

Equator Principles: transactions screened by Lloyds Banking Group

Transactions approved*

Lloyds Banking Group is a signatory to the Equator Principles III, which is a risk management framework for determining, assessing and managing environmental and social risk in Project Finance transactions, such as large scale energy, industrial, or infrastructure projects. It ensures that where we provide finance or advice for such deals, it is executed in a responsible manner, and reflects the importance of environmental impacts, ecology, climate change, local communities, and ethical and moral factors. Where any such impacts are unavoidable, they must be appropriately mitigated or offset.

We have a robust approach to the review and reporting of Equator Principle transactions, due to our internal referral and risk assessment process. This includes detailed Environmental Due Diligence and Technical Advisor reports being a key requirement in our analysis of Project Finance transactions, alongside engagement with environmental consultants, enabling us to make responsible business risk decisions.

*Numbers reflect transactions completed in the year; values reflect the final Lloyds Banking Group loan hold amounts approved for each transaction.

PROJECT FINANCE ADVISORY SERVICES	Number	Year ending 31st December 2019 Value
Advisory by industry sector		
Infrastructure	0	£nil
Mining and metals	0	£nil
Oil and gas	0	£nil
Power	0	£nil
Telecommunications	0	£nil
Transport	0	£nil
Other	0	£nil
Advisory by region		
UK	0	£nil
Europe	0	£nil
USA	0	£nil
Australasia	0	£nil
PROJECT FINANCE LOANS		
Loans by category¹		
Category A	0	£nil
Category B	2	£675m
Category C	2	£155m
Loans by region		
UK	4	£830m
Europe	0	£nil
USA	0	£nil
Australasia	0	£nil
Loans by industry sector		
Infrastructure	0	£nil
Mining and metals	0	£nil
Oil and gas	0	£nil
Power	2	£675m
Telecommunications	1	£80m
Transport	1	£75m
Other	0	£nil
Loans by country designation		
Designated country		4
Non-designated country		0
Category A, B and C loans with an independent review		4

There were no project-related corporate loans or bridge loans completed in 2019.

1. Category A: Projects with potentially significant adverse social or environmental impacts that are diverse, irreversible or unprecedented.

Category B: Projects with potentially limited adverse social and environmental impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures.

Category C: Projects with minimal or no social or environmental impacts.

In 2019, we declined no transaction on environmental or social grounds, nor approved any with exceptions. This is due to early identification of issues by relationship managers.