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Lloyds Banking Group launches Sustainability Finance Framework setting out support to help build more homes with higher sustainability standards

- Lloyds Banking Group launches a new Sustainability Finance Framework to support the UK transition to Net Zero
- The Framework sets out how the Group will support housing and developer clients to access finance to help build more sustainable homes
- The Framework is one of the first of its kind to be led by a UK financial institution

Lloyds Banking Group, as the largest bank to the UK housing sector, today announces the launch of its new Sustainability Finance Framework, which outlines our support to help housebuilders access finance to build more homes with higher sustainability standards.

The Framework supports the Group's commitment to expanding the availability and affordability of safe, high quality and sustainable housing by helping housebuilders finance new homes.

The Framework sets out how the Group will help housebuilders access finance to build more sustainable homes through one of three existing propositions:

1. The **Clean Growth Financing Initiative (CGFI)** which provides discounted financing for sustainability projects for smaller and medium sized housebuilders
2. **Sustainable Development Loans (SDLs)** which provide discounted financing for sustainability projects within the housebuilding sector for larger clients
3. **Sustainability-Linked Loans (SLLs)** available for larger customers, which incentivise the borrower's achievement of ambitious, predetermined sustainability performance objectives

The Framework incorporates the recent creation of additional sustainability standards for new build homes in the UK, which the Group has helped develop alongside NextGeneration.

David Cleary, Managing Director, Housing, Lloyds Banking Group says:

"The demands on UK housebuilders are significant - evolving building regulations, increased focus on low-carbon and biodiversity, consumer demand for greener homes, and rising costs. Our ambition at Lloyds Banking Group is that we work with these housebuilders to help meet these challenges and contribute towards the UK's Net Zero goal."

"The propositions set out in the Sustainability Finance Framework increase access to incentive-based finance to businesses across the housebuilding, real estate, and wider construction sector, and can drive better, more consistent practices, sustainability standards and outcomes for businesses and their customers."

Media Contacts



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Shaun Walden, Head of Sustainable Finance and Climate Change, DNV UK says:

“It is great to see Lloyds Banking Group publish this holistic Sustainability Finance Framework for the new build housing sector. This innovative report is one of the first sector-based financing frameworks issued by a financial institution and shows the focus Lloyds Banking Group has on this sector. The Framework will be welcomed by the growing ESG community, and I look forward to seeing Lloyds’ further advances in this space.”

Support for the housing market

This announcement is part of Lloyds Banking Group’s commitment to help Britain prosper by expanding the availability of high quality, affordable and sustainable homes. As well as being one of the biggest backers of housebuilders in the UK, over the last four years, the Group has provided over £12 billion of funding to the social housing sector.

In 2021, together with Homes England, we established the Housing Growth Partnership (‘HGP’) committing £300 million equity funding to SME and regional housebuilders, with the aim of supporting the development of 10,000 new homes by 2025. Since its launch, the Housing Growth Partnership has invested alongside 46 housebuilders to support the delivery of over 4,500 new homes, with nearly half now completed and sold to families across the UK.

ESG integration

Since 2016, the Group has been at the forefront of ESG-linked financing in the real estate sector, supporting housebuilders to understand the scale of their sustainability challenge and, importantly, helped them to transition their businesses.

ESG considerations have also been integrated into the Group’s lending and investment activities, when earlier in 2021 the Group announced furthering its transition to a low carbon economy with an expanded target of Net Zero by 2050, or sooner.

Working alongside NextGeneration

At the beginning of 2021, we joined the Executive Committee of NextGeneration, alongside the UK Green Building Council and Homes England. NextGeneration is a membership-based sustainability benchmark of the UK’s largest homebuilders established to help drive the creation of sustainability standards for new build homes in the UK.

Green Buildings Tool

To help support a move towards sustainable buildings, our customers have free of charge access to our Green Buildings Tool – a digital insights calculator that helps to identify, evaluate, and understand the estimated outcomes of potential investments to make properties greener.

In the social housing sector, in 2021 we provided £3.4 billion of new funding of which £2.4 billion is new ESG-linked financing and we assessed the energy efficiency of around 240,000 homes, using our Green Buildings Tool.

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