

Carbon Reduction Plan

Lloyds Banking Group plc

Publication date: 8th June 2022

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.

Baseline Year: 2018/19 (October to September)	
Additional Details relating to the Baseline Emissions calculations.	
<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:</p> <p>https://www.lloydsbankinggroup.com/assets/pdfs/who-we-are/responsible-business/downloads/2021-reporting/final-2021-independent-assurance-statement-by-deloitte-llp.pdf</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 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>	
Baseline year emissions: 2018/19 (October to September)	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	48,171

Scope 2	385 (market based)
Scope 3 (Included Sources)	131,446 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.
Total Emissions	180,002

Current Emissions Reporting

Reporting Year: 2020/21 (October to September)	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	37,653
Scope 2	0 (Market Based)
Scope 3 (Included Sources)	80,404 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.
Total Emissions	118,057

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.

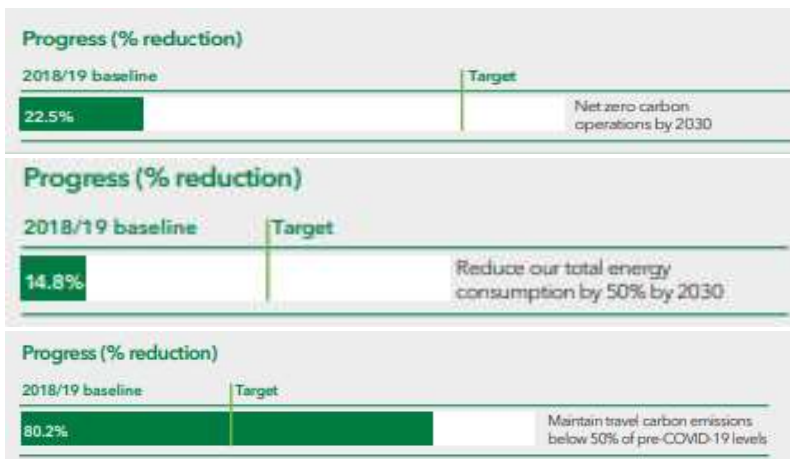
- We will reduce our total energy consumption by 50 per cent by 2030 (compared to 2018/19). While we already procure 100 per cent renewable electricity, it remains crucial that we reduce the amount of power we consume to support the UK in meeting an increasing demand for renewable energy.

In 2021, our operational carbon emissions (Scope 1 and 2, measured using the market-based method) fell by 3.5 per cent compared to 2019/20, resulting in an overall reduction of 22.5 per cent from the 2018/19 baseline.

In 2021, our building energy consumption reduced by 5.7 per cent compared to 2019/20, resulting in an overall reduction of 14.8 per cent compared to our 2018/19 baseline

In 2021, our travel emissions remained 80.2 per cent below our 2018/19 baseline, achieving our target. The reduction is largely due to COVID-19 travel restrictions.

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 61,945 tCO₂e, a 8.5% reduction 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.

During COVID-19 restrictions, most of our branches, data centres, and some of our office buildings remained operational, albeit with reduced hours and lower occupancy. During winter 2020/21 we experienced an increase in our gas consumption due to increased fresh air requirements in our operational buildings, however we have seen building energy and the 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 a 101.5 GWh cumulative saving in 2021
- Continued our LED lighting install programme across our offices and branches, resulting in expected savings of 1,280 MWh, the equivalent to powering 360 UK homes
- Upgraded building management systems at 101 of our branches, ensuring minimal energy wastage and resulting in savings of 610 MWh
- Continued our Climate Group's EP100 campaign, confirming our commitment to improve energy productivity through our use of the UK 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:

- Launched the 3Ps of sustainable travel as part of colleagues' new ways of working: Purpose, Planet and Planning
- Invested in sustainable travel facilities across 13 sites
- Installed over 133 electric vehicle charging points at 34 of our sites
- Launched a carbon footprint calculator to support our colleagues to explore the environmental impact of both their business and personal travel choices
- Launched a new ULEV salary sacrifice scheme for colleagues
- Created co-working hubs above our branches to minimise unnecessary business travel

In the future we plan to:

- 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
- Eliminate the use of natural gas in our buildings by 2030
- Improve our air conditioning systems, switching to more energy efficient models using less harmful refrigerant gases
- Continue our energy optimisation programme
- Accelerate our investment in energy efficiency (e.g., installing LED lighting and improving building management systems) 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 improve cycling facilities for colleagues, seeking Cycle Friendly Employer accreditation from Cycling UK at each of our main offices
- Continue our commitment to The Climate Group's EV100 campaign, installing charging points across all our colleague car parks by 2030. We currently have EV charging facilities at 60% of our office car parks

- Continue to embed new ways of working developed during the pandemic, having already launched the 3Ps of sustainable business travel

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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

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) Standard³.

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, stylized initial 'J'.

Janet Pope

Chief of Staff and Group Director, Sustainable Business

Date: 8th June 2022

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

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

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