



Modern slavery statement

Lloyds Banking Group

Modern slavery and human trafficking statement 2025



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This statement is made pursuant to the Modern Slavery Act 2015 and constitutes Lloyds Banking Group's Modern Slavery and Human Trafficking Statement. This statement has been approved by the Board of Lloyds Banking Group plc on 13 of February 2026 and has been signed on its behalf by the Group CEO and Chairman.



Sir Robin Budenberg



Charlie Nunn

13 February 2026

See our [full reporting suite on the Investors page](#) → of our website.

Our purpose is Helping Britain Prosper. Our purpose-driven strategy is focused on supporting the needs of our customers, colleagues and communities, whilst delivering long-term sustainable returns and creating value for our shareholders. We do this by creating a more sustainable and inclusive future for people and businesses, shaping finance as a force for good.

The Group recognises the importance of addressing the risk of modern slavery throughout our operations, banking, investment, insurance and supply chain activities and how this is a key aspect in supporting our ability to deliver on our purpose of Helping Britain Prosper.

This is our tenth Modern Slavery and Human Trafficking Statement. It is published in accordance with section 54 of the UK's Modern Slavery Act 2015 and applies to Lloyds Banking Group plc, its subsidiaries, and their respective employees and officers for the financial year ending 31 December 2025.

Scope of the report

We acknowledge that modern slavery is prevalent in modern society and can be difficult to detect. As such, we may be exposed to modern slavery risks through our relationships with our clients, suppliers and customers, as well as through our employment practices, and our investment portfolios.

Lloyds Banking Group had no substantiated reports of incidents of modern slavery in 2025.

This statement outlines the steps we have taken in 2025 to identify, assess, address and combat the risk of modern slavery and human trafficking taking place in either our business and/or our supply chain, and our focus for the year ahead. Lloyds Banking Group plc and its subsidiaries are required to report under the UK Modern Slavery Act 2015, including, but not limited to:

- Bank of Scotland plc
- Black Horse Limited
- Cardnet Merchant Services Limited
- Embark Investment Services Limited
- Halifax Share Dealing Limited
- HBOS Investment Fund Managers
- HBOS plc
- Lex Autolease Limited
- Lloyds Bank Corporate Markets plc
- Lloyds Bank General Insurance Limited
- Lloyds Bank plc
- Lloyds Equity Investments Limited
- MBNA Limited
- Scottish Widows Administration Services Limited
- Scottish Widows Limited
- Scottish Widows Unit Trust Managers Limited
- The Agricultural Mortgage Corporate plc
- Tuskerdirect Limited

For the purposes of this statement, Lloyds Banking Group plc and the above entities are collectively referred to as Lloyds Banking Group or the Group.

Our core supply base comprises approximately 3,400 tier one suppliers¹, which we directly procure from, the

majority of which are in professional services sectors, such as management consultancy, legal, HR, IT, operations, marketing and communications. Our suppliers are located primarily in the UK, as well as in other European countries, North America and Asia.

This statement was approved in February 2026 by the Board of Lloyds Banking Group plc on behalf of Lloyds Banking Group plc and all the Group's subsidiaries, and by the Boards of its principal subsidiaries Lloyds Bank plc, Bank of Scotland plc and HBOS plc on behalf of the Ring-Fenced Bank sub-group. The Boards of Lloyds Bank Corporate Markets plc (LBCM) and Lloyds Equity Investments Limited (LEIL) approved the statement on behalf of their respective entities. The IP&I Executive Committee approved the statement on behalf of the Boards of Scottish Widows Limited and Scottish Widows Unit Trust Managers Limited.

¹ The core supplier population paid through the Group's new Accounts Payable Oracle system and legacy SAP system

Overview

Chief Sustainability Officer statement

As we publish our tenth annual Modern Slavery and Human Trafficking Statement, I am reminded of the critical role Lloyds Banking Group plays in helping Britain prosper – not just through our financial services, but by aiming to uphold high standards of human rights across our operations and supply chains.

Andrew Walton
Chief Sustainability Officer
Lloyds Banking Group

[Read full biography →](#)



“We are committed to working with our partners, clients and suppliers to drive meaningful change, share best practice, and support survivors in rebuilding their lives.”

This year, we have taken significant steps to strengthen our approach. We have deepened our risk assessments, and enhanced our training for colleagues, suppliers and senior leaders including the Group Executive Committee and the Group Board. Going into our third year of partnership with Unseen UK has enabled us to extend modern slavery awareness and capacity-building beyond our own teams to a number of our suppliers, and our continued engagement with industry benchmarks and collaborative initiatives demonstrates our commitment to continuous improvement.

We have strengthened our governance and oversight, including the development of our Group escalation process for reporting cases of modern slavery and our grievance mechanisms to ensure concerns can be raised and addressed swiftly and safely – by our colleagues, our customers and the communities we serve.

Despite our progress, we know there is more to do. The increase in potential victims referred to the UK’s National Referral Mechanism in 2024 is a stark reminder that modern slavery is not a distant issue, but one that demands ongoing attention and action from all sectors. We are committed to working with our partners, clients, colleagues and suppliers to drive meaningful change, share best practice, and support survivors in rebuilding their lives.

Looking ahead, we will continue to evolve our approach, leveraging data and technology to enhance our due diligence, expanding our training and engagement, and strengthening our collaboration with stakeholders across the value chain. Our purpose – to help Britain prosper – compels us to act with integrity, compassion and determination in the fight against modern slavery.

Overview

What we do

Our business model focuses on Helping Britain Prosper in a way that delivers sustainable profit and returns



Our purpose

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

Our vision

To be the UK customer-focused digital leader and integrated financial services provider, capitalising on new opportunities, at scale.

Our competitive advantages

- **Leading UK customer franchise with deep customer insight**
- **All-channel distribution focus with digital leadership and trusted brands**
- **Unique customer proposition**
- **Operating at scale with cost discipline**
- **Focused and capital-generative business model**
- **Innovation through modern technology**
- **Financial strength and robust risk management**
- **Dedicated colleagues with strong values**

For more information on our competitive advantages see page 06 of [our annual report and accounts](#) →

We have three core divisions that have been structured to serve our customers' needs effectively



Retail

Consumer relationships
Current accounts
Savings accounts
Mass affluent proposition
UK private bank

Consumer lending
Mortgages
Credit cards
Personal loans
Motor finance



Insurance, Pensions and Investments

Insurance
Home, motor, health and pet Protection

Pensions and retirement
Workplace pensions
Direct to customer pensions
Retirement

Investments
Ready-made investments
Share dealing



Commercial Banking

Business and commercial banking
Business loans
Transactional banking
Working capital
Merchant services

Corporate and institutional banking
Lending and debt capital markets
Cash liquidity
Risk management

Equity Investments and Central Items includes the Group's equity investments businesses.

Our trusted brands

With over 325 years' heritage across our family of brands, we serve and support the evolving needs of our customers and clients across the UK.



embark
group



HGP



AMC



mbna



LDC



cavendish online



Tusker.

Our values

These values reflect our strategy and help to give colleagues the complete picture – why we're here, what we're aiming to do, and how we'll work together to make it happen.

People-first

Bold

Inclusive

Sustainable

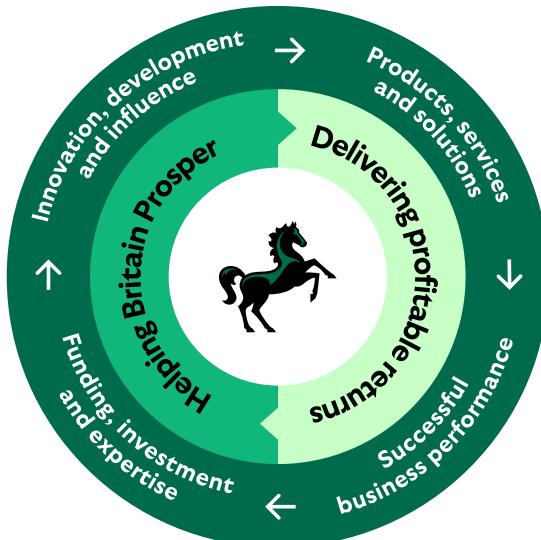
Trust

Overview

How we do it

We deliver for our customers by focusing on their needs, continually innovating the products and services we offer, developing and investing in new solutions, and using our expertise and influence to create positive change.

How we serve our customers



Innovation, development, influence

Driving innovation through effective use of customer feedback, technology and data ensures we remain relevant to the customer whilst enhancing industry standards. Our commitment to digital transformation is critical for future growth and sustainability.

Products, services and solutions

Offering a comprehensive range of financial products and services, increasingly through digital channels. We tailor these offerings to meet individual and business needs, ensuring customers have access to the right financial solutions.

Successful business performance

Delivering sustainable profit and growth provides financial strength whilst ensuring we can invest for the future, both in the business and customer propositions, whilst returning capital to our owners.

Funding, investment and expertise

Ongoing investment in the business ensures we can meet the evolving needs of our customers in a commercial way. Our significant funding helps people and businesses invest and grow whilst our expertise and tailored solutions help clients navigate financial challenges, fostering success and sustainable returns.

Our impact

Sustainable and inclusive growth



Customers

We provide financial services to over half of the UK adult population and more than one million businesses.

By meeting our customers' needs we're unlocking sustainable growth.



Colleagues

We are committed to building an inclusive and sustainable organisation that is truly representative of our customers.

We recognise that colleagues who can be their authentic selves at work are central to our success.



Communities

Our success is intrinsically linked with the success of all regions across the whole of the UK.

When local people, local businesses, and their communities prosper, so do we.

c.£14bn

of sustainable finance provided for Commercial Banking customers in 2025

£7.5bn

of new-tax free savings supported through ISA propositions in 2025

19.0%

of our senior roles were held by colleagues with disabilities in 2025

17.5%

of our executive roles held by Black, Asian or Minority Ethnic colleagues in 2025

>£3.2bn

of new finance supported in the social housing sector in 2025

>£1.8m

raised by our colleagues and customers to support Crisis and Simon Community in 2025

Sustainable profit and returns



Shareholders

Our strategic progress, coupled with our financial results and continued investment, reinforces our confidence in achieving our 2026 guidance.

The Group's sustained strength in financial position has delivered strong capital generation, enabling an increased dividend and a £1.75 billion share buyback.

3.65p

total proposed ordinary dividend per share for 2025, up 15%

£3.9bn

returned to shareholders for 2025

Overview continued

→ Our commitment to human rights

We are committed to identifying and mitigating modern slavery risk in our business and supply chain. This is reflected in how we are embedding human rights considerations across our business and operations.

Through our Group strategy, we are taking steps to embed our purpose at the core of our business, decision making, operations and culture. We aim to deliver long-term and profitable growth while making a meaningful and positive difference for all stakeholders, and our commitment to human rights is a fundamental foundation of this. To help us achieve our ambition, we have aligned our values to our purpose and these guide how we work together and how we make decisions.

We are either a signatory to, or abide by, the principles of a number of international and national initiatives and standards relating to sustainable business practices through which we work with other members and peers to gain insights, develop our knowledge, collaborate on topics and participate in knowledge sharing.



These initiatives, memberships and standards support our approach to human rights and modern slavery. These include:

- The United Nations Guiding Principles on Business and Human Rights (UNGPs)
- The Equator Principles
- The UN Principles for Responsible Investment (UNPRI)
- The UN Global Compact (UNGCG)
- The UN Universal Declaration of Human Rights
- The International Labour Organization's Labour Standards
- The UN Environment Programme Finance Initiative (UNEP FI)
- Principles for Responsible Banking and the Principles for Sustainable Insurance
- The Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises

As members of the UNGC, we participate in the quarterly UNGC Modern Slavery Working Group and the annual European Regional peer learning group on business and human rights.

As part of our membership of UNEP FI, we are members of the Human Rights Community of Practice and attend quarterly meetings for peer-led group discussions on human rights and have provided feedback to develop a resource kit to support banks on how to align with the Principles on Business and Human Rights.

In addition, we attend the UN Forum on Business and Human Rights, an annual gathering on business and human rights to further connect with peers and participate in UNEP FI and UNGC meetings hosted at the Forum, as well as sessions related to modern slavery, labour rights and broader human rights impacting our work.

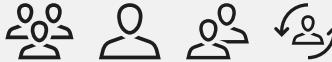


Overview continued

Salient human rights risks

The UNGP's Reporting Framework asks companies to focus their human rights reporting on their salient human rights issues. A company's salient human rights issues are those human rights that stand out because they are at risk of the most severe negative impact through the company's activities or business relationships. During 2023, we worked with Sancroft International, to identify and prioritise the inherent salient human rights risks that can be connected to the Group's operations and value chain. The aim of the activity as to have an external and independent review of potential human rights risks for the Group without taking into consideration any of our current programmes, policies, or initiatives, primarily for the Group to ensure that we aren't missing any key aspects of human rights risks related to our activities. The scope of this work aimed to identify where the Group could cause, contribute or be connected to human rights issues across our value chain.

Affected parties considered included:



- Colleagues and contractors
- Customers and clients
- Workers and communities affected by financing that the Group has provided through our commercial banking, insurance clients and investee companies
- Supply chain: Workers and communities affected by the Group's supply chain and procurement activities

Modern slavery was identified as a material potential human rights risk across the Group's activities due to some of the sectors and activities which the Group lends to, invests in and procures from. Further information on these risks can be found in [our Human Rights Position Statement](#) →

We published an updated Human Rights Position Statement in February 2025 to reflect this work as well as an updated human rights framework for internal use to guide our management of human rights risks across the Group. We are committed to review both the human rights salient risk assessment and the Group's human rights position to ensure their ongoing applicability to the Group so that they remain reflective of the Group's risks, operations and activities. Read about our progress in managing human rights issues in [our sustainability report 2025](#) →

Stakeholder key

- Colleagues and contractors
- Customers and clients
- Workers and communities
- Supply chain



Strengthening community safeguards: Grievance

Mechanisms and escalation pathways

In 2025, we took significant steps to enhance how modern slavery risks are identified, reported and addressed – particularly within the communities connected to our operations and supply chains. Recognising the importance of accessible and trusted channels for raising concerns, we developed a dedicated grievance mechanism tailored to community needs. This mechanism complements our existing internal reporting tools and ensures that individuals outside our organisation can safely and confidentially report potential instances of modern slavery.

Our approach is aligned with the expectations of the UN Guiding Principles on Business and Human Rights, which emphasise the need for effective, rights-compatible grievance mechanisms that are accessible to affected stakeholders. By embedding these principles into our design and implementation, we aim to ensure that our mechanism is not only responsive but also contributes to meaningful remedy and continuous improvement.

Alongside this, we improved our escalation process to ensure that all reports – whether from colleagues, suppliers, or community members – are assessed promptly and consistently, with clear accountability and follow-through. More information is available on [page 08](#). These enhancements reflect our commitment to transparency, responsiveness and ethical business conduct.

Overview continued

→ Key initiatives in 2025

We made our Modern Slavery in the Supply Chain Training available to our managed suppliers to support awareness of the risk of modern slavery and to support capacity building. This training was originally created for Lloyds Banking Group Sourcing and Supplier Manager colleagues and developed in collaboration with anti-slavery charity, Unseen UK.



We retained our Tier 2 rank in the annual CCLA modern slavery benchmark

- We updated and socialised an escalation process for colleagues to improve understanding of how to report modern slavery.
- Delivery of bespoke human rights and modern slavery training and insight sharing with the Group Executive Committee and Group Board as part of the 2025 Board Training programme.
- Unseen UK carried out nine worker wellbeing visits at Lloyds Banking Group offices being developed by tier 1 construction suppliers and one worker wellbeing visit at a tier 2 supplier site.
- Aligned with anti-slavery day, we hosted an online session with Unseen UK for our managed supplier population to learn more about the sectors experiencing increased modern slavery risks in the UK and the drivers behind this.
- To support the design of an escalation process to report modern slavery, and in collaboration with Unseen UK, we facilitated workshops with colleagues from across the Group. We had participation from a number of business areas including Group Sourcing, People and Places, Internal Legal and Speak Up.
- We hosted a 'Design & Construction Away Day' for suppliers to learn more the Groups purpose and strategy as well as a spotlight session on the risks of modern slavery in the construction sector.

Overview continued

Purpose in action

Strengthening escalation and investigation pathways for modern slavery reports

Background

The Group undertook a comprehensive review of its internal escalation process for colleagues to report suspected cases of modern slavery connected with our operations and supply chains. This initiative was driven by the Group Sustainable Business team in response to a growing recognition of the need for clearer, more supportive pathways for colleagues to raise concerns in the event of suspected modern slavery and labour exploitation.



Escalation process improvements

A newly documented escalation process was published on the Group's internal SharePoint, providing colleagues with:

- Clear guidance on how to report concerns internally and externally
- Decision trees to support appropriate action-taking
- A list of indicators and red flags to help identify if exploitation is taking place
- Links to internal learning modules and external resources for further education

This process aligns with the Group's human rights due diligence approach, enabling proactive risk management and trend monitoring across operations and supply chains.

Collaborative workshops

To support the design of the escalation process, and in collaboration with Unseen UK, we facilitated workshops with colleagues from across the Group. We had participation from a number of business areas including Group Sourcing, People and Places, Internal Legal and Speak Up. Participants explored:

- How to assess LBG's relationship to harm (cause, contribute, directly linked) using example scenarios
- The role of external partners like Unseen UK in supporting victims
- Business process reviews to prevent recurrence

Training and capacity building

To embed the new process, targeted training was delivered to the Speak Up triage team. The session equipped participants to:

- Recognise signs of modern slavery and labour exploitation.
- Understand escalation routes, including the Speak Up channel.
- Establish triage pathways and identify appropriate investigative teams.
- Navigate external reporting obligations under the Modern Slavery Act 2015

The training included real-life scenarios and case studies, such as financial exploitation through bank accounts and fraudulent recruitment practices, to build practical investigative skills.

Outcomes

- Increased awareness among colleagues to report concerns
- Enhanced investigative capability within the Speak Up triage team
- Inclusion of the new process in refreshed training for supplier and sourcing managers
- Commitment to further raise awareness with suppliers through our Code of Supplier Responsibility and enhanced training in 2026

Overview continued

→ Progress against our 2024 commitments

In our 2024 statement we outlined some key commitments for the 2025 period. We reflect our progress in meeting these commitments below:

Group sourcing

Our 2024 progress commitment

- Based on predictive sustainability analysis tools, and the work with Unseen, we will continue to assess our risk-based approach to supplier engagement, colleague training and more generally raise awareness of the risk of modern slavery in the supply chain

Please see [page 19](#) for the progress against this commitment for the 2025 period

- Share our training module, Modern Slavery within the Supply Chain, with SME suppliers to support capacity building in this area

Please see [page 27](#) for the progress against this commitment for the 2025 period



Our people and facilities

Our 2024 progress commitment

- Continue our 'Know your Supplier' visits which focus on suppliers' practices, policies and procedures to manage the risk of modern slavery and engage with suppliers through these meetings to encourage and support improvement where necessary
- Continue to proactively identify labour exploitation on the Group's construction sites through our partnership with Unseen and in collaboration with our suppliers

Please see [page 21](#) for the progress against this commitment for the 2025 period

- Bring suppliers in the construction sector together for peer learning and to share best practice to mitigate the risk of modern slavery

Please see [page 07](#) for the progress against this commitment for the 2025 period

Customer inclusion

Our 2024 progress commitment

- We are currently reviewing our Customer Inclusion strategy and will consider how we can continue to support survivors of modern slavery going forward through financial inclusion and building financial capability

Please see [page 24](#) for the progress against this commitment for the 2025 period

Scottish Widows

Our 2024 progress commitment

- Following our work with Sancroft International we now have a larger pool of companies and sectors to engage with and will continue to track companies' progress against key human rights milestones such as salient human rights risk assessments
- In addition, our collaborative work continues to play a big role in our approach. We are playing an active role in ShareAction's Good Work Coalition and plan to continue this engagement in 2025. We also hope to see some outputs from the Investor Initiative on Human Rights Data (II-HRD) on research providers' analysis of human rights topics

Please see [page 24](#) for the progress against this commitment for the 2025 period



Commercial Banking

Our 2024 progress commitment

- We will continue to monitor and enhance our existing ESG risk management approach, ensuring that the latest social and governance risks are being addressed as part of our process. We will continuously evaluate sectors which carry higher social and governance risks to ensure our approach is reflective of the evolving external environment

Please see [page 17](#) for the progress against this commitment for the 2025 period

Economic crime prevention

Our 2024 progress commitment

- In 2025, we will continue to develop our analytical and data tools to support investigations into modern slavery and human trafficking. Our response to this high harm threat will be informed by relevant industry intelligence, and our ongoing participation in public and private information sharing provisions

Please see [page 22](#) for the progress against this commitment for the 2025 period

Overview continued

Lloyds Living

Our 2024 progress commitment

- In 2025, Lloyds Living will assign dedicated resource to ESG risk management and progress our 2024 commitment to collaborate with our strategic partners to address ESG risks, leveraging the work done with the Group's construction suppliers

Please see [page 12](#) for the progress against this commitment for the 2025 period



Modern Slavery and Human Rights Working Group

Our 2024 progress commitment

- The working group will continue to convene bi-monthly to share best practice, review performance related to modern slavery and human rights assessed by external benchmarks, and investor queries with a view to strategise how to improve the Group's approach to addressing modern slavery across its business operations
- Key actions for the working group in 2025 will be to:- Support the rollout of the Group-wide modern slavery training across their respective business units
- Contribute to the development of the annual Modern Slavery Statement 2025
- Cascade key messaging and learning from the working group to their business units to raise awareness of modern slavery and how it impacts our business

Please see [page 10](#) for the progress against this commitment for the 2025 period

Group-wide initiatives

Our 2024 progress commitment

- We will develop Board training for our Group Board on modern slavery and human rights issues impacting our business to ensure they are equipped to make decisions that align with our purpose as well as legal requirements including the Modern Slavery Act 2015

Please see [page 27](#) for the progress against this commitment for the 2025 period

- We will continue to develop a suite of awareness-raising communications to all colleagues across the Group related to modern slavery and human trafficking

Please see [page 26](#) for the progress against this commitment for the 2025 period

- We will continue to roll out our Group-wide modern slavery training to all colleagues and will report on completion rates in our 2025 Modern Slavery Statement

Please see [page 26](#) for the progress against this commitment for the 2025 period

- An escalation process for modern slavery is crucial to ensure that any identified cases of modern slavery are addressed quickly, providing immediate support to victims and mitigating further harm. By identifying and addressing issues promptly, we can take steps to prevent future occurrences and mitigate risks across our business operations
- We are currently working with Unseen to develop an escalation process, creating escalation flows for different areas of the business. In 2025, we aim to test the robustness of these escalation routes, with the use of a 'dummy' case. We will also develop tailored escalation and remediation scenarios for different areas of the Group including supply chain, retail and our customers
- In order to socialise the escalation process and learning from the 'dummy' case, we will invite key colleagues to tailored workshops that provide detailed insight into remediation principles and recommended actions, as well as informing attendees of the newly reviewed process. We will provide remediation and trauma informed/person centred care guidance/resources to support colleagues with the process

Please see [page 08](#) for the progress against this commitment for the 2025 period



Governance

The Group's approach to human rights is governed by the Responsible Business Committee (RBC), a sub-committee of the Board of Lloyds Banking Group plc.

Given the strategic importance of our sustainable business ambitions and commitment to managing the impacts arising from human rights risks and broader social issues, our governance structure provides clear oversight and ownership of the Group's identified salient human rights issues.

For further information on membership of the committees please see our 2025 annual report and accounts.

Board oversight

The RBC's role is to support the Board in overseeing the Company's policies, performance and priorities as a responsible business and to oversee the Company's activities involving all stakeholders, including customers, shareholders, colleagues, suppliers, the wider community and the environment. More information about the RBC can be found in the Directors' Report of the annual report and accounts 2025.

Senior executive accountability

Group-level governance of sustainability issues, including human rights, is supported by existing governance structures across our divisions that are used to oversee decisions related to sustainability that impact the divisions, ensuring sustainability risks are managed as part of regular business activity. During the course of 2025, the Group expanded the scope of an existing executive level governance committee to form the Group Sustainability Committee (GSC), a sub-committee of the Group Executive. Updates on the key areas of the Group's strategic sustainability actions and performance are provided by this committee to the Responsible Business Committee on a quarterly basis. The GSC provides direction and oversight of the Group's sustainability strategy and performance, as well as oversight of the Group's approach to meeting external sustainability commitments, ambitions and targets.

The accountable executive for the Group's human rights and modern slavery approach is the Chief Sustainability Officer. As part of their role on the Group Executive Committee, they are responsible for championing our Group approach to human rights as well as the publication of our annual Modern Slavery Statement.

The Group Director of Sustainability and Responsible Business, is responsible for leading the Group's Social Sustainability and Environmental Sustainability teams, and reports into the Chief Sustainability Officer.

Cross-divisional management

The Group's day-to-day management of modern slavery and human rights is supported and coordinated by the Group Human Rights Manager, who is part of the Group Sustainable Business function, and is guided by a cross-divisional working group, the Modern Slavery and Human Rights Working Group (the working group).

The working group has input from functions across the Group, including but not limited to, our People and Places team, Group Sourcing, Retail and Commercial Banking divisions, Group Economic Crime Prevention, as well as by invite and consultation, external human rights experts.

The working group convenes bi-monthly and is an opportunity for key colleagues to discuss how to apply best practice to tackle modern slavery across financial services, support awareness-raising activities and explore how to support colleagues with additional resources and training opportunities on this issue, as well as hear from experts in the field of modern slavery.

The working group has shared case studies and experiences on the practicalities of managing modern slavery risks in their respective business areas. The working group also acts as a forum to share and discuss key findings from relevant reports and benchmarks that have been published, as well as emerging trends and risks to be aware of and address going forward.

Governance continued

Other relevant committees that play a role in the oversight of modern slavery issues and initiatives include:

- The People and Places Executive Committee (the PPE Committee), which is responsible for governance of the Group's people and colleague policies, covering conduct, values and behaviours that can relate to human rights concerns. The PPE Committee reports directly to the Chief Executive, by way of the Group Executive Committee
- Group Risk Committee (GRC) which is responsible for governance of the Group's Policy Framework which includes People and Conduct Risk related policies and standards, where information on any risk related aspects of human rights issues may report
- The Group Supply Chain Committee (GSCC) which has business unit representation in place to encourage collaboration, peer learning and share insights focused on the processes and tools within the Sourcing & Supplier Management Framework

2024 saw the initiation of the Lloyds Living ESG Working Group to manage Lloyds Living's ESG risks, including modern slavery. The working group has continued to grow in 2025 and brings together business partners from Investments, Operations, Development and Risk teams. This cross functional collaboration strengthens communication and ensures ESG considerations are consistently addressed across all areas of the business. In addition, since February 2025, Lloyds Living has had a dedicated ESG team responsible for driving sustainability initiatives and embedding ESG principles across the organisation. The team's remit includes shaping strategy, setting annual targets, leading ESG reporting, integrating ESG considerations into Lloyds Living business areas and engaging colleagues to encourage participation in ESG learning and development. The ESG team also plays a key role in mitigating modern slavery risks and has conducted a review to strengthen oversight.

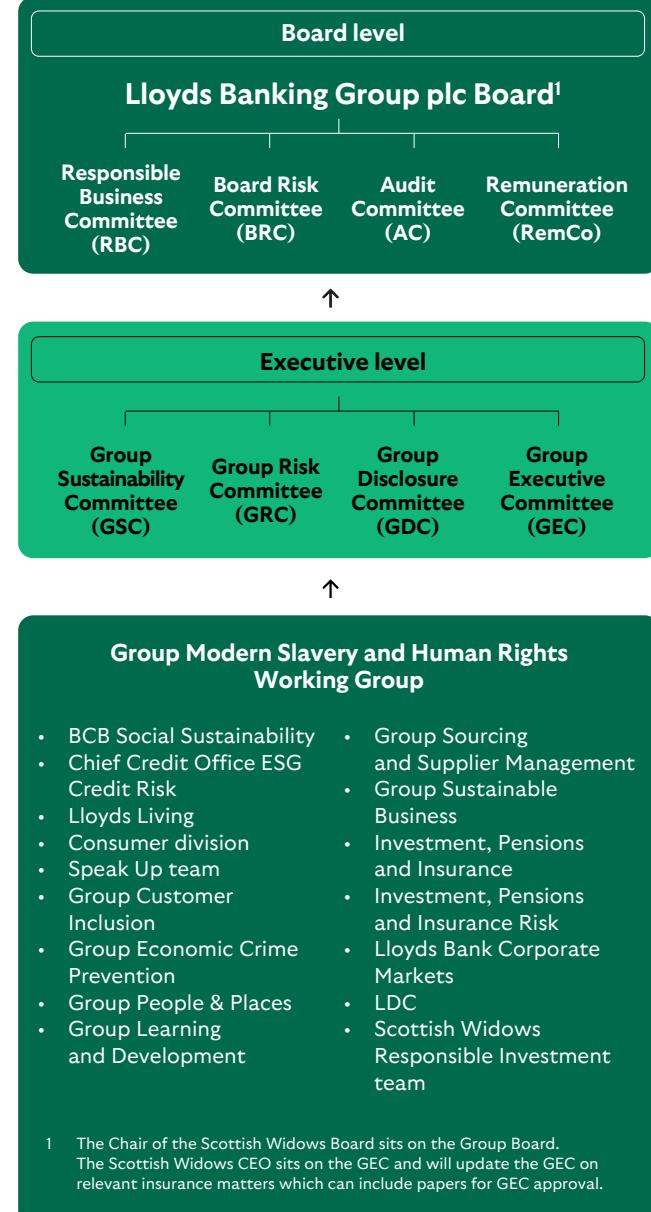
Strengthening oversight through internal audit

In early 2025, Group Internal Audit reviewed our annual modern slavery statement 2024 draft to assess the strength and clarity of the content and statements made. This independent review this year has played an important role in reinforcing our governance approach and driving continuous improvement by:



- **Building trust through transparency:** Independent assurance strengthens the credibility of our disclosures and demonstrates our commitment to openness and accountability
- **Supporting effective oversight:** By considering modern slavery within our internal audit programme, we ensure that senior leaders remain actively engaged in monitoring progress and addressing risks
- **Staying aligned with evolving expectations:** This year's review helped us improve awareness of alignment to regulatory requirements under the UK Modern Slavery Act 2015 and respond to growing stakeholder expectations around human rights due diligence
- **Driving better outcomes:** Auditing our statement has encouraged reflection and learning, helping us strengthen our approach year-on-year and deliver meaningful change

Our sustainability governance structure



Governance continued

→ Our policies, internal guidance, procedures and affected parties

We have a number of internal Group policies, procedures and guidance in place that seek to implement our commitment to operating sustainably, inclusively and responsibly as a business and set out our expectations for employees. These policies and procedures, which are relevant to modern slavery and human trafficking, help us to embed human rights considerations into our operations and cover critical areas.

Human rights position statement

Our Human Rights Position Statement provides an overview of the work we do to uphold our respect for human rights within our business and communities. The statement is guided by the UNGPs on Business and Human Rights. This position statement was updated and published in February 2025. [Read our statement here →](#)

Affected parties



Code of Ethics and Responsibility

The Code of Ethics and Responsibility (the Code) explains how we can each work responsibly, living up to our purpose and values and doing the right thing when we make decisions. It applies to all the Group's employees, contractors and agency employees, whether or not they are working with customers directly. We promote high ethical standards and do not tolerate any circumvention of our economic crime prevention policies. We are a member of Transparency International UK's Business Integrity Forum – a network of major international companies committed to anti-corruption and high ethical standards in business practices. [Read our Code here →](#)

Affected parties



Stakeholder key

-  Colleagues and contractors
-  Customers and clients
-  Workers and communities
-  Supply chain

Code of Supplier Responsibility

The Code of Supplier Responsibility defines our expectations in terms of key social, ethical and environmental values, including human rights and labour issues in the countries and communities in which our suppliers operate. Read more about our expectations of our suppliers in terms of responsible business, sustainability practice and behaviour in our [Code of Supplier Responsibility here →](#)

Affected parties



Colleague Screening Standards

Our Colleague Screening Standards apply to all permanent employees and non-permanent workers that we recruit, including temporary workers and contractors. These standards and processes uphold our respect for labour rights and, for our UK employees, include the review of individuals' proof of identity, address, and right to work in the UK. For our colleagues in India, similar standards are applied to our colleague screening processes with extensive checks for both permanent and non-permanent colleagues, including proof of identity, credit checks and educational background checks.

The Group has long-standing relationships with one trusted and pre-approved managed service provider (MSP) to fill temporary worker and contractor roles. This MSP is bound by contracts which require compliance with our Colleague Screening Standards and the Code of Supplier Responsibility, and which include specific Modern Slavery and Anti-Bribery clauses. The MSP also attests compliance annually via the Financial Services Supplier Qualification System (FSQS).

Affected parties



Governance continued

Supporting a living wage

The UK's Living Wage Foundation has accredited the Group as a Living Wage Employer, and we review our pay rates annually to ensure minimum rates are above the statutory minimum and living wage requirements that are applicable within the countries where we operate. Each year, the People and Places team reviews the hourly rate of employees employed by our facilities management supplier to ensure it is paying employees a National Living Wage rate as set by the UK government. If the Real Living Wage, which is set by the Living Wage Foundation, is not met by our facilities management supplier and not paid to employees working at the Group's office sites, then the Group pays the difference.

We have worked, and continue to work, with third-party contractors to ensure that they operate in line with our commitments, and we expect them to ensure that the wages they pay meet legally mandated minimum wage requirements. We have integrated the employer pays principle into our recruitment practices, ensuring that no employees of the Group or temporary or contract workers have paid recruitment fees to secure employment.

Affected parties



People and places

Our Group People and Places team understands that supply chain decisions could increase modern slavery risks, including short or unrealistic lead times to complete projects. As we have a framework of suppliers that undertakes all our investment activity, we partner with them to give maximum forward visibility of potential allocation, including a five-year rolling forecast of demand (Medium Term Plan).

This enables our suppliers to establish a resource plan in a controlled manner taking on board the Group's workload, as well as any other commitments they have with other clients, discussing any challenges that arise from any short-term requirements. This de-risks spikes in demand and ensures that all our projects and programmes are resourced effectively. Our projects and programmes are also planned well in advance with timelines benchmarked with industry standards to ensure that there is adequate time to undertake all the activity. There is also a legal requirement under the Construction (Design and Management) Regulations 2015 that helps protect supply chain employee health during all construction projects. Part of this requires the provision of a construction phase plan that ensures works are fully programmed and resourced to undertake the works safely in accordance with our core values.

Affected parties



¹ Union recognition of the UK workforce does not include executive grades.

Freedom of association and collective bargaining

We support our colleagues' right to exercise freedom of association and have extensive colleague voice, consultation and collective bargaining processes in place.

We continue to collectively consult and negotiate with two trade unions on behalf of our UK workforce at grades A-C. In 2025 we introduced three new colleague Forums – the People Forum, People Consultation Forum, and Management Advisory Forum – designed to increase colleague voice at grades D-G where trade union membership is low. We collectively consult with the People Consultation Forum on matters impacting colleagues at grades D-G.

Affected parties



Speak Up

We are committed to sustaining a culture where everyone feels safe, supported and empowered to speak up if they see, or suspect behaviour that could harm our customers, colleagues, communities, or our business. Speak Up is the Group's whistleblowing framework, providing a confidential or anonymous channel for people to report their concerns.

All concerns received through Speak Up are taken seriously and assessed to determine the most appropriate action. Where investigations are required, these are carried out by experienced investigators. The identity of anyone who raises a concern will not be shared beyond our Speak Up team (unless required by law). Anyone reporting a concern or involved in an investigation is supported throughout the process. We are committed to preventing and addressing any form of retaliation resulting from someone raising a Speak Up concern.

Affected parties



Speak Up Framework

The Speak Up Framework is managed by the Speak Up team within Group Audit. The team maintains a comprehensive education and awareness plan to promote confidence in the Speak Up service and is responsible for the annual mandatory training delivered to all colleagues. A separate pathway for line managers reinforces the critical role leaders play in building and sustaining a culture where speaking up is valued. The Group also prioritises the capability of its investigators, including through a robust Training and Competency Framework. In 2025, Speak Up Case Managers received enhanced training on recognising and responding to reports of modern slavery.

We expect high standards of everyone who works with us. Our Speak Up Policy Summary for Third-Party Suppliers sets out our expectations. This includes requiring our suppliers to provide regular training and communication on how their employees can raise concerns (including directly through Lloyds Banking Group channels).

Speak Up Governance

Sarah Legg, a Non-Executive Director and Chair of the Group Audit Committee, serves as the Group's Whistleblowing Champion. The Champion oversees the integrity, independence and effectiveness of the Group's Speak Up arrangements. Sarah sponsors an Annual Whistleblowing Report to the Group Board. The Group Audit Committee also receives regular updates on the effectiveness of the Speak Up framework, including case volumes, emerging trends, investigation outcomes and actions taken. Insurance and Lloyds Bank Corporate Markets have also appointed Whistleblowing Champions who oversee whistleblowing arrangements within those sub-groups.

Partnership with Protect

We are proud to be a long-standing Member of Protect, the UK whistleblowing charity. We signpost Protect's free advice line to our colleagues, suppliers and third-parties. The Group collaborates with Protect to benchmark and develop Speak Up initiatives and share ideas with other members.

Governance continued

Economic crime prevention

Our Economic Crime Prevention Policy, including training and other control requirements for both colleagues and third parties contributes to our ability to identify and manage the risk of modern slavery and human trafficking as predicate crimes to money laundering, fraud, bribery, corruption and other economic crimes.

Affected parties



External sector statements

The Group has published External sector statements which apply to Commercial Banking clients that have a direct lending relationship with the Group including direct loans within Scottish Widows. The External Sector Statements set out our approach and appetite to lending as they relate to high-risk sectors, whether this risk derives directly from environmental, social or reputational risk. These External Sector Statements outline what types of activities we will and will not support. Lloyds Banking Group has identified sectors and defined specific risk appetites related to our financing activities within sectors that have the potential to negatively impact the environment and society, including human rights abuses such as modern slavery and labour exploitation. With specific reference to human rights, we expect our existing customers to respect and protect human rights, both of their own workforce but also those in their supply chain, and comply with all applicable legislation, regulations and directives in the countries and communities in which they operate. Read [our External Sector Statements here](#) →

Affected parties



Scottish Widows' responsible investment policies

Our Responsible Investment and Stewardship Framework is supported by two policies, our Stewardship Policy and our Exclusions Policy.

- Our Stewardship Policy applies to all investments within Scottish Widows, to ensure that Scottish Widows, as an asset owner, acts in the best interest of its customers by delegating the day-to-day investment management to our appointed investment managers, who must meet the baseline criteria of being UNPRI and UK Stewardship Code signatories. It focuses on three pillars: corporate engagement and voting, oversight of investment managers, and industry collaboration to address systemic risks, with Human Rights and Human Capital Management as a priority theme
- Our Exclusions Policy complements this by mitigate long-term investment risks through exclusions for companies failing to meet minimum standards / criteria. Managers of mandated funds must adhere to this policy, with Scottish Widows defining the investment parameters and objectives

Our full policies including thresholds are available on our website on [our Policies and Reporting page](#) →

Affected parties



Managing our risk

As one of the UK's largest financial services providers, we have an important role to play in combating modern slavery throughout the Group. This starts with identifying risks across our operations, supply chain, banking, investment and insurance activities, and implementing measures, procedures and processes to mitigate these risks.

→ Our colleagues

At the end of 2025, we employed over 64,000 permanent employees globally. In addition, the average number of contractors and temporary colleagues employed during 2025 was 2,832¹.

In 2023, we launched our new technology centre based in Hyderabad, India, where we have now hired 1592 colleagues permanently and 320 non-permanent workers. Of our new hires in India, over 91.1% per cent have technology and/or data skills.



→ Our clients and customers

We know that financial institutions, as providers of capital, have an important role in tackling modern slavery and human trafficking, and we seek to mitigate the risk linked through our business relationships to any form of modern slavery through an approach to reviewing our clients and transactions that is individualised and risk based, ensuring decisions are grounded in documented credit risk assessments.

As a UK-focused financial services provider the majority of our portfolio is in developed markets, which are associated with lower risks of modern slavery according to the Global Slavery Index 2023. We acknowledge, however, that modern slavery occurs globally. In 2024, 19,125 potential victims of modern slavery were referred to the Home Office, marking a 13% increase from 2023 (16,990 referrals) and setting a new record for the highest annual number of referrals since the NRM began in 2009.²

We therefore apply our strong risk management culture to further minimise these risks, and assess high-risk sectors that we finance and invest in.

1 This number does not include outsourced workers and consultants.

2 Ref Modern slavery: National Referral Mechanism and Duty to Notify statistics UK, end of year summary 2024, published 6 March 2025.

Managing our risk continued

The Group's sector external statements detail our cross-sector and sector-specific criteria for managing environmental and social risks. Each case is reviewed individually as part of a broad multi-factor risk evaluation, ensuring decisions reflect ESG related risks alongside their financial implications. Guided by international conventions, national legislation, and leading industry standards, and incorporating human rights considerations, including modern slavery risks, these statements are embedded within our overall credit risk assessments.

All clients must comply with all applicable laws and regulations, including laws relating to modern slavery and human trafficking. If we become aware that a client has breached any applicable international, regional or national laws, we would require the client to implement action plans that aim to address and resolve such breaches.

Compliance with our External Sector Statements forms part of our overarching approach to ESG risk assessments and credit decisioning process, including any new or extended direct lending relationship with the client.

Further information on our External Sector Statements which specifically consider human rights risks can be found [here](#) →



→ Client due diligence

Within our Commercial Banking division, we regularly review our clients with whom we have a direct banking relationship through our 'Know Your Customer' due diligence.

Throughout 2025, we enhanced our ESG risk assessment within the credit risk process by adopting a more targeted, risk-based methodology for Commercial Banking clients with direct lending relationships. This approach recognises that ESG factors, including human rights and modern slavery risks can translate into material credit, regulatory, and financial risks for our clients and therefore impact the Group. Modern slavery is a specific topic covered for our Corporate and Institutional Banking, Mid-Corporate, and SME clients.

In Corporate and Institutional Banking and Mid Corporates, our ESG Risk Assessments specifically look to identify any potential human rights issues, including engagement with, or displacement of indigenous peoples; child and forced labour; modern slavery and human trafficking, including consideration of supply chains. An additional topic is the assessment of our clients' engagement with countries with poor human rights records.

We ensure that ESG-related risks are considered as part of our broad multi-factor risk assessments for all clients with whom we have a direct lending relationship and considered for all such clients in new and renewal credit applications. We take a risk-based and bespoke approach to ESG risk assessment for specific sectors and financial thresholds, recognising that the nature and materiality of ESG-related risks can vary significantly across industries. For project finance activity, the Group is a signatory to The Equator Principles and applies them to all relevant transactions.



→ Investments and pensions

We integrate ESG factors into our decision making to help mitigate ESG risks and explore opportunities.

This enables us to build more resilient investment portfolios for our customers in the long term by providing some downside protection, and upside potential, and shaping a better world to retire into. This aims to reduce our exposure to ESG and climate-related risks and maximise the value of investments in the long term.

Scottish Widows' new Lifetime pension default solution, launched in early 2025, integrates clear investment tilts toward social and governance factors alongside environmental ones, aligning with our stewardship themes. Our Equity and fixed income strategic fund partners use the UN Sustainable Development Goals (SDGs) to guide these tilts. Our equity partner applies a proprietary SDG scoring framework across all 17 SDGs, while our fixed income partner targets uplift on SDG5 (gender equality), SDG8 (decent work), and SDG10 (reduced inequalities) in corporate bonds. The scorings consider company operations, products/ services, and controversies to determine positive or negative SDG impact. These tilts result in enhanced exposure to companies with stronger social contributions compared to benchmarks.

Our Exclusions Policy continued to be implemented in 2025. We act in accordance with the UNGC, which includes the principles that businesses should make sure that they are not complicit in human rights abuses and should uphold the elimination of all forms of forced and compulsory labour.

Where appropriate, we have regular meetings and engagements with our clients with whom we have a direct lending relationship, and regularly review their public filings, press reports and analyst presentations.

In 2025, we further enhanced our approach to ESG risk assessment and broadened its coverage across our portfolio. Additional details on how ESG factors are integrated into our credit risk process can be found on page 130 of the Sustainability Report 2025.

Private equity due diligence

LDC undertakes ESG due diligence on all new investments and actively investigates supply chain risk and compliance when appropriate. Additional diligence will be undertaken, including onsite visits or audits, if there are specific issues that need to be assessed or risks that need to be mitigated prior to investment.

Managing our risk continued

Our Scottish Widows Exclusions Policy applies to a number of categories, but the ones most pertinent to the human rights violations are as follows:

- Controversial weapons
- Tar sands
- Tobacco
- Violations to UNGC Principles (labour rights and human rights form two pillars of the Compact and are accompanied by six labour and human rights principles¹)

¹ Thresholds apply: for further details please see our [Exclusions Policy](#) →

² Based on the country where the supplier company is incorporated, through the Group's new Accounts Payable Oracle system and legacy SAP system



In addition to exclusions, our stewardship activity is central to our approach to human rights. In 2025, we continued to work with key initiatives, engage with companies and vote on shareholder resolutions.

For example, we have been engaging with fashion brands over the last couple of years and first wrote to three fashion brands in 2023 with a mixed level of response. We followed up with the companies and encouraged them to provide better disclosures on this topic. In 2025 we met companies to discuss the topic in more detail and express our expectations. We especially stressed the need for companies to become more comfortable with finding problems regarding human rights as we felt this was a sign that their processes and due diligence were working. Two companies have committed to publishing new Human Rights Disclosure on their websites, and one has updated its ESG report with more human rights content.

Lastly, we have continued to support a range of collaborative initiatives through 2025, continuing work from 2024. This includes our work with data providers, initiated under the World Benchmarking Alliance's social CIC, which in its Phase 2 has spun out into a standalone Investor Initiative on Human Rights data with the support of 24 institutional investors. It has three targeted workstreams:

1. Improving depth and breadth of corporate human rights data available to investors via data providers
2. Appropriate proxy voting policies and advice underpinned in the human rights data
3. Industry-wide alignment on principles of assessing and responding to corporate norms breaches

We continue to be closely involved in this initiative as one of the three members of the Steering Committee, while also supporting investor leads in progressing the various workstreams. Read more about our Responsible Investment and Stewardship framework [here](#) and our [Stewardship Policy and Exclusions Policy](#) [here](#) →

→ Our suppliers

We are committed to working collaboratively with our suppliers on developing our approach to responsible and sustainable sourcing; this is integral to the way we do business.

Colleagues engaged in sourcing follow a defined Business Sourcing Process as required by our External Supplier Policy and related Standards and Guidance.

The Business Sourcing Process is a five-step process that facilitates the identification, assessment and mitigation of applicable risks as we select and contract with suppliers. There is also a defined Sourcing & Supplier Management Framework including associated tools and learning for supplier accountable persons and supplier managers, which enables the ongoing risk-based management of the supplier relationship in line with the Group's risk appetite.

Assessing supply chain risk

We have analysed our suppliers based on geography², service sectors and spend, which is primarily influenced through the Business Sourcing Process. The majority of our direct suppliers are based in jurisdictions which are categorised as low risk for modern slavery, according to the Global Slavery Index.

Our 2025 data shows that 82 per cent of our in-scope supplier spend is in service sectors considered low risk. Analysis of the remaining 18 per cent of spend with potential higher-risk service sectors such as construction, facilities management, technology and recruitment, indicates that 94 per cent has a supplier manager assigned to it. We use a predictive sustainability analysis tool to help further understand and identify inherent ESG related risk across our core supply chain, including labour and human rights. This has enabled us to prioritise our deeper dive due diligence efforts where modern slavery risks are the most salient.

While 92.1 per cent of our supplier spend is incorporated in the UK, we acknowledge that the Group's core supply chain is exposed to modern slavery through sectors such as IT hardware products, and services such as cleaning and catering, which are potentially higher risk due to connections with conflict materials and high numbers of low-paid, low-skilled, and temporary or migrant workers.

We also recognise that we currently have 33 suppliers working from higher-risk geographies, namely India, the Philippines and Serbia. These include large global firms, providing Information Technology Outsourcing (ITO), Business Process Outsourcing (BPO) and Consultancy services, who have undergone rigorous due diligence and are managed by dedicated supplier managers.

We manage these suppliers to both our key third-party policies and to local laws and legislation. We also maintain a country management team (based in India), providing an on-the-ground presence and support as required. Specifically, across our three key BPO suppliers, the team completes monthly surveillance checks as appropriate. The output from these is reported into a cross-business area Risk Forum for formal review. Any findings are reported, tracked and remediation is carried out on a case by case basis.

As covered in more detail below, these suppliers have confirmed compliance with our Code of Supplier Responsibility, all contracts include modern slavery clauses, and they are managed to our risk-aligned treatment standards. We monitor adherence to our Group third-party policies, through self-attested policy compliance via the FSQS, supported by a risk-based approach to onsite and virtual reviews. Additional ad hoc audits are conducted by our Group Audit function, where appropriate.

The Group has established a new Technology Centre in India which utilises Group suppliers as well as being supported by a limited number of new suppliers based in India. Recognising India as a higher-risk geography for modern slavery, the Group has implemented controls to manage these risks in our operations and supply chain. The supplier onboarding follows a consistent approach to our existing supply chain and work has been undertaken to ensure the ongoing management is being done in a way that is equivalent to our supplier management framework.

Managing our risk continued

Our approach includes supplier risk assessment, due diligence and ongoing monitoring. All suppliers are screened prior to onboarding, and our supplier contracts have compliance with anti-slavery clauses included in them.

We ensure compliance with Indian statutory requirements, including background checks, minimum wages and working hours. Our sourcing and supplier managers based in India complete the annual training provided to all sourcing and supplier managers in the Group.

Our Code of Supplier Responsibility

We expect suppliers to meet or exceed the provisions of our Code of Supplier Responsibility, which we share through the supplier contract in our Business Sourcing Process. Our Code of Supplier Responsibility sets out the key sustainable and inclusive business practices and behaviour that we want our suppliers to abide by, including modern slavery and labour exploitation, in the countries and communities in which our suppliers operate. We commit to collaborating with our suppliers on developing our approach to responsible and sustainable sourcing.

The Code of Supplier Responsibility is reviewed at least annually and updated to ensure its ongoing appropriateness, relevance and applicability for our suppliers. Supplier adherence to it is addressed through our sourcing and supply chain management processes. The Code specifically sets out our expectation for all our suppliers to respect the human rights of their own workforce, supply chain and customers. For suppliers in higher risk sectors such as construction, facilities management, technology and recruitment we expect a continuous improvement approach with evidence of actions being taken to mitigate the associated risks.

External supplier policy framework

External suppliers are required to comply with the third-party versions of our policies when applicable to the goods and services provided by that supplier to the Group. Understanding and meeting the requirements outlined in these policies will help us to ensure:

- Our services are resilient, and service disruption is prevented or limited
- Good outcomes are consistently delivered to our customers
- Regulatory expectations are met

Our External Supplier Third Party Policy sets out requirements for how our suppliers manage their risks and the risks associated with sourcing, selecting, onboarding, managing and exiting their suppliers. The Policy ensures our suppliers meet the Group's expectations by proactively working with their own suppliers in a responsible and sustainable manner to mitigate supply chain risks. We expect our suppliers and their suppliers (our extended supply chain) to operate standards to an equal level to those operated by the Group.

Supplier location

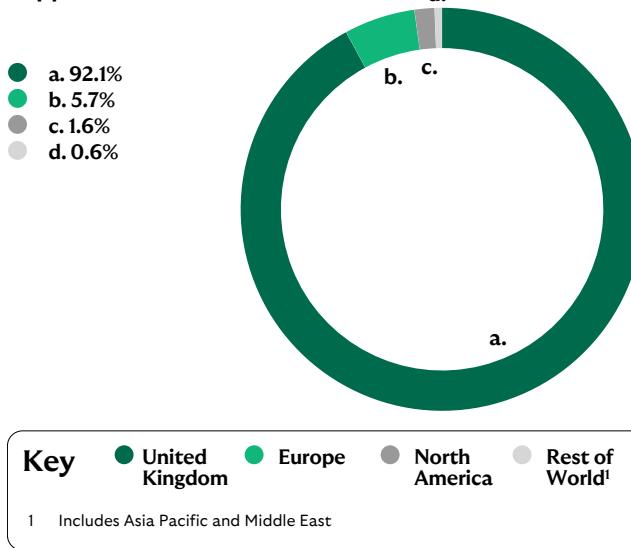
We have analysed our suppliers based on geography, service sectors and spend, which is primarily influenced through the Business Sourcing Process. The majority of our direct suppliers are based in jurisdictions which are categorised as low risk for modern slavery, according to the Global Slavery Index.

We also recognise that the regulatory and political landscape relating to ESG more broadly is evolving across some of these jurisdictions. The Group continues to actively monitor developments that may impact our ability to manage modern slavery and human rights risks in our supply chain and we engage with colleagues operating in these jurisdictions to monitor legislative and policy developments that may affect our supply chain due diligence and risk management processes.

Beyond Tier 1: When an external supplier to the Group sub-contracts part of the contracted services to its own supplier(s), we expect them to ensure that these sub-contractors operate to the standards expected by the Group. To achieve this, external suppliers should adhere to our minimum standards, which includes compliance with the Code of Supplier

Responsibility. The People Risk Policy is due to be updated to set out the Group's expectations that external suppliers must have a documented statement and/or related policies which include specific expectations prohibiting modern slavery in their own operations and any supply chain.

Supplier location



In addition to the Code of Supplier Responsibility, our suppliers have a contractual obligation to comply with all applicable laws that apply to their supply of goods and services to us, regardless of the jurisdiction in which they operate. Furthermore, supplier contracts and purchase order standard terms and conditions contain standalone anti-slavery clauses. These include the requirement that suppliers, as well as participants in their supply chain, must comply with all anti-slavery requirements (laws, policies, regulations, rules and codes and implement a record of due diligence procedures across their supply chain to monitor modern slavery risks) and notify the Group of any actual or suspected modern slavery in its supply chain. If suppliers have a turnover of over £36 million, they are also required by the UK Modern Slavery Act 2015 to produce a modern slavery statement. Our standard anti-slavery contract clauses also require these suppliers to provide their statements to us on request. Where suppliers do not meet the turnover

threshold, we reserve the right to request a modern slavery report setting out the steps taken to manage and proactively mitigate the risk of modern slavery in their supply chain.

These clauses seek to ensure that we receive appropriate information on suppliers' due diligence procedures to monitor modern slavery risks, including for their own supply chain and organisations. These clauses are very rarely negotiated by Group suppliers; however, if we encounter any supplier amendments we go through an escalation and sign-off process with the business to consider the risks of any supply contract, particularly where there is a deviation from our standard clauses. Our anti-slavery clauses are mandatory and cannot be negotiated without legal support.

The risks associated with any arrangements with internal and external suppliers must be managed in compliance with the Group's risk policy framework. Business Units and Group Functions are accountable for ensuring all external supplier relationships comply with all relevant Group policies, including modern slavery requirements, and the Code of Supplier Responsibility. For example, Lloyds Living has conducted a review of its key strategic partners and is now preparing to engage them to align on modern slavery expectations with the aim of fostering accountability, promoting transparency, and ensuring ESG values are upheld across all partnerships. In 2026 engagement activity will begin with Lloyds Living's largest strategic partner, before being expanded to others.

Supplier due diligence

In assessing and managing risk, it is important that we have the right framework to operate responsibly and safely. Before selecting any supplier, we follow a due diligence process which evaluates them against key criteria across applicable risk domains. This includes compliance with the Code of Supplier Responsibility which defines our expectations in terms of key social, ethical and environmental values. All contract terms and conditions also include anti-slavery requirements.

As detailed below, we take a risk-based approach and require our managed suppliers to complete FSQS both at the initial sourcing stage and annually through ongoing supplier management. A proportion of suppliers are also selected for a supplier assurance visit where agreed risk criteria is triggered.

Managing our risk continued

FSQS

The Group subscribes to the FSQS that is currently used by c.70 financial institutions. This ensures we adopt a standardised approach to compliance and assurance, which forms an integral part of our supply chain management activity for new and existing suppliers.

FSQS is an online questionnaire designed to capture supplier self-attestations in relation to the Group's third-party policies; this includes c.50 questions aligned to the Code of Supplier Responsibility. In addition to yes/no response options, suppliers are prompted to upload their relevant policies or procedural documents to support their answers, for example inclusion and diversity policy and labour standards policy.

We take a risk-based approach and contractually require our approximately 1,070 managed suppliers to self-attest their compliance to the Group's policy expectations on an annual basis. Managed suppliers are those with an agreed contract for the ongoing supply of goods or services via the Business Sourcing Process. They undergo rigorous due diligence and are monitored throughout the relationship lifecycle. When completing FSQS we require our suppliers to confirm they have read, understood and complied with the Code of Supplier Responsibility and provide us with evidence to demonstrate their approach in the design, deployment and control of their policies and procedures. For example, assessing and complying with relevant human rights legislation and labour standards, including the UK Modern Slavery Act 2015. We require that suppliers identify human rights risks such as modern slavery in their supply chain and monitor and assess their suppliers' human rights performance. For example, suppliers must complete the FSQS questions on an annual basis, and the responsible supplier manager who manages the supplier relationship must confirm that this is satisfactorily completed throughout the duration of the supplier's contract with the Group.

If a supplier provides a non-compliant answer to any key responsible business FSQS question, such as non-compliance with the UK Modern Slavery Act 2015, supplier managers are required to investigate and manage through to resolution. Where a supplier fails to meet the expectations set out in the Code of Supplier Responsibility, we commit to working with the supplier to develop an improvement plan.

There is an FSQS guide which provides key information to support the successful validation of a supplier's responses, including policy information to help sourcing managers and supplier managers understand the key policy risks.

Based on best practice we understand that collaborating with suppliers allows for the implementation of corrective actions to improve working conditions and support affected workers and that approach can help victims of modern slavery receive the assistance they need. However, if a supplier is unwilling or unable to make necessary changes, or the issue is deemed sufficiently serious or cannot be resolved in a reasonable timeframe, it may be necessary to terminate the relationship and would be considered as a last resort after all other avenues have been explored.

The Group regularly reviews the FSQS risk framework to ensure it remains aligned to the requirements of our policy teams, agreeing any changes in collaboration with the broader FSQS members.

Supplier Assurance

The Group Sourcing Supplier Assurance team conduct an annual programme of supplier reviews.

Suppliers that trigger agreed risk criteria are selected for a supplier review conducted by subject matter experts through a combination of onsite and remote assessment to test the supplier's adherence to relevant Group policies. For those suppliers selected for a supplier review, where the supplier is identified as a higher risk of modern slavery through our inherent risk assessment, relevant testing is completed aligned to our updated Code of Supplier Responsibility. Actions raised during the review are remediated by suppliers and validated by supplier managers and policy owners. Driven by our materiality assessment, 23 of the supplier reviews included a review of the suppliers' controls to mitigate the risk of modern slavery. Of these reviews, six were held onsite, with the rest held remotely. With the expansion of the question set, initial themes included the visibility of modern slavery statements and acknowledgement of high risk countries. There were no high priority findings in relation to adherence to the Code and no relationships exited as a result of issues with modern slavery.

For the construction sector, our People & Places Team have also worked with Unseen UK on nine worker wellbeing site visits, which can be found in more detail on [page 21](#).

The Emerald Standard

In 2025 we invited 170 suppliers to take part in the Group's Emerald Standard. These suppliers represent 84 per cent of supplier spend, and more detail can be found in our Sustainability report 2025.

The Emerald Standard has four elements that we are asking our key suppliers to work towards, which include disclosing broader ESG related performance via EcoVadis. The specialist third party sustainability assessment provides insight on suppliers' management of issues across the key themes of labour and human rights, environment, ethics and sustainable procurement. Of the targeted suppliers, 83.5 per cent have completed an EcoVadis assessment, and overall have achieved an average score of 68.2, which is 18.8 points above the EcoVadis benchmark. On labour and human rights, the suppliers have achieved an average score of 67.4, which is 15.4 points above the EcoVadis benchmark.

We delivered bespoke Emerald Standard training to our sourcing and supplier manager colleagues, which includes a module on supplier assessment with EcoVadis. We have also introduced our Emerald Standard principles into tenders where appropriate.

EcoVadis

In addition to the assessment, we are using EcoVadis' predictive sustainability analysis to help further understand our inherent ESG related risk across our core supply base. This analysis has helped to identify a subset of suppliers for a deeper dive risk assessment specific to modern slavery, and we have engaged Unseen UK to support us with this work. The findings are helping to inform our options and strategy for further supplier assessment and process enhancements.

The assessment included Modern Slavery Statement compliance checks, and we are also exploring tools to automate this across our supply base. Of the 105 Modern Slavery Statements reviewed, we have provided feedback to 8 per cent of the suppliers on potential improvements.

LBG Supplier Engagement

In 2025, we deepened our commitment to tackling modern slavery and promoting human rights across our supply chains through targeted supplier engagement. A key highlight was our supplier event in October, delivered in partnership with Unseen UK. This session was designed to raise awareness of modern slavery risks, share expert insights, and reinforce our expectations around ethical sourcing and transparency.

The event builds on our broader efforts to strengthen supplier capability and drive meaningful change. Through open dialogue and shared learning, we continue to evolve our approach to risk assessment and due diligence, ensuring our suppliers are equipped to identify, prevent and address human rights issues within their operations and supply chains.



Managing our risk continued

Purpose in action

Partnering for safer, inclusive workplaces in construction



Background

In 2024, we partnered with Unseen UK to review our largest construction project, including an initial site visit and employee wellbeing checks. Building on this foundation, we continued our collaboration in 2025 through worker wellbeing visits across construction sites, where offices are being developed for the Group.

These visits were designed to support our shared commitment to safe and inclusive environments for operatives. Interviews conducted by Unseen UK followed a structured framework aligned with International Labour Organization (ILO) indicators and the Ethical Trading Initiative (ETI) Base Code, ensuring a robust and recognised approach.

Why this matters

The construction sector is widely recognised as one of the highest-risk industries for labour exploitation in the UK, second only to the care sector¹. Addressing these risks requires collaboration across the industry, and our work with Unseen UK and our suppliers in this sector reflects this collective responsibility.

Approach to the visits

- Gather direct feedback from workers on-site
- Assess awareness of rights, policies and reporting mechanisms amongst workers
- Identify any potential risks of modern slavery and labour abuse
- Offer support to strengthen supplier practices, building trust in managing this issue together across the Group's supply chain
- Continue to build knowledge and awareness of modern slavery and the potential risk with our supplier partners

¹ Unseen modern slavery and exploitation helpline

Unseen UK conducted confidential, in-person interviews across a range of UK sites, varying in size and workforce. While the focus was on tier one suppliers, we recognise that risks often lie deeper in the supply chain. To address this, Unseen also visited a tier two supplier site — helping to promote consistent standards beyond tier one.

Key outcomes

Unseen UK found no evidence of exploitation at any of the sites visited. They did recommend some operational enhancements and areas of improvement around common issues in the construction sector, particularly at the tier two and tier three levels of the supply chain. For example, areas for improvement in practices included a lack of formally written contracts being in place, informal recruitment practices, and workers hours extending beyond the agreed working hours. Limitations were noted in practices in relation to right to work checks, and payment practices that required clarification for workers. In addition, language barriers were noted amongst workers, with limited awareness being demonstrated of reporting routes, including awareness on how to raise concerns and issues.

We recognise these issues are systemic in the construction industry and require a collaborative approach to tackling them and shared these findings with the suppliers involved. We have worked closely and collaboratively with our suppliers to implement onsite action plans to improve standards and mitigate against other findings, and we have also used them to inform broader supplier engagement and capacity-building efforts.

Continuous improvement impact

The initiative led to several tangible outcomes for the Group and our construction suppliers, which have been positively received by our supply chain partners:

- The Group's quarterly business reviews have been refocused to include an understanding of construction supplier's modern slavery risk management activities and wellbeing practices, and will continue to be assessed on all construction sites for the Group, as part of our ongoing engagement with our construction suppliers
- Our construction suppliers received tailored support, including access to the Group's own modern slavery training material and one-to-one guidance on strengthening their modern slavery statement to reflect their approach to managing the issues
- The subject is consistently reviewed as part of supplier performance and suppliers are now developing their own processes and systems to better assess their supply chain risk
- The initiative has fostered a culture of transparency and collaboration, enabling suppliers to openly discuss challenges and share best practices. Our client-led emphasis on the subject has put this at the top of the agenda for our construction suppliers and we are now seeing it being discussed at Managing Director level

Broader influence

These visits have enabled us to share knowledge and encourage collaboration among our construction suppliers, as well as across the Group. These visits have also signalled to our suppliers that the Group is committed to addressing human rights issues, values transparency as well as collaboration to address these issues and improve the sector.

Managing our risk continued

→ Combating modern slavery and human trafficking as an economic crime

The financial sector has a vital role to play in the fight against modern slavery and human trafficking as there may be exposure through the receipt and movement of the proceeds of crime.

The Group is aware of the risks and the influence it can have in combating modern slavery through its economic crime approach, and we have implemented and continue to strengthen monitoring controls to help identify activity which may be indicative of exploitation and proceeds relating to modern slavery and human trafficking.



Building our knowledge to monitor the risk

The Group takes a proactive role in identifying potential perpetrators and the Group's Financial intelligence Unit (GFIU) unit has made human trafficking and modern slavery a primary area of focus. The GFIU seeks to better understand the threat to the Group to make accurate and insightful assessments that inform our risk-based approach and response.

GFIU continuously seeks to obtain intelligence on modern slavery and human trafficking to create a baseline understanding of the threat and its scale, and tracks changes over time. Whilst intelligence available on modern slavery and human trafficking is limited, GFIU regularly engages with intelligence providers such as law enforcement, charities and other organisations working to counter such risks. Specific typologies to identify and target financial indicators associated with sexual and labour exploitation and organised immigration crime have been developed, and the Group continues to innovate these in line with intelligence on the evolving nature of modern slavery.

To support this, our customer-facing colleagues are trained to identify suspicious activity and recognise situations where customers may be under pressure, which could indicate potential criminal activity.

We conduct intelligence-led investigations and assessments on various elements of modern slavery and human trafficking, as well as organised immigration crime. We develop specific typologies to better understand our approach to these crime types. We use our network analysis capabilities to identify a greater sphere of threat, and identify the parties involved.

The Group shares valuable intelligence outcomes with law enforcement agencies as well as internal stakeholders and business areas to further aid the prevention of modern slavery and human trafficking in Group activities.

Working with partners and law enforcement

We have continued to support Public Private Partnerships and regulated sector initiatives to tackle the threat of modern slavery and human trafficking. This includes involvement in various information sharing provisions, which seek to use financial intelligence to better protect the public from serious and organised crime and protect the integrity of the UK's financial system.

Vulnerable children in the UK face an ongoing risk of exploitation through modern slavery, particularly as money mules or in county lines drug trafficking. We continue to play an active part in the UK Finance Money Mules Industry Working Group.

The focus is on children and young people aged between 13-25 incorporating an education and awareness workstream which combines both public and private sector partners, inclusive of the Home Office and charity partners who can contribute to tackling this issue. This workstream targets the exploitation of young people through county lines and becoming a money mule, a form of modern slavery.

We continue to support We Fight Fraud and their 'Crooks on Campus' mules educational programme, which is evolving to incorporate a wider audience through the 'Safeguarding Against Financial Exploitation' programme. The programme provides training to professionals working with young and vulnerable people, focussing on prevention through education.



Collaboration and partnerships

We work with other financial service providers, NGOs, taskforces, law enforcement agencies and other key organisations to help identify and prevent incidences of modern slavery and human trafficking.

We are a founding member and remain an active participant of the Joint Money Laundering Intelligence Taskforce. The Taskforce was established to tackle financial crime in partnership with the financial sector and government, including operational activity to disrupt and prevent human trafficking and modern slavery

Unseen UK is a UK charity which provides safehouses and support in the community for survivors of trafficking and modern slavery. Unseen UK also runs the UK Modern Slavery & Exploitation Helpline. We joined the Unseen UK Business Hub in 2022 to better understand and mitigate modern slavery risk across our business operations.

We have continued our membership of the Hub and joined the Unseen Financial Hub Group. The aim of the group is to bring together financial institutions to share good practice, discuss challenges and encourage continuous improvement.

Supporting our communities, the Lloyds Bank Foundation for England and Wales, funded by a donation from Lloyds Banking Group, supported 10 trafficking and modern slavery charities in 2025 with a total investment of £760,000 over the lifetime of their grant. Through these charities, we know that many victims and survivors face huge challenges when it comes to accessing banking services. That's why it's vital to bring these charities, who have invaluable insight, together with Lloyds Banking Group, to explore how services can be improved.



Collaboration and partnerships continued



“

Unseen is pleased to have continued our partnership with Lloyds Banking Group across 2025. Through this ongoing collaboration we have further supported and strengthened the actions being taken to prevent, identify and mitigate against modern slavery across the Group and its value chain. Joint efforts like these are essential for driving meaningful change and creating real impact.”

Justine Carter,
Deputy CEO, Unseen UK

Working with our partners

In partnership with national and local charities, we are dedicated to assisting individuals affected by modern slavery in regaining their financial independence and reducing the risk of further exploitation.

We understand that lack of identification can be a significant barrier for survivors. Our aim is to allow survivors to access banking services and regain control over their finances. In collaboration with local charities, we have processes in place to allow survivors to open bank accounts. This includes exception processes where non-standard ID could be accepted. We also work with the charity Hope for Justice, as well as the police, verifying records and documents in advance of the survivor applying for an account. This ensures that any fraudulent records created by their abusers do not hinder survivors from using banking services or subject them to further victimisation. By addressing these banking challenges, we are able to assist survivors of modern slavery and human trafficking in rebuilding their lives and achieving financial stability.

Scottish Widows: sector-specific engagements and collaborative advocacy

Following our work with Sancroft International, at the start of 2025 we began engaging with home builders and apparel companies, two sectors identified as high risk for labour exploitation and modern slavery, to complement our existing engagement approach. We have written to nine home builders and four apparel companies and will provide an update on our engagements in future reporting.

In addition, our collaborative work continues to play a big role addressing these risks. ShareAction's Good Work Coalition engages companies on secure work and fair pay, tackling conditions that often lead to vulnerability and exploitation. We continued to play an active role in ShareAction's Good work Coalition in 2025, escalating some of our engagement through shareholder resolutions at three companies. Our resolutions at M&S, JD Sports and Next asked companies to provide investors with additional workforce related disclosures needed to assess the Company's approach to human capital management. The resolutions received strong support from investors, with the resolution at Next receiving 26.9% in favour of the proposal.

We believe better disclosures will support investors understand companies' approach to their people and reduce risks from inequality. Other initiatives such as the Investor Initiative on Human Rights Data (II-HRD) have continued with good engagement from stakeholders, helping to improve transparency on human rights and modern slavery indicators.

Overcoming the language barrier

The Group recognises the challenges faced by individuals who do not speak English as their first language, particularly survivors of modern slavery. Language barriers can hinder access to financial services and contribute to financial exclusion. By addressing this, we are demonstrating a commitment to making banking accessible for all customers.

We began rolling out Clear Voice across key servicing areas in 2024. This service provides telephony interpretation in more than 200 languages, helping the Group improve accessibility and support for customers. The rollout continues in 2025 as we expand coverage to additional areas. Clear Voice is a social enterprise providing 100 per cent of its profits to its parent charity, Migrant Help, which protects people affected by displacement and exploitation, helping them thrive as individuals and recover from their trauma. By taking proactive measures to provide accessible and comprehensive support, we're helping to empower customers who may face language barriers, including survivors of modern slavery. This commitment reinforces the Group's reputation as an inclusive and customer-focused organisation.

Our colleagues are also empowered to communicate with customers in other languages to suit their needs, with some of our most commonly used leaflets being made available in multiple other languages.

Supporting survivors of modern slavery

We continue to provide a safe and supportive environment for survivors of modern slavery, offering resources and tools to support survivors in rebuilding their lives with an aim to achieve financial stability.

Our Lloyds Bank Academy offers digital and financial education programmes specifically tailored to the needs of survivors of modern slavery. These programmes aim

to empower survivors with the knowledge and skills to manage their finances effectively, supporting them in their journey towards independence and a better future.

These include:

- Essential digital and life skills to get started, unlocking the benefits of being online and understanding how to stay safe online
- Online communication, understanding how to use online communication tools, social media and how to present yourself online
- Ways to find and secure employment, from starting out or looking for a change, to creating a CV or searching for a job
- Budgeting essentials, how to manage their bank account day-to-day and budget more effectively through budgeting, saving and reducing spending

Supporting colleagues to better support customers

Customers may tell us about their circumstances in person, over the phone, or online. We focus on the support they need and can record this information so that they don't need to repeat conversations which they may find difficult. By capturing this across products, colleagues can quickly understand and consistently meet those needs.

To ensure our colleagues know where to go for support when dealing with either the crime of modern slavery or to provide support to the survivors when accessing banking services, we have produced colleague guidance, signposting them to the appropriate support both internally and externally including the UK Modern Slavery & Exploitation Helpline run by Unseen.

We continue to leverage the learnings taken from the treatment of other vulnerable groups, such as victims of domestic abuse, to inform our approach to supporting victims of modern slavery.

Collaboration and partnerships continued

Purpose in action

Supporting survivors through the West Midlands Anti-Slavery Network

The West Midlands Anti-Slavery Network (WMASN) brings together charities and community organisations to tackle modern slavery and human trafficking across the region. Through collaboration, they ensure survivors receive the right support at the right time – from emergency accommodation and counselling to long-term reintegration.



With funding from the Lloyds Bank Foundation for England & Wales, WMASN has strengthened its capacity to provide tailored assistance and advocate for systemic change, helping hundreds of individuals rebuild their lives after exploitation.

Earlier this year, Emma Varty, Communication Director from Lloyds Banking Group, visited WMASN to see first-hand the impact of this work.

“Earlier this year, I got to see the work of the West Midlands Anti-Slavery Network – and it was profoundly humbling. After meeting with one of their service users and the team supporting him, I left with a much sharper understanding of the scale and proximity of exploitation, often happening on our doorstep. The reality was confronting and hard to process, yet it also deepened my respect for the care this charity brings to each person they support. It is thoughtful, individual and focused on helping people rebuild their lives after they’ve been victim to shocking and unbearable circumstances.

“

I left with a much sharper understanding of the scale and proximity of exploitation, often happening on our doorstep.”

“I’m so proud that our Lloyds Bank Foundation for England & Wales partners with organisations like this. Their work in our communities is not only life-changing for survivors, but also essential to the kind of society we want to help build.

The people working in charities such as the West Midlands Anti-Slavery Network are quiet heroes, a label I am certain they would never claim themselves, and their impact is so important.”

WMASN’s approach goes beyond crisis response. They coordinate multi-agency efforts to identify victims early, provide safe housing, and deliver trauma-informed care. Their advocacy work also influences local policy, ensuring survivors’ voices shape solutions. By addressing root causes and supporting recovery, WMASN helps break cycles of exploitation and restore dignity to those affected.

Group-wide modern slavery training

We have continued to roll out our modern slavery training across the Group. The aim of this module is for colleagues to have a better understanding of the scale and forms of modern slavery, and the importance of awareness and proactive measures.

The training was developed with input from the Modern Slavery and Human Rights Working Group and includes a series of videos of colleagues across the Group explaining how modern slavery impacts their business areas and what they are doing to tackle it, to support colleagues in gaining an understanding of how the Group tackles modern slavery.

In recognition of modern slavery risks in the smaller and medium business sector in the UK, we have made our all-colleague training a mandatory requirement for our colleagues in the Business and Commercial Banking Business Unit serving clients with up to £100m turnover.

In 2026, we will be converting this training from highly recommended all colleague training, to Group-wide all colleague mandatory training with the aim for completion and roll out in the second half of year as part of our Group-wide annual mandatory training programme.

Mandatory group-wide economic crime prevention training

The Group has a comprehensive Economic Crime Prevention (ECP) training programme which includes mandatory general awareness training on key ECP disciplines - anti-money laundering, fraud, sanctions and anti-bribery. There are two ECP training packages which are mandatory for all colleagues:

- An induction-level module designed for new colleagues and those returning from long-term absence. The learning covers all ECP policy disciplines and ensures the colleague completes a series of knowledge checks in order to progress through the course.

- Annual quarterly core refresher training for all existing colleagues, designed to evaluate a colleague's knowledge and understanding of the key ECP policy disciplines. The learning comprises four interactive role play scenarios followed by a compulsory knowledge check.

The anti-money laundering core refresher module includes an example of modern slavery through an interactive scenario. This supports colleagues in their understanding of modern slavery red flags and how funds are laundered. Colleagues can learn about the different ways an individual may be exploited by a trafficker through control of their bank account.

Individual business units track completion of mandatory training on a quarterly basis with Group-level completion rates reported annually as part of our regulatory publication in the annual money laundering reporting officer's report. Controls are in place to manage those colleagues who do not complete their training on time.

Group-wide modern slavery training continued

Identifying signs in our supply chain

For the training undertaken by sourcing and supplier managers, we refreshed the approach in 2025, making it fully interactive and more immersive. The updated module is available to colleagues via Workday and now includes AI-powered scenarios that simulate real-life situations, such as identifying signs of modern slavery on a construction site, to deepen contextual understanding and practical awareness.

The training goes beyond surface-level awareness, guiding colleagues through nuanced indicators of exploitation, refining their understanding of modern slavery risks, and testing their knowledge through interactive assessments. In 2026, we plan to share a version of this training with our suppliers to support wider awareness and capability-building across our supply chain.

For the first time, we have also rolled out a dedicated supplier training resource in collaboration with Unseen UK, designed to provide accessible, high-impact guidance on identifying and responding to modern slavery risks. This forms part of our broader strategy to embed human rights awareness into everyday supplier interactions and has had over 2000 unique viewers since launch.

Through Workday, we continue to monitor colleague completion rates, and the training remains a core part of induction for new starters in Sourcing and Supplier Management. In 2025, 533 in-scope colleagues completed the training.

Executive training

As part of our commitment to raising awareness of the issue of modern slavery as one of the Group's salient human rights risks, we have raised awareness and delivered training sessions to senior leadership teams including our Group Executive Committee (GEC) and Board members. These sessions were aimed at ensuring that our most senior leaders understand the evolving legal and regulatory landscape, the strategic importance of embedding human rights into core business practices, and the specific risks facing financial institutions - including those linked to our operations, supply chains, lending and investment activities.

By equipping our senior leadership teams with the knowledge to better identify, assess, and respond to human rights and modern slavery risks, we strengthen our governance, accountability and resilience. We recognise the importance of setting the tone from the top, ensuring that human rights considerations are embedded in strategic decision-making and that the Group meets its legal and regulatory obligations across all geographies in which we operate. This approach not only supports compliance with the UK Modern Slavery Act 2015 and emerging global due diligence laws but also aligns with regulatory requirements and stakeholder expectations for transparency, accountability and continuous improvement.



Measuring the effectiveness of our approach

We recognise that our review and assessment of our actions to identify and address modern slavery risks across our operations and supply chain will be an ongoing and evolving process.



Modern slavery risks KPIs

We use the following key performance indicators (KPIs) to better understand the effectiveness of our approach to managing modern slavery risks:

Training:

100%

of in-scope Group Sourcing and Supplier Management colleagues completed modern slavery training



>2000

unique viewers of our supplier training



Whistleblowing:

0

number of substantiated reports of modern slavery through our Speak Up line



Governance:

6

number of Human Rights and Modern Slavery Working Group meetings

Looking ahead and next steps for 2026

Group sourcing & supplier management

- In 2026 we will enhance our Modern Slavery in the Supply Chain training for suppliers which will include additional guidance around modern slavery statements
- Our Code of Supplier Responsibility will continue to be reviewed on an annual basis and will include enhancements made to our escalation process for reporting modern slavery
- We are also exploring tools to enhance automation and scale our insights effectively across our supply base

Lloyds Living

- Lloyds Living will engage with strategic partners, to better understand and support their efforts in identifying and managing modern slavery risks
- Lloyds Living plan to make the Modern Slavery in the Supply Chain training available to support small and medium-sized suppliers aiding education around modern slavery



Scottish Widows

- We will continue to engage investee companies on human rights and through setting specific expectations, conducting meetings and taking voting action, as relevant. We plan to build on some previous engagements and explore other sectors to engage where capacity allows
- In addition, our collaborative work will continue to play a role in our approach in 2026. We will continue to support several initiatives on human rights such as the Workforce Disclosure Initiative, ShareAction Good Work, PRI Advance and the Investor Initiative on Human Rights Data

Commercial banking

- We will continue to monitor and evolve our ESG Credit Risk Management approach, ensuring that the latest emerging risks are being addressed as part of our process and ensure our approach is reflective of the evolving external environment
- We will strengthen the integration of modern slavery risk management across our operations and client engagement for our small and medium business customers.
- We will focus on understanding how our customers may be exposed to the risk of labour exploitation through their operations and supply chain related to the sectors they operate in.
- We aim to raise awareness of the risks of modern slavery in the UK, with a focus on customers operating in higher risk sectors and those in scope of the Modern Slavery Act 2015
- In addition, we will provide tailored learning for Relationship Managers to further develop their ability to identify and address the risks of modern slavery and labour exploitation across our customer base of small and medium businesses

Lloyds Technology Centre

- We will embed a review of sub-contracting and informal labour practices into our supplier management practices.
- We will provide training sessions and awareness programmes for suppliers to identify signs of modern slavery and understand reporting mechanisms

Looking ahead and next steps for 2026 continued

Our people and places

- We will expand our worker wellbeing programme beyond Tier 1 construction suppliers to include direct engagement with Tier 2 and Tier 3 suppliers. This will involve site visits, worker interviews, and assessments of recruitment practices, pay transparency and grievance mechanisms. By engaging deeper in the supply chain, we aim to strengthen visibility and uphold consistent standards across all tiers
- We will convene our framework of Tier 1 construction suppliers to share findings from the 2025 worker wellbeing visits and collaborate on solutions to address systemic risks such as informal recruitment, excessive working hours and limited awareness of reporting routes. This will support industry-wide improvement and foster a culture of transparency and shared responsibility
- We will begin supply chain mapping for high-risk components such as HVAC equipment, recognising the global dependencies and associated risks. This will help us identify potential hotspots for labour exploitation and inform our sourcing decisions and supplier engagement strategy

Customer inclusion

- The Group will continue to support survivors of modern slavery through the Group's academy and support financial empowerment of communities who are vulnerable to exploitation and those who have survived exploitation. This includes helping individuals newly arrived in the UK - who are often at heightened risk of exploitation - gain access to their own bank accounts, supporting their financial independence and reducing vulnerability to modern slavery.

Economic crime prevention

We will continue to develop our analytical and data tools to support investigations into modern slavery and human trafficking. Our response to this high harm threat will be informed by relevant industry intelligence, and our ongoing participation in public and private information sharing provisions.

Human Rights and Modern Slavery Working Group

- The working group will continue to convene bi-monthly to share best practice, review performance related to modern slavery and human rights assessed by external benchmarks, and investor queries with a view to strategise how to improve the Group's approach to addressing modern slavery across its business operations
- The working group will continue to monitor UK and EU regulatory developments (e.g. UK Sustainability Reporting Standards and the Corporate Sustainability Due Diligence Directive), and benchmark against peer practices to ensure the Group remains aligned with emerging standards and expectations
- The working group will support with the design of the Group-wide all colleague mandatory training for modern slavery
- The working group will support the development of further KPIs to measure the effectiveness of modern slavery risk management across 2026, including training completion rates, supplier engagement metrics and escalation outcomes
- The working group will review the outcomes of the refreshed human rights inherent salient risk assessment and Group Human Rights Position statement to ensure ongoing relevance to the Group

Group-wide initiatives

- We will work with Learning & Development to develop mandatory modern slavery training, ensuring consistent awareness and understanding across all business units and all colleagues
- We will lead the rollout of a refreshed Group Human Rights Framework, including:
 - A revised salient human rights risk assessment and review of the Group's Human Rights Position Statement for ongoing applicability
 - The ongoing integration of human rights considerations into governance, training and reporting mechanisms to support consistent and effective management of modern slavery risks across operations and supply chains
 - Continuing to support business areas within the Group with subject matter advisory related to modern slavery risk and working pro-actively with colleagues based in jurisdictions outside of the UK and EEA to monitor evolving regulatory and legislative approaches to modern slavery



Looking ahead and next steps for 2026 continued

→ Forward-looking statements

Disclaimer

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This document’s use of the terms “material,” “materiality” and other similar terms should be understood in the context of ESG and sustainability reporting and are not intended to be have the meaning those terms have under the securities or other laws of the United States or any other jurisdiction or as these terms are used in the context of financial statements and financial reporting.

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Some information appearing in this document may have been obtained from public and other sources and, it has not been independently verified by the Group and no representation or warranty is made by the Group as to its quality, completeness, accuracy, fitness for a particular purpose or non-infringement of such information.

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Models, methodologies and data

The data contained in this document reflects best estimates at the relevant time. The models, methodologies and data used in information in this document, including in relation to the setting of the Group’s emissions targets, net-zero transition strategy, climate scenario analysis and transition plan, are subject to certain limitations. These include (i) that they are subject to future risks and uncertainties which may change over time, (ii) for external data, or methodologies and models developed by a third party, they could be subject to adjustment which is beyond the Group’s control; (iii) the quality of data can vary, which may impact the outputs of models and methodologies; (iv) in respect of climate-related models, methodologies and data in particular, are not of the same standard as those available for other financial information, nor subject to the same standards, benchmarks or standardised accounting principles, and historical

data may not be an accurate indicator of the future trajectory of climate change impacts. Moreover, measurement technologies and analytical methodologies are in constant development; there is a lack of international coordination on data and methodology standards, and there exists future uncertainty, which includes (amongst others) developing global and regional laws, regulations and policies and evolving classification frameworks and climate science knowledge and data.

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This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and section 27A of the US Securities Act of 1933, as amended, with respect to the business, strategy, plans and/or results of Lloyds Banking Group plc together with its subsidiaries (the Group) and its current goals and expectations. Statements that are not historical or current facts, including statements about the Group’s or its directors’ and/or management’s beliefs and expectations, are forward-looking statements. Words such as, without limitation, ‘believes’, ‘achieves’, ‘anticipates’, ‘estimates’, ‘expects’, ‘targets’, ‘should’, ‘intends’, ‘aims’, ‘projects’, ‘plans’, ‘potential’, ‘will’, ‘would’, ‘could’, ‘considered’, ‘likely’, ‘may’, ‘seek’, ‘estimate’, ‘probability’, ‘goal’, ‘objective’, ‘deliver’, ‘endeavour’, ‘prospects’, ‘optimistic’ and similar expressions or variations on these expressions are intended to identify forward-looking statements. These statements concern or may affect future matters, including but not limited to: projections or expectations of the Group’s future financial position, including profit attributable to shareholders, provisions, economic profit, dividends, capital structure, portfolios, net interest margin, capital ratios, liquidity, risk-weighted assets (RWAs), expenditures

or any other financial items or ratios; litigation, regulatory and governmental investigations; the Group’s future financial performance; the level and extent of future impairments and write-downs; the Group’s ESG targets and/or commitments; statements of plans, objectives or goals of the Group or its management and other statements that are not historical fact and statements of assumptions underlying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. There are inherent risks and uncertainties associated with achieving future emissions targets and implementing net-zero transition strategies and plans in a complex, interdependent, and continually evolving global landscape. The Group therefore reserves the right to adjust, amend, or adapt its metrics and targets in response to unforeseen circumstances or changes in external factors and dependencies which impact the feasibility of achieving the stated targets.

Factors that could cause actual business, strategy, targets, plans and/or results (including but not limited to the payment of dividends) to differ materially from forward-looking statements include, but are not limited to: general economic and business conditions in the UK and internationally (including in relation to tariffs); imposed and threatened tariffs and changes to global trade policy; acts of hostility or terrorism and responses to those acts, or other such events; geopolitical unpredictability; the war between Russia and Ukraine; the escalation of conflicts in the Middle East; the tensions between China and Taiwan; political instability including as a result of any UK general election; market related risks, trends and developments; changes in client and consumer behaviour and demand; exposure to counterparty risk; the ability to access sufficient sources of capital, liquidity and funding when required; changes to the Group’s credit ratings; fluctuations in interest rates, inflation, exchange rates, stock markets and currencies; volatility in credit markets; volatility in the price of the Group’s securities; natural pandemic and other disasters; risks concerning borrower and counterparty credit quality; risks affecting insurance business and defined benefit pension schemes; changes in laws, regulations, practices and accounting standards or taxation; changes to regulatory capital or liquidity requirements and similar contingencies; the policies and actions of governmental or regulatory authorities or courts together with any resulting impact on the future structure of the Group; risks associated with the Group’s compliance with a wide range of laws and regulations; assessment related to resolution planning requirements; risks related to regulatory actions which may be taken in the event of a bank or Group failure; exposure to legal, regulatory or competition proceedings, investigations or complaints; failure to comply with anti-money laundering, counter terrorist financing, anti-bribery and sanctions regulations; failure to prevent or detect any illegal or improper activities; operational risks including risks as a result of the failure of third party suppliers; conduct risk; risks related to new and emerging technologies, including artificial intelligence; technological changes and risks to the security of IT and operational infrastructure, systems, data and

information resulting from increased threat of cyber and other attacks; technological failure; inadequate or failed internal or external processes or systems; risks relating to ESG matters, such as climate change (and achieving climate change ambitions) and decarbonisation, including the Group’s ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively, and human rights issues; the impact of competitive conditions; failure to attract, retain and develop high calibre talent; the ability to achieve strategic objectives; the ability to derive cost savings and other benefits including, but without limitation, as a result of any acquisitions, disposals and other strategic transactions; inability to capture accurately the expected value from acquisitions; assumptions and estimates that form the basis of the Group’s financial statements; and potential changes in dividend policy. A number of these influences and factors are beyond the Group’s control. Please refer to the latest Annual Report on Form 20-F filed by Lloyds Banking Group plc with the US Securities and Exchange Commission (the SEC), which is available on the SEC’s website at www.sec.gov, for a discussion of certain factors and risks. Lloyds Banking Group plc may also make or disclose written and/or oral forward-looking statements in other written materials and in oral statements made by the directors, officers or employees of Lloyds Banking Group plc to third parties, including financial analysts. Except as required by any applicable law or regulation, the forward-looking statements contained in this document are made as of today’s date, and the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document whether as a result of new information, future events or otherwise. The information, statements and opinions contained in this document do not constitute a public offer under any applicable law or an offer to sell any securities or financial instruments or any advice or recommendation with respect to such securities or financial instruments.



Head office
25 Gresham Street
London EC2V 7HN
+44 (0)20 7626 1500
www.lloydsbankinggroup.com

Registered office
The Mound
Edinburgh EH1 1YZ
Registered in Scotland no. SC095000