

# 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, with detailed Environmental Due Diligence and Technical Advisor reports being a key requirement in our analysis of Project Finance transactions, and engagement with environmental consultants, enabling us to make responsible business risk decisions.

PROJECT FINANCE ADVISORY SERVICES	31 December 2018	
	Number	Value
<b>Advisory by industry sector</b>		
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	31 December 2018	
	Number	Value
UK	0	£nil
Europe	0	£nil
USA	0	£nil
Australasia	0	£nil

PROJECT FINANCE LOANS	31 December 2018	
	Number	Value
<b>Loans by category<sup>1</sup></b>		
Category A	0	£nil
Category B	6	£1,118m
Category C	1	£75m

Loans by region	31 December 2018	
	Number	Value
UK	5	£970m
Europe	1	£78m
USA	1	£145m
Australasia	0	£nil

Loans by industry sector	31 December 2018	
	Number	Value
Infrastructure	0	£nil
Mining and metals	0	£nil
Oil and gas	3	£298m
Power	3	£820m
Telecommunications	1	£75m
Transport	0	£nil
Other	0	£nil

Loans by country designation	31 December 2018	
	Number	Value
Designated country	7	£7
Non-designated country	0	£0
Category A, B and C loans with an independent review	7	£7

### PROJECT-RELATED CORPORATE LOANS AND BRIDGE LOAN

There were no project-related bridge loans completed in 2018.

There was 1 project-related corporate loan completed in 2018 (included in figures above).

<sup>1</sup> 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 2018, we declined no transactions on environmental or social grounds, nor approved any with exceptions. This is due to early identification of issues by relationship managers.