

# Carbon Reduction Plan

*Lloyds Banking Group plc*

Publication date: 31<sup>st</sup> August 2023

## Commitment to achieving Net Zero

Lloyds Banking Group is committed to achieving Net Zero emissions by 2030 (Scope 1 and Scope 2).

## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

<b>Baseline Year: 2018/19 (October to September)</b>	
<b>Additional Details relating to the Baseline Emissions calculations.</b>	
<p>The Group has reported greenhouse gas emissions and environmental performance since 2009. From 2013 these have been reported in line with the requirements of the Companies Act 2006 and its applicable regulations, and the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) (i.e. Streamlined Energy and Carbon Reporting ('SECR')). Deloitte LLP has provided limited level ISAE 3000 (Revised) assurance over selected non-financial indicators. The full assurance statement is available online at: <a href="#">Deloitte Non-Financial Assurance Opinion 2022 (lloydsbankinggroup.com)</a> The Group follows the principles of the GHG Protocol Corporate Accounting and Reporting Standard to calculate Scope 1, 2 and 3 emissions from our worldwide operations.</p> <p>Please note that our Net Zero Carbon operation by 2030 target includes scope 1 and scope 2 (market based).</p> <p>We have a separate operational pledge to maintain travel-related carbon emissions below 50% of our baseline year, including commuting and business travel.</p>	
<b>Baseline year emissions: 2018/19 (October to September)</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	42,579
<b>Scope 2</b>	<b>387 (market based)</b>

<b>Scope 3</b> (Included Sources)	<b>131,664</b> Reported Scope 3 emissions relate to business travel and commuting undertaken by colleagues, emissions from colleagues working from home, operational waste and the extraction and distribution of all emissions sources.
<b>Total Emissions</b>	<b>174,630</b>

## Current Emissions Reporting

<b>Reporting Year: 2021/22 (October to September)</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e)</b>
<b>Scope 1</b>	<b>27,498</b>
<b>Scope 2</b>	<b>0 (Market Based)</b>
<b>Scope 3</b> (Included Sources)	<b>88,466</b> Reported Scope 3 emissions relate to business travel and commuting undertaken by colleagues, emissions from colleagues working from home, operational waste and the extraction and distribution of each of our energy sources – electricity, gas and oil.
<b>Total Emissions</b>	<b>115,964</b>

## Emissions reduction targets

Since 2020, we have been tracking against three operational climate pledges, which were announced early in 2021. They are designed to accelerate our plan to tackle climate change and apply across our own operations:

- We will achieve net zero carbon operations by 2030. We plan to reduce our direct emissions (known as Scope 1 and 2 emissions) by at least 75 per cent (compared to 2018/19 levels).
- We will maintain travel carbon emissions below 50 per cent of pre-COVID-19 (2018/19) levels, embedding for the long-term the reduced levels of commuting and business travel seen during the pandemic and supporting colleagues to switch to low carbon transport.

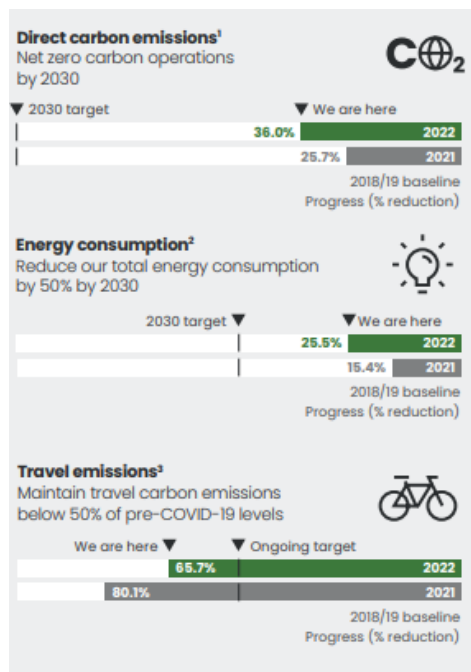
- We will reduce our total energy consumption by 50 per cent by 2030 (compared to 2018/19). While we already procure 100 per cent renewable electricity, it remains crucial that we reduce the amount of power we consume to support the UK in meeting an increasing demand for renewable energy.

In 2021/22, our operational carbon emissions (Scope 1 and 2, measured using the market-based method) fell by 14 per cent compared to 2020/21, resulting in an overall reduction of 36 per cent from the 2018/19 baseline.

In 2021/22, our building energy consumption reduced by 12 per cent compared to 2020/2021, resulting in an overall reduction of 26 per cent compared to our 2018/19 baseline.

In 2021/22, our travel emissions remained 65.7% below our 2018/19 baseline. Despite an increase in commuting and business travel related carbon emissions from previous year, we maintained emissions below the 50% target level.

Progress against these targets can be seen in the graph below:



## Carbon Reduction Projects

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2018/19 baseline. The carbon emission reduction achieved by these schemes equate to 58,665 tCO<sub>2</sub>e against the 2018/19 baseline and the measures will be in effect when performing the contract. Please note that this includes our scope 1, 2 (market based) and 3 total carbon emissions.

We have seen higher occupancy at our sites compared to previous year, due to COVID 19 recovery and restrictions lifting, however we continue to see our energy consumption and associated emissions reduce overall.

The year-on-year reduction in emissions is primarily driven by:

- Ongoing energy reduction measures
- Improvement in the accuracy of our refrigerant gas data collection method
- Continued procurement of 100% renewable electricity

Some examples of our key activities from an energy reduction perspective:

- Continued our energy optimisation programme, resulting in 89 GWh cumulative saving in 2022.

- Continued our LED lighting install programme across our offices and branches, resulting in expected savings of 1,482 MWh, the equivalent to powering 417 UK homes.
- Upgraded our Building Management Systems (BMS) at 231 of our branches, ensuring minimal energy wastage and resulting in savings of 687 MWh.
- Continued our Climate Group's EP100 campaign, confirming our commitment to improve energy productivity through our use of the World Green Building Council's Net Zero Carbon Buildings Commitment

While at the same time we remained focus on keeping travel related carbon emissions below 50% of 2018/19 baseline, and we have:

- Invested in sustainable travel facilities across our sites, with 21 of our offices now accredited by Cycling UK's Cycle Friendly Employer scheme.
- Installed of over 243 electric vehicle charging points at 36 of our sites, and 70% of our offices now having EV charging points installed.
- Piloted a new car sharing platform for our 3,000 colleagues in Bristol.
- Organised five sustainable travel roadshows in partnership with Halfords for colleagues in our offices in Chester, Leeds, Sheffield, Dunfermline and Newport

In the future we plan to:

- Eliminate the use of natural gas in our buildings by 2030.
- Continue to purchase 100% renewable electricity and work towards our ambition to increase our electricity sourced directly from renewable projects (via Power Purchase Agreements) or onsite generation, to at least 60% by 2025.
- Continue our energy optimisation programme.
- Integrate our Sustainability Framework 360, our building design tool, as part of the delivery for new and refurbished offices and branches
- Embed sustainable travel as the main way of commuting and business travel across the Group.
- Continue our commitment to The Climate Group's EV100 campaign, installing charging points across all our colleague car parks by 2030.
- Continue focusing on reducing our operational waste in line with our target.
- Embed long-term circular economy principles across our operations, to support and expand our ambitious waste reduction target.
- Prioritise strategies to prevent waste, prepare it for reuse, recycle, recover other value (e.g., energy), and finally, disposal only if no other alternatives are available.

## Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

<sup>1</sup><https://ghgprotocol.org/corporate-standard>

<sup>2</sup><https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>3</sup><https://ghgprotocol.org/standards/scope-3-standard>

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>3</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

**Signed on behalf of the Supplier:**

A handwritten signature in black ink, appearing to read 'J Pope', with a large, sweeping initial 'J' and a long, horizontal flourish extending to the right.

Janet Pope

Chief of Staff and Group Director, Sustainable Business

Date: 31<sup>st</sup> August 2023

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