

# GRI Standards Index 2018

This document has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. This GRI Index covers our material topics. It follows GRI Standards 2016 (later Standards updates from 2018 on Water and OHS are not used). Please note, this Index excludes topics that are not material. Additional topics include environmental management as reported in our [Data sheet 2018](#)

## How we report

We publish our Responsible Business reporting suite annually. It covers the calendar year, except for our environmental indicators (which run from 1 October to 30 September) and refers to all of our legal entities. Our **reporting includes** information and data related to our strategy, governance, key initiatives and processes, performance and progress against our Helping Britain Prosper Plan commitments. The suite comprises:

- ➊ Annual Report and Accounts – reporting on the most material and compliance-related Responsible Business issues
- ➋ Helping Britain Prosper Plan 2018 – 2020
- ➌ Helping Britain Prosper Plan performance 2014 – 2018
- ➍ Equator Principles
- ➎ Responsible Business Data sheet 2018 – an overview of key financial, community and environmental performance
- ➏ Modern slavery and human trafficking statement
- ➐ Reporting Criteria
- ➑ The above documents can be found in the [Reporting Centre of our website](#).

## Materiality

Material topics are identified in alignment with GRI's Foundation Standard 101 which governs the process for preparing Responsible Business reporting (sustainability reporting). Each year we gather stakeholder views through a formal materiality assessment guided by Standard 101, the Five-part Materiality Test and the Principles laid out in the AA1000 Accountability Principles 2018. External stakeholders were included in the study using a series of interviews and a survey. We identified a set of core material topics as a result. These are accompanied by additional ('non-material') issues, as outlined in Additional issues reported on page 2.

Material topic impacts have 'boundaries'. We note that GRI states, "An organisation preparing a report in accordance with the GRI Standards is expected to report not only on impacts it causes, but also on impacts it contributes to, and impacts that are directly linked to its activities, products or services through a business relationship", and that, "The topic boundary is the description of where the impacts occur for a material topic, and the organisation's involvement with those impacts" (Consolidated Standards p15 and p21). The boundary for most of our impacts, such as indirect economic contribution, financial education, and support for Britain's businesses, is clearly outside our organisation, delivered through the positive impact of our Helping Britain Prosper Plan. Please see our Reporting Centre for detail. Despite this, we indicate in straight forward terms the boundary for each material topic.

## Material topics 2018:

| MATERIAL TOPIC  | GRI STANDARDS – SPECIFIC DISCLOSURE |
|---|-------------------------------------|
| <b>Governance, Accountability, Responsible Conduct and Stakeholder Engagement</b> | 205-2, 415-1, 418-1, 419-1          |
| <b>Indirect economic contribution</b>   | 203-1, 203-2, 204-1                 |
| <b>Customer privacy and data security</b>   | 418-1                               |
| <b>Responsible and ethical lending</b>  | 412-3, 417-1, 419-1                 |
| <b>Support for vulnerable customers</b>   | 413-1                               |
| <b>Financial education and inclusion</b>  | 203-2, FS-14 (G4)                   |
| <b>Training and skills development</b>  | 404-1, 404-3                        |
| <b>Support for Britain's businesses and entrepreneurs</b>                         | 203-1, 204-4                        |
| <b>Equal Opportunities, Inclusion and Diversity (A)</b>                           | 405-1, 405-2                        |
| <b>Human Rights</b>   | 406-1, 407-1, 409-1, 412-2, 412-3   |
| <b>Impact of climate change risks</b>   | 201-2, 412-3                        |

(A) Indicator (or a component thereof) used as a metric for the material topics is subject to Limited ISAE3000 (revised) assurance by Deloitte LLP for the 2018 Annual Responsible Business Reporting. Deloitte's 2018 assurance statement and the 2018 Reporting. Criteria are available online at [www.lloydsbankinggroup.com/our-group/responsible-business/reporting-centre/](http://www.lloydsbankinggroup.com/our-group/responsible-business/reporting-centre/)

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## Additional issues reported

Additional (non-material) issues are referenced in this Index, for continuity, and are principally covered in our Responsible Business reporting:

| ADDITIONAL ISSUES, COVERED IN RESPONSIBLE BUSINESS REPORTING | PERFORMANCE INDICATOR REFERENCE  |
|--|--|
| Reducing our own Environmental footprint (A)                 | <b>Data sheet 2018</b> , p3; <b>Reducing our own Environmental footprint</b> |
| Board Effectiveness and Transparency                         | ARA, p50-78  |
| Business performance and growth                              | ARA, p6-7  |
| Community investment programmes (A)                          | <b>Data sheet 2018</b> , p1; <b>Community programmes</b>                     |
| Occupational health, safety and wellbeing                    | <b>Data sheet 2018</b> , p2  |
| Transparency in the supply chain                             | ARA p18, p26, p76; <b>Responsible Sourcing</b>                               |
| Supply chain environmental impacts                           | ARA p26; <b>Responsible Sourcing</b>   |

(A) Indicator (or a component thereof) used as a metric for the additional issues listed is subject to Limited ISAE3000 (revised) assurance by Deloitte LLP for the 2018 Annual Responsible Business Reporting. Deloitte's 2018 assurance statement and the 2018 Reporting. Criteria are available online at [www.lloydsbankinggroup.com/our-group/responsible-business/reporting-centre/](http://www.lloydsbankinggroup.com/our-group/responsible-business/reporting-centre/)

## Acronyms

**LBG:** Lloyds Banking Group

**MA:** Management Approach

**RB:** Responsible Business

**HBPP:** Helping Britain Prosper Plan

**ARA:** Annual Report and Accounts

**GHG:** Greenhouse Gas

**Inside:** Relevant inside the organisation (topic 'Boundary')

**Outside:** Relevant outside of the organisation (topic 'Boundary')

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| GENERAL STANDARD DISCLOSURES  |  |   |  |
|-------------------------------|--|---|--|
| DISCLOSURE                    | DESCRIPTION  | RB REPORTING REFERENCES 2018  | FURTHER COMMENTS   |
| <b>Organisational Profile</b> |  |   |  |
| 102-1                         | Report the name of the organisation  | ARA, Front Cover, Inside Front Cover  |  |
| 102-2                         | Report the primary brands, products, and services  | ARA, Inside Front Cover, p1, p10-11   |  |
| 102-3                         | Report the location of the organisation's headquarters   | ARA, Back Cover   |  |
| 102-4                         | Report number of countries where organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report | ARA, p4, p8, p289-291   | The Group operates in the UK only. Other interests overseas are not significant in comparison.   |
| 102-5                         | Report the nature of ownership and legal form  | ARA, Inside Front Cover   |  |
| 102-6                         | Markets served   | ARA, p8-12, p16, p27-29   |  |
| 102-7                         | Scale of organisation  | ARA, p4, p6-7   |  |
| 102-8                         | Information on employees and other workers   | <b>Data sheet 2018</b> , p2<br><b>Reporting Criteria</b> , p1<br><b>Gender pay report</b> 2017 – 2018 | Employees are mainly in the UK and its region (includes the channel islands).<br><br>To any extent significant, the Group's activities are not performed by workers who are not employees. There are no significant variations in the numbers reported in Disclosures 102-8 a, b and c.                                |
| 102-9                         | Describe the organisation's supply chain   | ARA, p18<br><b>Data sheet 2018</b> , p2   |  |
| 102-10                        | Any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain   | ARA, p5   |  |
| 102-11                        | Whether and how the precautionary approach or principle is addressed by the organisation   | ARA, p8-9, p30  |  |
| 102-12                        | List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses  | ARA, p18 (UN, ILO), p20 (SDGs), p24 (TCFD)<br><b>Gender pay report</b> 2017 – 2018                    |  |
| 102-13                        | Memberships of associations and national or international advocacy   | ARA, p18-19, p135   | Key memberships include:<br>– Equator Principles<br>– Business in the Community<br>– Cambridge Programme for Sustainability Leadership advisory Board<br>– Prince of Wales's Corporate Leaders Group<br>– Banking and Environment Initiative<br>– CBI Energy and Climate Change Board<br>– UN Global Compact signatory |

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| DISCLOSURE                    | DESCRIPTION   | RB REPORTING REFERENCES 2018  | FURTHER COMMENTS  |
|-------------------------------|---|---|---|
| <b>Strategy and Analysis</b>  |   |   |   |
| 102-14                        | Provide a statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability | ARA, p2, p4   |   |
| <b>Ethics and integrity</b>   |   |   |   |
| 102-16                        | Organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics  | ARA, p18, p24, p26, p81   |   |
| <b>Governance</b>             |   |   |   |
| 102-18                        | Governance structure, including committees of the highest governance body   | ARA, p24, p50-78  | .   |
| <b>Stakeholder engagement</b> |   |   |   |
| 102-40                        | List of stakeholder groups engaged by the organisation  | ARA, p16-18   |   |
| 102-41                        | Percentage of total employees covered by collective bargaining agreements   | ARA, p83<br><b><u>Modern Slavery and Human Trafficking Statement</u></b> , p3 | We have recognition agreements with two trade unions, Accord and Unite, which collectively negotiate on behalf of 98 per cent of our UK employees. Unite represents the interests of 30,000 colleagues (estimated), approximately 50% of total FTE headcount.<br><br>The 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 statutory minimum wage requirements. We have worked, and continue to work, with third-party contractors and suppliers to ensure that they operate in line with our commitments. We expect our suppliers to ensure that the wages they pay meet legally mandated minimums without unauthorised deductions. |
| 102-42                        | Basis for identification and selection of stakeholders with whom to engage  | ARA, p16  |   |
| 102-43                        | Approach to stakeholder engagement  | ARA, p16-18   |   |
| 102-44                        | Key topics and concerns that have been raised, and how the organisation has responded to key topics and concerns, including through reporting   | ARA, p16-18   |   |
| <b>Report Practice</b>        |   |   |   |
| 102-45                        | Entities included in the consolidated financial statements  | ARA, p27-29, p289-295   |   |
| 102-46                        | Defining report content and topic boundaries  | ARA, p19<br>GRI Index, 1  |   |
| 102-47                        | List of material topics   | ARA, p19<br>GRI Index, p1   |   |

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| DISCLOSURE | DESCRIPTION  | RB REPORTING REFERENCES 2018                   | FURTHER COMMENTS  |
|------------|--|--|---|
| 102-48     | Restatements of information                              | <a href="#">Data sheet 2018</a> , p2-3         |   |
| 102-49     | Changes in reporting                                     | ARA, p19                                       | No significant changes recorded as part of materiality assessment process. Some minor changes in emphasis of coverage of certain 'material topics' and 'additional issues'. |
| 102-50     | Reporting period   | 2018 calendar year                             |   |
| 102-51     | Date of most recent report                               | 20th February 2018 (2017 ARA and RB reporting) |   |
| 102-52     | Reporting cycle  | Annual   |   |
| 102-53     | Contact point for questions regarding the report         | <a href="#">Contact Us</a>                     |   |
| 102-54     | Claims of reporting in accordance with the GRI Standards | GRI Index, 1                                   | This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option   |
| 102-55     | GRI content index  | <a href="#">Reporting Centre</a>               |   |
| 102-56     | External assurance                                       | ARA, p22, p25, p81                             | Limited ISAE3000 (revised) assurance by Deloitte LLP. Assurance statement and the Reporting Criteria available online <a href="#">here</a>                                  |

## SPECIFIC STANDARD DISCLOSURES

## 200: ECONOMIC TOPIC MANAGEMENT APPROACH

| DISCLOSURE | RELATED MATERIAL TOPIC  | RB REPORTING REFERENCES (MEETING MA DISCLOSURES 103-1; 103-2; 103-3)   | FURTHER COMMENTS   |
|------------|---|--|--|
| 201-2      | Impact of climate change risks  | Impact of climate risk ARA p19-20, p24-25, p81; <a href="#">Sustainability in Lloyds Banking Group</a>   | In addition to our Helping Britain Prosper Plan, aimed at tackling the issues facing Britain today, our community investment programmes focus on three core themes: education, employability and enterprise - assessed against our Responsible Business strategy and performance and impact is tracked internally. We undertake assurance (Limited ISAE3000 Deloitte LLP assurance) on total community investment.   |
| 203-1      | Indirect economic contribution  | Assurance process and 2018 Reporting Criteria, online <a href="#">here</a>   |  |
| 204-1      | Support for Britain's businesses and entrepreneurs                          | Indirect economic contribution (SMEs, homebuyer, business and entrepreneur support) ARA, p8-11, p16, p20-26; and <a href="#">Helping Britain Prosper Plan &amp; Community Programmes</a> |  |
| 205-2      | Governance & Accountability, Responsible Conduct and Stakeholder Engagement | Governance, Responsible Conduct, Stakeholder engagement; including Anti-bribery and corruption ARA p2-4, p16-17, p26, p50-78, p110   | Anti-corruption and bribery: Our policies, codes, systems and initiatives are created and embedded in order to prevent bribery and corruption. The Group regularly reviews and assesses these policies to keep them current, effective and consistent across markets and jurisdictions. All colleagues, including contractors, complete mandatory annual anti-bribery training and are encouraged to report confidentially any instances of suspected bribery. |

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| 200: ECONOMIC TOPICS                           |  |  |  |                    |   |
|--|--|--|--|--------------------|---|
| DISCLOSURE                                     | RELATED MATERIAL TOPIC   | RB REPORTING REFERENCES 2018   | BOUNDARY   | FURTHER COMMENTS   |   |
| <b>GRI 201: Economic Performance 2016</b>      |  |  |  |                    |   |
| <b>201-2</b>                                   | Financial implications and other risks and opportunities due to climate change | Impact of climate risks  | ARA p2, p19-20, p24-25<br><b><u>Sustainability in Lloyds Banking Group</u></b>   | Inside and outside | At Lloyds Banking Group, we have a unique position within the UK economy and with our purpose to help Britain prosper. Our new Sustainability Strategy aims to support the successful transition to a more sustainable, low carbon economy that is resilient to climate change impacts.   |
| <b>GRI 203: Indirect Economic Impacts 2016</b> |  |  |  |                    |   |
| <b>203-1</b>                                   | Infrastructure investments and services supported                              | Indirect economic contribution<br><br>Support for Britain's businesses and entrepreneurs | ARA p7, p11, p18, p20-25<br><b><u>Data sheet 2018, 1</u></b><br><b><u>Helping Britain Prosper Plan</u></b><br><b><u>Financial inclusion services</u></b><br><b><u>Community Programmes</u></b> | Outside            |   |
| <b>203-2</b>                                   | Significant indirect economic impacts  | Indirect economic contribution<br><br>Financial education and inclusion                  | ARA p20-25<br><b><u>Helping Britain Prosper Plan</u></b><br><b><u>Financial inclusion services</u></b><br><b><u>Community Programmes</u></b>   | Inside and Outside |   |
| <b>GRI 204: Procurement Practices 2016</b>     |  |  |  |                    |   |
| <b>204-1</b>                                   | Proportion of spending on local suppliers                                      | Indirect economic contribution<br><br>Support for Britain's businesses and entrepreneurs | ARA p18<br><b><u>Working with suppliers</u></b><br><b><u>Data sheet, p2</u></b><br><b><u>Modern Slavery and Human Trafficking Statement, p5</u></b>  | Inside and Outside | In 2018 our supplier expenditure was £5.8 billion with 95 per cent of our direct suppliers located in the UK (2017: 94%). The Group operates across the UK and we routinely purchase at different levels locally.   |
| <b>GRI 205: Anti-corruption 2016</b>           |  |  |  |                    |   |
| <b>205-2</b>                                   | Communication and training about anti-corruption policies and procedures       | Governance & Accountability, Responsible Conduct and Stakeholder Engagement              | ARA p17, p26, p58, p63, p77, p110  | Inside             | All colleagues, including contractors, complete annual anti-bribery training and are encouraged to report confidentially any instances of suspected bribery via the Speak-Up service or their line manager.<br><br>Each colleague is aware of our Anti-Money Laundering and Counter Terrorist Policy and completes training to understand how they can help to protect the Group and our customers. |

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## 300: ENVIRONMENTAL TOPICS MANAGEMENT APPROACH

| DISCLOSURE  | RELATED ADDITIONAL TOPIC                     | RB REPORTING REFERENCES<br>(MEETING MA DISCLOSURES 103-1; 103-2; 103-3)  | FURTHER COMMENTS   |
|---|--|--|--|
| 301-1<br>302-1<br>302-4<br>303-1<br>305-1<br>305-2<br>305-3<br>305-4<br>306-2 | Reducing our own Environmental footprint (A) | ARA, p24-25, p81<br><b>Data sheet</b> p3<br><b>Sustainability in Lloyds Banking Group</b><br><b>Reducing our Environmental Footprint</b> | Note, environmental issues are covered in our reporting suite as 'additional' issue. They are included in this Index for continuity (from 2017) and for ease of navigation for the reader. |

Indicator (or a component thereof) used as a metric for the additional issues listed is subject to Limited ISAE3000 (revised) assurance by Deloitte LLP for the 2018 Annual Responsible Business Reporting. Deloitte's 2018 assurance statement and the 2018 Reporting. Criteria are available online at [www.lloydsbankinggroup.com/our-group/responsible-business/reporting-centre/](http://www.lloydsbankinggroup.com/our-group/responsible-business/reporting-centre/)

## 300: ENVIRONMENTAL TOPICS

| DISCLOSURE                           | RELATED ADDITIONAL TOPIC                   | RB REPORTING REFERENCES 2018             | BOUNDARY                                   | FURTHER COMMENTS   |
|--------------------------------------|--|--|--|--|
| <b>301: Materials 2016</b>           |  |  |  |  |
| 301-1                                | Materials used by weight or volume         | Reducing our own Environmental footprint | <b>Data sheet</b> p3                       | Inside   |
| <b>301: Energy 2016</b>              |  |  |  |  |
| 302-1                                | Energy consumption within the organisation | Reducing our own Environmental footprint | <b>Data sheet</b> p3<br>ARA, p19, p81      | Inside   |
| 302-4                                | Reduction of energy consumption            | Reducing our own Environmental footprint | <b>Data sheet</b> p3                       | Inside   |
| <b>303: Water 2016</b>               |  |  |  |  |
| 303-1                                | Water withdrawal by source                 | Reducing our own Environmental footprint | <b>Data sheet</b> p3                       | Inside<br><br>We recognise GRI 303 Water and Effluents Standard 2018; the developments are not relevant to our operations. We elect to use GRI 303 Water 2016. |
| <b>305: Emissions 2016</b>           |  |  |  |  |
| 305-1                                | Direct (Scope 1) GHG emissions             | Reducing our own Environmental footprint | <b>Data sheet</b> p3                       | Inside   |
| 305-2                                | Energy indirect (Scope 2) GHG emissions    | Reducing our own Environmental footprint | <b>Data sheet</b> p3                       | Inside   |
| 305-3                                | Other indirect (Scope 3) GHG emissions     | Reducing our own Environmental footprint | <b>Data sheet</b> p3<br>ARA, p24, p78, p81 | Inside and Outside   |
| 305-4                                | GHG emissions intensity                    | Reducing our own Environmental footprint | <b>Data sheet</b> p3                       | Inside   |
| <b>306: Effluents and Waste 2016</b> |  |  |  |  |
| 306-2                                | Waste by type and disposal method          | Reducing our own Environmental footprint | <b>Data sheet</b> p3                       | Inside   |

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## 400: SOCIAL TOPICS MANAGEMENT APPROACH

| DISCLOSURE  | RELATED MATERIAL TOPIC  | RB REPORTING REFERENCES<br>(MEETING MA DISCLOSURES 103-1; 103-2; 103-3)  | FURTHER COMMENTS  |
|---|---|--|---|
| 404-1<br>404-3<br>405-1<br>405-2<br>406-1<br>407-1<br>409-1<br>412-2<br>412-3 | Training and skills development<br><br>Equal Opportunities, Inclusion and Diversity<br><br>Human Rights | Training and skills development:<br>ARA, p7, p10-11, p15, p17, p23, p26<br><b>Data sheet</b> p2<br>Equal Opportunities, Inclusion and Diversity:<br>ARA, p19, p20, p22-23, p26, p56, p62, p78,<br><b>Data sheet</b> p2<br>Human Rights: ARA, p19, p20, p22-23, p26, p78<br><b>Inclusion and Diversity</b><br>Human rights: Responsible and ethical lending:<br>ARA, p14, p20, p24, p26; p81<br><b>Sustainability in Lloyds Banking Group</b> | As a service and customer-focused organisation, attracting, developing and retaining the best talent is vital to our success. Labour related issues are of particular importance in our business.<br><br>Training, learning and development: We place high importance on the development of our people, and provide regular training and performance reviews for all colleagues.<br><br>We apply the same high and fair standards of employment to our contractors and suppliers.   |
| 413-1<br>415-1<br>419-1   | Support for vulnerable customers<br><br>Financial education and inclusion                               | ARA, p7, p8-11, p20-27, p32, p57, p77, p109<br><b>Helping Britain Prosper Plan</b><br><b>Financial inclusion services</b><br><b>Community Programmes</b><br><b>Customer complaints monitoring</b>  | Through our high street brands we are an integral part of communities across Britain, and we can only thrive if they do. The support and core products and services that we provide help the communities in which we operate to prosper. But we also go further – our public commitments to communities include: colleague volunteering, support for community organisations, community investment programmes, donations to our four Foundations, and fundraising for our Charity of the Year.<br><br>We also support communities with our investment programmes (focused around education, employability and enterprise) and through our four independent charitable Foundations via donations and colleague time and skills.<br><br>We continue to innovate and invest in products, services and initiatives that grow and enhance access and support for customers of all needs; business, communities and households. |

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## 400: SOCIAL TOPICS MANAGEMENT APPROACH

| DISCLOSURE | RELATED MATERIAL TOPIC                    | RB REPORTING REFERENCES<br>(MEETING MA DISCLOSURES 103-1; 103-2; 103-3) | FURTHER COMMENTS   |
|------------|---|---|--|
| 418-1      | Customer privacy and data security        | ARA, p7, p13, p26, p30-31, p33, p57, p76, p77, p85, p108                | <p>We recognise the importance to customers of both their data and their money being safe, and we use advanced technology to protect them, including systems that prevent fraud and detect fraudulent payments in real time.</p> <p>We are continuously improving our cyber-defences and also educate customers to improve their own security by championing public awareness campaigns, including Take Five.</p> <p>Colleagues also receive appropriate, ongoing training and support, such as anti-bribery training to help them protect our customers.</p> <p>Customer complaints are collated using a rigorous process, complaint categories are extensive and include privacy and data. There were no large scale substantiated breaches of customer privacy in 2018.</p> |
| DISCLOSURE | RELATED ADDITIONAL TOPIC                  |   |  |
| 403-2      | Occupational health, safety and wellbeing | ARA p17, p26, p114, p137  | Note, safety is covered in our reporting as 'additional' issue, and in this Index for continuity (from 2017) and for ease of navigation for the reader.  |

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| 400: SOCIAL TOPICS  |  |  |   |                    |   |
|---|--|--|---|--------------------|---|
| DISCLOSURE  | RELATED MATERIAL TOPIC   | PAGE REFERENCE 2018                          | BOUNDARY  | FURTHER COMMENTS   |   |
| <b>404: Training and education 2016</b>                           |  |  |   |                    |   |
| 404-1   | Average hours of training per year per employee  | Training and skills development              | ARA, p15, p17<br><b>Data sheet</b> p2   | Inside             | Reason for partial omission: we do not break down the data by gender or employee category owing to the lack of availability of the figures required.  |
| 404-3   | Percentage of employees receiving regular performance and career development reviews                           | Training and skills development              | ARA, p15, p17, p22  | Inside             | All colleagues, regardless of gender or grade, receive full performance reviews twice a year.   |
| <b>405: Diversity and equal opportunity 2016</b>                  |  |  |   |                    |   |
| 405-1   | Composition of governance bodies and employees   | Equal Opportunities, Inclusion and Diversity | ARA, p52-56<br><b>Inclusion and Diversity</b><br><b>Data sheet</b> p2                           | Inside and Outside | Inclusion and diversity: We create and maintain an inclusive and fair workplace culture, and a diverse workforce to represent the customers we serve.<br><br>For us, this includes gender diversity – at all levels – but with a targeted focus on senior roles, as well as LBGT, ethnicity and disability.   |
| 405-2   | Ratio of basic salary and remuneration of women to men   | Equal Opportunities, Inclusion and Diversity | <b>Gender pay report</b><br>2017 – 2018   | Inside and Outside |   |
| <b>406: Non-discrimination 2016</b>                               |  |  |   |                    |   |
| 406-1   | Incidents of discrimination and corrective actions taken   | Human Rights                                 | ARA, 17<br><b>Inclusion and Diversity</b>   | Inside and Outside | See comments above, for <b>405-1</b>  |
| <b>407: Freedom of Association and Collective Bargaining 2016</b> |  |  |   |                    |   |
| 407-1   | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Human Rights                                 | ARA p83<br><b>Working with Suppliers</b><br><b>Responsible Sourcing</b>                         | Inside and Outside | The Group operates in a highly regulated industry and not in markets where this right is at risk. The Group continues to embed ethical supplier and investment standards through its Code of Supplier Responsibility and screening processes. We have no evidence of this risk.   |
| <b>409: Forced or compulsory labour 2016</b>                      |  |  |   |                    |   |
| 409-1   | Operations and suppliers at significant risk for incidents of forced or compulsory labor                       | Human rights                                 | ARA, p18, p26, p57<br><b>Modern Slavery and</b><br><b>Human Trafficking</b><br><b>Statement</b> | Outside            | We do not tolerate slavery, trafficking or forced labour in any part of our business or supply chain. We aim to align our activities and policies with international best practice and recognised standards. We are either a signatory to, or abide by, the principles of a number of international and national codes and standards relating to responsible business practice. |

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| DISCLOSURE                               | RELATED MATERIAL TOPIC   | PAGE REFERENCE 2018   | BOUNDARY   | FURTHER COMMENTS   |
|--|--|---|--|--|
| <b>409-1</b><br><b>(continued)</b>       |  |   | <b><u>UN Global Compact Communication on Progress</u></b>              | <p>These include: The Equator Principles, the UN Principles for Responsible Investment, the UN Global Compact, the UN Universal Declaration of Human Rights, and the ILO (International Labour Organisation) labour standards.</p> <p>The Group operates in a highly regulated industry and not in markets where slavery is a high risk. It continues to embed ethical supplier and investment standards through its Code of Supplier Responsibility and screening processes. No records of open or concluded incidents are on file for 2018.</p>  |
| <b>412: Human Rights Assessment 2016</b> |  |   |  |  |
| <b>412-2</b>                             | Employee training on human rights policies or procedures   | Human rights  | <b><u>UN Global Compact Communication on Progress</u></b>              | <p>All colleagues complete annual anti-bribery and health and safety training as part of the Group's mandatory training curriculum.</p> <p>The Group does not report total number of hours in the reporting period devoted to training on human rights policies or procedures. Partial reason for omission: relevant human rights subjects such as anti-discrimination, LGBT rights, ethnicity, are embedded in ongoing mandatory training programmes and, induction courses, and other human resources training modules. Data on hours separated out by subject matter are not available.</p>   |
| <b>412-3</b>                             | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | Responsible and ethical lending<br>Human rights<br>Impact of climate change risks | External sector statements (requirements) available <b><u>here</u></b> | <p>In all sectors which experience heightened exposure to ESG risk, we aim to work with customers and <b><u>suppliers</u></b> who:</p> <ul style="list-style-type: none"> <li>• implement effective, market-based solutions that take into account any social and environmental concerns about their operations.</li> <li>• operate safely and securely within a defined framework that upholds human rights.</li> <li>• align their operations with the principles of this framework and with the United Nations Global Compact's labour, environment and anti-corruption standards.</li> <li>• assess the long-term impact of their activities across the entire supply chain, considering indigenous people and local communities specifically.</li> </ul> <p>Reason for partial omission: we do not yet have verified data on total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.</p> |

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continued

| DISCLOSURE  | RELATED MATERIAL TOPIC   | PAGE REFERENCE 2018   | BOUNDARY   | FURTHER COMMENTS  |
|---|--|---|--|---|
| <b>412-3<br/>(continued)</b>                                      |  |   |  |   |
| <b>413: Local communities 2016</b>                                |  |   |  |   |
| <b>413-1</b>  | Operations with local community engagement, impact assessments, and development programs | Support for vulnerable customers  | <b>Community Programmes</b><br><b>Charitable Foundation</b>  | Outside   |
| <b>FS14 (elective use of GRI G4 Sector Supplement disclosure)</b> | Initiatives to improve access to financial services for disadvantaged people             | Support for vulnerable customers<br><br>Financial education and inclusion   | ARA, p7, p8-11, p16, p20-26, p27, p32, p57, p77, p109<br><b>Helping Britain Prosper Plan</b><br><b>Financial Inclusion &amp; Education</b><br><b>Education &amp; Employability</b><br><b>Social Enterprise</b><br><b>Digital Inclusion</b> | Inside and Outside  |
| <b>415: Public Policy 2016</b>                                    |  |   |  |   |
| <b>415-1</b>  | Political contributions  | Governance & Accountability, Responsible Conduct and Stakeholder Engagement | ARA, p78, p135-136   | Inside and Outside<br><br>We do not make any contributions to political parties, but we do engage regularly with government bodies and regulatory bodies on relevant public policy. |
| <b>417: Marketing &amp; Labelling 2016</b>                        |  |   |  |   |
| <b>417-1</b>  | Incidents of non-compliance concerning product and service information and labeling      | Responsible and ethical lending   | ARA, p14, p20, p24, p26, p81<br><b>Helping Britain Prosper Plan</b><br><b>Sustainability in Lloyds Banking Group</b>   |   |

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continued

| DISCLOSURE                                      | RELATED MATERIAL TOPIC  | PAGE REFERENCE 2018  | BOUNDARY  | FURTHER COMMENTS  |
|---|---|--|---|---|
| <b>418: Customer privacy 2016</b>               |   |  |   |   |
| <b>418-1</b>                                    | Substantiated complaints concerning breaches of customer privacy and losses of customer data                                  | Governance, Accountability, Responsible Conduct and Stakeholder Engagement<br><br>Customer privacy and data security | ARA p7, p13, p26, p30-31, p33, p57, p71, p76-77, p85, p108<br><b>Data sheet p2</b><br><b>Customer complaints monitoring</b> | Inside and Outside<br><br>We recognise the importance to customers of both their data and their money being safe, and we use advanced technology to protect them, including systems that prevent fraud and detect fraudulent payments in real time. We are continuously improving our cyber defences and also educate customers to improve their own security by championing public awareness campaigns, including Take Five.<br><br>Colleagues also receive appropriate, ongoing training and support, such as anti-bribery training to help them protect our customers. Customer complaints are collated using a rigorous process, complaint categories are extensive and include privacy and data, there were no large scale or substantiated breaches of customer privacy or data loss in 2018. |
| <b>419: Socio-economic Compliance 2016</b>      |   |  |   |   |
| <b>419-1</b>                                    | Non-compliance with laws and regulations in the social and economic area  | Governance, Accountability, Responsible Conduct and Stakeholder Engagement<br><br>Responsible and ethical lending    | ARA p14, p20, p24, p26, p81<br><b>Sustainability in Lloyds Banking Group</b>  | Inside and Outside<br><br>To the best of our knowledge, we have complied with all laws and regulations and therefore have not received any fines or sanctions this reporting year.  |
| <b>403: Occupational Health and Safety 2016</b> |   |  |   |   |
| <b>403-2</b>                                    | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | Occupational health, safety and wellbeing  | ARA, p26, p114, p137<br><b>Data sheet p2</b>  | Inside  |