

Reporting criteria for selected key performance indicators in the 2018 Responsible Business Reporting

Introduction

This Reporting Criteria document details the approach and scope applied to the Helping Britain Prosper Plan, Community Investment and Environmental indicators.

It is the responsibility of the Group's management to ensure that appropriate procedures are in place to prepare the Responsible Business reporting in line with these reporting criteria.

Scope of reporting

The indicators related to diversity and community investment cover the Group's UK operations. The indicators related to environment mainly cover the Group's UK operations, with the exception of total energy consumption and carbon emissions Scope 1 and 2, where an estimate of emissions for non-UK operations are included to align with UK Mandatory Greenhouse Gas (GHG) Reporting requirements.

Part 1 – Diversity

Percentage of senior (grade F+) roles to be held by women

Part 2 – Community investment

1. Cash donations
2. Colleague time
3. In-kind giving
4. Management costs
5. Leverage

Part 3 – Environment

Part 1 – Diversity

PERCENTAGE OF SENIOR (GRADE F+) ROLES TO BE HELD BY WOMEN

Assurable Metric	Percentage of senior (grade F+) roles to be held by women
Definition	Senior roles held by women: The total number of females at Grades F+. Grades at F+ are F, G, H, J, SE, ED (F being the lowest of these) Total population is the total number of colleagues at Grades F+.
Scope	Calculation is based on headcount, not FTE (full-time employee value) as at 31/12/2018. Data source is HR system (Workday) contains details of all permanent colleagues. It includes international colleagues and MBNA, those on parental/ maternity leave, AWOL and long term sick. Excludes contractors, group non-executive directors, temps and agency staff.
Units	Percentage
Method	The total number of females at Grades F+ is divided by the total population of colleagues at Grades F+.
Source	Data is sourced from the HR team which has an automated feed from the systems mentioned above.

Reporting criteria for selected key performance indicators in the 2018 Responsible Business Reporting

Continued

Part 2 – Community Investment

The total amount invested in Communities by the Group over the reporting period. A community organisation is defined as an organisation benefiting society through being ethical and sustainable. This investment is made up of multiple components aligned to the London Benchmarking Group guidelines and categorised as Cash Donations, In-kind Giving, Employee Time and Management Costs. The total value of community investment is a sum of each component/ parameter explained below:

PARAMETER: CASH DONATIONS

Definition	The monetary amount from the Group that supports external community organisations and amount of donations made to the Foundations and equivalent monetary amount Lloyds Banking Group colleagues' time that are seconded to work at the Foundations. Foundations include the Lloyds Bank Foundation for England and Wales, Halifax Foundation for Northern Ireland, Lloyds Bank Foundation for the Channel Islands, Bank of Scotland foundation for Scotland.
Scope	The KPI covers the investment by the Group in the UK. It covers the reporting period 1 January 2018 to 31 December 2018. It includes: <ul style="list-style-type: none"> • Programmes that benefit the community • Support provided to financial support organisations • Membership and subscriptions to organisations that benefit communities through ethical practices including sustainability • Sponsorship of events that promote community and health benefits • Monetary amount of donations made to the Foundations
Units	£ Sterling
Method	Data is collated by the Responsible Business Team. The amount of money donated to the Foundations is calculated by Group Finance and advised to Lloyds Banking Group each year.
Source	The information is provided by programme leads and colleagues who manage budgets and includes internal financial reporting, invoices paid and bank account balances/transactions. Foundations donations data is collated by the Foundations and sent to the Responsible Business Team.

PARAMETER: COLLEAGUE TIME

Definition	This is the monetary equivalent value of colleagues' time when they volunteer, or are seconded to work for Community organisations.
Scope	The KPI applies to all colleagues across the Group that are UK based. It covers the reporting period 1 January 2018 to 31 December 2018. It includes: <ul style="list-style-type: none"> • Employee volunteering during working hours • Secondments to community organisations
Units	£ Sterling
Method	To calculate the value of employee volunteering to a monetary value we multiply the average daily cost per employee (notional salary) by the number of volunteering days. To calculate the value of secondments to community organisations we base it on the annual salary and staff costs including; pensions, expenses, bonuses, employer national insurance for the member of staff divided by the secondment length within the reporting period.
Source	The total annual cost of colleagues is sourced from the Group's financial reporting. The number of colleagues based in the UK is generated by our Human Resource systems. The number of volunteering days is taken from a central database.

Reporting criteria for selected key performance indicators in the 2018 Responsible Business Reporting

Continued

PARAMETER: IN-KIND GIVING

Definition	This is the monetary equivalent of non-cash resources to a community group or activity.
Scope	It covers the reporting period 1 January 2018 to 31 December 2018. It includes: <ul style="list-style-type: none"> ➊ Using the Group's in-house training and recruitment resources to benefit a community organisation ➋ Use of vacant company premises by a community organisation
Units	£ Sterling
Method	The training costs are based on what the training provided would cost externally if the Community Programme did not have the option to use the Group's facilities. Premise costs are valued using market letting value within the reporting period.
Source	The monetary equivalent for the training and recruitment element is an agreed value between the Group and the Community organisation. Premises costs are sourced from the Group Property systems.

PARAMETER: MANAGEMENT COSTS

Definition	This is the monetary equivalent value of employee salaries for managing the Responsible Business programmes.
Scope	The KPI applies to all colleagues across the Group that are UK based. It covers the reporting period 1 January 2018 to 31 December 2018. It includes: <ul style="list-style-type: none"> ➊ Management costs
Units	£ Sterling
Method	Management costs are the activities undertaken by the Responsible Business team function that are required to deliver the programmes and the communications associated to raise awareness. Costs are based on the programme resources required for operating programmes, the average annual salary and staff costs including pensions and employer national insurance.
Source	The total annual cost of colleagues is sourced from the Group's financial reporting. Management cost is provided by programme leads and colleagues who manage budgets and includes internal financial reporting.

PARAMETER: LEVERAGE

Definition	The monetary amount from the Group's employees that support external community organisations.
Scope	The KPI covers the investment by the Group's employees in the UK. It covers the reporting period 1 January 2018 to 31 December 2018. It includes: <ul style="list-style-type: none"> ➊ Charitable giving leveraged through Group-led programmes or schemes, this includes colleague fundraising. This excludes matched giving provided by the bank's associated Foundations which is captured and reported separately under donations to the Foundations (Lloyds Bank Foundation for England and Wales, Halifax Foundation for Northern Ireland, Lloyds Bank Foundation for the Channel Islands, Bank of Scotland foundation for Scotland.)
Units	£ Sterling
Method	Data is collated by The Responsible Business Team in the Group Corporate Affairs function.
Source	The information is provided by the programme leads who collect data on funds raised by employees and the Foundations.

Reporting criteria for selected key performance indicators in the 2018 Responsible Business Reporting

Continued

Part 3 – Environment

Reporting period

Our Environmental indicators are reported annually from 1 October 2017 to 30 September 2018. This reporting period is used to allow more accurate information to be received from our utility and business travel suppliers ahead of our external reporting.

Selected Key Performance Indicators

1. Greenhouse Gas emissions (Scope 1, Scope 2 location- and market-based, and Scope 3)
2. Water consumption
3. Operational waste and percentage of operational waste diverted from landfill
4. Total energy consumption

1. Greenhouse Gas emissions (Scope 1, 2 and 3)

Greenhouse Gas emissions reported by the Group are generated by the business travel undertaken and the energy we used on our sites as defined by the GHG Protocol. We report the data under Scopes 1, 2 and 3. Carbon emissions are reported in line with the Mandatory GHG Reporting requirements implemented in 2014 through an amendment to the Companies Act 2006. Two Scope 2 emissions figures have been calculated, using the location-based and the market-based methodology, in line with the GHG protocol's dual reporting guidance. We report emissions of all Kyoto gases in terms of CO₂ equivalent tonnes (CO₂e).

Reporting criteria for selected key performance indicators in the 2018 Responsible Business Reporting

Continued

PARAMETER: SCOPE 1

Definition	Scope 1 covers: emissions generated from the gas and oil used in all the buildings the Group operates from (UK and International); emissions generated from UK company-owned vehicles used for business travel; and fugitive emissions arising from the use of air-conditioning and chiller/refrigerant plant to service the Group's UK property portfolio.
Scope	The reporting period is 1 October 2017 to 30 September 2018. We report emissions arising from activities for which we are responsible. Our reporting scope is against an Operational boundary. This means our scope 1 reporting covers: the emissions generated from the gas and oil used in all the buildings the Group operates from (where applicable) (UK and International); emissions generated from UK company-owned vehicles used for business travel; and fugitive emissions arising from the use of air-conditioning and chiller/refrigerant plant to service the Group's UK property portfolio. The data is for UK and International properties and UK fleet business travel only.
Units	CO ₂ e tonnes
Method	<p>Energy data (gas and oil) – 'Core' UK sites where the Group holds the energy supply contract directly with the supplier. Energy data for 'core' UK sites is managed by our Facilities Management ("FM") partner who uploads the information to the Group's central environmental system supplied by Credit 360, which then calculates the CO₂e generated using the Department for Environment, Food and Rural Affairs (DEFRA) 2018 conversion factors. The factors used change on a calendar year basis as per DEFRA guidance.</p> <p>The amounts of gas (in kWh) and oil (in litres) are received directly from suppliers' invoices. Gas data is invoiced on a monthly basis for all sites, whereas oil data is invoiced upon delivery to site, where applicable.</p> <p>We use a combination of historical consumption trends, forward-projected patterns of usage and Budget forecasts to report on accruals to fit in with unbilled periods by the gas suppliers.</p> <p>No estimated/accrual data is applied to oil as all oil consumption is reported according to the month in which it is delivered to site.</p> <p>If no data is available for a core site in a given period, yet the site is known to still be active within our portfolio according to our internal property database – we will use the consumption data reported in the equivalent period previous year as an approximate.</p> <p>Shadow/landlord sites – this is the term we use for UK sites where the Group does not hold the energy supply contract directly with the supplier.</p> <p>As the Group is not billed directly for energy consumed in these sites, we do not have full visibility of consumption data. To allow emissions relating to these sites to be included within our emissions reporting for 2018, an estimation using an average gas consumption level per occupied square metre (obtained from sites where the group holds the energy supply contract direct with the supplier) has been calculated and applied based on each site's location within the UK.</p> <p>Non-UK sites Lloyds Banking Group is a UK-based retail and commercial bank with approximately 99 per cent of employees based in the UK (2018 FTE data). We are continuing the strategic reshaping of our international footprint and we intend to reduce further our presence outside the UK. As lessees we do not usually have access to consumption data for our Non-UK sites. Estimates have been based on a GHG emission value per full-time equivalent colleague (FTE) for our UK-based operations. The method to calculate these emissions is to:</p> <ul style="list-style-type: none"> ➤ Establish the ratio of colleagues based outside of the UK as percentage of total colleagues. This is based on FTE i.e. the physical number of Group employees ➤ This percentage is then applied to the total CO₂e generated by gas and oil for UK sites. This is a combination of the indicators detailed above where the Group holds a direct contract with the energy supplier and when it does not ➤ This produces Non-UK CO₂e totals for gas which are included in the overall calculations to generate the Scope 1 total <p>The Group's 2018 FTE data is used to calculate the above estimate using numbers as of September 2018. NB. Lloyds Banking Group is primarily a UK based bank with 99% of operations in the UK and 1% Non-UK footprint.</p> <p>Fugitive emissions Fugitive emissions for Lloyds Banking Group arise from the use of air-conditioning and chiller/ refrigerant plant to service our UK property portfolio. Actual data relating to fugitive emissions is not currently collated centrally by the Group. Therefore, for the 2018 reporting period, these emissions have been estimated based on a register of assets used by our Facilities Management partner to maintain and service the assets within the Group's estate. Leakage rates and emissions factors from the 2018 Guidelines to DEFRA/ Department of Energy and Climate Change (DECC's) GHG Conversion Factors have been applied to each asset on the register according to the gas type used within the asset.</p> <p>Fleet data</p> <ul style="list-style-type: none"> ➤ The distance travelled in kilometres (kms) for fleet cars is calculated from the Group's expense systems which reimburses colleagues on a cost per km travelled basis ➤ The Group Sourcing travel team manages the fleet data and uploads the information to the Group's central environmental system supplied by Credit 360 which calculates the CO₂e generated using DEFRA 2018 conversion factors ➤ The distance travelled in kilometres (kms) for fleet cars is calculated from the Lloyds expense systems which reimburses colleagues on a cost per km travelled basis
Intensity Calculation	To normalise year-on-year comparisons in line with business performance, we are also disclosing an intensity of emissions per million pounds of underlying income. This figure is in line with the revenue to be disclosed in our Annual Report and Accounts, and so covers calendar year 2018.
Source	The Group's environmental system provided by Credit 360.

Reporting criteria for selected key performance indicators in the 2018 Responsible Business Reporting

Continued

PARAMETER: SCOPE 2

Definition	Scope 2 emissions cover emissions generated from the electricity used in all the buildings the Group operates from (UK and Non-UK sites), as calculated by the location based and market-based methodology.
Scope	<p>The reporting period is 1 October 2017 to 30 September 2018.</p> <ul style="list-style-type: none"> ➊ We report emissions arising from activities for which we are responsible; our reporting scope is against an Operational boundary. This means our scope 2 reporting covers the emissions generated from the electricity used in all the buildings the Group operates from (UK and Non-UK sites). This comprises: emissions generated from the use of electricity in UK buildings where the Group holds the supply contract direct with the electricity supplier; emissions generated from the use of electricity in UK buildings where the Group does not hold the supply contract direct with the energy supplier (shadow/ landlord sites) and emissions generated from electricity used in Non-UK locations (Non-UK sites) ➋ As part of our strategy, the bank has made efforts to source renewable electricity throughout our UK portfolio <p>The data is for UK and Non-UK sites.</p>
Units	CO ₂ e tonnes
Method	<ul style="list-style-type: none"> ➊ Energy (Electricity) – ‘Core’ UK sites where the Group holds the energy supply contract directly with the supplier, Billed Electricity data for ‘core’ UK sites is managed by our FM partner who uploads the information to the Group’s central environmental system supplied by Credit 360. The amount of energy used (in kWh) is received directly from suppliers’ invoices ➋ We use a combination of historical consumption trends, forward-projected patterns of usage and Budget forecasts to report on accruals to fit in with unbilled periods by the electricity suppliers <p>If no data is available for a core site in a given period, yet the site is known to still be active within our portfolio according to our internal property database – we will use the consumption data reported in the equivalent period previous year as an approximate.</p> <p>Energy data (electricity) – UK shadow/landlord sites – UK sites where the Group does not hold the energy supply contract directly with the electricity supplier.</p> <p>As the Group is not billed directly for energy consumed in these sites, we do not have full visibility of consumption data. To allow emissions relating to these sites to be included within our emissions reporting for 2018, an estimation using an average electricity consumption level per occupied square metre (obtained from sites where the Group holds the energy supply contract direct with the supplier) has been calculated and applied based on each site’s location within the UK.</p> <p>Unmetered ATMs</p> <p>As a significant proportion of the group’s ATMs are not billed directly to Lloyds Banking Group, applicable consumption has been estimated based on the expected electricity consumption calculated from metered ATMs, multiplied by the number of unmetered ATMs in our portfolio.</p> <p>Energy data (Electricity) – Non-UK sites</p> <p>As lessees we do not usually have access to consumption data for our Non-UK sites. Estimates have been based on a GHG emission value per full-time equivalent colleague (FTE) for our UK- based operations.</p> <p>The method to calculate these emissions is to:</p> <ul style="list-style-type: none"> ➊ Establish the ratio of colleagues based outside of the UK as percentage of total colleagues. This is based on FTE i.e. the physical number of Lloyds Banking Group employees ➋ This percentage is then applied to the total CO₂e generated by electricity for UK sites. This is a combination of the indicators detailed above where the Group holds a direct contract with the energy supplier and when it doesn’t ➌ This produces Non-UK CO₂e totals for electricity which is included in the overall calculations to generate the scope 2 total <p>FTE data as of September 2018 has been used to calculate the necessary uplift for the entire reporting year</p> <p>NB. Lloyds Banking Group is primarily a UK-based bank with 99% of operations in the UK and 1% Non-UK footprint.</p> <p>Location Based Reporting</p> <p>In accordance with the GHG protocol’s scope 2 guidance, total electricity as calculated above is multiplied by the UK average grid factor, sourced from DEFRA 2018. Emissions factors applied change on a calendar year basis in line with DEFRA.</p> <p>Market Based Reporting</p> <p>The Group is procuring REGOs as proof of renewable origin for our electricity consumption across the UK. REGOs are recognised as the sole guarantee of renewable supply in the UK, mediated by Ofgem, the regulator of the UK energy industry. Owing to the nature of renewable supply that qualifies for these certificates, per GHG protocol guidance, associated carbon is zero. As the bank is sourcing REGOs equivalent to our total UK electricity consumption, the bank’s UK electricity emissions are zero under the market-based methodology.</p> <p>Overseas locations have been accounted for at a residual mix factor (the grid mix after all contracted supply has been discounted) in accordance with GHG protocol guidance.</p> <p>NB. Lloyds Banking Group is primarily a UK-based bank with 99% of operations in the UK and 1% Non-UK footprint.</p>
Intensity Calculation	To normalise year-on-year comparisons in line with business performance, we are also disclosing an intensity of emissions per million pounds of underlying income. This figure is in line with the revenue to be disclosed in our Annual Report and Accounts, and so covers calendar year 2018.
Source	The Group’s environmental system provided by Credit 360.

Reporting criteria for selected key performance indicators in the 2018 Responsible Business Reporting

Continued

PARAMETER: SCOPE 3

Definition	<p>Scope 3 relates to the emissions generated by:</p> <ul style="list-style-type: none"> ② UK colleagues undertaking business travel using rail, privately owned vehicles, hired vehicles or by air ② Well to Tank (WTT) emissions of energy sources, which account for greenhouse gases (GHG) emitted during the extraction and transportation of fuels from the source to the point of supply; covering natural gas, oil and fuels used in the generation of the electricity we consume ② Transmission and distribution (T&D) emissions account for the greenhouse gases associated with electricity lost during transmission on the national grid, relative to those consumed on site
Scope	<p>The reporting period is 1 October 2017 to 30 September 2018.</p> <p>The data is for business travel undertaken by UK-based colleagues alongside WTT and T&D emissions from source energy .i.e. gas, oil and electricity.</p>
Units	CO ₂ e tonnes
Method	<p>Rail and air travel</p> <p>The distance travelled in kms is calculated from the Group's online travel booking system HRG (Hogg Robinson Group) and the Group's expense systems.</p> <p>The Group Sourcing travel team manages the data and uploads the information to the Group's central environmental system supplied by Credit 360 which calculates the CO₂e generated using DEFRA 2018 conversion factors. The factors used change on a calendar year basis as per DEFRA guidance.</p> <p>Privately owned vehicles</p> <p>The distance travelled in kms for business travel in privately owned vehicles is calculated from the Group's expense systems which reimburses colleagues on a cost per km travelled basis.</p> <p>The Group Sourcing travel team manages this data and uploads the information to the Group's central environmental system supplied by Credit 360 which calculates the CO₂e generated using DEFRA 2018 conversion factors. The factors used change on a calendar year basis as per DEFRA guidance.</p> <p>The distance travelled in kilometres (kms) for fleet cars is calculated from the Lloyds expense systems which reimburses colleagues on a cost per km travelled basis.</p> <p>Hire Cars</p> <p>Hire car data is managed by the Lex Autolease business within the Group who collate the data from our hire cars suppliers. Data is then uploaded into the Group's central environmental system supplied by Credit 360, which then calculates the CO₂e generated using DEFRA 2018 conversion factors. The factors used change on a calendar year basis as per DEFRA guidance.</p> <p>Where distance travelled is not known for a hire period an average mileage for their specific trip is used.</p> <p>Scope 3 Energy Sources</p> <p>The energy figures for Gas, Oil and Electricity – calculated within the above scope 1 and 2 parameters – are applied to DEFRA 2018 emissions factors covering WTT and T&D emissions.</p>
Source	The Group's environmental system provided by Credit 360.

Reporting criteria for selected key performance indicators in the 2018 Responsible Business Reporting

Continued

2. Water consumption

Definition	The amount of water supplied to our operations.
Scope	<p>The reporting period is 1 October 2017 to 30 September 2018.</p> <ul style="list-style-type: none"> • We report consumption arising from activities for which we are responsible; our reporting scope is against an Operational boundary. This means our water consumption reporting covers the consumption from the water used in all the buildings the Group operates from (UK and Non-UK sites). This comprises: consumption from the use of water in UK buildings where the Group holds the supply contract direct with the water supplier; consumption from the use of water in UK buildings where the Group does not hold the supply contract direct with the water supplier (shadow/landlord sites) and consumption from water used in Non-UK locations (Non-UK sites)
Units	m ³
Method	<p>Water data for UK sites where the Group holds the water supply contract direct with the water supplier is managed by our FM partner who uploads the information into the Group's central environmental system supplied by Credit 360.</p> <p>We use a combination of historical consumption trends, forward-projected patterns of usage and Budget forecasts to report on accruals to fit in with unbilled periods by the water suppliers.</p> <ul style="list-style-type: none"> • The amount of water used (in m3) is received directly from suppliers' invoices <p>If no data is available for a core site in a given period, yet the site is known to still be active within our portfolio according to our internal property database – we will use the consumption data reported in the equivalent period previous year as an approximate.</p> <p>Water data – UK shadow/landlord sites – UK sites where the Group does not hold the water supply contract directly with the water supplier.</p> <p>As the Group is not billed directly for water consumed in these sites, we do not have full visibility of consumption data. To allow consumption relating to these sites to be included within our reporting for 2018, an estimation using an average water consumption level per occupied square metre (obtained from sites where the Group holds the water supply contract direct with the supplier) has been calculated and applied based on each site's location within the UK.</p> <p>Water data – Non-UK sites</p> <p>As lessees we do not usually have access to consumption data for our Non-UK sites. Estimates have been based on a m3 value per full-time equivalent colleague (FTE) for our UK based operations.</p> <p>The method to calculate this consumption is to:</p> <ul style="list-style-type: none"> • Establish the ratio of colleagues based outside of the UK as percentage of total colleagues. This is based on FTE i.e. the physical number of Lloyds Banking Group employees • This percentage is then applied to the total water consumption for UK sites. This is a combination of the indicators detailed above where the Group holds a direct contract with the water supplier and when it doesn't • This produces Non-UK water consumptions FTE data as of September 2017 and has been used to calculate the necessary uplift for the entire reporting year <p>NB. Lloyds Banking Group is primarily a UK-based bank with 99% of operations in the UK and 1% Non-UK footprint.</p>
Source	The Group's environmental system provided by Credit 360.

Reporting criteria for selected key performance indicators in the 2018 Responsible Business Reporting

Continued

3. Operational waste and the percentage diverted from landfill

PARAMETER: OPERATIONAL WASTE DIVERTED FROM LANDFILL

Definition	The operational waste we generate from our own UK direct business activities. The word 'operational' is used to distinguish this from the waste that is generated by construction, refurbishment and maintenance work we undertake on our existing sites or through the construction of new sites, as well as the disposal of any IT/electronic equipment.
Scope	The reporting period is the 1 October 2017 to 30 September 2018. Operational waste includes the general and confidential waste services provided by our FM partner. 'Construction' waste (i.e. waste created through building or refurbishment of sites) is captured separately and not included within this data. IT/electronic equipment waste, sanitary waste, waste produced as a result of maintenance activity and waste collected by local authorities or landlords is also not included in the scope of this reporting, as no data is centrally collated in respect of these waste streams. The data is for UK properties where the general and confidential waste management service is provided by our FM partner only.
Units	Tonnes
Method	Operational waste is managed by our FM partner who receives information relating to the number and type of collections per site each month directly from sub-contractors and uploads this information to the Group's central environmental system supplied by Credit 360. Sub-contractors supply the number of each container type that is removed from our sites on a monthly basis. Agreed average weights are then applied to each container type (that is not weighed on collection) to estimate the volume of waste removed. For confidential waste, industry standard averages according to waste type and typical container volume are used. For general non-confidential waste, where possible, the sub-contractor weighs the containers at the point of collection, however, if actual weight is not available then average weights are applied as per the following hierarchy: 1. Taking an average of any weights on the actual sites contract over the last 6 months 2. If no weights on the sites contract for the last 6 months then an average weight for container type, e.g. 1100 for DMR at account number level is applied 3. If no average weight for this then calculate the average weight per cubic metre of the product type, e.g. DMR at account level
Source	The Group's environmental system provided by Credit 360.

PARAMETER: PERCENTAGE OF OPERATIONAL WASTE DIVERTED FROM LANDFILL

Definition	This is the amount of our operational waste (as defined above) that is not sent to landfill sites.
Scope	The reporting period is 1 October 2017 to 30 September 2018. The scope is as noted for operational waste.
Units	Percentage
Method	Operational waste is managed by our FM partner who receives information directly from sub-contractors and uploads this information to the Group's central environmental system supplied by Credit 360. The Group's central environmental system has been configured to recognise waste categories as either sent to landfill or diverted from landfill and calculates the percentage ratio. The assumption is that 100% of waste classified within a particular waste category in the Group's central environmental system is either wholly diverted from landfill or wholly sent to landfill. All categories of operational waste with the exception of general waste are classified as diverted from landfill.
Source	The Group's environmental system provided by Credit 360.

Reporting criteria for selected key performance indicators in the 2018 Responsible Business Reporting

Continued

4. Total Energy Consumption

Definition	This relates to the energy consumption data used to generate the emissions reported as part of the Group's scope 1 & 2 GHG emissions, where the sum of total energy from the electricity, gas and oil used as a result of our own direct business activities is calculated and converted to Gigawatt hours (GWh).
Scope	The reporting period is 1 October 2017 to 30 September 2018. Scope includes total energy used in our 'core' UK sites plus energy used in UK sites where the Group does not hold the supply contract direct with the energy supplier (shadow/landlord sites) and energy consumed in international locations (Non UK sites), plus unmetered ATMs.
Units	GWh (Gigawatt hours)
Method	<p>Energy data (gas, oil and electricity)</p> <p>Energy data relating to the Group's 'core' UK sites is managed by our FM partner who uploads the information to the Group's central environmental system supplied by Credit 360.</p> <p>The volumes of gas (kWh), electricity (kWh) and oil (litres) for 'core' UK sites are received directly from suppliers' invoices. We use a combination of historical consumption trends, forward projected patterns of usage and Budget forecasts to report on accruals to fit in with unbilled periods by the electricity and gas suppliers.</p> <p>Oil consumption data is only captured at the time of delivery/invoicing, therefore, oil usage is reported for the month when the oil is delivered (not when it is actually subsequently consumed).</p> <p>Shadow/landlord sites – this is the term we use for UK sites where the Group does not hold the energy supply contract directly with the supplier. As the Group is not billed directly for energy consumed in these sites we do not have full visibility of consumption data. To allow consumption relating to these sites to be included within reporting, an estimation using an average gas/electricity consumption level per occupied square metre (obtained from sites where the Group holds the energy supply contract direct with the supplier) has been calculated.</p> <p>Non-UK sites – Estimates have been based on a kilowatt-hour (kWh) value per full time equivalent colleague (FTE) for our UK based operations. The method to calculate these consumptions is to establish the ratio of colleagues based outside of the UK as percentage of total colleagues. This is based on FTE, i.e. the physical number of Group employees.</p> <p>The Group's 2018 FTE data is used to calculate the above estimate.</p> <p>NB. Lloyds Banking Group is primarily a UK based retail and commercial bank with 99% of operations in the UK and 1% Non-UK footprint.</p> <p>To calculate Gas energy totals:</p> <ul style="list-style-type: none"> ➤ Gas (kWhs) used in 'core' UK sites, shadow/landlord sites and non UK sites are added together and converted to Gwh <p>To calculate oil energy totals:</p> <ul style="list-style-type: none"> ➤ Oil (in litres) used in UK sites, are converted to GWh using the DEFRA 2018 conversion factors to calculate electricity energy totals ➤ Electricity (kWhs) used in 'core' UK sites, Shadow/landlord sites and non UK sites, and unmetered ATMs are added and converted to GWh <p>To calculate the Total Energy Consumption, all individual energy consumption totals are added together to calculate the energy consumption total.</p>
Source	The Group's environmental system provided by Credit 360.