

# Carbon Reduction Plan

Publication date: .....18/09/2024

## 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. Since 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="https://www.lloydsbankinggroup.com/assurances">Deloitte Non-Financial Assurance Opinion 2023 (lloydsbankinggroup.com)</a>.</p> <p>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 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>
Scope 1	42,650
Scope 2	387 (market based)

<b>Scope 3</b> (Included Sources)	<b>133,956</b> Reported Scope 3 emissions relate to business travel and commuting undertaken by colleagues, operational waste and the extraction and distribution of all emissions sources.
<b>Total Emissions</b>	<b>176,993</b>

## Current Emissions Reporting

Reporting Year: 2022/23 (October to September)	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	22,464
Scope 2	10 (market based)
Scope 3 (Included Sources)	101,025 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>123,499</b>

## Emissions reduction targets

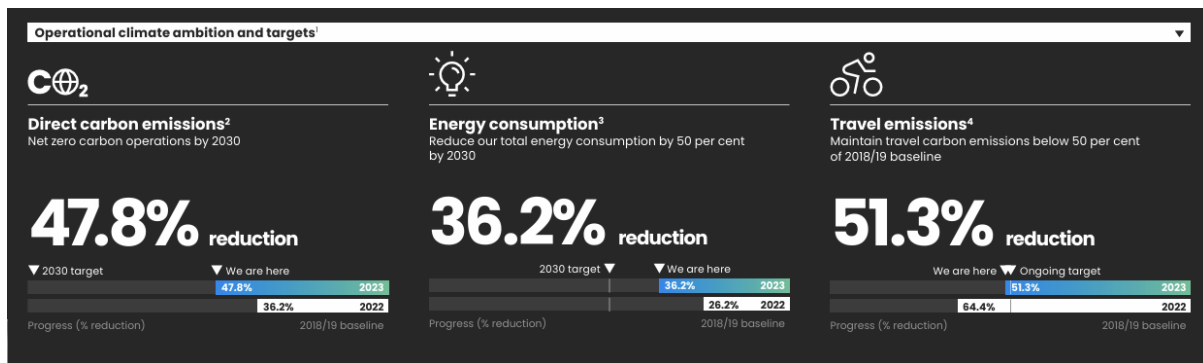
Since 2020, we have been tracking against three operational climate pledges, which were announced early in 2021. They are designed to accelerate our plan to tackle climate change and apply across our own operations:

- 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 90 per cent (compared to 2018/19 levels). In 2023, we increased our ambition level from 75 per cent to 90 per cent by 2030.
- We will maintain travel carbon emissions below 50 per cent of 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.

Our progress is as follows:

- In 2022/23, our operational carbon emissions (Scope 1 and 2, measured using the market-based method) fell by 18.2 per cent compared to 2021/22, resulting in an overall reduction of 47.8 per cent from the 2018/19 baseline.
- In 2022/23, our building energy consumption reduced by 13.5 per cent compared to 2021/22, resulting in an overall reduction of 36.2 per cent compared to our 2018/19 baseline.
- In 2022/23, our travel emissions remained 51.3 per cent 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 per cent 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 53,494 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.

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

- Ongoing reduction of energy use in our buildings and working with our supply chain to implement energy saving solutions.
- Continued decarbonisation of our buildings.
- Continued procurement of 100% renewable electricity. We've signed a new Power Purchase Agreement (PPA) for the supply of 50GWh of renewable electricity per year to our buildings, generated by a new UK-based solar photovoltaic development that has been built in 2024.

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

- Continuing our energy optimisation programme, resulting in 62GWh cumulative savings in 2023.
- Building on the previous years' programme, we have continued LED lighting installs across our offices and branches, resulting in expected savings of 6,406MWh, the equivalent to powering 1,800 UK homes.
- Upgraded building management systems (BMS) at 225 branches, ensuring minimal energy wastage and resulting in savings of 1,215 MWh.
- Investing £110k in five innovation projects selected from over 200 candidates entering our second 'Call for Innovation' event.
- Fully integrating our Sustainability Framework 360 in the design process of all our office refurbishments.
- Continuing the 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:

- Continued to build our sustainable travel infrastructure across our sites, with 22 of our offices now accredited by Cycling UK's Cycle Friendly Employer scheme.
- Installed over 264 electric vehicle charging points at 40 of our sites, with 79 per cent of our offices now having EV charging points installed.
- Launched a Liftshare platform to all UK based colleagues, with over 2,000 journeys authenticated.
- Developed and launched a travel carbon calculator, allowing colleagues to compare the carbon impact of different types of journey methods.

In the future we plan to:

- Eliminate the use of natural gas in our buildings by 2030, continuing the rollout of heat pumps and energy- efficient electric heating and cooling solutions across our branches and offices.
- Improve the fabric and roof insulation across our branches and offices.
- Reduce the Global Warming Potential (GWP) of refrigerant gases wherever possible.
- Continue to purchase 100 per cent renewable electricity and work towards our ambition to increase our electricity sourced directly from renewable projects or onsite generation, to at least 60 per cent by 2025.
- Continue to invest in energy efficiency (e.g. installing LED lighting and improving building controls) and build awareness with our colleagues and suppliers via energy management behavioural campaigns.
- Test new ideas and innovative technologies to deliver transformational clean energy solutions across our estate.
- Continue to invest in roof-top onsite solar photovoltaic installations.

- Continue supporting our colleagues in adopting sustainable commuting habits, focusing on the implementation of our Liftshare platform across key hubs.
- Continue to improve cycling facilities for colleagues, seeking Cycle Friendly Employer accreditation from Cycling UK at each of our main offices.
- Assess the opportunity to introduce an internal travel carbon levy, with the intention to create a levelled playing field between cost of trains and flights.
- Embed sustainable travel as the main way of commuting and business travel across the Group.
- Establish sustainable commuting as the go-to solution for colleagues.
- Continue our commitment to The Climate Group's EV100 campaign, installing charging points across all our colleague car parks by 2030.

## 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>.

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:



Name: Linda Weston

Title: Head of Commercial Cards Product

Date: 18/09/2024

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<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>