



# Sustainability Reporting Framework Index

A stylized illustration of a red telescope mounted on a tripod. The telescope is angled upwards and to the right, with its lens pointing towards the top right corner of the page. The tripod is also red and has three legs. The entire illustration is rendered in a flat, graphic style.

Lloyds Banking Group  
2025

# Our Approach to Sustainability Reporting

We continue to review and enhance our reporting of environmental, social and governance (ESG) performance and disclosures. We have identified the following reporting frameworks as being important reporting tools that address the needs of our investors and other stakeholders.

We will continually evolve our reporting each year to enhance our disclosures, in line with meeting the requirements of our selected sustainability reporting frameworks.



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# Task Force on Climate-related Financial Disclosures (TCFD)

Creating a sustainable and inclusive future is core to our purpose of Helping Britain Prosper. We report on sustainability matters throughout the annual report (ARA), in particular in the following sections: (i) Strategic report, pages 22 to 23 and 32 to 33; (ii) Sustainability review on pages 35 to 49; (iii) Risk management on pages 150 to 152; (iv) Governance pages 80 to 81; and (v) in the supplementary sustainability report.

We comply with the UKLR 6.6.6R(8) and Sections 414CA and 414CB of the UK Companies Act 2006. Set out in the following table are our disclosures which are presented consistent with the 2021 TCFD recommendations and recommended disclosures across all four of the TCFD pillars: strategy; governance; risk management; and metrics and targets, requirements under Sections 414CA and 414CB have been considered by cross-reference.

Additional detail on our progress against our metrics and targets can be found in our sustainability report 2025 . Our separate supplement ensures we can provide a comprehensive response, that is presented in a decision-useful manner for users of the reports.

We have referenced specific pages where additional detail and technical content relevant to our TCFD disclosures can be found.

In addition, in-scope entities within our Insurance, Pensions and Investments business, which are incorporated as part of Scottish Widows Group, are required to report in compliance with FCA ESG Sourcebook Chapter 2 'Disclosures on climate-related financial information' (set out via FCA PS21/24) reporting requirements for the period ending 31 December 2025. This additional compliance will be met through Entity and Product level reporting to be published on the Scottish Widows website in June 2026.

We will continue to assess and develop our disclosures against the TCFD recommendations and recommended disclosures, considering relevant TCFD guidance and materials along with expected disclosure requirements such as UK Sustainability Reporting Standards: SRS S1 'General requirements' and SRS S2 'Climate-related disclosures'.





# Task Force on Climate-related Financial Disclosures (TCFD)

Recommendation	Summary of progress	Reference (ARA)
<b>Strategy</b>		
A. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term. (Companies Act 2006 – Sections 414CA and 414CB 2A (b) and (d))	We have defined the key climate-related risks and opportunities across the Group and outlined the potential time horizons over which they may arise, aligned with the Group's financial planning	Pages 39 to 41
	Identifying and assessing our key risks allows us to understand where we have the opportunities to deliver impact, with these opportunities identified, assessed and managed by functional-level and divisional teams	Pages 39 to 41
	We outlined the interaction between the cross-cutting impacts of climate risk and the other principal risks facing the Group	Pages 39 to 41 Pages 150 to 152
B. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning. (Companies Act 2006 – Sections 414CA and 414CB 2A (e))	The Group's financial statements consider the impact of climate-related risks on our financial position and performance, including consideration of the impact on expected credit losses in 2025	Pages 150 to 152 Notes to financial statements Pages 229 and 279 to 280
	Continued to embed climate risk into our financial planning process with financed emissions ambitions considered as part of the forecasting process	Page 42
	Embedded monitoring of sector targets, as reported in our Group climate transition plan, into the internal reporting process with the aim to support climate considerations forming part of the Group's regular decision making	Page 42 to 47
C. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. (Companies Act 2006 – Sections 414CA and 414CB 2A (f))	We have assessed the resilience of our lending and investment portfolios, informed by understanding the Group's exposure to the areas most impacted by physical and transition risk	Pages 48 to 49 Pages 150 to 152
	Our biggest lending exposures relate to the built environment, where short-term risks are limited based on current policy, while our Commercial Banking exposure other sectors most vulnerable to transition risk remains low	Pages 48 to 49
	We have used climate scenario analysis to assess the impact on expected credit loss for climate-related physical and transition risk on our Retail and Commercial Banking lending portfolio, with no material adjustments required	Page 229 and pages 279 to 280
<b>Governance</b>		
A. Describe the Board's oversight of climate-related risks and opportunities. (Companies Act 2006 – Sections 414CA and 414CB 2A (a))	Our governance structure provides clear oversight and ownership of the Group's environmental sustainability strategy and management of risks and opportunities at the Board and executive levels	Pages 80 to 81
	The Board received deep dives into Group purpose pillars which includes Supporting the UK transition, and environmental sustainability, alongside progress monitoring on climate goals, strategy updates, sector and policy reviews, and engagement plans for colleagues and communities. It also received updates on sustainable finance and nature-related approaches.	Pages 80 to 81
B. Describe management's role in assessing and managing climate-related risks and opportunities. (Companies Act 2006 – Sections 414CA and 414CB 2A (a))	The Group Sustainability Committee provides direction and oversight of the Group's environmental sustainability strategy including opportunities, supported by divisional governance.	Page 80
	The Group Risk Committee provides oversight of climate risk, including supporting setting risk appetite, development of risk management capabilities and progress against regulatory expectations	Page 80
	The Group Disclosure Committee provides oversight of the accuracy, completeness and timeliness of disclosures made to the market and/or prospective investors. Updates on the key areas of the Group's sustainability strategy are provided to the Responsible Business Committee by the Group Executive Committee on a quarterly basis.	Page 80-81

# Task Force on Climate-related Financial Disclosures (TCFD)

Recommendation	Summary of progress	Reference (ARA)
<b>Risk Management</b>		
A. Describe the organisation's processes for identifying and assessing climate-related risks. (Companies Act 2006 – Sections 414CA and 414CB 2A (b))	<p>Key climate-related risks are considered across four components: failure to deliver on net zero ambitions, the impact from physical and transition risks, deficiencies in external disclosures and greenwashing</p> <p>We have repeated analysis to identify exposure at a portfolio level to sectors at increased climate risk, supported by further consideration at a customer level, including ongoing development of our ESG tool, consideration of our EPC profile and understanding exposures at high risk of flooding across our mortgage and insurance portfolios</p> <p>Scenario analysis has been used to support assessment of the potential impact on the Group from these risks, with outputs incorporated into credit, capital and liquidity risk assessments</p>	<p>Page 25 Pages 39 to 40 Pages 150 to 152</p>
B. Describe the organisation's processes for managing climate related risks. (Companies Act 2006 – Sections 414CA and 414CB 2A (b))	<p>We are continuing to embed consideration of climate risk within our existing risk management processes across other principal risks to mitigate the associated cross-cutting impacts, including incorporating consideration of climate risk into the relevant requirements for our Group risk policies</p> <p>Some examples of key processes include as part of ESG credit risk management, where we undertake enhanced due diligence for clients exhibiting increased risk and also factoring property-specific climate transition costs into residential affordability assessments</p> <p>Our external sector statements and investments exclusion policy support management of climate risks and alignment to our transition plan</p>	<p>Pages 39 to 40 Pages 150 to 152</p>
C. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. (Companies Act 2006 – Sections 414CA and 414CB 2A (c))	<p>Climate risk is embedded into our risk management framework, through consideration of climate risk as its own principal risk, however, we have also provided clear visibility of the other principal risks materially impacted by climate-related risks</p> <p>We have developed internal guidance supporting the management of climate risk and associated controls to support mitigation, including where it manifests in other principal risks</p>	<p>Pages 150 to 152</p>
<b>Metrics and targets</b>		
A. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process (Companies Act 2006 – Sections 414CA and 414CB 2A (h))	<p>We monitor progress against our net zero ambitions and targets, including measures related to our financed emissions, own operations emissions, supply chain emissions and sustainable finance and investment. We also monitor our progress in relation to our nine sector targets</p> <p>To support us to achieve our ambitions and targets sustainability measures form part of the Group's balanced scorecard and Long-Term Incentive Plan</p>	<p>Pages 42 to 49 Sustainability Report pages 62 to 81 and 118 to</p> <p>Pages 110 and 122</p>
TCFD supplemental guidance	Our exposure to sectors with increased climate risk has been analysed, and used to set our bank emission ambition and sector targets	Sustainability report 2025 pages 76 to 78
B. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. (Companies Act 2006 – Sections 414CA and 414CB 2A (h))	<p>We have disclosed our Scope 3 emissions for our supply chain, facilitated and financed emissions.</p> <p>Our Scope 1 and 2 emissions for own operations have been reported in line with Streamlined Energy Carbon Reporting requirements</p>	<p>Pages 43 to 46 Sustainability report 2025 pages 74, 79 to 81</p> <p>Pages 47 to 48</p>
TCFD supplemental guidance	We calculate our emissions in line with GHG Protocol as outlined within our basis of GHG reporting, which includes details on our approach to all 15 categories of Scope 3	Sustainability metrics basis of reporting 2025 pages 3 to 43
TCFD supplemental guidance	In June 2025 Scottish Widows published entity and product level TCFD reporting in compliance with the FCA ESG Sourcebook (set out via FCA PS21/24). The next annual reports will be published by June 2026	<a href="#">Scottish Widows fund climate related disclosure reports --&gt;</a>
C. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. (Companies Act 2006 – Sections 414CA and 414CB 2A (g))	We have defined sustainable financing and investment targets for our core business areas	Page 45
	We have set emissions ambitions across Own Operations, Supply Chain, Bank Financed Emissions and Scottish Widows financed emissions. With most of the ambitions supported by more detailed targets and pledges	Pages 42 to 49
	Further details on additional metrics used for monitoring purposes can be found in our risks and opportunities table	Pages 39 to 41

# UNEP FI Principles for Responsible Banking self-assessment report

Lloyds Banking Group is a signatory to the Principles for Responsible Banking (the Principles) which reinforces the Group's commitment to align to the Paris Climate Agreement and the United Nations Sustainable Development Goals (SDGs) which inform our Group Purpose and Strategy.

Lloyds Banking Group was an inaugural signatory to the United Nations Environment Programme Finance Initiative's (UNEP FI) Principles for Responsible Banking (PRB) in 2019. The Principles require signatories to implement a program of work within four years of signing encompassing alignment; impact and target setting; clients and customers; stakeholders; governance and culture; and transparency and accountability.

The Group is continuing to align its practices to these principles. This is the Group's sixth PRB self-assessment report to demonstrate its progress against all six principles.



# PRB Self-Assessment Report

Principle 1: Alignment	Reference
<p>Lloyds Banking Group remains firmly committed to its purpose, Helping Britain Prosper, which guides our strategy to support a more sustainable and inclusive future for customers, colleagues and communities.</p> <p>Our purpose continues to shape how we deliver long-term value and sustainable returns for shareholders. Our strategic priorities are structured around our purpose pillars. These define the areas where we can generate responsible commercial growth while delivering positive outcomes for stakeholders. This focus strengthens the Group’s long-term resilience and underpins our ambition to deliver higher, more sustainable returns.</p> <p>We align our strategy with the UN Sustainable Development Goals, supporting UK priorities, the Paris Agreement and relevant national frameworks. We also actively participate in global and regional commitments and industry collaborations, which support our ability to identify opportunities, enhance resilience and contribute to broader sustainability outcomes.</p> <p>The Group is a signatory to leading international sustainability frameworks, including the UNEP FI Principles for Responsible Banking, the UNEP FI Principles for Sustainable Insurance, The Principles for Responsible Investment, the World Business Council for Sustainable Development, the Equator Principles and the UN Global Compact.</p> <p>In 2025, we continued to advance activities across our key focus areas: supporting quality and affordable housing, improving financial empowerment, contributing to regional development and community resilience, fostering an inclusive organisation, and supporting the UK’s transition to a low-carbon economy.</p> <p>Our overall sustainability approach remained consistent during the reporting year. We continued to make progress across all purpose pillars and further embedded the interconnected nature of sustainability-related risks and opportunities—including climate and nature-related considerations. We also expanded our reporting approach in line with the International Sustainability Standards Board (ISSB) standards to enhance transparency and comparability.</p>	<p>Group Sustainability Report 2025, pp. 3–11, 60–66, 75–81 and 117</p> <p>Annual Report and Accounts 2025, pp 6-15, 22-23, 25-29, 35-49, 165 (Concentrations of exposure)</p>



# PRB Self-Assessment Report

Principle 2: Impact & Target Setting	Reference
<p>In determining our priority areas, the Group draws on insights from our value chain and assessment of material sustainability topics. This enables us to strengthen our materiality approach ahead of forthcoming reporting standards.</p> <p>We continue to monitor the evolving regulatory landscape, including expected UK Government endorsement of UK Sustainability Reporting Standards, and anticipate that the Group will be required to report under the EU Corporate Sustainability Reporting Directive (CSRD) from the 2028 financial year.</p> <p>Our impact analysis was initially undertaken in line with the UNEP FI Principles for Responsible Banking and other recognised frameworks in 2020 and is refreshed and reviewed annually. In 2025, we reviewed our commercial exposures and operations to assess both positive and negative impacts and sustainability-related risks and opportunities. We confirmed our analysis and advanced our approach to financial materiality, integrating sustainability considerations into existing materiality processes and tools. Details of our impact assessment approach can be found in our 2024 Sustainability reporting Framework Index PRB Self-Assessment Report.</p> <p>Identifying and assessing material sustainability topics, and their associated risks and opportunities, supports alignment with our strategy and purpose pillars. It also ensures we consider how these issues may influence our business model over the short, medium and long term.</p> <p>The Group's most significant impact areas remain: supporting quality and affordable housing; improving financial empowerment; contributing to regional development and community resilience; fostering an inclusive organisation; and supporting the UK's transition to a low-carbon economy. These areas are interconnected and embedded within our strategic priorities. For example, improving access to quality and affordable housing contributes to regional development, job creation, skills improvement and thriving communities, which in turn support financial empowerment and the UK's net-zero transition through energy-efficient and sustainable buildings.</p> <p>In 2025, we continued to set and monitor targets across our environmental and social priorities, including sustainable finance (£70.9bn since 2022), social housing lending (&gt;£22.7bn since 2018) and emissions reduction (targeting a &gt;50% reduction in financed emissions by 2030).</p>	<p>Key sustainability targets disclosed in our 2025 Sustainability Report include:</p> <p>Net zero operations</p> <p>Achieve net zero carbon operations by 2030.</p> <p>Reduce Scope 1 &amp; 2 emissions by at least 90% by 2030.</p> <p>Reduce total energy consumption by 50% by 2030; achieve zero waste by 2030 (80% reduction by 2025).</p> <p>Achieve water neutrality by 2030.</p> <p>Reduce supply chain emissions (Scope 3) by 50% by 2030.</p> <p>Financed emissions</p> <p>Reduce bank-financed emissions by more than 50% by 2030.</p> <p>Sector-specific targets include:</p> <ul style="list-style-type: none"><li>• UK Mortgages: 35% reduction in emissions intensity by 2030</li><li>• Commercial &amp; Residential Real Estate: 42% reduction by 2030</li><li>• Retail Motor: 45% reduction by 2030</li><li>• Agriculture: 23% reduction in absolute emissions by 2030</li><li>• Oil &amp; Gas: 50% reduction in absolute emissions by 2030</li><li>• Power Generation: 81% reduction in emissions intensity by 2030</li><li>• Full exit from thermal coal by 2030</li></ul> <p>Sustainable finance</p> <p>£30bn for Commercial Banking customers by 2026</p> <p>£10bn financing for electric vehicles by 2027</p> <p>£11bn mortgage lending for EPC A/B properties by 2027</p> <p>Investments (Scottish Widows)</p> <p>Net zero investment portfolio by 2050</p> <p>Halve investment portfolio carbon footprint by 2030</p> <p>£20–25bn in climate-aware strategies by 2025</p> <p>At least £1bn invested in climate solutions by 2025</p> <p>Colleague inclusion</p> <p>45–55% gender balance in executive roles by 2030</p> <p>19–22% Black, Asian and Minority Ethnic representation in executive roles by 2030</p> <p>3.5–4% Black heritage representation in executive roles by 2030</p> <p>Financial empowerment and communities</p> <p>Support over 500,000 people annually with financial and digital skills through the Lloyds Bank Academy</p> <p>At least £100m community investment by 2030</p> <p>Support over 100,000 young people annually through skills and outreach programmes</p> <p>Progress is monitored through key performance indicators, including portfolio coverage, emissions intensity and customer reach. Further detail on targets, methodologies, boundaries, data sources and limitations is available in our Annual Report and Accounts 2025, Sustainability Report 2025 and Basis of Reporting 2025.</p>



# PRB Self-Assessment Report

Principle 3: Clients & Customers	Reference
<p>The Group works responsibly with clients and customers by integrating its purpose pillars into product design, risk management, and engagement activities. Across housing, financial empowerment, regional development, inclusion and supporting the UK transition, the Group provides products and services that support sustainable and inclusive economic activity—such as first-time buyer propositions, social housing finance, Ready-Made pensions and investments, EV and sustainable lending, and specialist transition funding for sectors like agriculture.</p> <p>Internal policies—including the Group Risk Management Framework, Consumer Duty compliance, ESG credit processes, sector position statements, data ethics and responsible AI standards—ensure products are delivered fairly and risks are well managed. These policies guide responsible lending, customer treatment, affordability assessments and the promotion of good outcomes, particularly for vulnerable customers.</p> <p>Through structured engagement with customers, clients and stakeholders, the Group supports client transition plans, financial wellbeing and sustainable practices. Corporate clients receive support to align with 1.5°C pathways, while retail and SME customers benefit from digital tools that improve financial health and enable informed decision-making. Partnerships in areas such as nature-based finance, social housing retrofit, regional regeneration and major infrastructure projects further reinforce responsible support for the real economy.</p> <p>Progress is monitored through clear sustainability targets—including financing commitments, sector decarbonisation pathways, housing and community investment goals, and inclusion ambitions—with performance overseen through governance structures and integrated into planning, reporting and executive scorecards.</p>	<p>Sustainability Report 2025, pp. 12–21, 22–36, 37–47, 60–115 Annual Report and Accounts 2025, pp 15–29, 36–48, 80–81</p>

# PRB Self-Assessment Report

Principle 4: Stakeholders	Reference
<p>The Group engages a wide range of stakeholders to implement and to inform its approach to managing impacts, setting targets, and delivering a just and sustainable transition. Customers, clients, colleagues, communities, regulators, investors, and suppliers are consulted regularly through structured insight programmes, materiality assessments, client dialogues, community partnerships, and workforce engagement activities. These channels help the Group understand its most significant environmental, social and economic impacts across its value chain.</p> <p>Collaboration with clients—particularly in high-impact sectors such as energy, transport, real estate and agriculture—supports the development of client transition plans and sector-aligned emissions-reduction targets.</p> <p>The Group also works with community organisations, nature and infrastructure partners, and regional development bodies to support inclusive economic growth and address social challenges.</p> <p>Engagement with government, regulators and industry bodies enables the Group to advocate for effective policy environments, including sustainability reporting standards, transition planning expectations and consumer protection reforms.</p> <p>Suppliers are engaged through programmes that encourage emissions disclosure, resilience and responsible practices.</p> <p>Colleague engagement—via surveys, listening sessions and specialist training—helps embed responsible banking into culture and decision-making. Investor engagement ensures transparency on strategy, climate risks and long-term performance.</p> <p>In 2025, the Group expanded systems-level transition engagement; Strengthened client engagement via updated sector targets and new transition finance products.; extended supplier engagement to more high-impact partners; enhanced climate- and nature-related analysis; increased regulatory engagement ahead of UK Sustainability Reporting Standards and strengthened colleague capabilities through enhanced inclusion, AI ethics, and modern slavery training and; grew partnerships in nature recovery, regional development and infrastructure finance.</p>	<p>Sustainability Report 2025, pp. 10, 37- 47, 82-115, 140 Annual Report and Accounts 2025, pp 35-48, 76-81, 88-97</p>

# PRB Self-Assessment Report

Principle 5: Governance & Culture	Reference
<p>The Group has clear Board and Executive-level governance to oversee implementation and ensure effective management of significant sustainability impacts and risks. The Board holds ultimate accountability for purpose, ESG strategy, climate- and nature-related risks and long-term value creation, supported by three key committees: the Responsible Business Committee, which oversees sustainability strategy, target delivery and external reporting; the Board Risk Committee, which oversees climate, conduct and ESG-related risk integration into the Risk Management Framework; and the Audit Committee, which reviews sustainability disclosures and reporting controls. Together, these committees ensure progress against transition plans, financed-emissions targets and sustainability KPIs is regularly monitored and challenged.</p> <p>At Executive level, the Group Executive Committee is responsible for delivering sustainability commitments, with specialist oversight through the Group Sustainability Committee, Group Risk Committee and Group Disclosure Committee. These bodies coordinate target implementation—including sector transition plans—risk assessment, scenario analysis and the quality of ESG reporting and data. Sustainability performance is integrated into business planning, risk appetite, and senior management accountability. Executive remuneration is linked to sustainability objectives, including emissions-reduction progress, sustainable finance targets, inclusion goals and customer outcomes.</p> <p>A culture of responsible banking is reinforced through colleague engagement, capability building and inclusion. Regular listening forums, the MyVoice survey and values-based culture programmes support responsible decision-making. Targeted training on inclusion, modern slavery, AI ethics, climate and sustainability topics enhances skills and awareness; for example, over 54,000 colleagues completed neuro-inclusion training in 2025, alongside Board and Executive training on modern slavery and AI ethics.</p> <p>Progress in 2025 During the reporting year the Group strengthened climate-risk oversight in line with evolving regulatory expectations, expanded transition-plan governance frameworks, and deepened colleague capability programmes. Executive remuneration linkages to sustainability outcomes were also strengthened.</p>	<p>Sustainability Report 2025, pp. 48–59, 76–77, 123–133, Annual Report and Accounts 2025, pp 20–29, 41–48, 72–83, 88–97</p>

# PRB Self-Assessment Report

Principle 6: Transparency & Accountability	Reference
<p>The Group produces several complementary reports and disclosures that collectively strengthen alignment with the UNEP FI Principles for Responsible Banking:</p> <p>2025 Sustainability Metrics Datasheet Offers granular, underlying data for climate, nature, social and operational metrics, including methodologies, boundaries, baselines and year-on-year performance.</p> <p>2025 Basis of Reporting (Sustainability Metrics Methodology) Defines calculation methods, measurement principles and assumptions underpinning sustainability metrics—key for transparency and comparability.</p> <p>2025 Modern Slavery &amp; Human Trafficking Statement Demonstrates governance and due diligence across operations and supply chain—supporting PRB requirements on human rights.</p> <p>Code of Supplier Responsibility Supports responsible procurement, supplier emissions reduction and inclusion-related commitments.</p> <p>The Group Sustainable Finance Framework provides a structured, consistent methodology for defining, classifying and reporting sustainable financial activities across the Group</p> <p>Deloitte LLP provides independent limited assurance over selected climate- and sustainability-related metrics and the Group’s 2030 emissions-reduction ambitions: Financed-emissions data Sector-level emissions-intensity KPIs Operational (Scope 1, 2 &amp; selected Scope 3) emissions Supply-chain emissions Sustainable finance KPIs (where indicated) Scottish Widows investment footprint metrics</p> <p>Assurance is conducted in accordance with ISAE 3000 (Revised) and ISAE 3410.</p>	<p><a href="https://www.lloydsbankinggroup.com/sustainability/esg-policies-downloads.html">https://www.lloydsbankinggroup.com/sustainability/esg-policies-downloads.html</a></p>



# Sustainability Accounting Standards Board (SASB) Index

Lloyds Banking Group has been reporting against the SASB disclosure framework since 2020. We continue to review and enhance our framework and methodologies for reporting our sustainability performance and in doing so, we have identified the SASB disclosure framework as being an important reporting tool that addresses the needs of our investors.

The table details our disclosures against the SASB standards and indicators. Lloyds Banking Group is a UK focused financial services provider and therefore, where required, certain indicators have been adapted to reflect this. We have adapted these indicators with the intention of preserving the spirit and meaning of the indicator to allow investors to use the information for decision making purposes in-line with the SASB Framework and Guidelines. If an indicator is applicable across more than one business area or the disclosure is at Group level, this is shown in the table.

We have included references to relevant information in our 2025 annual reporting suite and any supplementary information that may support our disclosures.

Additional sustainability-related information can be found in the Lloyds Banking Group [sustainability downloads](#).

**Key**

ARA: [Lloyds Banking Group annual report and accounts 2025](#)

SR: [Lloyds Banking Group sustainability report 2025](#)

SD: [Lloyds Banking Group sustainability metrics datasheet 2025](#)

FN-AC: Asset Management and Custody Activities

FN-CB: Commercial Banks

FN-CF: Consumer Finance

FN-IN: Insurance

FN-MF: Mortgage Financing



# Sustainability Accounting Standards Board

Group level indicators - the following disclosures are taken from individual standards and disclosed at a Group level to reflect a business-wide approach or apply to more than one business area.

Topic	Account metric	Disclosure	SASB Code
<b>Customer privacy</b>	Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Regulatory and litigation matters ARA page 284 Note 36: Contingent liabilities, commitments and guarantees ARA, pages 291 to 292	FN-CF-220a.2
<b>Data security</b>	Description of approach to identifying and addressing data security risks	Climate Risk, ARA, pages 39 to 41 and 150 to 152 Operational risk, ARA, pages 39 to 41 and 195-197 Cyber security and data privacy, SR page 136	FN-CB-230a.2 FN-CF-230a.3
	Card-related fraud losses from card-not present fraud and card-present and other fraud	Operational risk events by risk category, ARA, page 195	FN-CF-230a.2
<b>Financial inclusion and capacity building</b>	Number of checking and savings accounts by segments: personal and small business	Empowering a prosperous future SR page 24 to 36 Commercial Banking deposits – total customer deposits to all Commercial Banking clients (£bn), ARA, page 62	FN-CB-000.A
	Number of loans by segments: personal, small business and corporate	Balance sheet analysis, underlying loans and advances to customers (£bn), ARA page 52	FN-CB-000.B
	Amount of loans outstanding qualified to programs designed to promote small business and community development	Community Development Finance SR, page 41 SD, tab 6	FN-CB-240a.1
	Amount of past due and non-accrual loans qualified to programmes designed to promote SME and Community Development	Community Development Finance SR, page 41 SD, tab 6	FN-CB-240a.2
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers*	Share of social bank accounts SD, tab 6	FN-CB-240a.3
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Making money meaningful with financial education, SR, page 34 and 35, SD Tab 5	FN-CB-240a.4

Topic	Account metric	Disclosure	SASB Code
<b>Incorporation of environmental, social and governance factors in credit analysis</b>	Description of approach to incorporation of environmental, social and governance factors in credit analysis	Risk management SR, pages 125 to 131 Climate Risk, ARA, pages 25 and 150 to 152 Physical and transition risk assessments, ARA pages 278-279	FN-CB-410a.2 FN-AC-410a.2
<b>Policies designed to incentivise Responsible Behaviour</b>	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviours	Conducting business responsibly SR, Pages 134 Supporting the UK transition, SR, pages 62 to 66 <a href="#">Code of Ethics and Responsibility</a>	FN-IN-410b.2
<b>Business Ethics</b>	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Note 36: Contingent liabilities, commitments and guarantees ARA, pages 291 to 292	FN-CB-510a.1 FN-AC-510a.1
	Description of whistle-blower policies and procedures	Supporting colleagues – Speak Up and whistleblowing, ARA pages 91 Whistleblowing, SR, page 137 SD, tab 27	FN-CB-510a.2 FN-AC-510a.2

# Sustainability Accounting Standards Board

Group level indicators - the following disclosures are taken from individual standards and disclosed at a Group level to reflect a business-wide approach or apply to more than one business area.

Topic	Account metric	Disclosure	SASB Code
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Sector target summary SR, page 79 Our bank financed emissions SR, page 80 SD, tabs 20 to 22	FN-CB-410b.1 FN-AC-410b.1 FN-IN-410c.1
	Gross exposure for each industry by asset class	Exposure to customers in sectors with increased climate risk, SR, page 77 SD, tab 18	FN-CB-410b.2 FN-IN-410c.2
	Percentage of gross exposure included in the financed emissions calculation	Sector target summary SR, page 79	FN-CB-410b.3 FN-IN-410c.3
	Description of the methodology used to calculate financed emissions	Sector target summary SR, page 79 Our bank financed emissions SR, page 80 Group financed emissions and sectors, basis of reporting, pages 8 to 20	FN-CB-410b.4 FN-AC-410b.4 FN-IN-410c.4
	Total amount of assets under management (AUM) included in the financed emissions disclosure	Metrics and targets SR, pages 116-118	FN-AC-410b.2
	Percentage of total assets under management (AUM) included in the financed emissions calculation	Metrics and targets SR, pages 116-118	FN-AC-410b.3
Systemic Risk Management	Global Systemically Important Bank Score, by Category	The Group is not classified as a G-SIB but is subject to MREL. Capital risk, ARA pages 144 to 150	FN-CB-550a.1
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Stress testing ARA, page 142 to 143	FN-CB-550a.2

Topic	Account metric	Disclosure	SASB Code
Systemic risk management (insurance)	Exposure to derivative instruments by category: (1) total potential exposure to noncentrally cleared derivatives, (2) total fair value of acceptable collateral posted with the Central Clearinghouse, and (3) total potential exposure to centrally cleared derivatives	(C) Derivatives, Valuation hierarchy, ARA page 263	FN-IN-550a.1
	Total fair value of securities lending collateral assets	Collateral, ARA pages 177 to 178, 283	FN-IN-550a.2
	Description of approach to managing capital and liquidity - related risks associated with systemic non-insurance activities	Capital risk, ARA, pages 144 to 150 Liquidity risk, ARA, pages 181 to 186	FN-IN-550a.3
Selling practices	Number of complaints filed with the Consumer Financial Protection Bureau (CFPB)*	FCA reportable complaints per 1,000 accounts SD, tab 28	FN-CF-270a.4
	Total amount of monetary losses as a result of legal proceedings associated with selling and servicing of products	Note 36: Contingent liabilities, commitments and guarantees ARA, pages 291 to 292	FN-CF-270a.5

# Sustainability Accounting Standards Board

Group level indicators - the following disclosures are taken from individual standards and disclosed at a Group level to reflect a business-wide approach or apply to more than one business area.

Topic	Account metric	Disclosure	SASB Code
<b>Lending practices</b>	Total amount of monetary losses as a result of legal proceedings associated with communications to customers or remuneration of loan originators	Note 36: Contingent liabilities, commitments and guarantees ARA, pages 291 to 292	FN-MF-270a.3
<b>Discriminatory lending</b>	Total amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	Note 36: Contingent liabilities, commitments and guarantees ARA, pages 291 to 292	FN-MF-270b.2
<b>Transparent information &amp; fair advice for customers (I&amp;W)</b>	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product related information to new and returning customers	Note 36: Contingent liabilities, commitments and guarantees ARA, pages 291 to 292	FN-AC-270a.2
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product related information to new and returning customers	Note 36: Contingent liabilities, commitments and guarantees ARA, pages 291 to 292	FN-IN-270a.1
<b>Employee Diversity &amp; Inclusion</b>	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Our colleagues, ARA, pages 22 to 23 SD, tab 8	FN-AC-330a.1

Topic	Account metric	Disclosure	SASB Code
<b>Transparent Information &amp; Fair Advice for Customers (I&amp;W)</b>	Description of approach to informing customers about products and services	Customers and clients, ARA, page 76 Conducting business responsibly SR, page 139	FN-IN-270a.4 FN-AC-270a.3
	Complaints-to-claims ratio	FCA reportable complaints per 1,000 account SD, tab 28	FN-IN-270a.2
	Customer retention rate	Customer satisfaction net promoter score ARA, page 20 SD, tab 28	FN-IN-270a.3



# Sustainability Accounting Standards Board

Insurance and wealth banking - the following disclosures are taken from individual standards and disclosed for insurance and wealth only.

Topic	Account metric	Disclosure	SASB Code
<b>Incorporation of environmental, social and governance factors in investment management</b>	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	Responsible Investment framework, SR, page 11 Scottish Widows risk management, SR, pages 132 Taskforce on Climate-related Finance Disclosure (TCFD), ARA, page 32 Sustainability Reporting Framework Index, TCFD page 3	FN-IN-410a.2
<b>Environmental risk exposure (insurance)</b>	Total amount of monetary losses attributable to insurance payouts from (1) modelled natural catastrophes and (2) non-modelled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	Percentage of expected losses SR, page 133	FN-IN-450a.2
	Description of approach to incorporation of environmental risks into (1) the underwriting process for individual contracts and (2) the management of firm-level risks and capital adequacy	Scottish Widows risk management SR, pages 132 to 133	FN-IN-450a.3
<b>Incorporation of environmental, social, and governance factors in investment management &amp; advisory</b>	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Responsible Investment framework, SR, page 11 Engagement, Partnerships and Initiatives, SR, pages 114 to 115 Risk management, SR, p. 132	FN-AC-410a.2
	Description of proxy voting and investee engagement policies and procedures	Engagement, Partnerships and Initiatives, SR, pages 114 to 115 Sustainability Governance, ARA, pages 82	FN-AC-410a.3
<b>Activity metrics - disclosed to allow for normalisation and comparison of data</b>	(1) Total registered and (2) total unregistered assets under management (AUM)	Insurance, Pensions and Investments, SR, pages 116 and 117	FN-AC-000.A

Retail banking - the following disclosures are taken from individual standards and disclosed for retail banking only.

Topic	Account metric	Disclosure	SASB Code
<b>Environmental risk to mortgaged properties</b>	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	Risk management SR, pages 124 - 133	FN-MF-450a.3
<b>Lending practices</b>	Value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660	UK Mortgages ARA, pages 171	FN-MF-270a.1
	Value of (a) residential mortgage modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosure, by FICO scores above and below 660	Retail forbearance ARA, page 172	FN-MF-270a.2
<b>Activity metrics - disclosed to allow for normalisation and comparison of data</b>	Value of mortgages originated by category: (a) residential and (b) commercial	Commercial Banking UK Real Estate ARA, page 171 and 176	FN-MF-000.A
	Value of mortgages purchased by category: (a) residential and (b) commercial	UK Mortgages ARA, pages 171 and 176	FN-MF-000.B

# GRI Standards Content Index

Our 2025 sustainability report and this accompanying index have been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. This GRI Index covers our material topics and follows GRI Standards 2016 and, where relevant, 2018.

We use the GRI framework to maintain the rigour of our annual sustainability reporting. The reporting follows the calendar year (noting that our environmental indicators relate to the period 1 October to 30 September) and covers all our legal entities.

Occupational health and safety data covers all employees and workers.

Diversity data covers all permanent colleagues including international colleagues, those on parental/ maternity leave, absent without leave and long-term sick; however, it excludes contractors, Group non-executive directors, temps and agency staff.

We include information and data related to our strategy, governance, initiatives, processes, performance and progress against our sustainability priorities. Additional sustainability-related information, that can be found in the Lloyds Banking Group [sustainability downloads](#).

Key

ARA: [Lloyds Banking Group annual report and accounts 2025](#)

SR: [Lloyds Banking Group sustainability report 2025](#)

SD: [Lloyds Banking Group sustainability metrics datasheet 2025](#)



# GRI standards

General standard disclosures			
Disclosure	Description	References	Further comments
Organisation profile			
2-1	Organisation details	Lloyds Banking Group	
2-2	Entities included in sustainability reporting	Lloyds Banking Group and its subsidiaries	
2-3	Reporting period, frequency and contact point	<p>The data and examples across our annual reporting suite, reflect activities undertaken during the 2025 fiscal year (1 January to 31 December 2025) and, where relevant to performance, refer to activities and events before and after this period.</p> <p>Our annual reporting suite was published on the 13<sup>th</sup> February, 2026.</p> <p><a href="#">Contact us</a></p>	
2-5	External assurance	<p>Deloitte Non-Financial Assurance Opinion</p> <p><a href="#">Deloitte Non-Financial Assurance Statement opinion</a></p>	
2-6	Activities, value chain and other business relationships	<p>Our business model, ARA, pages 6 to 9</p> <p>Our business model, value chain and materiality, industry partnerships, SR, pages 6 to 11</p>	
2-7	Employees	<p>Our colleagues, ARA, pages 22 to 23</p> <p>Create a more inclusive organisation, SR, pages 48 to 59</p> <p>Supporting our colleagues, SD, tab 10</p>	
2-8	Workers who are not employees	<p>Number of employees (full-time equivalent), ARA, page 22</p> <p>Supporting our colleagues, SD, tab 10</p>	

# GRI standards

General standard disclosures			
Disclosure	Description	References	Further comments
2-9	Governance structure and composition	Governance with purpose, ARA, pages 65 to 70	
2-10	Nomination and selection of the highest governance body	Nomination and Governance Committee report, ARA, pages 85 to 87	
2-11	Chair of the highest governance body	Chair's statement, Robin Budenberg, ARA, page 66 to 67	
2-12	Role of the highest governance body in overseeing the management of impacts	Division of responsibilities, ARA, page 72 to 73 Composition, succession and evaluation, ARA, page 82 to 83	
2-13	Delegation of responsibility for managing impacts	Responsible business committee report, ARA, page 97	
2-14	Role of the highest governance body in sustainability reporting	Sustainability governance, ARA, pages 80 to 81 Group roles and responsibilities SR, page 120 Scottish Widows governance, SR, page 124	
2-15	Conflicts of interest	Conflicts of interest, ARA, page 134	
2-16	Communication of critical concerns	Internal control, ARA, page 84 Whistleblowing, SR, page 137	
2-17	Collective knowledge of the highest governance body	Our Board, ARA, page 68 to 70	
2-18	Evaluation of the performance of the highest governance body	Board evaluation, ARA, pages 82 to 83	
2-19	Remuneration policies	ARA, pages 98 to 133	
2-20	Process to determine remuneration	ARA, pages 98 to 133	
2-21	Annual total compensation ratio	ARA, page 119	



# GRI standards

General standard disclosures			
Disclosure	Description	References	Further comments
2-22	Statement on sustainable development strategy	Chair's statement, ARA, pages 2 Group chief executive's review, ARA, pages 3 to 4 and pages 36 Responsible Business Committee report, ARA, page 97 Group chief executive's statement, SR, page 3 to 4	
2-23	Policy commitments	<a href="#">Code of ethics and responsibility</a> <a href="#">Lloyds Banking Group human rights policy</a> <a href="#">Lloyds Banking Group sector statements</a>	
2-24	Embedding policy commitments	Non-financial and sustainability information statement, ARA, page 33	
2-25	Process to remediate negative impacts	Risk management, ARA, page 138 to 139 Risk management, SR, pages 123 to 142	
2-26	Mechanisms for seeking advice and raising concerns	Internal control, ARA, page 84 Whistleblowing, SR, page 137 <a href="#">Code of ethics and responsibility</a>	
2-29	Approach to stakeholder engagement	ARA, pages 76 to 78	
2-30	Collective bargaining agreements	ARA, page 77 SR, pages 56	
Material topics			
3-1	Process to determine material topics	ARA, page 38 SR, page 10	
3-2	List of material topics	ARA, page 38 SR, page 10	
3-3	Management of material topics	ARA, pages 39 to 41 SR, page 10 and 123 to 143	

# GRI standards

Economic standards			
Disclosure	Description	References	Further comments
Economic performance			
201-1	Direct economic value generated	ARA, pages 50 to 64	
201-2	Financial implications and other risk and opportunities due to climate change	ARA, pages 39 to 41, 150 to 152, 228, 278 to 279 Risk management, SR, pages 123 to 143	
201-3	Defined benefit obligations and other retirement plans	ARA, pages 192, 245 to 250 Pension schemes, SR, page 55	
Indirect economic impacts			
203-2	Significant indirect economic impacts	ARA 10 to 13 SR, pages 12 to 47 and 60-118	
Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures	SR, page 135 <a href="#">Lloyds Banking Group code of ethics and responsibility</a> <a href="#">Lloyds Banking Group anti-bribery policy statement</a>	

# GRI standards

Economic standards			
Disclosure	Description	References	Further comments
Tax			
207-1	Approach to tax	<a href="#">Lloyds Banking Group tax strategy and approach to tax</a>	
207-2	Tax governance, control and risk management	<a href="#">Lloyds Banking Group tax strategy and approach to tax</a>	
207-3	Stakeholder engagement and management of concerns related to tax	<a href="#">Lloyds Banking Group tax strategy and approach to tax</a>	
207-4	Country-by-country tax reporting	<a href="#">Lloyds Banking Group tax strategy and approach to tax</a>	

# GRI standards

Environmental standards			
Disclosure	Description	References	Further comments
Energy			
302-1	Energy consumption within the organisation	ARA, page 47 to 48 SR, pages 67 to 70 SD, tab 16	
302-2	Energy consumption outside of the organization	SR, pages 71 to 74	
302-3	Energy intensity	ARA, page 47	
302-4	Reduction of energy consumption	ARA, pages 48 SR, page 70 SD, tab 16	
Water and effluents			
303-5	Water consumption	SR, pages 69 to 70 SD, tab 16	
Emissions			
305-1	Direct (scope 1) GHG emissions	ARA, pages 47 to 48 SR, pages 67 to 70 SD, tab 16	
305-2	Energy indirect (scope 2) emissions	ARA, pages 47 to 48 SR, pages 67 to 70 SD, tab 16	
305-3	Other indirect (scope 3) emissions	ARA, pages 43 to 48 SR, pages 70, 74, 80 to 81 and 116 to 117 SD, tabs 16, 17, 21, 22 and 24	
305-4	GHG emissions intensity	ARA, pages 43 to 48 SR, page 79 and 116 to 117 SD, tab 16, 17, 21 to 22	
305-5	Reduction of GHG emissions	ARA, pages 43 to 48 SR, pages 70, 74, 80 to 81 and 116 to 117 SD, tabs 16, 17, 21, 22 and 24	

# GRI standards

Social standards			
Disclosure	Description	References	Further comments
Waste			
306-3	Waste generated	SR, page 67 to 70 SD, tab 16	
306-4	Waste diverted from disposal	SR, page 69 SD, tab 16	
Employment			
401-1	New employee hires and employee turnover	SD, tabs 10	
401-3	Parental leave	SD, tab 10	
Occupational health and safety			
403-1	Occupational health and safety management system	SD, tab 10	
403-3	Occupational health services	ARA, pages 195 to 197 SR, pages 57	
403-6	Promotion of worker health	SR, pages 57	
403-9	Work-related injuries	SR, pages 57 SD, tab 10	
403-10	Work-related ill heath	SR, pages 57 SD, tab 10	
Training and education			
404-1	Average hours of training per year per employee	SD, tab 12	
402-2	Programmes for upgrading employee skills and transition assistance programmes	SR, page 58	
404-3	Percentage of employees receiving regular performance and career development plans	SR, page 58	



# GRI standards

Social standards			
Disclosure	Description	References	Further comments
Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	ARA, page 23, 136 SR, pages 51 to 52 SD, tabs 7 and 8	
405-2	Ratio of basic salary and remuneration of women to men	ARA, page 117 SD, tab 9 <a href="#">Gender and ethnicity pay gap report</a>	
Local communities			
413-1	Operations with local community engagement, impact assessment and development programmes	SR, pages 26 to 30, 33 to 36 and 45 to 47	
Public policy			
415-1	Political contributions	SD, tab 29 <a href="#">Public affairs and policy</a>	

# The International Business Council of the WEF Stakeholder Capitalism Metrics

Lloyds Banking Group is reporting for the year in 2025 against the International Business Council of the World Economic Forum's (WEF) Stakeholder Capitalism Metrics. We currently report against metrics relevant to the Group and we continue to evolve our reporting each year to enhance our disclosures, working towards meeting the requirements of our selected sustainability reporting frameworks.

We have included references to relevant information in our 2025 annual reporting suite and any supplementary information that may support our disclosures against the framework. Lloyds Banking Group is a UK focused financial services provider and therefore, where required, certain indicators have been adapted to reflect this.

Additional sustainability-related information can be found in the Lloyds Banking Group [sustainability downloads](#).

## Key

C = Core metrics: A set of 21 more-established or critically important metrics and disclosures. These metrics focus primarily on activities with an organisation's own boundaries.

E = Expanded metrics: A set of 34 metrics and disclosures that tend to be less well-established in existing practice and standards. They represent a more advanced way of measuring and communicating sustainable value creation.

ARA: [Lloyds Banking Group annual report and accounts 2025](#)

SR: [Lloyds Banking Group sustainability report 2025](#)

SD: [Lloyds Banking Group sustainability datasheet 2025](#)



# WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
<b>Governance</b>			
<b>Governing purpose</b>	C: Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	<b>Helping Britain Prosper</b> SR, pages 3 to 4 and 8 ARA, pages 6 to 9 and 13
	E: Purpose led management	How the company's stated purpose is embedded in company strategies, policies, and goals.	<b>Helping Britain Prosper</b> SR, pages 3 to 12 ARA, pages 6 to 14
<b>Quality of governing body</b>	C: Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	<b>Governance</b> ARA, pages 66 to 69 SR, pages 120
	E: Progress against metrics	Disclosure of the material strategic economic, environmental, and social milestones expected to be achieved in the following year, such milestones achieved from the previous year, and how those milestones are expected to or have contributed to long-term value.	ARA, pages 13, 36, 42 to 48 SR, pages 13, 23, 38, 49, 61, 64, 65, 66, 70, 74, 79, 80, 116 and 117
	E: Remuneration	<ol style="list-style-type: none"> <li>How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental and social topics, as connected to the company's stated purpose, strategy, and long-term value.</li> <li>Remuneration policies for the highest governance body and senior executives for the following types of remuneration: Fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares, Sign-on bonuses or recruitment incentive payments, termination payments, clawback and retirement benefits.</li> </ol>	<b>Directors' remuneration report</b> 1. ARA, pages 98 to 133
<b>Stakeholder engagement</b>	C: Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	<b>Our material ESG topics</b> ARA, page 38 SR, page 10

# WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
Ethical behaviour	C: Anti-corruption	<ol style="list-style-type: none"> <li>1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region.</li> <li>2. a. Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b. Total number and nature of incidents of corruption confirmed during the current year, related to this year.</li> <li>3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</li> </ol>	<ol style="list-style-type: none"> <li>1. ARA, page 87</li> <li>2. SR, page 137</li> <li>3. <a href="#">Lloyds Banking Group code of ethics and responsibility</a> <a href="#">Lloyds Banking Group anti-bribery policy</a></li> </ol> ARA, pages 179 and SR page 135
	C: Protected ethics advice and reporting mechanisms	A description of internal and external mechanisms for: <ol style="list-style-type: none"> <li>1. Seeking advice about ethical and lawful behaviour and organisational integrity;</li> <li>2. Reporting concerns about unethical or lawful behaviour and organisational integrity</li> </ol>	<b>How to raise a concern</b> <a href="#">Lloyds Banking Group code of ethics and responsibility</a> SR, page 137
	E: Alignment of strategies and policies to lobbying	The significant issues that are the focus of the company's participation in public policy development and lobbying; the company's strategy relevant to these areas of focus; and any differences between its lobbying positions, purpose, and any stated policies, goals, or other public positions.	<a href="#">Public affairs and policy</a>
Risk and opportunity oversight	C: Integrating risk and opportunity into business process	Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes. These opportunities and risks should integrate material economic, environmental, and social issues, including climate change and data stewardship.	<b>Risk management</b> SR, pages 123 to 144 ARA, pages 138 to 197
	E: Economic, environmental and social topics in capital allocation framework	How the highest governance body considers economic, environmental and social issues when overseeing major capital allocation decisions, such as expenditures, acquisitions and divestments.	<b>Responsible Business Committee report</b> ARA, page 97

# WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
<b>Planet</b>			
<b>Climate change</b>	C: Greenhouse Gas (GHG) emissions:	For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.), report in metric tonnes of carbon dioxide equivalent (tCO <sub>2</sub> e) GHG Protocol Scope 1 and Scope 2 emissions Estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.	SD, tabs 16, 17, 20, 21, 22 and 24 ARA, pages 42 to 48 Progress in reduction of our Group's emissions, SR, page 64 Progress on our pledges, SR, page 70 Supply chain emissions, SR, page 74 Bank financed emissions, SR, pages 79 to 80 Facilitated emissions, SR, page 81 Scottish Widows, SW, page 116 to 118
	C: TCFD implementation	Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C — and to achieve net-zero emissions before 2050.	ARA, page 32 Framework Index, pages 3 to 5
	E: Paris-aligned GHG emissions	Define and report progress against time-bound science-based GHG emissions targets that are in line with the goals of the Paris Agreement – to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. This should include defining a date before 2050 by which you will achieve net-zero greenhouse gas emissions, and interim reduction targets based on the methodologies provided by the Science Based Targets initiative, if applicable.  If an alternative approach is taken, disclose the methodology used to calculate the targets and the basis on which they deliver on the goals of the Paris Agreement.	SD, tabs 16, 17, 20, 21 and 22 ARA, pages 42 to 48 Progress in reduction of our Group's emissions, SR, page 64 Progress on our pledges, SR, page 70 Supply chain emissions, SR, page 74 Bank financed emissions, SR, pages 79 to 80 Scottish Widows, SW, page 116 to 118 Basis of reporting, page 8
<b>Freshwater availability</b>	C: Water consumption and withdrawal in water-stressed areas	Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool.  Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.	We report water consumption across our entire operations of which 99 per cent is in the UK. SD, tab 16
<b>Air pollution</b>	E: Air pollution	Report wherever material along the value chain: nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), particulate matter and other significant air emissions.  Wherever possible estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.	At present we only report material CO <sub>2</sub> emissions along our value chain. We understand the importance of disclosing and reducing all GHG emissions and are working towards expanding our capability to do so.  100% of our operational emissions occur adjacent to urban/ densely populated areas.



# WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
<b>People</b>			
<b>Dignity and equality</b>	C: Diversity and inclusion (%)	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	ARA, page 23 SR, pages 49 to 53 SD, tab 8
	C: Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	SD, tab 9 <a href="#">Gender &amp; Ethnicity Pay Gap Report</a>
	C: Wage levels (%)	1. Ratios of standard entry level wage by gender compared to local minimum wage. 2. Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	2. Chief Executive Officer pay ratio ARA, page 117
	E: Risk for incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	<a href="#">Modern slavery and human trafficking statement</a> SR, pages 141 to 142
	E: Pay gap (%)	1. Mean pay gap of basic salary and remuneration of full-time relevant employees based on gender (women to men) and indicators of diversity (e.g. BAME to non-BAME) at a company level or by significant location of operation. 2. Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	1. <a href="#">Gender &amp; ethnicity pay gap report</a> SD, tab 9 2. ARA, page 117
	E: Discrimination and harassment incidents (#) and total amount of monetary losses (\$)	Number of discrimination and harassment incidents, status of the incidents and actions taken, and the total amount of monetary losses as a result of legal proceedings associated with: a) law violations; and b) employment discrimination.	<b>Whistleblowing</b> SR, page 137 SD, tab 27

# WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
Dignity and equality	E: Freedom of association and collective bargaining at risk (%)	<ol style="list-style-type: none"> <li>Percentage of active workforce covered under collective bargaining agreements.</li> <li>An explanation of the assessment performed on suppliers for which the right to freedom of association and collective bargaining is at risk, including measures taken by the organization to address these risks.</li> </ol>	ARA, page 78 SR, pages 56 and 138
	E: Human rights review, grievance impact & modern slavery (#,%)	<ol style="list-style-type: none"> <li>Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.</li> <li>Number and type of grievances reported with associated impacts related to a salient human rights issue in the reporting period and an explanation on type of impacts.</li> <li>Number and percentage of operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: <ol style="list-style-type: none"> <li>type of operation (such as manufacturing plant) and type of supplier; and</li> <li>countries or geographic areas with operations and suppliers considered at risk.</li> </ol> </li> </ol>	<a href="#">Modern slavery and human trafficking statement</a> SD, tab 27
	E: Living wage (%)	Current wages against the living wage for employees and contractors in states and localities where the company is operating.	The Group continues to be an accredited Living Wage Foundation Employer with current pay rates comfortably above the minimums required for accreditation, SR pages 55 and 142
Health and wellbeing	C: Health and safety (%)	<ol style="list-style-type: none"> <li>The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked.</li> <li>An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.</li> </ol>	1. SD, tab 11 2. SR, pages 57
Skills for the future	C: Training provided (#, \$)	<p>Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees).</p> <p>Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).</p>	SD, tab 12

# WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
<b>Prosperity</b>			
<b>Employment and wealth generation</b>	C: Absolute number and rate of employment	<ol style="list-style-type: none"> <li>Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.</li> <li>Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.</li> </ol>	SD, tab 10
	C: Economic contribution	<ol style="list-style-type: none"> <li>Direct economic value generated and distributed (EVG&amp;D) — on an accrual basis, covering the basic components for the organization's global operations, ideally split out by: <ol style="list-style-type: none"> <li>Revenue</li> <li>Operating Costs</li> <li>Employee wages and benefits</li> <li>Payments to providers of capital</li> <li>Payments to government</li> <li>Community Investment.</li> </ol> </li> </ol>	1a-e. ARA, page 51 1f. SD, tab 6 CDFI, SR, page 41 Communities, SR pages 45 to 47
	C: Financial investment contribution	<p>Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.</p> <p>Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.</p>	ARA, Notes 24 Other Assets page 282 and and Note 32 Other Reserves page 288
	E: Infrastructure investments and services supported	<p>Qualitative disclosure to describe the below components:</p> <ol style="list-style-type: none"> <li>Extent of development of significant infrastructure investments and services supported.</li> <li>Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</li> <li>Whether these investments and services are commercial, in-kind or pro bono engagements.</li> </ol>	<ol style="list-style-type: none"> <li>SR, pages 12 to 21, and 40</li> <li>SR, pages 37 to 47</li> <li>SR, pages above included within text</li> </ol>
	E: Significant indirect economic impacts	<ol style="list-style-type: none"> <li>Examples of significant identified indirect economic impacts of the organisation, including positive and negative impacts.</li> <li>Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g. national and international standards, protocols, policy agendas).</li> </ol>	ARA 15, 37 to 38 SR, pages 10 and though report on page highlights and case studies

# WEF Stakeholder Capitalism Metrics

Topic	Core metric	Metric	Further comments
Community and social vitality	C: Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	<a href="#">Tax strategy and approach to tax</a> ARA, Note 15, page 252 to 254
	C: Total social investment (\$)	Total Social Investment (TSI) sums up a company's resources used for 'S' in ESG efforts defined by CECP Valuation Guidance.	SD, tabs 4, 6 and 23
	E: Additional tax remitted	The total additional global tax collected by the company on behalf of other taxpayers, including VAT and employee-related taxes that are remitted by the company on behalf of customers or employees, by category of taxes.	<a href="#">Tax strategy and approach to tax</a>
	E: Total tax paid by country for significant locations	Total tax paid and, if reported, additional tax remitted, by country for significant locations.	<a href="#">Tax strategy and approach to tax</a>

# California AB 1305 compliance statement

Lloyds Banking Group is reporting for the second year under the California AB 1305 requirements. This legislation requires companies operating and making claims in California regarding net zero, carbon neutrality and significant reductions in greenhouse gas (GHG) emissions (or not adding net GHGs to the environment) to disclose the following information for these claims:

- How the claims were determined to be accurate or accomplished
- How interim progress is measured
- Any 3<sup>rd</sup> party verification of claims or related data (this may include 3<sup>rd</sup> party verification of GHG emissions, science-based targets for reduction pathway)

Lloyds Banking Group has an ambition to be net zero by 2050. This overarching ambition is supported by interim and sector-based ambitions, pledges and targets that are summarised on page 3 of the sustainability metrics basis of reporting and referred to throughout our sustainability report. The disclosures reference in this statement relate to our net zero by 2050 ambition as well as these supporting ambitions, pledges and targets.

The legislation also requires disclosure of certain information about voluntary carbon offsets (VCOs) purchased, used, marketed or sold in California. Lloyds Banking Group does not currently engage in any activity meeting these criteria.

This statement is intended to be read alongside our sustainability report, sustainability metrics basis of reporting and pages 35-49 of our annual report and accounts, which provide greater detail regarding our strategies relating to our ambitions, pledges and targets relating to net zero and GHG emissions reductions and our sustainability and climate change strategies more generally. The sustainability report, sustainability metrics basis of reporting and additional sustainability-related information can be found in the our [sustainability downloads](#).





# California AB 1305 compliance statement

AB-1305 Disclosure requirement	Location in 2025 LBG ARA or other sustainability-related supplements disclosures	Links and reference(s) to the Group's full response / relevant information
How the Company's ambitions, pledges and targets relating to GHG emissions reductions and net zero are determined to be accurate or actually achieved.	Detail regarding how Lloyds Banking Group sets its ambitions and targets and makes its pledges relating to GHG emissions reductions and net-zero and methodologies for measuring its GHG emissions or other metrics covered by these ambitions, pledges and targets are set out on pages 42-48 of the ARA, throughout the sustainability metrics basis of reporting document and pages 60-118 of our sustainability report. Deloitte was appointed to provide limited assurance over the validation of certain of our GHG emission reduction ambitions and targets this year, to ensure we have an independent view that our net-zero ambitions and targets are accurate. Statement on auditor and their scope of work can be found on page 42 of the ARA.	<a href="#">ARA</a> , page 42 to 48  <a href="#">Sustainability metrics basis of reporting</a>  <a href="#">Sustainability report</a> , pages 60 to 118
How interim progress toward the Company's ambitions, pledges and targets relating to GHG emissions reductions and net zero is being measured	Our progress in reducing our Group's emissions (Bank total financed emissions, Scottish Widows financed emissions, Own Operations emissions and Supply Chain emissions) and 10 sector-specific NZBA targets can be found on pages 42- 48 of the ARA, throughout the sustainability metrics basis of reporting document and pages 60-118 of our sustainability report.	<a href="#">ARA</a> , page 42 to 48  <a href="#">Sustainability metrics basis of reporting</a>  <a href="#">Sustainability report</a> , pages 60 to 118
Identification of the company's science-based targets for its emissions reduction pathway	Our science-based targets including our 10 sector-specific NZBA targets and Scottish Widows' carbon footprint target are detailed in the Sustainability Metrics Basis of Reporting (BoR). For details on Scottish Widows' emissions reduction pathway, please see page 34 to 36 of the Basis of Reporting.	<a href="#">BoR</a> , pages 7 to 36
Disclosure of relevant sector methodology used for the company's science-based targets and emissions pathway	The methodology used to set the ambitions can be found in the Basis of Reporting: For Bank financed emissions, see page 8 to 11 For Scottish Widows financed emissions, see page 24 to 26 For Own Operations emissions, see page 37 to 39 For Supply chain emissions, see page 41 to 43  The methodology used to determine the 10 sector-specific NZBA targets can be found in the Basis of Reporting from page 12 to 27.	<a href="#">BoR</a> , p. 8 to 43
Whether there is independent third-party verification of the company's emissions data and claims listed	Deloitte was appointed to provide independent limited assurance over selected ESG metrics. Statement on auditor and their scope of work can be found on page 42 of the ARA	<a href="#">ARA</a> , page 42

Key

# California AB 1305 compliance statement

## Forward looking statement

This document (as well as the documents referred to herein) 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](http://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 (continued overleaf)

# California AB 1305 compliance statement

## Forward looking statement (continued)

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.