


## SPEAK UP POLICY THIRD PARTY SUPPLIER POLICY SUMMARY

 <p>LLOYDS BANKING GROUP</p>	<p><b>SPEAK UP POLICY</b></p> <p><b>SUMMARY FOR THIRD PARTY SUPPLIERS</b></p>
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### RATIONALE

#### **Group Policy Rationale**

This Policy has been designed to assist in managing the risk that Third Party Suppliers workers are prevented from reporting concerns about risk, suspected malpractice/wrongdoing within the suppliers firm that has an impact on the bank and/or its customers. The overall risk includes the following risk drivers:

- Failure to embed a robust risk culture.
- Failure to implement robust processes and procedures to ensure compliance with Speak Up Legal and Regulatory requirements.
- Failure to allow Third Party Suppliers employees to raise concerns in an open manner with no fear of reprisal.

In addition, this Policy has been designed to support compliance with the following legislation and / or regulations:

- Public Interest Disclosure Act 1998
- Financial Conduct Authority Handbook (SYSC) Chapter 18 and Policy Statement 15/24 Whistleblowing in deposit-takers and, PRA-designated investment firms and insurers Regulation.

#### **Customer Impact**

The Group's vision is to be the best bank for customers. The Group Speak Up Policy supports this vision and the aim of providing investors with strong, stable and sustainable returns by:

- Educating and empowering Third Party Suppliers workers to do the right thing for the Bank and its customers by challenging inappropriate and unacceptable behaviours.
- Supporting development of a customer centric culture where Third Party Suppliers workers feel confident in speaking up to report suspected malpractice/wrongdoing that they witness.
- Ensuring concerns raised are investigated promptly and effectively, delivering positive customer outcomes.

### SCOPE

This third party version of the Policy applies to suppliers where it has been identified that the Group Speak Up Policy applies to the provision of their goods and or services.

Business Unit compliance with the [Group's Sourcing Policy](#) will ensure the necessary Group Policies are identified as applicable to suppliers.

**SPEAK UP (POLICY THIRD PARTY SUPPLIER POLICY SUMMARY)****MANDATORY REQUIREMENTS – GENERAL**

The supplier's workers must be made aware of the routes available for them to report risks, concerns about suspected malpractice/wrongdoing, **relating to services provided to Lloyds Banking Group**, either directly to the Group, within the supplier's organisation/ sub-contractors or to UK Regulators. This must include the following:

- The supplier's management must encourage workers to Speak Up if they suspect or witness malpractice/wrongdoing, relating to services provided to Lloyds Banking Group, either through annual training or refresher communications.
- Provide the option for workers to raise their concerns outside the supplier's management line.
- Explain concerns may be safely raised externally for example with the applicable regulator.
- There should be no obstacles to workers making a report relating to potential unacceptable practices of work relating to services provided to Lloyds Banking Group.
- Provide examples of the types of concerns to be raised, so distinguishing them from concerns relating to employment matters which should be dealt with via the suppliers own human resource's channels. Examples include:
  - Manipulating processes, procedures or systems to mislead others or the Lloyds Banking Group, for personal financial gain, achieve product sales, targets, income or bonuses
  - Breaches of regulation or legislation, or concerns about a lack of openness with regulators
  - Concerns about behaviour that is impacting a team or multiple colleagues
  - Any form of harassment, including Sexual Harassment and other illegal discrimination
  - Criminal activity such as theft, fraud, bribery, or tax evasion.
  - And other risks or malpractice that impact customers, colleagues or the Lloyds Banking Group
- The supplier's line management must ensure workers are aware that risks, suspected malpractice/wrongdoing relating to services provided to Lloyds Banking Group should be reported, either through annual training or refresher communications.
- Workers should be aware that they do not need firm evidence of wrongdoing to report a concern. However, they must explain as fully as possible the circumstances they have witnessed. Information such as dates, names, systems, reports, specific examples, detail of where evidence can be found and customer account details are all extremely important. The more information provided, the more effective the investigation and the better chance of a positive outcome for Lloyds Banking Group and our customers.

**Option 1 – Report to Management within the Supplier's Organisation**

If a worker witnesses or suspects wrongdoing in the workplace that affects the bank and/or its customers, the matter should be reported as soon as possible to line management or a senior leader in the supplier's organisation. They should listen and take the concern seriously. If worker's feel unable to report to line management there are additional options below:

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### Option 2 – Report to the Speak Up line

Lloyds Banking Group operates a confidential Speak Up\* line for individuals to report concerns. Calls are handled independently from the Group and are not recorded. You do not need to be located in the UK to use this service and interpreters are available. Contact the Speak Up line on:

- UK: +44 (0)800 0141 053
- [Click here for non-UK toll free numbers](#)
- Email: - [lbg@expolink.co.uk](mailto:lbg@expolink.co.uk)
- Online - [www.expolink.co.uk/lbg](http://www.expolink.co.uk/lbg)

\*The Speak Up line is managed by an external firm, Expolink, who are experienced in taking reports of suspected wrongdoing. All reports are taken seriously and the identity of those who raise a concern will be kept confidential. Expolink will forward the details of your concern to the Colleague Conduct Management Team (CCMT) who will assess the need for an independent investigation. Expolink will not share the identity of the caller with CCMT without permission.

### Option 3 – Report to the Colleague Conduct Management Team (CCMT)

CCMT is a central team with responsibility for managing and overseeing colleague conduct related allegations across Lloyds Banking Group. This team can provide guidance and will determine if the circumstances witnessed require investigation. Alternatively, CCMT will advise on how best to progress the concern. Contact CCMT on:

E-mail: [speakup@lloydsbanking.com](mailto:speakup@lloydsbanking.com)

Lloyds Banking Group is regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Supplier's workers should be made aware that concerns can be reported to our regulators whether you are based in or outside the UK regardless of where the suspected wrongdoing is taking place. Concerns can be reported to a regulator at any stage and they do not have to be reported internally first. No attempt will be made to identify an employee who reports directly to a regulator:

- Financial Conduct Authority
  - Phone 0044 207 066 9200
  - Email: <mailto:whistle@fca.org.uk>
  - Website : <https://www.the-fca.org.uk/firms/whistleblowing>
- Write to: Intelligence Department (Ref PIDA), The Financial Conduct Authority, 12 Endeavour Square, London, E20 1JN
- Prudential Regulation Authority:
  - Phone: 0044 203 461 8703
  - Email: <mailto:PRAwhistleblowing@bankofengland.co.uk>
  - Website: [www.bankofengland.co.uk/prudential-regulation/whistleblowing-and-the-pra](http://www.bankofengland.co.uk/prudential-regulation/whistleblowing-and-the-pra)
  - Write to: Confidential Reporting (Whistleblowing), PRA CSS, 20 Moorgate, London, EC2R 6DA

### External Advice

If workers are uncertain or not sure what to do or would like external confidential advice, they can contact the independent **UK Whistleblowing charity, Protect**. Protect can talk through options and help them raise a concern about risk,

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suspected malpractice/wrongdoing at work. You do not need to be located in the UK to use this service and interpreters are available.

- Phone UK Freephone: 020 3117 2520 (\* option 1)  
E-mail to [whistle@protect-advice.org.uk](mailto:whistle@protect-advice.org.uk)

Speak Up concerns must be dealt with confidentially and workers must be offered protection in respect of the information provided in a Speak Up report wherever possible and in accordance with the law. The following protection must be afforded:

- Workers will not be prevented from reporting concerns about risk, malpractice or suspected wrongdoing.
- Management inaction of known issues will not be tolerated and will be subject to formal action under the applicable disciplinary process.
- Similarly, the harassment or victimisation of any worker reporting concern will be subject to formal action under the applicable disciplinary process.
- Contracts of employment, non-disclosure agreements and confidentiality agreements cannot prevent workers from reporting suspected wrongdoing they have witnessed.

When investigating a Speak Up concern that has an impact on the bank and/or its customers, the supplier must ensure:

- The Group are informed via the LBG Supplier Manager.
- Adequate and appropriate resources (both in terms of competency and independence) must be available for dealing sensitively, promptly and effectively with Speak Up investigations.
- Necessary action must be taken to ensure that investigations are independent and no conflicts of interest exist.

Records of allegations reported should be stored in an easily retrievable format and retained for a period of 10 years from the date of closure of the case, in accordance with the requirements set out in [the Group Records Management Policy Summary for Third Parties](#).

Where the supplier's investigation of a Speak Up allegation identifies a weakness in the supplier's controls or processes that has a significant regulatory or financial impact on Lloyds Banking Group, this must be reported to the Lloyds Banking Group's Supplier Manager as soon as possible.

KEY CONTROLS		
Control Title	Control Description	Frequency
Reporting suspected wrongdoing	The supplier's management must encourage workers to Speak Up if they suspect or witness malpractice/wrongdoing, relating to services provided to Lloyds Banking Group, either through annual training or refresher communications.	Annually

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	This must include details of how and where they can report concerns.	
Reporting suspected wrongdoing – new workers	The supplier must ensure new workers are made aware that if they suspect or witness malpractice/wrongdoing, relating to services provided to Lloyds Banking Group, it should be reported, either through induction training or a communication within 8 weeks of starting employment. This must include details of how and where they can report concerns.	Annually
All relevant investigations are reported.	When investigating a Speak Up concern that has an impact on the bank and/or its customers, the supplier must ensure the Group are informed via the LBG Supplier Manager.	Ad-hoc

**MANDATORY REQUIREMENTS – NON-COMPLIANCE**

Any material differences between the requirements set out above and the supplier's own controls should be raised by the Supplier with the Lloyds Banking Group's Supplier Manager in accordance with the Supplier Qualification System (SQS) validation process.

The Supplier Manager will then discuss the non-compliance with the Accountable Executive for the relationship and BUCF to agree way forward.

Version Number	Effective Date
1.0	31 March 2014
2.0	26 May 2015
3.0	20 May 2016
4.0	16 June 2017
5.0	19 June 2018
6.0	1 July 2019
7.0	3 June 2020
<b>Next Planned Revision: May 2021</b>	