



Grow

Focus

Change

Our goal is to create a more inclusive future for our customers, clients and communities, ensuring we can support the financial needs of all groups and make our products, processes and services accessible and inclusive by design. We are striving to not only help people and businesses out of financial difficulties but to work with them, provide them with the right tools to avoid getting into trouble and assist them to fulfil their ambitions. Through our scale, resources, products and services, we are uniquely positioned to assist people in overcoming the barriers that have previously excluded them from participating in the financial sector and using these services to improve their lives.

**100k**  
**completions of our core vulnerability and capability training modules**

## Supporting people

### Making it easier for customers to tell us what they need

An important part of supporting our customers is understanding their specific circumstances and what help they need from us as a result. We recognise that these conversations are sometimes challenging for our customers, and so we have focused on making it easier for them to tell us about the support they need.

Through online and mobile banking, customers can record specific support requirements such as any special formats needed for letters and statements, or that they have a speech difficulty, use British Sign Language, or require mobility support. Crucially, customers with more complex needs or whose support requirements are more circumstantial, can tell one of our colleagues over the phone or in branch.

All customer-facing colleagues are trained in vulnerability and how to show empathy to customers and to respond to, record and take practical action to support those who find themselves in vulnerable circumstances, or who, for whatever reason, just need a bit more help.

More broadly, as an inclusive organisation, we have empowered each business area to tailor inclusion training to upskill colleagues in line with their needs. For example, colleagues across our branch networks have one hour dedicated to vulnerability training each month. Available to all colleagues, our core vulnerability and capability training modules have been completed over 100,000 times. We have also recently introduced new 'inclusive mindset' content which has been viewed over 5,000 times since launch.

## Supporting customers in vulnerable circumstances

While the current environment of financial uncertainty and the resultant strain on finances is a challenge itself, these circumstances often also have a knock-on effect impacting peoples’ broader health, wellbeing and relationships. This leads to more of our customers finding themselves in vulnerable circumstances. The Group is committed to offering meaningful support to meet our customers varied needs; providing them with good outcomes and working to mitigate or reduce any risk of financial harm. By adapting our support, proactively contacting customers, and using insight and data to better understand customer needs, we continue to deepen and broaden our support for those in vulnerable circumstances.

We have introduced a new support tool which is designed to guide colleagues through these conversations. It suggests themes and topics to explore with customers to understand the financial, practical and emotional impacts of their circumstances. It also helps colleagues to identify appropriate solutions to explore with a customer

based on the impacts and needs identified. This may be support we can offer them directly, or, recognising that often we are only part of the solution, includes signposting or referral to organisations or partners who can provide more holistic support.

We take very seriously our responsibility to talk to customers about what support they need so that we can take the appropriate action to make sure this is provided every time they speak to us, whether on the phone, in branch or through our digital channels. We can record customers’ support needs and share with the relevant teams so that they don’t have to repeat conversations they may find difficult.

Our research tells us that there are some customers in vulnerable circumstances who find it too difficult to discuss their problems with a customer services adviser in branch or over the phone, and so we have improved the information we provide to customers through our web chat and customer websites, recognising that this more remote communication channel is often favoured by not only those facing challenging circumstances, but also neurodiverse customers or those with mental health conditions.

Our Help and Support centres across each of our customer websites provide a wealth of information and support.

The websites detail advice and guidance on how to deal with the financial implications of key life events, health issues or money worries. They also signpost to independent organisations and charities that can provide more holistic support.

## Our specialist support teams

Our specialist support teams have been trained to deal with specific circumstances where extra care and more bespoke support is required. These specialist customer services teams are available to reach through dedicated phone numbers, made publicly available on our customer websites. Likewise, colleagues from across the organisation can make referrals into our specialist support teams when they have identified a customer in need of this more specialist support.



**Our Domestic and Financial Abuse Team, established in 2019, has now supported over 4,700 victim-survivors to rebuild their finances.**

## Domestic and financial abuse

Our Domestic and Financial Abuse team, established in 2019, has now supported over 4,700 victim-survivors to rebuild their finances. Specially trained by domestic abuse charities **Surviving Economic Abuse** and **Tender**, our colleagues support customers in the way that best suits their needs including separating finances and setting up new accounts. The team also signposts to domestic abuse charities for emotional and practical support where needed, as well as taking direct referrals from domestic abuse charities.

In some instances, the Domestic and Financial Abuse team will refer customers to our Exceptional Circumstances Panel, who are there to help resolve the most complex financial abuse cases. We work closely with Surviving Economic Abuse, learning from their experts, including survivors of financial abuse, to inform our strategy. For the last couple of years, we have had a colleague from Surviving Economic Abuse seconded into the Group to help us continue to evolve our support for colleagues and customers.

## Serious illness

Recognising the financial shock that can accompany the diagnosis of many serious health conditions, this year we expanded the remit of our Cancer Support team to cover all critical illnesses. Our Serious Illness team offers dedicated support to all customers affected by ill health, through the provision of fee suppressions, waiver of fees and charges, payment holidays and more.

Similarly, our emergency access service provides vital support in cases where customers have lost mental capacity either permanently or temporarily (due to ill health or accident) and where loved ones require access to funds to ensure key things are paid for, such as household bills or associated costs related to the care of that individual. So far, we have helped over 1,000 customer representatives to access their loved ones’ accounts safely in times of need.

## Bereavement

Our bereavement team, set up in 2017 with leading charity **Grief Encounter**, continues to support bereaved customers to navigate the practical and money-related matters they need to deal with following the death of a loved one. If in need of emotional support to deal with their loss, through our partnership we are also able to refer customers to the Grief Encounter counselling service, either for face-to-face services dependent on location and circumstance, or for e-counselling and immediate support via their grieftalk helpline.





## Recognising the link between mental health and debt

Like many disabilities and long-term health conditions, a mental health condition is different for every individual. There are clear links between mental health and debt, which is particularly relevant in the current climate of rising costs of living and ongoing economic uncertainty. Throughout 2022 we have continued to adapt our services and strived to offer support to our customers in the right way for them.

We have reviewed and redesigned our mental health and money worries web pages across Lloyds Bank, Halifax and Bank of Scotland, to improve our customer experience and make it easier for customers to find the support they need. All our products and services are designed with inclusivity in mind, which includes allowing customers to contact us in a way that works for them, recognising that customers with mental health conditions may find some channels more difficult than others. We continue to review how we support customers with mental health conditions by working with the **Money and Mental Health Policy Institute**. We are in the process of renewing our existing Mental Health Accessible – Level 1: Essentials accreditation with them, which will help us identify where we can further improve our processes and services.

To support our small and medium business customers in 2022 we relaunched our guidance on mental health in the workplace, sharing best practice on how they can support their employees with mental health conditions, recognising that many small businesses don't have the time or resources to build this understanding organically.

c38,000

Afghan and Ukrainian nationals were supported by us to open a bank account

## Increasing access to banking

As part of our commitment to financial inclusion, we want to ensure that as many people as possible have access to a bank account. As the UK's largest provider of basic bank accounts, holding one in three, we believe everyone should have access to a bank account.

We know that there are some vulnerable groups of people who are at risk of financial exclusion and for whom opening a bank account is more challenging, including: people experiencing homelessness; people experiencing financial abuse; victims of modern slavery; refugees; asylum seekers; and prisoners. We have simplified our processes to make it as easy as possible for colleagues to support these vulnerable groups. We are committed to supporting those entering the UK to access banking products and services. For example in 2022, we supported c.38,000 Afghan and Ukrainian nationals to open a bank account. Furthermore, we supported c.23,500 customers with non-standard ID to open accounts.

Throughout 2022, we ran a number of pilot projects looking at how best to further support our customers who require translation services. From in-branch pilots where customers can access guides to common processes in over 30 languages, to telephony interpretation, we are exploring a breadth of initiatives designed to make it easier for our customers who are new to the UK, or for whom English is not their first language, to understand products, services and support.

The Lloyds Bank, Halifax and Bank of Scotland websites now have dedicated pages that explain how we can support people who have recently arrived in the country gain access to a bank account. In response to the crisis in Ukraine, these pages have been made available to download in Ukrainian and Russian, with translations into more languages to follow soon.



## Diversity and retirement: Understanding and highlighting the issues

In 2022, Scottish Widows compiled two research reports related to thematic research around retirement planning. **The Scottish Widows retirement report**, looked at how households are coping after years of stagnant incomes and examined the retirement prospects of different demographic groups considering the impact of the increased cost of living crises on retirement savings and people's behaviour.

Scottish Widows also published their **women and retirement report** which explores how women cope with the financial pressures of the increased the cost of living, and how it affects the existing gender gap in retirement preparations.

## Ethnicity and retirement

Across the UK, there are longstanding differences in the socio-economic outcomes of different ethnic groups in the UK. Scottish Widows polled a sample of ethnic minorities to allow them to explore in more detail their experience of retirement preparations and the effects of the rise in the cost of living. There is diversity in the impacts, but there are also some broad pension trends which the report explores further.

Over half (59 per cent) of Black communities in the UK are concerned about running out of money during retirement, with a quarter (25 per cent) saying that they do not have a personal or workplace pension. Instead, they rely on non-pension savings and cash assets which are more likely to be impacted by higher inflation, creating a long-term savings crisis for the Black community. In contrast, just under half (49 per cent) of the Indian community and 53 per cent of White Brits were concerned about running out of money in retirement. The figures, drawn from Scottish Widows' latest retirement report,

reveal significant contrasts between the Black community and other groups in response to current financial pressures and their pension contributions.

For more information, please see the full retirement report [here](#)



## Gender and retirement

Scottish Widows' latest Women and Retirement Report shows that gender gaps in pay and pensions between men and women across the UK are worsening year-on-year. In pay alone, the average man earns £33,000 a year, compared to £22,800 for the average woman – a £10,200 annual difference, driven in part by pay stagnation and a growing median pay gap between men and women in the UK.

You can read the full Scottish Widows **women and retirement report** to explore these issues in further detail, including our recommendations for policy reform to help address the gender gap.

In action

# Working with Shelter to help people at risk of homelessness to access banking services



**SDG 8.10:** Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all

**SDG 10.2:** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Throughout 2022, the Group has been working with leading homelessness charity Shelter and has linked up 18 branches with Shelter hubs across the UK to enable them to support their clients to open accounts.

“A bank account is fundamental to being able to receive benefits, get paid or have somewhere to live. Shelter and Lloyds Bank have been working together during 2022 to support people that are homeless, or at risk of homelessness, to access banking services.

Earlier in the year, Manchester City Council got in touch with our Shelter hub in the city centre to say that 250 Afghan refugees were in desperate need of a bank account. Without this they would have been at risk of homelessness. The Lloyds Bank branch in Manchester immediately stepped in to provide this vital support. Within a matter of days, a process was set up which enabled hundreds of families to open a basic bank account. One man had been forced to flee, leaving behind his home, job and some members of his family. It was an extremely distressing time for him, but Lloyds Bank was able to alleviate some of the stress for the family.

We have now worked together to roll out a programme of support across Shelter’s hubs in England and Scotland. Each Shelter hub has been matched up with a named contact at its closest branch so that they can refer people in need of a bank account.”

Liz Norris, Shelter Manchester



In action

## The Digital Helpline has supported 17,000 people since 2020



**SDG 10.2:** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Barbara has been a self-employed curtain maker for over 30 years. She has always been dependent on her children to support her when it comes to anything digital for her business – she was scared of being scammed, clicking on something she shouldn’t or ordering the wrong items. Barbara relied on her family to help with online purchases for materials, sending emails, connecting with clients and much more.

Barbara’s daughter, Amber, would visit at least once a week to support with simple online tasks. Barbara began to feel she was becoming too dependent on her grown-up children and was motivated to change her ways, and wanted to try using the internet by herself. Amber referred Barbara to the Digital Helpline to help her build her skills and confidence to get online.

Barbara initially called the Digital Helpline to ask for help with Internet Banking and making online purchases, in the hope it would improve her confidence to use more digital services for her business, and in her personal life. She was gifted a device through the helpline to support with accessing a variety of digital tools, putting her new-found skills into practice.

Following the training, Barbara now uses Internet Banking regularly to check her account balance and make faster payments. She can now confidently send emails with attachments and feels like she has a much better understanding of how to stay safe online. As a result of her online activities, Barbara has been able to save money by having access to a variety of suppliers online at more competitive prices, saving her over five hours a week, as she no longer has to wait on the phone.

“I now have the confidence and knowhow to do more things myself on the internet, and I don’t pester my children much for help. If it’s a quick question, I will ring one of the kids, but for a larger task or trying something new, I know I can ring the helpline. Whenever my children come to visit, we have more quality time together, rather than the focus being on the support I need to run the business online.

I feel more independent and much less reliant on others – I’m now even shopping online to help with our house renovations.”

By upskilling digitally, Barbara now has the skills and motivation to do a lot more online, positively impacting the business, her confidence and family life.





## Financial and digital capability

We believe that both financial and digital capability are enablers to everyday life, including people's ability to manage their money, find a job and build or grow a business. Our aim is to help provide the access, ability and ambition to improve these skills, driven through our own activities but also in partnership with others.

### Our Academies

Our Academies – Bank Of Scotland, Lloyds Bank and the newly launched Scottish Widows Be Money Well website – have supported 400,000 businesses and consumers with bespoke support and skills-building through and with partners. We have designed and built 20 financial capability e-learning modules and videos, aiming to improve the experience for vulnerable customers using our online help and support websites and provide financial education to build capability and confidence with managing money. Regional activity has been driven through partnerships, and in Blackpool, Manchester, Glasgow and Worcester we've provided face-to-face support to more than 3,500 small businesses.

### Digital Helpline

Since April 2020, the Group has offered a new dedicated phone-line that provides guidance and remote training to customers less able to see us in branch. It helps them to stay connected with everyday digital activities, including Internet Banking. Customers are able to access free and practical support to help them stay connected online. With guidance from agents from We Are Digital, a social impact company, users learn skills to help with everyday tasks such as online shopping, booking a doctor's appointment using the NHS website, connecting virtually with family and friends, as well as Internet Banking. The service also allows for customers and charities in need to be provided with a basic tablet device. To date, we have provided over 2,000 devices and data, and helped 17,000 callers to the helpline. The Digital Helpline will continue to operate in 2023, supporting our customers and communities. Additional Helpline services include dedicated one-to-one training for customers affected by fraud or scams, and access to We Are Digital trainers within some of our community branches.

## Highlighting the importance of financial and digital inclusion

Through research we seek to understand how digital UK consumers and small businesses really are and share these findings with partners to raise awareness of the impact that digital confidence and capability can have on people's lives, work, businesses and the UK.

In 2022, the Group produced two benchmark indexes detailing the digital state of the nation; The **Essential Digital Skills framework** and **The Consumer Digital Index**. The Essential Digital Skills framework is used by the Department for Education and measures a holistic view of the digital skills needed to access the internet independently and for everyday life and work. In its seventh year, the Consumer Digital Index report is the UK's largest measure of digital financial lives, and analyses people's behaviours and attitudes towards technology, online services and their financial wellbeing. Each year 2,700 individuals are surveyed via telephone across Lloyds Bank, Halifax and Bank of Scotland, to ensure a nationally representative sample.

We recognise our convening power as one of the UK's largest financial services organisations and utilise partnerships to collaborate with other influential organisations, government departments and policymakers to champion the importance of financial and digital inclusion. In 2022 we have spoken to a number of influential policymakers including MPs and Combined Authority Mayors. We have regular engagement with various government departments including the Department of Culture, Media and Sport. The Group has also presented to various All-Party Parliamentary Groups, including the Group for Digital Skills. Conversations have focused on the digital skills and capability of the UK and the details of our Digital Index reports at both and national and regional level, including what is needed to help move the dial for individuals, charities and small businesses.



300

colleagues engaged with delivering face-to-face financial education lessons to 1,700 students in 12 different schools across the UK

### Educating the next generation

We continue to offer help to children and young adults across the UK to better understand the value of money and manage their finances day-to-day as they transition to financial independence. Our activity is primarily delivered face-to-face by colleague volunteers in classrooms, but we also have a range of resources that are available for download via the **Lloyds Bank Academy site**. Employers can also use the content to build it into their apprenticeship and graduate enrichment programmes, and our materials are available for all our colleagues to support their own families, friends and communities.

Throughout October, over 300 colleagues engaged with delivering face-to-face financial education lessons to 1,700 students in 12 different schools across the UK. We also continue to actively promote Talk Money Week.

In 2022, we were delighted to receive a top award for our three accessible videos highlighting the perils of different aspects of financial fraud, adding to the award already received for our interactive game for under-fives. We continue to work with Young Enterprise to ensure that the learning outcomes of our resources are in line with recommendations from the Money and Pensions Service, and work collaboratively with our peer organisations through our engagement with UK Finance.

In action

# Making Money Meaningful



**SDG 10.2:** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status



Working in partnership with the Money and Pensions Service, we're helping to support their UK strategy for financial wellbeing by contributing to the goal of helping two million or more children receive a meaningful financial education by 2030. In October, we launched our month-long Making Money Meaningful campaign where over 300 of our colleagues delivered financial education to 1,700 students in 12 different schools across the UK. Using accredited resources colleague volunteers are able to deliver sessions that are informative for students who are beginning to make the transition into higher education or employment.

Sharon Wallace from our Business Development team delivered a session at Glasgow Gaelic School and emphasised the importance of the campaign. Sharon notes, "Financial matters can be a minefield so it's important that young people can start to think about their future and become

more financially savvy now – being more informed can avoid the risk of making bad decisions that may impact their future from a borrowing point of view, or by not being able to achieve their goals as they have not planned for them. These sessions gave the young people an overview of the products, what they need to think about for their short-, medium- and long-term goals, how they can stay in control of their spending and to think about the pitfalls of bad borrowing."

Head of Mathematics at the school Mr Smith valued the importance of the session to teachers in helping them deliver financial education to more students. Mr Smith says "It is valuable to the teachers here at the school too. When they are talking about finances with the pupils, they are more confident now, having learnt themselves from colleagues delivering the session."

Our resources are available to download for free and have been developed to support children and young people, aged 3–25 and can easily be delivered by teachers, parents, carers, community groups and our colleague volunteers.

Given the success of our campaign, in 2023, we will launch further campaigns to deliver this important education to children and young people across the UK.

# Supporting businesses

For over seven years, Lloyds Banking Group has demonstrated how crucial technology is for small businesses and the digital economy through the Business Digital Index and Transformation with Tech reports.

We've supported c.185,000 small businesses to boost their digital capability and technology adoption in 2022 through the Lloyds Bank and Bank of Scotland Academy, and our partnerships with Small Business Britain and the government's Help to Grow Scheme. We have broadened our focus of support with new resources in the Academy to address challenges that businesses have faced in 2022 and beyond, including sustainability, online harms and growth.



## Small Business Boostcamps

We've created a small business training schedule that we've called Small Business Boostcamps. These are a five-week course where businesses can learn, network and develop their skills, making the most of digital to grow. In 2022, we held the first Small Business Boostcamp in Worcester – delivered in partnership with Worcestershire Local Enterprise Partnership, ActionCOACH and Tata Consultancy Services.

## Digital inclusion and productivity

Being able to get online is more of a necessity than ever now that many services can most conveniently and cheaply be accessed via the internet. Fostering digital inclusion is therefore critical and we are one of leading digital infrastructure banks in the UK, supporting the roll-out of ultrafast fibre to tens of thousands of homes. One aspect of this is having a reliable and fast internet connection, for example to enable home working. While there has been progress, many locations across the UK continue to suffer from low broadband speeds. We have decided to play a key role in addressing this challenge through our expertise and funding capability. We acted as Placement Bank for CityFibre, arranging £200 million of UK Infrastructure Bank loans while also directly supporting via a £150 million debt commitment. A £100 million loan to VirginMedia O2's fibre joint venture is being provided in a sustainability-linked format, encouraging the client to focus on areas of the UK where broadband speeds are low.

## Skillsoft – Percipio Platform

Businesses continue to face new challenges, and are operating in rapidly evolving environments with a shortage of critical skills. To help businesses adapt and acquire new skills, with the support of Skillsoft, we have created access to an online training platform offering training in leadership and personal effectiveness to improve productivity as well as creating attractive propositions to acquire new talent. We have made 20,000 licences available to small and medium-sized businesses and not-for-profits to support skill development.

## Help to Grow

We have funded 100 places on the Help to Grow: Management Scheme to date for our clients. Working with Oxford Brookes University and Small Business Britain we are delivering a fully online version of the scheme with a pilot sponsoring 100 micro businesses, where digital skills training will be supplied by the Lloyds Bank Academy. The first two cohorts were launched in June, followed by two more in September 2022. In addition, we have also supported the government in developing the Help to Grow: Digital Scheme.



## Supporting businesses continued

### Be the Business

We continue to support our strategic partner Be the Business with its ambition to create £1 billion of UK SME productivity uplift by the end of 2025. We are piloting sponsoring business clients through Be the Business Mentoring and Boards programmes, which match leaders from small and medium-sized businesses with executives from some of the UK’s leading companies. This initiative has potential turnover impact of over £100 million and the creation of hundreds of additional jobs.

### Common Purpose training

In 2022, we partnered with Common Purpose, a not-for-profit organisation delivering face-to-face and online leadership programmes for multiple generations of leaders. The virtual leadership programme, which 35 of our colleagues participated in, aims to build better, more inclusive leaders that can adapt to local economic opportunities and challenges. This is achieved through participation in the programme and local immersion sessions.

**£4.5m**  
of funding for Be the Business to allow it to test, trial and scale its work with small businesses

## The Advanced Manufacturing Training Centre

We have continued to promote the importance of bringing new skills into industry and we have supported apprenticeships by launching a new apprentice support service in conjunction with the Advanced Manufacturing Training Centre (AMTC) for manufacturing companies across England. Established in 2015, the Lloyds Bank AMTC is a state-of-the-art training centre designed to create a new generation of engineers and technicians to help the UK realise its potential in advanced manufacturing. The Lloyds Bank AMTC connects apprentices with high-calibre manufacturing and engineering employers who are looking to employ the best talent in the industry. During 2022, the Group has extended its long-term investment to £15 million over 15 years, which is on track to support the training and upskilling of around 5,000 apprentices, graduates and engineers in the manufacturing sector before 2030. Through our annual investment in the AMTC, we have trained and upskilled to date almost 3,200 apprentices, graduates and engineers in manufacturing since 2015. Lloyds Bank and AMTC apprenticeships have also teamed up to create a partnership to deliver fully funded high-value engineering apprenticeships to SMEs in Coventry, Warwickshire and the surrounding areas. In 2019, the Group agreed a further £9 million of support over three years to help SMEs to invest in apprenticeships through our Levy Transfer initiative.

[Learn more about how we support apprentices on page 39](#)

**3,200**  
apprentices, graduates and engineers in manufacturing since 2015

## In action

# Working with Lloyds Bank Academy



**SDG 8.3:** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services



Tina won a mentoring session with a successful entrepreneur, Tamara Logan, after entering the Small Business of 2021 competition organised by Lloyds Bank Academy and The Times. The competition was a celebration of the resilience, adaptability, creativity, grit and determination exhibited by small businesses to survive the pandemic. Tina said, “Working with Lloyds Bank Academy was a really positive experience, I was able to learn a lot and it helped me to make connections to other entrepreneurs in the food business and take my business to the next level.”

Tina found working with Lloyds Bank Academy across 2021 and 2022 to be a valuable learning experience. It provided an effective way of making new connections in the small business world and Tina continued attending virtual learning sessions supported by Small Business Britain. The ongoing relationship with the Academy led to Tina becoming a key voice in a partnership between Lloyds Bank Academy and Wired UK. The partnership delivered a video campaign focused on helping small business owners to understand the competitive edge e-commerce can bring. This bite-size learning video was watched by over 35,000 business owners and achieved almost 500,000 impressions on social media. Tina said, “I want to continue supporting other early-tech founders, particularly those without a tech background who could really benefit from upskilling in e-commerce.”

## Supporting Black-owned businesses

We continue to drive forward our multi-year commitment to support Black-owned businesses as part of our Race Action Plan. This has included working with key partners such as our Black Business Advisory Committee, chaired by Claudine Reid MBE, the Black Business Network and Foundervine to respond to the 10 recommendations from the 2021 **Black. British. In Business & Proud** report.

In 2022, we also established relationships with local, grassroots organisations to deliver further national and regional initiatives with Mentor Black Business, Jamii, UK Black Business Show, She Leads For Legacy and BOB Expo. These are partners who share our collective mission to make the UK entrepreneurial experience more inclusive and enable Black-owned businesses to grow and thrive.

Throughout the year, we supported almost 4,000 Black entrepreneurs and business owners; resulting in 17,000 hours of total support across the programmes, events and initiatives we have played a part in.

🔗 Access our **Black-owned business support hub** here

🔗 Access our **Black. British. In Business & Proud** report here

4,000

Black entrepreneurs and business owners supported through Race Action plan

## In action

# World's first flushable wet wipes, Twipes, are biodegradable and plastic-free

Twipes



**SDG 10.2:** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

**SDG 12.5:** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Ellenor McIntosh, the founder of Twipes, participated in Foundervine Immerse which empowers a founder to build, grow and scale their business. Twipes are the world's first truly flushable wet wipes. The wipes are biodegradable and plastic-free, they won't clog pipes, cause nasty fatbergs, or add microplastic pollution to our oceans. Created in response to the problematic wipes misleadingly labelled as 'flushable', Twipes disperse in water in just three hours and biodegrade in landfill in seven days.

"Being a part of the programme has allowed us to raise awareness and test our product on a micro scale. Besides the numerous connections we have made, it has been overwhelming to see the feedback we have seen from our website and our product. Having a peer-to-peer experience and sharing the difficulties with those in the same boat has been invaluable to me and I wouldn't trade this experience for the world." Ellenor McIntosh, founder of Twipes.

## Deepening our understanding of the Black entrepreneurial experience

In September, in partnership with Black Business Network, we released the second **Black. British. In Business & Proud** report. We listened to almost 1,000 entrepreneurs and aspiring entrepreneurs for this year's report, which is the only study in the UK that considers the complete entrepreneurial life cycle for Black business owners in Britain.

We used the research to dig deeper into some of the key barriers identified in the inaugural report in 2021, deepening our understanding around the impact of discrimination on mental health and confidence; concerns with accessing finance and the fear of taking on debt; and the crucial role of local communities in supporting Black business owners.

It's clear that no organisation can act alone – it will continue to require significant collaboration to bring about systemic change and the report concluded in five collective calls to action. We remain focused on the actions that will make the most difference to Black communities, with the support of our Black Business Advisory Committee and partners.

### Foundervine

The Foundervine Immerse programme is an ecosystem of support for entrepreneurs at various stages of their journey. The programme in 2022 offered six spotlight events, two community get-togethers, two accelerators and an online series of 24 educational videos, covering themes such as: finance, marketing, digital skills, scaling a business and mental health. There are over 1,100 members of the Immerse community and the programme to date has supported more than 600 founders.

### Mentor Black Business

In partnership with Mentor Black Business, we have provided 100 mentors from across Lloyds Banking Group, to deliver vital support for Black business owners to help them tackle challenges and grow. We are now looking to expand the partnership by providing an additional 100 mentors.

🔗 Find out more in our **progress report** here



Whilst we recognise the scale of change required to build an equitable landscape for Black entrepreneurs, our progress report highlights the actions we are taking in collaboration with our partners to drive change.

Listening to the feedback from organisational leaders and individuals about the positive impact of the programme, is a clear demonstration that we are moving in the right direction.

I believe it is important to have touch points and role models for businesses at different stages of the entrepreneurial journey, this contributes to strengthening entrepreneurial ambitions, as well as the ability to learn from key insights about the highs and lows of the journey.

I am optimistic about the next phase of the multi-year commitment and look forward to the continued flexible approach to enhancing the landscape for Black entrepreneurs and business owners."

**Claudine Reid (MBE)**

Black Business Advisory Committee Chair



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# Improving access to quality housing

**Access to secure and quality housing is becoming increasingly challenging. We're uniquely placed to enact change and want to explore the opportunities to increase access to the benefits of home ownership, including through shared ownership, supporting a quality rental and social housing sector, taking the building of housing that supports inclusive communities further, and increasing the availability of specialist housing.**



**Grow**

Lloyds Banking Group has a market presence across various types of housing tenure, from financing of social housing, to shared ownership schemes and providing Buy to Let mortgages and owner occupied mortgages. This means that the Group has the capability, scale and external relationships to drive positive change in this sector.

We aspire to contribute to a UK in which all households have access to affordable, safe and sustainable homes in places they want to live. We are committed to broadening access to home ownership and exploring opportunities to increase our support to the UK rental sector.

This year we held our inaugural Lloyds Banking Group Housing Senate where we brought together leaders from across the housing sector to discuss key challenges and needs within the industry, and how, together, we can deliver positive change. Conversations centred on housing supply, sustainability and access to finance across the housing tenures. From this solid foundation we have made a set of commitments to take forwards together with our partners.

**35,000**  
new homes estimated to have been built through our support of the social housing sector since 2018



**Social housing**

Underpinning Lloyds Banking Group's social purpose is a desire to build an inclusive and sustainable society. Access to quality housing is a fundamental human need with affordable and stable homes giving people a foundation on which they can thrive. This is why Lloyds Banking Group is the biggest supporter of social housing in the UK – we know the importance of a home and we are here to Help Britain Prosper.

Social housing is an integral part of the UK's housing landscape with millions of people benefiting from stable and genuinely affordable homes. Since 2018 we have supported approximately £15 billion of funding to the sector. In 2022 we have supported £2.1 billion of new funding, of which £1 billion is sustainable (green or social use of proceeds) or sustainability-linked (including key ESG performance indicators). Funding may be used to support retrofit investment and decarbonisation of social housing homes across the UK. Thus, reducing energy bills to tackle fuel poverty as well as maintaining decent homes standards.

Research tells us that social housing adds value to society by reducing unemployment, improving health outcomes and improving educational performance. The Group's vision is to enable accessible, quality and sustainable housing that meets the UK's long-term needs, and our strategy is focused on the three core pillars of Supply, Accessibility and Sustainability.

**Supply and accessibility of social housing**

The Group is one of the largest funders of the UK housebuilding sector and we are committed to expanding the availability and affordability of safe, quality and sustainable housing. Through our relationships with the social housing sector, we support the financing of new build homes that are at higher EPC/energy efficiency standards when compared to existing homes, supporting a reduction in fuel poverty.

Increasing the provision of social homes can also help people on the journey to home ownership. Those in social housing pay lower rents than if renting privately, which gives more of an opportunity to save for a deposit on a first home. The social housing sector is also incredibly diverse. We support over 200 housing associations across the UK, from small local associations of several hundred homes to larger regional associations with tens of thousands of homes. Each is different but our experience in the sector and the breadth of our business helps these clients to meet the UK's housing needs.



In action

# Decarbonising the Midlands largest housing association



**SDG 7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services

**SDG 7.3:** By 2030, double the global rate of improvement in energy efficiency

**SDG 11.1:** By 2030 ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums



The largest housing association in the Midlands, Platform Housing, is developing 8,000 new affordable homes over the next five years, including 4,600 in partnership with Homes England as part of the 2021-26 Affordable Homes Programme. In 2022, Lloyds Bank supported Platform Housing with a sustainability-linked loan of £235 million. Platform's goal is to increase the energy efficiency of all of its new build properties and improve its Energy Performance Certificate (EPC) scores up towards an average of A within the next five years, as well as year-on-year improvements in the EPC scores of its existing homes.

Platform Housing's mission is to build a better future by investing in affordable homes, which is critical at a time of increasing rent costs and inflation. The increased cost of living has seen low-income families struggling with the rising costs of energy, food and bills. Rosemary Farrar, Chief Finance Officer at Platform Housing, said:

"The Midlands has one of the most acute housing shortages in the country. That means developing stock that is both fit for purpose and fit for the future is crucial. We're proud that our ambitions cover a range of ESG objectives and will deliver a housing portfolio that benefits the communities we operate in across the region."

With a portfolio of 47,000 homes, supporting over 100,000 people and employing 1,500 staff, Platform Housing is also committed to investing in its colleagues and the community. Each year for the next five years the housing association will increase the amount of apprenticeships they offer.

For further information on our approach to decarbonising the housing sector and homes, please see our **environmental sustainability report 2022**



## Sustainability

Decarbonising the UK's housing stock and improving the energy efficiency of residential homes is crucial to the UK's net zero ambitions. To meet the challenges around energy efficiency of UK housing stock, we need to continue to work with housing associations and housebuilders to make changes to the way we build, but also to existing stock.

Retrofitting is essential to improving the energy and carbon efficiency of the UK's housing stock, and helps with the cost of living as energy prices increase. We are all too aware of the damaging effects of poor maintenance which is one of the reasons why we support so many of the UK's housing associations as they work to maintain and retrofit their existing stock to ensure the welfare of their tenants. We continue to work with our clients, both housing associations and house builders, to support them in tackling this retrofitting challenge. Since 2021 we have worked closely with housing associations to support around £3.4 billion in ESG-linked funding to the sector, helping them create more inclusive and sustainable housing.

## Sustainability Reporting Standards for Social Housing

In 2021 Lloyds Bank and Scottish Widows adopted the Sustainability Reporting Standards for Social Housing 'SRS', with board representation on Sustainability for Housing Ltd which governs and oversees the SRS and its continued evolution. It is a voluntary reporting standard that has seen increasing adoption by clients. It seeks to increase transparency and reporting consistency across 12 ESG themes across 48 criteria. By creating common reporting standards, SRS aims to drive increased investment and capital into the sector. Since the launch of the SRS in 2021, there are now over 150 adopters and endorsers of the standard to date.

## The rental market

The Group is working to improve quality in the private rented sector. This year we published a research collaboration with Social Finance exploring how lenders can improve the private rented sector. The report concludes that a National Landlord Register in England will have a significant impact on housing quality and conditions for tenants, and emphasises there is a golden opportunity to design the register in such a way so that mortgage providers can use it to inform lending decisions, influence landlord behaviour and help reduce the burden of the enforcement. We have been engaging with industry and political stakeholders on this opportunity. We have also amended our buy-to-let mortgage letting criteria so that landlords can now offer tenants a maximum 36-month tenancy term in England, Northern Ireland and Wales

(Scotland have open-ended tenancies). Our previous maximum tenancy term was 12 months. Landlords that offer longer tenancies give their tenants greater security of tenure.

Find out more on **how can lenders improve the private rented sector here**

## Citra Living

To help boost the supply of high-quality homes in this market, the Group has launched Citra Living, which aims to increase new housing supply and the availability of sustainable, quality homes while supporting our regional regeneration ambitions and promoting financial inclusion and education.

Citra Living is working with leading housebuilders and developers through strategic partnerships to identify sites and support the building of additional housing, with Citra Living buying the rental element of these new developments. Citra is also exploring the acquisition of existing private rented stock, where it can retrofit homes to improve their energy efficiency and reduce running costs. As well as ensuring continued support for the housebuilding sector, this will also help to address the increase in demand for rental properties, while also taking steps to decarbonise existing homes. The properties will provide modern, good-quality homes to meet the demands of a growing rental market, and they will be within easy reach of local transport, amenities and leisure facilities.

**£2.1bn**  
of funding supported  
for social housing in 2022

**£14.3bn**  
of funding to first-time  
buyers in 2022



## Home ownership

As the UK's largest mortgage lender, we're supporting more and more of our customers to buy their first home. We currently support one in five first-time buyers to get on the housing ladder and in 2022, we provided £14.3 billion of funding to first-time buyers, and recently launched the ability to apply for a house purchase mortgage digitally.

Through our family of brands, we offer savings tools and provide a range of deposit-saving options. We provide a range of mortgages for first-time buyer and home mover mortgages. For those aspiring to own their own home but struggling to find a deposit, intergenerational options such as our Lend a Hand mortgage from Lloyds Bank allows a family member to put down 10 per cent of the purchase price of a home into a three-year, fixed term savings account.

We are committed to helping more renters and first-time buyers own their own home, and have been convening conversations across the housing industry to explore how shared ownership, including expansion to older homes and private schemes, can be made more accessible to potential first-time buyers. We have expanded our shared ownership support in 2022, lending to customers up to 95 per cent loan to value with a minimum deposit of £4,000. We also support a range of government-sponsored affordable housing initiatives, including Right to Buy, and the Help to Buy: equity loan. We are the leading lender supporting the government-led First Homes initiative, which aims to help young people and key workers get on the housing ladder by being able to purchase a home with at least a 30 per cent discount to market value. We have been supporting the Mortgage Guarantee Scheme, since its launch in April 2021 which helps customers with less than a 10 per cent deposit looking to borrow up to £570,000, with over £2 billion of lending under the scheme.

## Sustainability

Aligning with our mission to improve the energy efficiency of Britain's homes, we currently offer a range of propositions to support customers when buying or improving their home. We offer additional incentives for more energy-efficient properties covering EPC bands A-B for residential mortgages and EPC bands A-C for buy-to-let landlords. Since 2021, we have offered a cashback initiative for residential customers purchasing an eligible property and since 2022, a rate discount to Birmingham Midshires customers with eligible buy-to-let mortgages. In addition to this, we have continually developed our Halifax Green Living Reward and Lloyds Bank Eco Home Reward offers whereby customers can receive up to £1,000 cashback when they make energy efficiency home improvements. The November 2022 re-launch of Green Living Reward included the launch of our partnership with Octopus Energy

to provide affordable, energy-efficient heating solutions for our customers. Customers using mortgage borrowing to fund the switch to an air-source heat pump will benefit from £1,000 cashback on completion of the installation. When used in conjunction with the Government's boiler upgrade scheme, which provides grants of £5,000, the cashback brings the cost of installing a heat pump to as low as £2,000, which could mean heat pumps for some homes will cost less than many gas boilers.

In tandem with our propositions, the Group's Halifax Green Living and Lloyds Eco Home Hub provide customers with education and awareness materials, including our online Home Energy Saving Tool, in partnership with the Energy Savings Trust, that generates tailored action plans on home energy efficiency improvements.

## Real estate and housing

Across the real estate and housing sector, we have supported the creation of national sustainability standards for new build homes, as part of our role on the NextGeneration Executive Committee alongside Homes England and the UK Green Building Council. We have contributed to the development of two new sustainability standards – NextGeneration Project and NextGeneration Core – both have been created to support small and medium-sized housebuilders to assess their own sustainability performance. These new standards will help them begin or accelerate their sustainability journeys by reducing complexity and focusing on the areas that will make the most difference.

To complement these new sustainability standards for UK housebuilders, we have also launched our own Sustainability Finance Framework. This framework sets out how we will help housebuilders access green and sustainable finance to build more sustainable homes. We believe that our Framework is one of the first sector-based financing frameworks issued by a financial institution in the UK and illustrates the real focus we have on this important sector. Our ambition is that we work with housebuilders to help build modern homes to a high standard that are cheaper to live in and less damaging to the environment.

## Supporting skills development

In 2021, we announced a three-year partnership with Regeneration Brainery. Winners of the Social Impact Award at the 2022 ESG Awards, Regeneration Brainery encourages school leavers from socially and economically deprived backgrounds into property, construction and regeneration. In 2022, with our support, Regeneration Brainery reached almost 4,000 students via 19 braineries and bootcamps across key regional cities, with further braineries planned across the UK in 2023.

### In focus

## Springfield Group



**SDG 9.4:** By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

**SDG 11.1:** By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums

The Springfield Group is one of the largest housebuilders in Scotland, delivering around 1,250 homes each year across private for sale and affordable homes, social and mid-market rent, as well as purpose-built family homes for the private rented sector.

Springfield has committed to reaching net zero carbon status by at least 2045 in line with the Scottish government aspirations and has mapped the alignment of their strategic objectives with the United Nations Sustainable Development Goals (UN SDGs). Springfield has led the way in innovative sustainability activities such as the early introduction of infrastructure for Electric Vehicle (EV) charging, having delivered over 2,000 homes with EV cabling.

They have also adopted use of alternative technologies, such as air source technology, with over 50 sites having been completed or under construction without gas.

In 2021, Lloyds Bank and Bank of Scotland were in the development stages to support NextGeneration and JLL to create an intermediate sustainability benchmark for small-to mid-sized housebuilders. Springfield helped shape the criteria

to develop the new standards, while using the implementation process learnings to reinforce their own areas of sustainability good practice and identify future areas of focus.

In 2022, following the official launch of the two new standards, Springfield signed up to 'NextGeneration Core'. This is based upon the same criteria of the NextGeneration Benchmark but contains 14 core criteria, making it more accessible than the full benchmark. Taking an influential lead as the first housebuilder in the UK to adopt the newly created standards, Springfield will use 'NextGeneration Core' to continue to drive developments such as improving their methodology for the collection of waste data and undertaking a project to determine an approach for measuring Biodiversity Net Gain (BNG). The adoption of 'NextGeneration Core' will support Springfield's overarching goals to deliver high-quality, energy-efficient homes for their customers, while also looking after their employees and protecting the environment, themes that Springfield sees as not only critical to their varied stakeholders but also to their overarching future success.



# Enabling regional development

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**Regional inequality is one of the major challenges facing the UK. This inequality leads to economic and social consequences across many communities. **Sitting at the heart of communities, we are uniquely placed to leverage our scale to help address these issues.****

We will seek to meet the needs of these places, focusing on opportunities to support housing and physical regeneration, increase regional productivity and create high-quality jobs, encourage inclusive growth by broadening economic opportunity across the community, and enable a just transition to net zero.



**Grow**

Our purpose is to Help Britain Prosper, creating a more sustainable and inclusive future. This means supporting prosperity across all of the UK's regions and nations. However, the UK is still marked by substantial regional inequality. 19 out of 20 of the most deprived neighbourhoods in England are located in the North and there is a gap of more than 50 per cent in productivity levels between the best and worst performing regions of the UK. This has significant impacts on life chances in these places, as well as hindering the performance of the broader UK economy. If the productivity gap between poor-performing UK places and the national average could be closed by half, this would lead to an £80 billion GDP benefit per annum.

**Regional development in action**

We already play a significant role in the regions and nations of the UK, supported by our presence in communities and our strong relationships with regional leaders and partners. In 2022, we completed a number of transactions that illustrate our aspiration to support regional growth:

- We supported the University of Hull with securing £86 million of green finance to invest in sustainable academic facilities and infrastructure, accelerating its ambition of becoming a carbon neutral campus by 2027. The implementation of green projects and the transition to net zero will support the creation of local jobs in the Humber region as the university continues to compete on a global scale through its environmental sustainability innovation and research
- We announced our 100th Housing Growth Partnership investment, enabling the development of 39 apartments in Digbeth in Birmingham. Digbeth has been identified as a key area for regeneration by Birmingham City Council and this development converts a brownfield site, while saving an historic pub in the process. The Housing Growth Partnership is backed by the Group and Homes England, supporting housebuilders and developers to address the UK housing shortage
- We announced a partnership with Midlands-based electric motorcycle manufacturer Maeving. Maeving's electric motorbikes combine the quality and finish of a high-end motorcycle with innovative removable battery technology, and all hand built in Coventry
- We provided £60 million of funding via Scottish Widows to Irwell Valley Homes, a housing association based in Greater Manchester. The financing will support the construction of new sustainable homes, as well as enabling the retrofit of existing homes to make them more energy efficient

**Supporting regional SMEs**

We have also continued our support to SMEs in the UK's regions and nations. This was delivered via a range of initiatives, partnerships and events such as enhancing productivity and skills, helping the net zero transition and supporting Black entrepreneurs. For example, our sponsorship of the Advanced Manufacturing Training Centre at the Manufacturing Technology Centre in Coventry is helping to develop the skills needed for delivering the technologies of the future. Learn more about the centre on page 16.

**Regional engagement**

Alongside our ongoing support to customers and businesses in the UK regions and nations, over the past year we have engaged with regional leaders to understand their priorities, and how the Group is best placed to support these. Regional leaders have shared with us their aspirations to support the growth of high-productivity clusters in their regions, creating the quality jobs of the future. They have also reinforced the importance of inclusive growth, supporting the aspirations of all of the communities across their region.

**£86m**

**We supported the University of Hull with securing £86m of green finance to invest in sustainable teaching spaces and infrastructure**



## Driving change through collaboration

Our distinctive and wide-ranging capabilities across the Group enable us to take a leadership role in creating a more prosperous and inclusive Britain. Initiatives include our partnership with the UK Urban Futures Commission and the launch of the Local Low Carbon Accelerator programme.

### UK Urban Futures Commission

To understand the ways in which the UK’s regional cities can thrive, we have recently announced our partnership with the UK Urban Futures Commission, which will seek to set out a national plan to unlock the potential of UK cities. The Commission has been created by Core Cities UK, an alliance of 11 leading UK cities, and the Royal Society for Arts, Manufactures and Commerce and it will develop options for locally led action to realise the potential of the UK’s urban areas. The Commission will also produce policy recommendations to enhance the success of cities by striving to improve the wealth, health and happiness of their residents.

The Commission’s focus is on practical interventions, pragmatic policy change and strong citizen engagement and will include a significant focus on how private sector finance can act as a force for good.

### Local Low Carbon Accelerator

The transition to net zero will be central to the future success of the UK’s regions, establishing opportunities to create a more sustainable future and to drive growth, skills development and job creation. During 2022, Charlie Nunn, the Chief Executive of Lloyds Banking Group, was appointed as a member of the Prime Minister’s Business Council. Working in partnership with other members of the Council, we have led a programme of work to accelerate the energy transition in the UK’s regions, with a particular focus on housing, transport and local energy infrastructure. The partnership has provided practical support to three city regions, and identified opportunities that could be replicated across other cities.

## In action

# Working with Octopus Energy, Shell and National Grid, we launched a Local Low Carbon Accelerator programme (LLCA) during the year.



**SDG 7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services

**SDG 11.a:** Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning

**SDG 17.17:** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships

Demonstrating how the private sector can work with local government to deliver growth and jobs through local green infrastructure projects.

In association with the Local and Combined Authorities in Leeds, Liverpool and the West Midlands, the programme offers replicable solutions to some of the key energy challenges facing the UK. These projects aim to: accelerate deployment of energy efficiency measures in homes; enable the transition to zero emission buses and delivery of infrastructure for electric vehicles; give local authorities a blueprint for delivery; and ensure local communities experience the benefits of low carbon infrastructure.

Collectively, these projects could leverage private capital, support jobs, reduce energy bills and reduce emissions. Accelerating similar projects across the country could drive such outcomes at scale, supporting the UK regions with their transition to net zero.



One of the potential projects which we are exploring is how domestic energy bills could be permanently reduced in neighbourhoods in Leeds.

To drive replicability and acceleration of deployment, the programme also published a report ‘Delivering jobs and growth through local green infrastructure projects’, outlining how government can catalyse greater private sector involvement in local infrastructure projects to support growth in UK towns and cities.

Local Authorities and Mayors have strongly endorsed the LLCA’s work, underlining the importance of convening public and private

bodies to collaborate on solutions critical to growing the economy across the UK. Lloyds Banking Group Chief Executive Charlie Nunn, speaking on behalf of the Local Low Carbon Accelerator project, said:

“The three pilot projects we are working on show how the public and private sectors can partner to insulate homes and decarbonise our transport systems.

We are committed to working together with local and national government and creating simple investment models so communities everywhere can see the benefits of green investment as we drive towards net zero.”



# In action **‘NextGeneration Project’: Scotia Homes first to be awarded ‘Gold’ Standard at Brechin West**



**SDG 7.1:** By 2030, ensure universal access to affordable, reliable and modern energy services

**SDG 11.a:** Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning

100%

of the homes on the development heated using non-fossil fuel sources

Scotia Homes is an award-winning new homes developer who we have supported for over 30 years as primary banker and funder. Their priority is upon creating sustainable communities for their customers, ensuring that all of their homes have sustainability considerations at their core.

To support this vision, Scotia Homes signed up to the ‘NextGeneration Project’ initiative to assess the sustainability of one of their developments. Brechin West is a 152-home development located in Angus, Scotland and is supported by investment from the Housing Growth Partnership. Amongst other criteria, the development in Angus achieves a biodiversity net gain of over 40 per cent with 100 per cent of the homes on the development also heated using non-fossil fuel sources.

As well as providing more than the Living Wage as defined by The Living Wage Foundation for all their site employees, Scotia Homes have prioritised ensuring there are sufficient graduates, trainees and apprentices joining the industry, recruiting 10 per cent of their workforce as apprentices or graduates. As defined by NextGeneration, to achieve the highest ‘Gold’ award, seven or more out of the overarching 12 sustainability criteria for ‘NextGeneration Project’ must be met. In successfully meeting this threshold, Scotia Homes have been awarded the ‘NextGeneration Project Gold’ development at the design stage and are the first housebuilders in the UK to receive such a recognition. Scotia Homes will be able to use the award as a clear indicator to showcase the high sustainability standards of the development and demonstrate their continued drive to building their overarching sustainability strategy.

Scotia Homes, commented: “We are extremely proud to be the first housing developer in the UK to be awarded the NextGeneration Project Gold. This accolade independently demonstrates our commitment to our vision, to create desirable neighbourhoods and be regarded as the developer of choice for all, by our customers, employees and stakeholders. We would recommend the NextGeneration assessment to anyone who wishes to improve their sustainability credentials and benchmark their business against their peers and wider industry standards. Following our success, we have decided to enter more of our developments for assessment over the coming months.”

We worked closely with Scotia to support the NextGeneration Project assessment process and the award of ‘Gold’ standard is testament to their ongoing commitment to place sustainability at the heart of their strategy.

For further information on our approach to decarbonising the housing sector and homes please see our [environmental sustainability report 2022](#)





# Inclusion and diversity leadership

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We will continue to create a fully inclusive organisation that is representative of modern-day Britain, where differences are embraced and everyone can reach their potential, and we will use our experience to help communities to become more inclusive.



Grow

Focus

Change

### Championing inclusion and diversity in modern Britain

We are committed to building a fully inclusive environment that is reflective of the society we serve. A place that encourages and values the unique differences our people bring with them to work every day, and where everyone can reach their full potential. Getting this right is at the heart of our purpose to Help Britain Prosper.

We were pleased to be the first FTSE 100 company to set targets to increase both gender and ethnic diversity at senior levels and we continue to commit ourselves to stretching targets, always challenging ourselves to go further.

Our focus on inclusion and diversity is a source of pride for our colleagues – with thousands of colleagues being members of one or more of our colleague diversity networks and, in our latest colleague engagement survey, 86 per cent agreed that the Group is an inclusive place to work.

#### Our 2022 inclusion and diversity performance

			Number	%	%
			2022	2022	2021
Gender	Board members	Men	6	54.5	60.0
		Women	5	45.5	40.0
	GEC	Men	8	53.3	80.0
		Women	7	46.7	20.0
	GEC and GEC direct reports	Men	70	58.3	65.0
		Women	50	41.7	35.0
	Senior managers	Men	4,492	60.6	62.3
		Women	2,919	39.4 ✓	37.7
	All colleagues	Men	27,888	42.7	42.2
		Women	37,441	57.3	57.8
Ethnicity	Board members ethnicity <sup>2</sup>				
	White British or other White		9	81.8	NR
	Other Ethnic Group		1	9.1	NR
	Asian		1	9.1	NR
	GEC ethnicity <sup>3</sup>				
	White British or other White		14	93.3	NR
	Asian		1	6.7	NR
	Senior managers from an Ethnic Minority background		742	10.2 ✓	8.8
	Senior managers from a Black Heritage background		101	1.4	1.0
	All colleagues from an Ethnic Minority background		8,675	13.4 ✓	11.3
Disability	Colleagues who disclose that they have a disability		4,221	6.5	3.7
Sexual Orientation	Colleagues who disclose their sexual orientation		44,284	68.6	59.7
Gender Identity	Colleagues who disclose their gender identity		32,040	49.6	30.4

1 Data is collated and reported in compliance with the provisions of section 414C(8)(c) Companies Act 2006.

2 In the current year there is no reported data for the categories of Black/African/Caribbean/Black British, Mixed/Multiple ethnic groups including Arab and Not specified/prefer not to say.

3 In the current year there is no reported data for the categories of Mixed/Multiple Ethnic Groups, Black/African/Caribbean/Black British, Other ethnic group including Arab and Not specified/prefer not to say.

NR This data was not reported in 2021 and is a new disclosure in 2022.

✓ Indicator is subject to Limited ISAE 3000 (revised) assurance by Deloitte LLP for the 2022 Annual Responsible Business Reporting. Deloitte's 2022 assurance statement and the 2022 consolidated reporting criteria are available online at [www.lloydsbankinggroup.com/who-we-are/responsible-business/downloads](http://www.lloydsbankinggroup.com/who-we-are/responsible-business/downloads).

#### Methodology and definitions:

- Data is sourced from the HR system (Workday) containing all permanent colleague details
- All data as at 31 December 2022
- All diversity information for ethnicity, disability, sexual orientation and gender identity is based on voluntary self-declaration by colleagues. Our systems do not record diversity data of colleagues who have not declared this information and is for UK payroll only

- Gender data includes international, those on parental/maternity leave, absent without leave and long-term sick and excludes contractors, Group Non-Executive Directors, temporary and agency staff
- The Group Executive Committee (GEC) assists the Group Chief Executive in strategic, cross-business or Group-wide matters and inputs to Board. GEC includes the Group Chief Executive and excludes colleagues who report to a member or attendee of the GEC, including administrative or executive support roles (personal assistant, executive assistant). GEC and GEC direct reports includes the Group Chief Executive and colleagues who report to a member or attendee of the GEC, including administrative or executive support roles (personal assistant, executive assistant)
- Senior managers: Grades F, G and Executive (F being the lowest)
- A colleague is an individual who is paid via the Group's payroll and employed on a permanent or fixed-term contract (employed for a limited period). Includes parental leavers and internationals (UK includes Guernsey, Isle of Man, Jersey and Gibraltar). Excludes leavers, Group Non-Executive Directors, contractors, temps and agency staff
- Diversity calculations are based on headcount, not full-time employee value and excludes Embark for the FY 2022 reporting period.
- Ethnicity data excludes non-UK colleagues



# Gender diversity

We aim to have a leadership team that reflects the society we serve, and have continued to work towards our aspiration to have 50 per cent women in senior roles by 2025. Our progress has been recognised externally in the 2023 Bloomberg Gender-Equality Index for the fifth year in a row and the 2022 Times Top 50 Employers for Women for the eleventh consecutive year.

## Group Executive Committee and Board gender diversity

Our gender diversity ambitions are being led from the top – the diversity goals and the associated objectives to achieve them have been built into the Group Executive Committee (GEC) Balanced Scorecard and are reported to the GEC regularly. In addition, each of the leaders of our business units has diversity targets in their scorecard which are reported regularly to our GEC to ensure ongoing scrutiny at the highest level.

We are committed to maintaining at least four women on the Board and, over time, will aim to reach gender parity, matching the Group's ambition to have 50 per cent of senior roles filled by women. Reflecting these aspirations, the Board will aim to meet the recommendations set out by the FTSE Women Leaders Review, which we are proud to be associated with as a co-headline sponsor.

## Ensuring a gender-diverse recruitment strategy

We have continued to drive progress around developing our talented women and are committed to their progression and recruitment through our existing activities and networks.

We utilise an artificial intelligence tool to improve the tone and language of job adverts to attract more women and in 2022, 99% of job vacancies promoted flexible working.

For senior appointments, gender diversity is monitored and we aim to attract and employ talented women into the Group.

## The majority of our roles are advertised as agile

We have built agile working and agile hiring practices into our Group strategic plan and 96 per cent of job vacancies are now advertised as agile, benefiting both women and men.

## Lloyds Banking Group Returners

Our Returners programme, now in its seventh year, targets professionals who have been on a career break for 18 months or more. It enables returners to resume their career in a role that matches their skills and experience. In 2022, we made improvements, offering candidates permanent job positions from day one, while still supporting them with an on-boarding training programme. The programme has a strong uptake from women, which has resulted in opportunities for 140 talented individuals since its launch. The programme was shortlisted for Most Successful Returners Programme at the Women in Banking and Finance Awards 2022.



## Breakthrough

Our gender diversity network, Breakthrough, supports the development of our colleagues with c.10,000 members. Breakthrough regularly runs events to support colleagues in fulfilling their career potential. Throughout 2022, the network held a series of events from helping colleagues make their money go further through the increased cost of living, to sessions with women in senior positions across the Group, helping colleagues at all grades learn the various routes that leaders have taken to get to where they are today, inspiring our leaders of tomorrow.

We have continued to meet our commitment to publish our **gender pay gap report**.

# 50%

**Our aspiration is to have 50 per cent women in senior roles by 2025**

# 86%

**of our colleagues agreed that the Group is an inclusive place to work**

# c10k

**colleagues are members of our Breakthrough network**

# Ethnic diversity

Our aim is to increase the ethnic diversity of our workforce and unlock the potential of our Black, Asian and Minority Ethnic colleagues.

Building a truly inclusive organisation requires us to provide an environment where all colleagues speak up, challenge and act to take an active stance against racism and discrimination of any kind.

In 2020, we launched our Race Action Plan to drive recruitment, progression and cultural change across the Group. Later that year, we broadened our plan to go further and work beyond our own internal boundaries by actively supporting Black heritage communities through our partnerships with Foundervine and the Black Business Network, see page 17. We continue to make substantial progress on our Plan as reflected on page 30.

We have set targets to increase the representation of our Black, Asian and Minority Ethnic colleagues to 13 per cent in senior roles and increase Black heritage representation in senior roles to at least 3 per cent by 2025.

13%

**Black, Asian and Minority Ethnic colleagues in senior roles by 2025**

Leading from the top, in 2020, the Board exceeded the Parker Review recommendation of at least one Black, Asian or Minority Ethnic Board member and we continue to do so.

During 2022, we have seen an increase in Black, Asian and Minority Ethnic and Black heritage representation in senior roles but there is still more to do. As at the end of 2022, 10.2 per cent of senior manager roles were held by Black, Asian or Minority Ethnic colleagues, and 1.4 per cent held by Black heritage colleagues.

Our Race Advisory Panel, made up of colleagues from a Black, Asian and Minority Ethnic heritage, continues to play a critical role in helping us to shape the diversity initiatives that we need to deliver for sustainable change.

3%

**Black heritage representation in senior roles by 2025**



# Our 2022 progress against our Race Action Plan



## Partnerships and awards

- At the 2022 Ethnicity Awards, we received the Outstanding Employer Award for the third time since 2018
- We became a Black Talent Charter signatory to enhance equality of opportunity for Black talent in professional and financial sectors in the UK
- We renewed our commitment to the Business in the Community Race at Work Charter
- Two colleagues were included in the 2022 Empower role models list



## Race education programme

- We completed the delivery of our Race education programme to our colleagues including our contingent workers
- We continued to provide quarterly senior leaders and line manager training for new leaders and managers throughout the year
- We embedded the all-colleague race education training into our Group induction programme
- Our ongoing race awareness and allyship materials are available to all colleagues, and in the second half of 2023, we plan to launch culture, faith and religion mandatory training to all our colleagues, which replaces our Cultural Awareness training



## Career progression

- Our bespoke senior leadership programme launched in December 2020 and has supported over 10 Black senior managers to progress. A second cohort launched in September 2022 to accelerate our progress
- Building on the success of the senior leadership programme, we launched a similar programme for our Black Heritage middle managers in June 2022. By the end of 2022, over a quarter of these colleagues had secured senior manager roles or made lateral moves to progress their career



## People process review

- We have completed a full review of all our people processes and agreed actions and recommendations to remove any issues of bias and deliver a proportional outcome for our Black, Asian and Minority Ethnic colleagues
- Our Culture Board, consisting of Black, Asian and Minority Ethnic colleagues continues to support our Marketing team to ensure that we authentically represent our customers in our advertising and marketing campaigns. In 2020, we launched our **Championing Modern Britain** for marketing and communications professionals. The guide identifies principles to ensure positive and progressive portrayals of ethnicity and race in marketing communications



## Race and ethnicity mental health advocates

- We collaborated with the Cit Mental Health Alliance on the **mental health and race at work report**, which seeks to build the business community's understanding of the challenges faced by Black, Asian and Minority Ethnic employees at work, and how this impacts their mental health
- The Group has had tremendous success through its training and offering of colleague mental health advocates. By leveraging the **mental health and race at work report**, we are recruiting and training 60 race and ethnicity mental health advocates to support our Black, Asian and Minority Ethnic colleagues to discuss mental health related issues and get support directly from colleagues that have lived similar experiences



## Ethnicity pay gap report

- We have continued to meet our commitment to publish our **ethnicity pay gap report**



## Recruitment

- We refreshed our inclusive hiring guidance and rolled out inclusive hiring masterclasses reaching over 2,000 hiring managers
- We began working with BME Recruitment and Black Scotland Professionals to help better reach Black, Asian and Minority Ethnic talent
- We supported the 10,000 Black Interns initiative with 19 Black interns joining the Group for a summer paid internship and we are planning to increase take-up in 2023 to more than 75 interns
- Our 2022 graduate programme delivered an increase in the diversity of graduates, with 41 per cent being Black, Asian or Minority Ethnic of which 5 per cent were specifically from a Black heritage background



## Community

- Our Lloyds Bank Foundation for England and Wales, currently has 190 live grants, supporting Black, Asian and Minority Ethnic charities or projects, with over £10 million invested



## Supplier diversity

- We are implementing a supply chain diversity strategy across the Group to ensure that our suppliers and partners match our goal to represent the society we serve
- We will help our colleagues deliver this through a database of certified businesses, and developing greater awareness of supply chain diversity through colleague training and communications



In action

# Building our internal talent



**SDG 10.2:** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

The focus on progressing our Race Action Plan ambitions has continued, with significant effort on supporting our Black colleagues progress their career at the bank.

Our Senior Leadership Programme, which helps us identify and place our next senior leaders continued, and following its success, in May 2022 we launched a similar programme for middle managers to develop into senior manager roles.

The programme supports colleagues with the tools they might need to accelerate their career, providing bespoke development sessions, networking opportunities, peer to peer support through mentoring circles, and support to find a mentor or sponsor. By the end of 2022, over a quarter of the colleagues enrolled on the programme had either been promoted or taken a lateral move to progress their career.



**Kemi Balogun, Head of Audit for Automation and IT General Controls, shares her experience of the Senior Leadership Programme.**

“The programme structure was brilliant with a mix of different events and sessions. Having a network of fellow colleagues to lean on and learn from was something I didn’t know I needed at that time until I experienced it. Two sessions stand out for me that I really valued; the one-to-one session at the beginning of the programme to assess my strengths, areas for development and immediate actions I needed to take. The second was the interview support I got during the programme which came at the perfect time for me and contributed to my success in securing a senior leadership role.

The programme gave me an opportunity to reassess myself as a leader and helped sharpen up the skills and tools I need to be successful. It’s been important for me to engage with colleagues from across the Group, get feedback from peers who have shared experiences and understand the challenges that Black colleagues can face. I’ve made connections from the programme that will stay with me for a long time. By leveraging our combined experiences, we can make a difference together. In years to come, I hope to see more individuals who look like me at senior levels and on the Board, and for that to be the norm.”



**Olu Fagbile, who recently secured a promotion to Senior Manager, Risk Data Transformation, told us about his experience on the programme.**

“I joined the programme in 2022 and from the start I was very excited to be part of it. We kicked off with a leadership assessment inventory, which helped me identify where I was at my strongest and highlighted the areas I should work on. This gave me a lot of confidence as I became more aware of where my focus needed to be and I attended a number of the programme’s relevant virtual workshops to support my development.

The highlights for me though were getting to meet many of the other fantastic colleagues from across the business and attending the face-to-face networking event and workshop. It was here that one of the speakers challenged us to find a sponsor, so I asked her to be mine! This programme has supported me in many ways, and there’s no question in my mind that I would not have secured my new role without this help and support.”



# Sexual orientation and gender identity

We are proud to have created an inclusive and open working environment for our LGBT+ colleagues.

## Raising awareness and celebrating our differences

In 2022, we have continued our #AlwaysProud campaign. Pride is an all-year celebration of all sexual orientations and gender identities and we mark visibility and awareness events throughout the year, such as the International Day Against Homophobia, Transphobia and Biphobia, LGBT+ History Month, Trans Visibility day, Bi Visibility Day and Lesbian Visibility Day. We have also shared a second series of our LGBTea Break conversations between LGBT+ colleagues and social media influencers. To inspire our LGBT+ colleagues and encourage allyship, we have hosted a range of events featuring high-profile, diverse LGBT+ speakers.

## Furthering understanding and support

To enable us to better understand the views of our colleagues, we've reviewed the demographic options offered to colleagues in our Group-wide colleague survey. We have extended the options for colleagues to select that they identify as Pansexual, Asexual, Transgender and Non-Binary.

We have worked with our Transgender colleagues to further understand the challenges they face. As a result, we have improved our processes for change of name and/or gender, and have specially trained HR professionals to support line managers and colleagues. In addition, we look for ways our Trans and Non-Binary role models can share their journeys and experiences with other colleagues to increase awareness and understanding, and in 2022 we have shared the story of one of our Non-Binary colleagues through our all-colleague intranet.

Our Branch colleagues have the option to order gender neutral uniforms and can choose to display preferred pronouns on their name badges.



With more than 5,000 members, our LGBT+ colleague network, Rainbow, plays a role in supporting our LGBT+ colleagues. In 2022, Rainbow launched its fourth LGBT+ Colleagues and Allies role model list, which shines a light on colleagues within the Group who've been nominated for their positive impact on LGBT+ inclusion.

Following the successful launch of the LGBT+ Mental Health Advocate programme, in 2022 Rainbow launched their Mental Health Hub offering tailored support for LGBT+ members and allies. They have worked closely with MindOut who have delivered seven mental health training sessions so far. 125 colleagues have now undertaken the training to be a mental health advocate and 63 colleagues are available to support colleagues on the Mental Health Hub.



**2022 saw the return of face-to-face Pride events with a series of activities over five months, and more than 1,500 colleagues taking part in Pride events across the UK.**

In addition, a virtual programme of event activity featuring high profile speakers took place reaching over 4,000 colleagues. Our Lloyds Bank, Halifax and Bank of Scotland branches in Glasgow, Manchester and Birmingham featured Pride installations to show support for the Pride events taking place in those cities, and many of our head office sites across the UK had a Pride presence.

**5,000**  
colleagues are members of our Rainbow LGBT+ network



# Supporting disability

A key part of our bold ambition to be the leading UK business for inclusion and diversity is dialling up our focus on disability, mental health and neurodiversity.

Our aim is to create an inclusive and accessible working environment where everyone is supported to reach their full potential. We have received external recognition for the progress we've made so far, as the Group continues to hold the Business Disability Forum Gold Standard accreditation and Disability Confident status from the Department for Work and Pensions.

Building on our journey, this year we have further developed our Workplace Adjustments process to make removing or reducing barriers for colleagues with disabilities more effective. We've enhanced the internal offering for all, allowing workplace adjustments to focus on those with complex adjustment needs. While we have made substantial changes, we know our process could be improved further, and so in 2023 we will undertake a significant overhaul of all our colleague wellbeing services, to streamline and improve the colleague experience even further.

Understanding our colleagues better will ensure that we focus on the right things. This year, we embarked on a diversity data sharing campaign to encourage our colleagues to share their personal information with us, including whether they have a disability.

To support colleagues in providing their data, we have improved the data sharing process and worked on building trust, so colleagues feel comfortable and safe to share their personal information with us. We are pleased that the number of colleagues sharing their disability data increased by 10 pts in 2022, but we recognise that there is more to do to create a culture whereby colleagues feel able to share.

We know that to be fully representative, our end-to-end colleague experience needs to be fully inclusive and supportive to colleagues with disabilities. This includes recruitment, training and development. We embed inclusivity and accessibility into our recruitment process, such as by offering the Disability Confident Scheme and providing hiring managers with mandatory training, inclusive hiring resources and workplace adjustment guidance. We advertise external roles on Diversifying and Disability Jobs and work with organisations such as Auticon to recruit colleagues with disabilities into targeted roles. We are also working with the 10,000 Interns Foundation on the pilot of their new programme, 10,000 Able Interns, which offers a minimum of six weeks paid work experience to students with disabilities or recent graduates.

We place a strong focus on development of colleagues with disabilities, including through our mentoring programme, managed via our colleague disability network, Access, and our Personal Development Programme for Colleagues with Disabilities, which has been described by many participants as 'life changing.'

## Generation Valuable

We are one of the first 75 companies to join Valuable 500's new future leaders programme, Generation Valuable. Addressing the gap in disability talent at all levels, this 12-month programme will provide one of our rising leaders with a disability, the opportunity to receive training from inclusion and leadership development experts, access to one-of-a-kind resources and a global network of peers, as well as internal mentorship from a Group Executive. But this is just one colleague and therefore we have more to do to support the career progression of our colleagues with disabilities into leadership roles.

## Colleague disability network

Our colleague network, Access, is open to all colleagues, regardless of whether they have a disability or long-term health condition. Members receive regular communications and invites to events to help support themselves or others. The Access network currently has more than 3,500 members and we encourage everyone to play a part in creating an inclusive and accessible working environment



### Embracing thought diversity

To ensure we build a truly inclusive culture, we seek to embrace and maximise the talents of people who think differently and to provide products and services that are accessible to all.

In 2022, Lloyds Banking Group became a founding member of 'Neurodiversity in Business', a forum and industry group for organisations to share best practice on Neurodiverse recruitment, retention and empowerment. We hold regular working groups, led by senior executives and with colleagues with lived experience of neurodiverse conditions to better understand the barriers they face and explore potential solutions together. We actively engage and work with them in the development of new processes and initiatives, in areas such as our facilities and recruitment, to ensure we build inclusivity and accessibility in from the beginning. We use this insight to help shape our plans, but we are still fairly early in our journey in this space and the more we listen to our colleagues, customers and peers the more we will be better able to support those with neurodiverse conditions.

In September 2022 we launched the Genius Finder Pro tool, provided by the social enterprise Genius Within and customised for Lloyds Banking Group. Colleagues receive a personalised report providing their strengths and challenges in the workplace, along with suggested workplace adjustments and strategies they may find beneficial to support them. This report seamlessly links to other services we use from Genius Within, including additional assessments where required, diagnosis and coaching.

We hold the National Autistic Society's (NAS) 'Autism Friendly Award' and are working with them on delivering a core training module for line managers and colleagues across the Group. Having focused a lot of our attention and activity in the neurodiversity space on autism, as we look to 2023 we want to ensure we consider broader neurodiversity to create inclusivity for all.

### Sharing our learnings with our business customers

To support our small and medium business customers, in 2022 we relaunched our guidance on Disability in the Workplace, sharing best practice on how they can support their employees with disabilities and long-term health conditions, recognising that many small businesses don't have the time or resources to build this understanding organically.

Following the invaluable insight gained from the **Black. British. In Business & Proud report** as part of our programme of support for Black Entrepreneurs, this year we embarked on a research programme with Small Business Britain to help us better understand the barriers faced by entrepreneurs with disabilities.

### In action

## In June 2022, Lloyds Banking Group became the first UK bank to open a registered Changing Places facility at our Broad Street building



**SDG 10.2:** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Changing Places facilities are designed to be completely accessible and provide a hygienic and comfortable facility for people with disabilities and their carers.

As well as the facility being available for colleagues, we have also made it available to members of the public<sup>1</sup>. We have plans to add a further two facilities to our sites in 2023 and we are working towards the inclusion of Changing Places facilities into our building design standards moving forwards.



<sup>1</sup> Please note, due to refurbishments being made to the Old Broad Street building in 2023/24, the facility will need to be closed while works take place.



# Supporting our colleagues

We know the success of our business is dependent on our colleagues and we aim to look for ways to help them feel more supported, in control and confident about their future.

## Colleague engagement

We want people to love working here. With more than 63,000 colleagues working across the Group, we welcome their views and opinions on a range of topics to help them grow and us to grow as a business.

In 2022, we refreshed how we listen to our colleagues to provide a more regular and complete picture of sentiment. This included redesigning our annual survey and running monthly pulse surveys to capture timely feedback, which we share with leaders to take swift action.

We heard from around 60 per cent of colleagues in our Spring census survey, with the response rate in line with 2021's Spring survey but below our 2021 Autumn survey participation. We found that engagement, confidence, trust and mood remained at similar levels to 2020, despite high levels of change. Most colleagues were also aware of and understood our new strategy.

Our new monthly 'pulse' surveys launched in September and have allowed us to monitor advocacy, through a newly launched employee net promoter score, alongside mood. We also use these surveys to delve into relevant and timely topics, including our values and the transition to hybrid working.

Our annual Autumn survey was completed by 80 per cent of the Group and gave us a complete view on our progress with purpose, strategy and culture. Overall engagement improved 2pts compared to 2021, and has returned to pre-pandemic levels. We have seen an increase in overall mood linked to feeling more supported and connected. In addition, we have seen significantly improved line manager ratings, with many feeling trusted by their manager.

# 80%

**of colleagues said they felt the Group had supported their wellbeing in 2022**

## Health and wellbeing

The health and wellbeing of our colleagues remains a key priority for the Group. We offer a range of support for colleagues. Our approach continues to deliver support in our four pillars, and in 2022 we refreshed our Healthy Finances Hub to support our colleagues with the increased costs of living. The hub is regularly updated and promoted to colleagues through our internal channels, and as a result, around 63,000 visits are made on average each month by our colleagues. Wellbeing remains a key theme in our internal communications, helping colleagues to feel supported through the wide range of focused wellbeing support on offer, which has assisted colleagues to feel empowered to make healthy choices.

Four pillars of our wellbeing programmes:



### Healthy bodies

- Bupa private medical cover
- Office equipment support
- Menopause proposition
- Workplace adjustment services
- Occupational health services



### Healthy minds

- Mental health advocates
- Headspace
- Employee Assistance Programme (EAP)
- Occupational health services
- Internal mental health awareness activities



### Healthy finances

- Launched the Money Chats service and improved healthy finances hub
- Tools and resources to improve financial education
- EAP – debt and financial wellbeing support
- Ongoing review and provision of support through financial wellbeing/resilience colleague campaigns



### Healthy relationships

- Domestic and economic abuse support
- EAP – your coaching and support





### Menopause support

Approximately 30 per cent of our workforce is made up of women aged over 40, which means many of our colleagues could be experiencing symptoms of perimenopause or menopause. We want to ensure all our people are healthy at work and reach their full potential. Since launching our proposition, we have experienced a major cultural shift as continue to remove the taboo around menopause and support all of our colleagues to be menopause aware and informed. We've recently become independently menopause friendly accredited and we are immensely proud of this achievement. We are committed to providing menopause support to anyone who needs it.

Our proposition continues to focus on three areas:

- Raising awareness of the menopause and supporting all to take affirmative action to support themselves and those around them
- Improving day-to-day experiences at work through the provision of appropriate support resources, embedding the guidance found in our 'Menopause Promise', manager training, ongoing live events and reviewing existing provisions such as our uniform offering
- Providing medical support through our Bupa private medical benefit

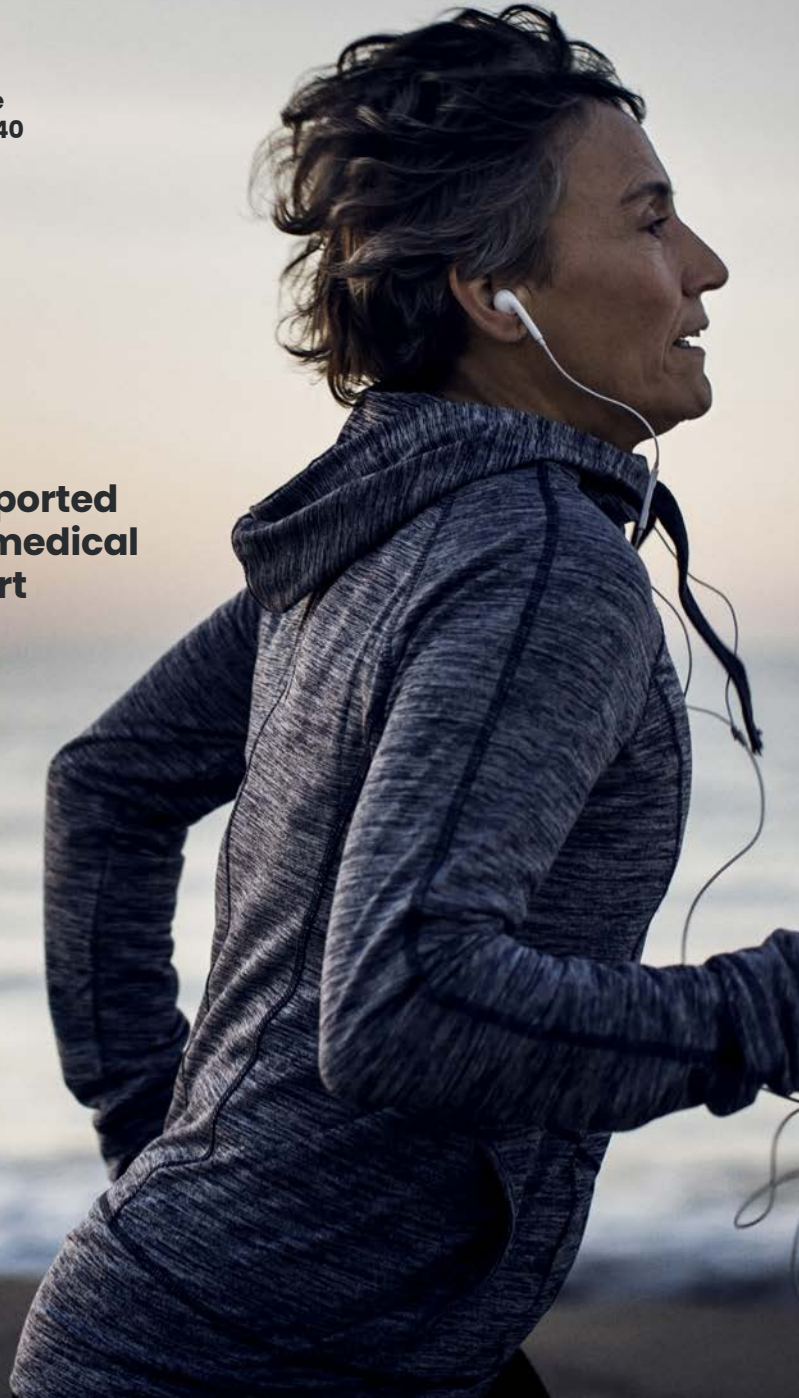
The proposition is not just aimed at those going through menopause, but also those who play a role in supporting someone through it at work and/or in their personal lives. We know there is still more to do and we aim to continue to push the boundaries and encourage colleagues to improve their understanding and engage in meaningful conversations both at work and with their friends and family.



30%  
of our workforce is made up of women aged over 40

600

colleagues have been supported through our Bupa private medical benefit menopause support



### Financial wellbeing support

As an organisation, we have been conscious of the impact that the increased cost of living has continued to have on our colleagues. In 2022, the Group launched our Money Chats service. These allow colleagues to have a free and confidential conversation with an internal financial wellbeing expert and allows colleagues to maximise their full reward package, understand their pensions and access information and guidance on budgeting and money management, and provide proactive signposting to support services such as our EAP service and PayPlan for emotional and debt management support.

In addition, to provide further support for our colleagues, the Group's dedicated health and wellbeing hub has significantly improved its financial wellbeing support, consolidating all available financial wellbeing support internally and recommended external support provisions also. This content emphasises removing the stigma around talking about money and provides opportunities to understand exactly how the Group can support our people.



### Bupa

All colleagues are offered private medical cover provided by Bupa as a core employee benefit, which gives access to good-quality medical care, including accommodation, nursing care and specialist advice. Cover is also available for family members by purchasing additional benefits through our benefits programme, Flex.

Supporting our colleagues continued



Parental leave support

We continued to support our working parents and in 2022 introduced two new support tools for colleagues: a new Maternity Colleague Journey on our HR system which brings together all the required information for colleagues in one place and new maternity and adoption pay calculators that enable colleagues to view their projected income while on leave. Our Family Matters Network for parents and carers now has over 8,000 members and holds events which cover topics from caring for children and adults and managing a career, including specific support for fathers.



Colleague mental health

It has been yet another challenging year for our colleagues and our continued focus on mental health has been a key component of our communications and support. Our mental health approach is led by our dedicated Group Disability, Mental Health and Neurodiversity team and empowers our colleagues to prioritise their mental health and wellbeing. We're working towards creating a culture where mental health stigma is consistently challenged and reduced. As we continue to adapt to our new hybrid way of working, we have a real opportunity to challenge and shape this further and to create a working environment that supports colleagues' wellbeing. We will continue to listen to colleagues, test and learn and remain agile to further hone our approach and ensure all colleagues can be their best at work.

Our mental health advocates programme continued for its fourth year and we have now trained more than 3,000 colleagues. These advocates proactively work to raise awareness of mental health and as our charity partnership with Mental Health UK has come to a close this year, we will continue to work with them to maintain this number of mental health advocates, ensuring that support for this network continues.

In 2022, to better represent the diversity and needs of our colleagues, we created three sub-networks to support our LGBT+, Black, Asian and Minority Ethnic, and colleagues with disabilities. The mental health advocates network was highly commended in the category of 'Best Mental Health Network' at the This Can Happen Awards in 2022.

Our commitment to the mental health of our colleagues has also been recognised by a number of external bodies. The City Mental Health Alliance (CCLA) accredited the Group as 'Excelling' against their Thriving at Work Assessment and we were one of only three organisations to receive Tier 1 of the CCLA's Mental Health Benchmark UK.

Headspace

The Group offers all colleagues a free subscription to the market-leading meditation app Headspace, providing access to mindfulness modules covering a range of topics from stress to self-esteem. More than 20,000 colleagues have registered and 20 per cent use it regularly. These initiatives continue to help us to change our culture around mental health, empowering our colleagues to openly talk about, and take ownership for their own wellbeing and take action to support it.

Our Employee Assistance Programme (EAP)

The EAP provides colleagues and their families (dependants and children aged 16-23) with free confidential support and advice on a range of issues. It covers topics ranging from emotional support to very practical legal and financial wellbeing. The service is available 24 hours a day, 365 days a year, ensuring that support is always available to our colleagues. From January to December 2022, 19,000 calls and 14,000 structured counselling sessions took place. Calls are up 13 per cent, counselling cases are up 43 per cent, indicating that more colleagues are seeking support for their mental health and it is a reflection of the external environment and increasing levels of mental health awareness.

For further information on our colleague remuneration and Group Pension coverage, please see our **ESG performance review 2022**



Domestic and economic abuse support

We believe employers have a very real role to play in supporting victims and survivors of domestic and economic abuse, raising awareness, acknowledging and responding to the issue. Work can be a safe space.

We recognise we are not experts on this issue, so we work with specialist charities including **Surviving Economic Abuse, Tender** and **SafeLives**, as well as the Lloyds Bank Foundation for England and Wales, to help us develop our strategy, support tools and resources for colleagues. In 2022, our four charitable foundations supported 120 charities helping people affected by domestic abuse across England and Wales. The insight and support from these charities is helping us fully understand the challenges that many victims and survivors face when it comes to accessing and separating finances, and how we can continually improve our services to help them.

Providing support to colleagues


We have a suite of advanced guidance taking colleagues on a journey to remove any biased thinking, reflect on the nature of healthy relationships, and consider their reaction to disclosure of abuse. Professional support is signposted, including the Bright Sky app. As part of this we have specific guidance for line managers on how to support colleagues experiencing domestic and economic abuse.

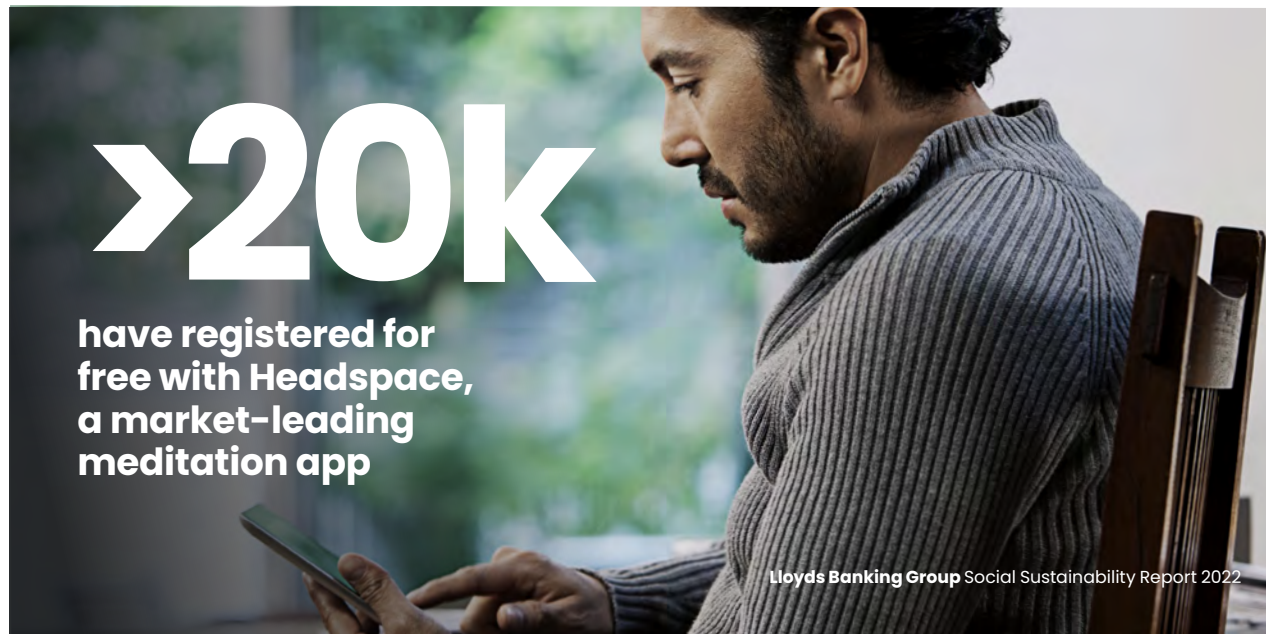
The line manager guidance aims to increase awareness and understanding of the nature and impact of abuse, and help them support customers and colleagues who are impacted to regain control of their finances and access additional help from appropriate third parties.

We also share regular communications and colleague stories to raise awareness, as well as hosting webinars with charities to provide the opportunity for colleagues to ask questions on this topic and find out more about the support available. In 2022, supported by **Surviving Economic Abuse, Tender** and **SafeLives**, we hosted a series of Group-wide webinars on topics such as coercive control, the impact of domestic abuse on children and young people, economic abuse and honour-based abuse. We also supported the 16 Days of Action Against Domestic Abuse campaign.

Group emergency assistance

Our established Emergency Assistance Programme for colleagues (and their children) covers the cost of one-to-one support and emergency accommodation, which has now been extended to 14 nights. During an emergency stay, the colleague can receive additional support from the programme to help them with their next steps. We also offer to change their work mobile number to help prevent the perpetrator from contacting them.

 For more information about how we support our customers who are experiencing domestic and economic abuse please **see page 11**





# Learning and development

We recognise that the world of work is changing, technology is advancing, and skills needed today will be obsolete in the future. As the UK faces challenges with skills shortages, we are investing in our colleagues to be the key to our future success. We are developing the deep technical skills we need now and in the future and have developed a reskilling proposition, so we can nurture and retain talent by providing opportunities for second, third and even fourth careers, allowing colleagues to move freely around the Group.



of colleagues say that Your Best is helping them to learn and grow

**23,500**

colleagues used our Your Best modules on resilience

## Investing and supporting skills for the future

Our ambition to have a learning environment that is fit for a world-class technology organisation increased in importance following the Group's move to a Platform-based structure. We have continued to focus on uplifting our technological capability by providing Platform colleagues with support to facilitate a significant mindset shift and embed a culture of learning. Platform-specific principles and ways of working and capabilities for wider skilled roles. Our initial focus was on leaders of Platforms (c.60 colleagues). This has now expanded to all c.10,000 colleagues within Platforms with a bespoke portal providing all relevant learning required for Platform colleagues.

The need to build technical capabilities internally is becoming ever more critical and we are currently implementing a Data and Tech Academy which will be a single source for colleagues, to build their data and technical capability. There will be content available to support all colleagues in the Group to increase their general technical literacy. Colleagues will have the time to grow and achieve their career aspirations and develop skills for the roles of the future, supported by clear learning pathways and an opportunity to practice and apply new role-specific skills in a safe environment. We will also look to embed a culture of knowledge transfer where colleagues connect to share their knowledge at scale. This offering will support colleagues with internal career mobility across the group and the ability to reskill into new roles.

### The Edge

Going into its third year, our Edge leadership development programme continues to provide stretching and challenging development for our senior leadership – equipping them with the tools they need to lead through the digital, cultural and organisational challenges in 2022 and beyond. Through the lens of responsible leadership, the Edge spotlights important societal topics such as climate change, sustainability, digital and financial inequality through interactive and provocative conversations with recognised experts. The Edge ensures that our leaders value the practice of leadership above the position of leadership, and that they are making decisions that enable the Group to be a force for good in society.

## Leveraging technology to improve our colleague experience

We continue to adapt our learning delivery alongside our hybrid approach to working and we have continued to invest in new technology enabling us to present across these audiences in an engaging and fully participative manner. Investment in our in-house studio production has also allowed us to deliver learning content at pace.

Acknowledging our approach to learning and development, 77 per cent of colleagues responded positively to the statement "Where I work, we invest in the current and future skills of our people" and 91 per cent to the statement "Where I work, we each take personal ownership for our individual development and growth".

## Performance management: Your Best

We believe that our people want to do their best for our customers and each other, every day. We call our approach to performance management Your Best, because as individuals, we want our colleagues to own and activate their performance and development.

Your Best is a simple framework that builds on our Group's purpose and values. It helps us achieve our key aims of making Lloyds Banking Group a place that people love to work, do amazing things for our customers and communities, and shape finance as a force for good.

We start with dynamic goal-setting, where leaders and managers help colleagues connect with the Group's ambitions so they understand that their work matters and create a set of focused goals to drive towards.

Colleagues review these goals – and the learning and growth they need to achieve them – through regular Check-in conversations. Fed by regular feedback and coaching, these conversations are chances for colleagues to reflect with their manager on their performance, growth and overall contribution, and how they might grow. As part of a two-way dialogue, we encourage managers to ask for feedback to understand how they are leading their teams. This human-centred approach means we no longer rely on ratings or annualised reviews. It helps our colleagues and managers to build trust and psychological safety, which we see in our continued increases to Managers' net promoter scores.



### Apprenticeships

This year has marked 10 years of delivering apprenticeships for the Group and in 2022, we onboarded our 10,000th apprentice. Through our award-winning programmes we have continued to extend and enhance our apprenticeship delivery, currently offering apprenticeships in 30 occupational roles from Level 2 (GCSE equivalent) to Level 7 (Master’s Degree equivalent). We typically have 1,700 colleagues on an apprenticeship at any time and we welcomed 550 new apprentices this year. The programme recruitment also contributes to our focus on diversity with 25 per cent of external hires coming from a Black, Asian or Minority Ethnic heritage and 45 per cent being women.

### Levy transfer

The UK job market has continued to remain turbulent and during this period we have continued to equip SMEs through our levy transfer initiative to invest in skills within their business and create new opportunities for young people and adults faced with reskilling in an evolving market. The Group is the largest private sector donor and through the initiative, we’re helping to resolve critical skills gaps and provide opportunities for future UK economic success. By the end of 2022, we committed financial support to more than 945 apprentices employed by over 410 businesses in areas of critical skills shortfall, to a cumulative value of £11.8 million.

### Building skills for the world of work

How, when and where people work, is changing. It is estimated that 65 per cent of children starting school (at age 5) will have a job that does not exist today. There’s a heightened focus on the delicate balance between technical capability and emotional intelligence. Through our partnership with Skillsbuilder, we have given 3,200 students aged between eight and 19, the opportunity to learn about and develop essential behavioural skills which will set them up for success. These skills contribute to higher educational achievement, and higher skilled and better paid work, particularly for individuals who have experienced challenges in early life. In addition, a further 18,000 students have developed through Skillbuilder Accelerator; a programme we fund.



### In action

## Reskilling through apprenticeships

“Overall, I’m so glad I took this opportunity and applied for the apprenticeship because it’s given me the confidence to explore areas of interest and learn new skills, while getting supported to do so. I’m now working as a Cloud Engineer within Cloud Services, a role I wasn’t even contemplating two years ago or even knew existed.”



**SDG 8.5:** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value

At Lloyds Banking Group, we invest in our colleagues to ensure that we attract and retain the best talent. Through our reskilling proposition, we’re giving colleagues the opportunities to reskill through accredited apprenticeship programmes, allowing them to take on new career paths. Rubinder, one of our Cloud Engineers originally joined our Emerging Talent team in People and Places in 2016.

“I’ve always had an interest in technology but thought it was a mathematical area which I don’t enjoy, so instead I went to university and gained an International Business and Management degree and a Master’s in Human Resources.

After a number of different roles elsewhere, I eventually arrived here in the Emerging Talent team within People and Places, which is where I gained exposure to apprenticeships. For me, this was a golden opportunity to get into an area I’ve always been fascinated about, so I applied for the Higher Level 4 Software apprenticeship as a novice in the area.

Naturally, I was anxious about getting into the learning mentality again but was pleasantly surprised that the apprenticeship came with a great support network in the form of an apprenticeship team on hand, a line manager, a team buddy, a mentor from the professional qualification provider and all the apprentices in my cohort.

One of the courses I completed in my apprenticeship was the Modern Engineering Accelerator. That’s where I was introduced to DevOps, which sounded really exciting. I wanted to learn more about this area, so applied for a secondment opportunity and was successful. It was great that whilst on the apprenticeship I wasn’t restricted to apply for roles into a discipline I enjoyed”.



# Human rights and modern slavery

The Code of Ethics and Responsibility together with the Group’s human rights policy statement and modern slavery statement form the foundation of the Group’s approach to human rights.

**24.9m**  
 people are in forced labour globally

Access our **human rights statement and modern slavery statement** available on our responsible business downloads centre here

We do not tolerate slavery, trafficking or forced labour in any part of our business or any supply chain risks across our business. With an estimated 24.9 million people in forced labour globally<sup>1</sup>, we know that complex global supply chains carry a risk of modern slavery. We have embedded a number of policies and processes to identify these risks.

The Group’s approach to human rights is governed by the Responsible Business Committee. The Group’s day-to-day management of and engagement on modern slavery and human rights is guided by a cross-divisional working group, which has input from functions across the Group including HR, Sourcing, Retail, Commercial Banking and Economic Crime Prevention, as well as external human rights experts. This approach is supported by several Group policies relating to the management of issues that impact human rights through our operations such as, but not limited to:

- Group colleague policies
- Health, safety and fire policy
- Group data policy
- Security policy
- Harassment and grievance resolution policy
- Group compliance policy
- Group accountability standards
- Speak Up (whistleblowing)
- Anti-bribery policy
- Group sector statements
- Code of supplier responsibility
- Customer policy
- Product governance policy

The effective management of human rights and modern slavery issues relies on the integration of the human rights principles into Group guidelines and policies that set the parameters of operations for topics where there may be a human rights impact.

The human rights priorities of the Group within our direct operations are: inclusion and diversity; mental health and colleague wellbeing in the workplace; supporting vulnerable customers; tackling modern slavery; protecting customer privacy; and data security to keep our customers’ money and data safe.

Modern slavery and human trafficking is included in our bespoke Fighting Economic Crime Prevention training which is mandatory for all UK colleagues to complete on an annual basis. Group-wide training is further supported by targeted training for colleagues in specific roles that are more likely to encounter modern slavery.

<sup>1</sup> The international Labor Organisation and Walk Free Foundation.

## Human rights issues addressed by the Group’s activities



### Colleagues

- Non-discrimination, inclusivity and equality
- Fair remuneration
- Mental health of colleagues
- Freedom of association/collective bargaining
- Health and safety of colleagues, contractors and visitors
- Harsh or degrading treatment/ harassment
- Accessibility for persons with disabilities
- Maternity and paternity protection
- Grievance mechanisms and whistleblowing



### Suppliers

- Compliance with UK Modern Slavery Act and mitigation of the risk of human rights or modern slavery risks in the countries and communities where they operate
- Fair remuneration and ethical recruitment practices
- Access to effective remedy for individual victims of human rights violations
- Child labour
- Grievance and whistleblowing mechanisms

**The Group is either a signatory to, or abides by, the principles of a number of international and national codes and standards relating to responsible business practices.**



### Customers

- Economic crime including AML and counterterrorist financing
- Data privacy and security
- Modern slavery, forced labour and human rights abuses
- Customers who are more vulnerable including due to critical illnesses, the elderly and customers with disabilities
- Domestic and economic abuse victims
- Mental health of customers
- Identified environmental, social, labour and human rights high-risk sectors and excluded activities related to lending activities
- UNGC compliance for investees
- Modern slavery and forced labour in high-risk sectors such as agriculture
- Maternity and paternity protection
- Grievance mechanisms and whistleblowing



### Communities

- Mental health in communities
- Domestic and economic abuse
- Drug trafficking and child exploitation
- Human trafficking

### These include:

- The Equator Principles, the UN Principles for Responsible Investment
- The UN Global Compact, the UN Universal Declaration of Human Rights
- The International Labour Organization’s Core Labour Standards
- The UN Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking and the Principles for Sustainable Insurance

### We are guided by:

- The International Bill of Human Rights
- The UN Guiding Principles on Business and Human Rights
- The International Labour Organization’s (ILO) Core Labour Standards and its Tripartite Declaration of Principles

# Supporting communities across the UK

Sitting at the heart of communities across the UK, we play an active role in helping them in a number of different ways including colleague volunteering; support for community groups and organisations; donations to our independent Foundations; and fundraising for local charities.



## Our Foundations

As one of the UK's largest corporate donors, we use our scale to reach millions of people and help tackle social disadvantage in communities across the UK and Channel Islands. In 2022, we gave our Foundations £20.4 million to help them to continue to support hundreds of small and local charities, taking our total donations to over £110 million since 2018.

The charities our Foundations fund sit at the heart of the efforts to tackle some of the most challenging issues facing the UK. To help the Foundations to support charities through the increased cost of living, this year, we donated an additional £2 million, to enable them to provide additional, much needed funding and support. This took our total donations to the Foundations to £22.4 million.

In 2022, more than 700 Lloyds Banking Group colleagues gave practical and strategic support to many of the charities our Foundations fund through a number of skills-based volunteering programmes, sharing their experience and expertise with charities, with more than 365 colleagues supporting 71 Charity Response Forums and hundreds acting as mentors and trustees for charities.

## Colleague volunteering

All colleagues in the Group are able to volunteer a minimum of eight hours a year within their work time to support a cause close to them or one of the many thousands of volunteering opportunities that we arrange throughout the year. As we see colleagues re-establish their working patterns and confidence post-pandemic, we have seen a welcome return to many activities during 2022. We have continued to provide virtual support to charities which are grant recipients from our independent Foundations, have seen around 3,300 colleagues involved in tree planting and sustainability projects through our partnership with the Woodland Trust and many colleagues have been involved in the delivery of Financial Capability projects in schools across the UK.

# £22.4m

donated to our Foundations in 2022

## In action

# The Lloyds Bank Foundation for England and Wales connects our colleagues with opportunities to volunteer with the charities they support.



Our colleagues provide practical and strategic support to help charities become more effective, resilient and sustainable. As well as deepening our colleagues' sense of connection with their communities, they're able to develop a greater understanding of the needs, aspirations and strengths of people facing complex issues.

Rachel Holder, Head of HR Legal at Lloyds Banking Group, took part in a skills-based volunteering programme, Skills Exchange, which brings together a group of Bank colleagues from specialist business areas such as Finance, Legal, Strategy, Marketing and Risk

and connects them with charities supported by the Foundation. Rachel's involvement led to her becoming a trustee of Re-Solve, which received a grant of £50,000 from Lloyds Bank Foundation for England and Wales.

Re-Solve is a small charity based in the Midlands. Their mission is to end solvent and gas abuse and help those whose lives are affected by it.

When Re-Solve identified a need to increase its Board's skills, including Legal, Rachel jumped at the chance to join as a Trustee.

### Rachel said:

"I'd witnessed first-hand the great work the charity was doing and how vital it was to families with nowhere else to turn. I could see where my Legal background could really help with some of the business decisions that were coming up.

One of the first issues I helped the charity with was its lease. Staff had adapted to working remotely during the pandemic, and costs of premises, which weren't being used,

were starting to increase. My Legal training and experience meant that I could interrogate the lease terms, and the charity didn't need to hire external Legal counsel, saving the charity a lot of time and money.

Being a trustee has given me new perspectives and inspired me to take on additional responsibilities. I can't stress enough the value and reciprocal benefit of bringing together people from different sectors to work together to find solutions to problems and make connections that will help people overcome deep-rooted challenges and fulfil their potential."

# £50k

was donated to Re-Solve from Lloyds Bank Foundation for England and Wales



**SDG 17.17:** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships



### Lloyds Scholars and Social Entrepreneurs

After an incredible 10 years, our award-winning Lloyds Scholars programme came to an end in 2022. Having partnered with nine leading universities across the UK, we provided over 1,000 students from lower income households a complete package of financial support including at least one paid internship, a business mentor from the Group and the opportunity to develop employability skills to help boost future career prospects.

Launched in 2012, the Lloyds Bank and Bank of Scotland Social Entrepreneurs programme was run in partnership with the School for Social Entrepreneurs and jointly funded by The National Lottery Community Fund. Initially planned to run for five years from 2012–2017, following a renewal of funding for a further five years in 2017, the programme concluded in 2022. Supporting social entrepreneurs at different stages of their social enterprise journey to develop the skills, strengths and networks they need to make a positive difference and tackle society's biggest problems, the partnership has supported more than 2,600 entrepreneurs and a further 750,000 people have benefited from the social enterprises on the programme.

Both programmes contributed significantly to improving social mobility. However, the landscape has changed considerably, leading us to conclude both, but we continue to work through our purpose to help Britain prosper and, specifically, our future approach to social mobility.

### Charity partnerships



#### Mental Health UK

During 2022, the sixth year of our partnership with Mental Health UK, over £2.1 million has been raised, bringing the total raised by colleagues and customers to more than £16.5 million. Our colleagues have continued to push themselves this year including sky dives, treks and cycle challenges. We have seen close to 100 colleagues complete the delayed 'Defy the Odds' challenge in Scotland and another 35 colleagues support our Epic Extreme challenge in the Highlands of Scotland.

Mental Health UK has continued to deliver our BLOOM programme in schools and colleges, equipping young people with the tools and knowledge to maintain their mental health through life's transitions, both now and in the future. We have also continued to support the Mental Health and Money Advice service which was expanded in 2020 to support the growing need for the service due to the pandemic, and for which demand has continued to rise.

In recognition of the ongoing need to support mental health issues, particularly heightened by the pandemic, we further extended this successful partnership as we entered 2022, enabling the charity to focus specifically on strengthening grassroots service provision across the country.

While our fundraising partnership with Mental Health UK came to an end in December 2022, mental health remains an important issue for the Group; and the charity continues to support us in our activities with both our colleagues and customers.



#### Woodland Trust

Since January 2020, the Group has been working in partnership with the Woodland Trust to plant 10 million trees in the UK by the end of the decade as part of our commitment to finance a greener future and support the transition to a low carbon economy. These trees have the potential to absorb 2.5 million tonnes of carbon dioxide in their lifetime, adding to the UK's carbon store.

The Group has planted three million native trees across the UK – in our new 'woods within woods'; in partnership with the agriculture sector, and with communities. Around 3,300 colleagues have planted over 25,000 trees at 119 tree planting events during 2022.

Our partnership also supports communities to plant trees with the Woodland Trust's Free Trees programme, planting 100,000 trees during 2022. Farmers and landowners are able to access both expert support and preferential funding at 75 per cent for more than 0.5 hectares of new woodland through the Trust's MOREwoods and MOREhedges schemes.



#### Crisis and Simon Community

It is estimated that over 227,000 families and individuals across the UK are facing homelessness. Through our new partnership, we will work with Crisis to help them to provide the support that will help people to leave homelessness behind for good.

Through our partnership, Crisis will launch a social lettings agency, breaking down the barriers that people face in accessing affordable housing. As well as supporting access to affordable housing, our partnership will help people to rebuild their lives and become financially secure through a Changing Lives grant programme. These grants will help people to make their house a home and also support financial stability through support to access further education, to help into employment or for people to start their own business.

3m

trees planted in three years, including 119 tree planting events in 2022 where colleagues and local communities planted over 25,000 new trees

£2.1m

has been raised for Mental Health UK, during 2022, bringing the total raised by colleagues and customers to more than £16.5 million



# Forward-looking statements

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The reader should be aware that this document, and the information contained within it, has been prepared on the following basis: (i) this document and its contents are not externally audited; (ii) all material contained in this document is subject to change without notice; (iii) the material in this document does not constitute any investment, accounting, legal, regulatory or tax advice or an invitation or recommendation to enter into any transaction; and (iv) this document has been prepared using models, methodologies and data which are subject to certain limitations. These limitations are, in general, owing to: (i) developing measurement technologies and analytical methodologies; (ii) lack of international coordination on data and methodology standards; and (iii) future uncertainty, which includes amongst others, developing global and regional laws, regulations and policies and evolving classification frameworks.

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