LLOYDS BANKING GROUP

Sustainable Bond Framework

APRIL 2024

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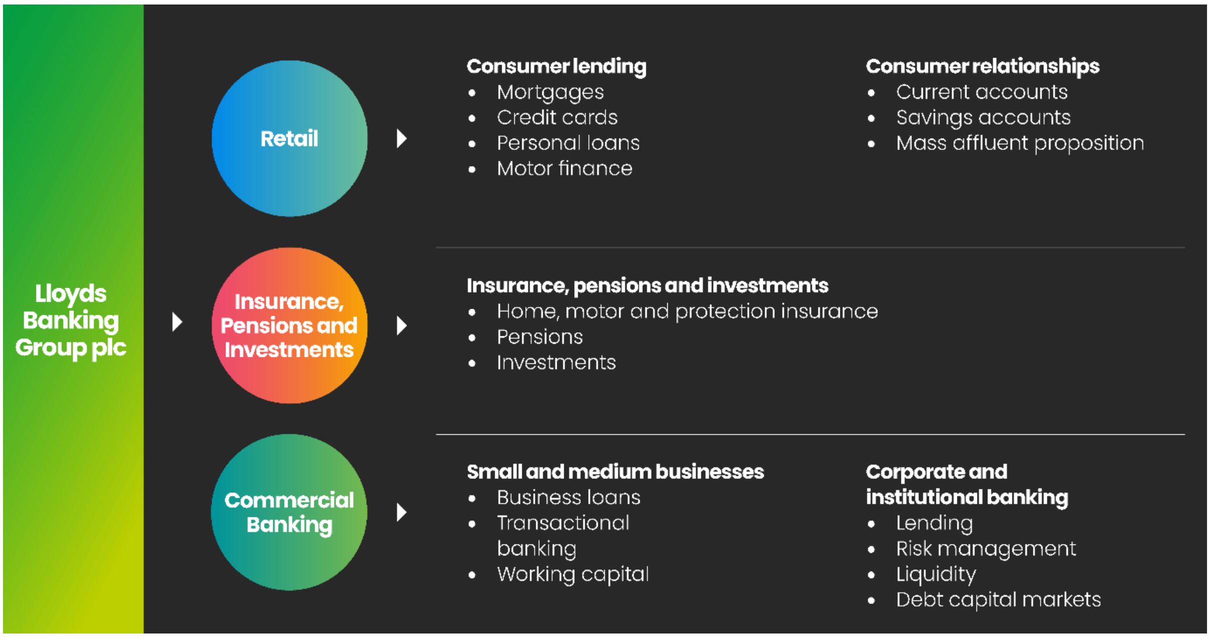
1. Introduction

At Lloyds Banking Group ("LBG" or the "Group"), our purpose is **Helping Britain Prosper**. As the UK's largest financial services provider with 27 million customers, we have an important role to play in creating a more sustainable and inclusive future for people and businesses, by shaping finance as a force for good. The breadth of our businesses gives us a unique position to help us reach our goals.

By focusing on Helping Britain Prosper, we aim to deliver sustainable growth and returns. We do this by continually innovating the products and services we offer, developing and investing in new solutions and using our expertise and influence to create positive change.

Our business model provides our customers with financial security, our colleagues with jobs and benefits and supports the communities in which we operate, all while delivering higher, more sustainable returns for shareholders.

We provide a wide range of banking and financial services across three core divisions: Retail Banking, Commercial Banking and Insurance, Pensions and Investments. We have structured our business to optimise synergies and efficiencies to best serve our customers' needs.



2. Our approach to sustainability

Our Group strategy is directly aligned to our purpose of Helping Britain Prosper, building on the scale and position of the Group, that will deliver long-term and profitable growth while making a meaningful and positive difference for all stakeholders.

Core to our purpose and strategy is our focus on building a more inclusive and sustainable society, while creating new opportunities for our future growth. It is only by doing right by our customers, colleagues and communities that we can achieve higher, more sustainable profits for investors. In doing this we aim to meet the needs of our broader stakeholders through sustainable growth, supporting the prosperity of the UK for generations to come.

As we become a more purpose-driven organisation, we have an opportunity to play our part in helping the UK to meet the targets set by the UN Sustainable Development Goals (SDGs). This Framework will reference the SDGs as they relate to our activities.

2.1. Lloyds' Strategic Sustainability Priorities

We have three Group strategic priorities which will enable us to deliver our vision of being the UK customer-focused digital leader and integrated financial services provider, capitalising on new opportunities, at scale. Our sustainability objectives and activities are aligned to and support the delivery of our Group strategic priorities.

Group strategic priorities	**Grow** Drive revenue growth and diversification	**Focus** Strengthen cost and capital efficiency	**Change** Maximise the potential of people, technology and data
Our sustainability objectives	• Capitalising on inclusive and sustainable financing and investment opportunities • Improving access to quality housing • Increasing access to banking by promoting financial inclusion and resilience • Supporting regional development and productivity	• Reducing emissions and monitoring our sustainability-related risks to manage costs and mitigate against future losses • Strengthening our balance sheet by supporting customers, clients and communities through challenging times	• Embedding sustainability in all that we do • Supporting and engaging our colleagues • Building an inclusive and diverse organisation

2.2. Banking Activities and Financed Emissions

As part of our overall ambition to reach net zero by 2050 or sooner, we have set ourselves the ambition to work with customers, government and the market to help reduce the carbon emissions we finance by more than 50 per cent by 2030.

In April 2021, Lloyds Bank became a founding member of Net Zero Banking Alliance (NZBA). As such we seek to understand and target our emissions from our banking activity using a sector-based approach with targets to 2030 for many of our most carbon intensive sectors. These are captured in our transition plan which is included in the Group's Sustainability Reporting.

2.3. Sustainability Governance

Given the strategic importance of our sustainability ambitions and commitments in managing the impacts arising from climate change and broader social issues, the Group's governance structure provides clear oversight and ownership of the Group's sustainability strategy and management of risks and opportunities.

Sustainability-related responsibilities at Board level are overseen by the Responsible Business Committee, with specific reporting and risk management responsibility in relation to sustainability related matters (including climate) shared with the Audit Committee and Board Risk Committee. This ensures appropriate Board level coordination and cooperation on these matters.

The Responsible Business Committee oversees the Group's delivery of its purpose including the delivery of our sustainability strategy (including climate-related matters). Executive oversight comes from the Group Net Zero Committee, Group Risk Committee and Group Executive Committee.

[1] The chair of the Scottish Widows Board sits on the Group Board. The Scottish Widows CEO sits on the Group Executive Committee and will update the Group Executive Committee on the relevant insurance matters which can include papers for the Group Executive Committee approval.

[2] The Chair of the Responsible Business Committee, Amanda Mackensie, is a non-executive director on the Board, a member of the Remuneration Committee, the Nomination and Governance Committee and, as of 1 January 2024, the Audit Committee, and ensures that sustainability is discussed and considered by the Board. Amanda has extensive experience in ESG matters, including helping to launch the United Nations Sustainable Development Goals.

[3] The Group Net Zero Committee and the group Risk Committee provide oversight from an environmental perspective only

2.4. Environmental, Social and Governance Risk Management

As a Group, managing risk effectively is fundamental to our strategy and future success. This Framework is governed by the Group's policies, authorities and limits related to risk appetite; the amount and type of risk that the Group is prepared to seek, accept or tolerate in delivering our Group Strategy. Our climate-risk appetite is outlined in External Sector Statements available on the group's website, which also state types of activities the Group will and will not support in higher-risk sectors.

The Group has an ESG Credit Risk framework comprised of policies and processes designed to give us better insight into our customers' activities and address respective issues of concern. Our policies reflect applicable national and international laws and confirm that as a Group we expect our customers to comply with applicable international conventions, sanctions and embargoes, legislation, and licensing requirements whilst showing a clear commitment to robust ESG risk management.

LBG's ESG Credit Risk policies also incorporate voluntary standards such as the Equator Principles (EP)[1] and the UN Global Compact[2]. Further details on our ESG policies are available on the Lloyds Banking Group website.

[1] The Equator Principles ("EP") are a voluntary set of standards for project-related lending and underwriting transactions. Member Financial Institutions will adopt the standards when determining, assessing, and managing environmental and social risks. Lloyds Banking Group has been a member since 2008.

[2] The UN Global Compact is a global initiative that connects companies and organizations with the UN to advance sustainable development goals based on 10 principles in the areas of human rights, labour, environment, and anti-corruption. Lloyds Bank has been a member since 2016: Homepage | UN Global Compact

3. Sustainable Bond Framework

3.1. Purpose of this Framework

We have developed this Sustainable Bond Framework (the "Framework") to help finance the Group's Helping Britain Prosper purpose, which seeks to promote positive environmental and social outcomes. The Framework also enhances transparency by allowing investors to clearly assess the scope of funded Green or Social investments and their potential positive impact.

The Framework sets out clear criteria to determine which assets may be included in the respective Green and Social Eligible Portfolios described below. We have identified areas that are not only material to the Group, but also where we believe we are well placed to act and deliver significant positive change. The categories identified in Section 3.4 are core to the Group's sustainability strategy as set out in Section 2.

Our activity and focus on these sectors will support our commitments to conduct our business activities in the most sustainable and inclusive way.

This Sustainable Bond Framework will supersede the prior version published in May 2019. The Framework is aligned to the International Capital Markets Authority (ICMA) Green Bond Principles (2021, with 2022 Appendix) and the Social Bond Principles Guidelines (2023). Per the ICMA guidelines the following sections are included within this Framework:

- Use of Proceeds
- Process for Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

The Framework draws upon, but should not be interpreted as compliant with, regulations and initiatives including the United Nations Sustainable Development Goals ("SDGs"), European Green Bond Standards ("EU GBS"), the Delegated Acts of the European taxonomy for sustainable activities ("EU Taxonomy") on climate change mitigation and adaptation objectives, and the Climate Bonds Initiative Taxonomy. In addition, Lloyds Banking Group continues to monitor the regulatory developments under the UK Green Taxonomy and its implications for future iterations of this Framework. Given the rapidly advancing market, this Framework may be updated at a later date.

3.2. Types of Issuance

This Framework, as updated from time to time, allows us to issue the following:

- "Green Bond" – A bond instrument where the proceeds or an equivalent amount are applied to finance or re-finance, in part or in full, new and/or existing Eligible Green Assets (as defined in Section 3.4.1)
- "Social Bond"– A bond instrument where the proceeds or an equivalent amount are applied to finance or re-finance, in part or in full, new and/or existing Eligible Social Assets (as defined in Section 3.4.2)

3.3. Issuing Entities and Forms of Financing Instruments

Issuance under this Framework is limited to Senior Unsecured Bonds, Secured Bonds, Subordinated Bonds, Covered Bonds and Commercial Paper. Issuance may be from our holding company (Lloyds Banking Group PLC) or any subsidiaries, such as Lloyds Bank plc or Lloyds Bank Corporate Markets plc.

3.4. Use of Proceeds

The tables below summarise the Eligible Green and Social Assets in relation to this Framework. "Eligible Asset(s)" refers to the financing of assets that we believe comply with the Eligibility Criteria outlined below.

In the table we have sought to illustrate how our Eligible Green and/or Social Assets are influenced by the corresponding:

- International Capital Markets Association (ICMA)
  - Green Bond Principles (2021 with June 22 Appendix 1)[3]
  - Social Bond Principles (2023) [4]
- United Nations Sustainable Development Goals (UN SDGs)[5]

The definitions of Eligible Assets set out below (Eligible Asset Definitions) are intended to facilitate investment in Eligible Green and Social Assets that we believe have positive environmental or social impact, support the transition to an equitable and sustainable economy and aim to contribute to the UN SDGs, the targets of the Paris Climate Agreement and the UK Net Zero Strategy.

[3] https://www.icmagroup.org/sustainable-finance/the-principles/the-principles-guidelines-and-handbooks/green-bond-principles-gbp

[4] https://www.icmagroup.org/sustainable-finance/the-principles/the-principles-guidelines-and-handbooks/social-bond-principles-sbp

[5] THE 17 GOALS | Sustainable Development (un.org)

3.4.1. Eligible Green Assets

ICMA Themes	Eligible activities	Exclusions[6]	UN SDG Themes
Green Buildings	Construction, acquisition or retrofitting of buildings which meet the regional, national, or internationally recognised standards or certifications outlined below: **Retail lending for Residential Buildings:** ▪ Energy performance certificate (EPC) Rating B or higher **Commercial Lending for Housebuilding:** ▪ Minimum EPC B for each individual unit and a project weighted average of "EPC B+" i.e. Minimum weighted average Standard Assessment Procedure (SAP) scores[7] within the B rating ▪ Next Generation Project criteria – "Bronze" or higher ▪ Or meets other equivalent standards (or better) such as BREEAM or HQM as per the below **Commercial Lending for Residential or Commercial Buildings:** ▪ EPC Rating B or higher ▪ Buildings identified as being in the top 15% for national Primary Energy Demand ▪ NextGeneration Project criteria – "Bronze" or higher ▪ BREEAM: Excellent or Higher ▪ LEED: Gold or Higher ▪ EDGE: Certified or higher ▪ Home Quality Mark 4 or higher (residential buildings only) ▪ NABERS 5 or higher (commercial buildings only) **Retrofit of Existing Residential or Commercial Buildings:** • Retrofit which results in a 30% reduction in Primary Energy Demand use or carbon emissions or improvement into EPC B or higher[8]	▪ Activities related to buildings directly involved in the exploration, extraction, refining and distribution of fossil fuels ▪ Projects which use waste heat from fossil fuel production or operations ▪ Cogeneration systems applied to the fossil fuel industry ▪ Improvements to appliances and equipment primarily using fossil fuel	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES

[6] The Eligible Portfolios also exclude any assets in the Group's external sector statements and adhere to ESG Risk Management (Ref section 2.3)

[7] Minimum weighted average SAP score of 86

[8] For the avoidance of doubt this also includes retrofitting activities that finance a property's energy performance to improve from EPC B into EPC A

Renewable Energy	Generation, equipment, development, manufacturing, construction, operation, storage, and maintenance of renewable energy generation sources namely: ▪ Onshore and offshore wind energy projects ▪ Solar power or solar photovoltaic energy projects ▪ Low Carbon Hydrogen[9] **Additional eligible assets also include:** ▪ Assets supporting electricity transmission and distribution projects which facilitate the development of renewable energy projects by connecting them to the UK National Grid or European grid system ▪ Energy storage technologies, including battery storage[10]	▪ Application of technology in the fossil fuel industry ▪ Equipment powered by any fossil fuel ▪ Transmissions lines directly connected or dedicated to fossil fuel power ▪ Battery Energy Storage Systems directly connected to fossil fuel assets	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Energy Efficiency	**Energy Efficiency Technologies** Development, manufacture, repair, maintenance or installation of energy efficiency technologies, products, and systems including: ▪ Smart meters for electricity ▪ Energy efficient lighting ▪ Highly efficient heating, ventilation, and air conditioning (HVAC) systems ▪ Distributed generation[11] ▪ Peak demand management ▪ Devices measuring, regulating or controlling energy performance of buildings **Equipment:** Renewable powered (electric or hydrogen fuelled) equipment, access equipment or construction equipment (e.g. fork-lift trucks, scissor lifts and excavation machinery)	▪ Energy efficiency improvements to transmissions lines connected or dedicated to fossil fuel power ▪ Projects to improve energy efficiency of equipment or technologies used in fossil fuel production and/or distribution ▪ Projects using waste heat from fossil fuel production/ operation ▪ Energy efficiency projects in non-energy sectors which are in heavy industries such as steel, cement, and aluminium	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

9 Production of hydrogen with an emissions intensity of no more than 20g CO2e/MJLHV (megajoule lower heating value) or less for produced hydrogen up to the point of production

10 Where either:

More than 67% of newly enabled generation installed capacity in the system is below the emissions threshold of 100 gCO2e/kWh, measured on a life-cycle basis in accordance with electricity generation criteria, over a rolling five-year period; or

The average system grid emissions factor (calculated as the total annual emissions from power generation connected to the system, divided by the total annual net electricity production in that system) is below the threshold value of 100 gCO2e/kWh, over a rolling five-year period

11 Only including renewable technologies that meet the criteria within this Framework

Clean Transport-ation	Development, sale, leasing[12], operation and upgrade of low carbon transportation for people and materials, including: ▪ Passenger vehicles and Commercial Vehicles with zero direct tailpipe CO_2 emission (battery electric vehicles or hydrogen fuel cells) ▪ All buses require a Zero Emission Bus (ZEB) certification ▪ Infrastructure projects such as charging stations for electric vehicles and hydrogen fuelling stations (both private transport and public transport) ▪ Infrastructure for personal mobility and cycle logistics (e.g. footpaths and bike paths) ▪ Public transport (e.g. metro and railway stations and tracks) ▪ Battery research and development for low carbon transport projects New and replacement Bi mode and Tri mode Rolling Stock must be acquired principally for use in electric mode, with diesel only for use where electrified overhead wires / third rail not available. Diesel engine usage must be forecast to be the minority.	▪ Efficiency improvements involving conventional fossil fuel combustion engines ▪ Vehicles dedicated to transportation of fossil fuels ▪ Infrastructure used for the transportation or storage of fossil fuels ▪ Development and improvement of transport links to airports ▪ New construction and existing road infrastructure retrofits, including roads, road bridges and parking facilities ▪ Freight rail with expected emissions over 25 gCO_2/tkm ▪ Passenger rail with expected emissions over 50 gCO_2e/pkm	

12 or other asset-specific financing

3.4.2. Eligible Social Assets

ICMA Themes	Eligible activities	Exclusions	UN SDG Themes
Affordable Housing	Eligible Assets to UK accredited or registered Housing Associations, which are not-for-profit organisations supporting the provision of affordable housing in the UK and contribute to enhanced access for low-income residents or marginalised communities. The Housing Associations offer social rented, affordable rented and intermediate housing to specified eligible households whose needs are not met by the private market. To be classified as an Eligible Social Asset, the Housing Associations must be involved in providing, constructing, improving, managing or facilitating the construction or improvement of housing accommodation for at least one of the following[13] : • Social Rent[14] • Affordable Rent[15] • Shared Ownership[16] • Supported Housing[17] **Target populations include but are not limited to:** Individuals or families who need sheltered housing, individuals or families on low income and/or on income allowances or benefits, and socioeconomically vulnerable groups. Target populations are identified by UK local authorities and set according to the needs for the local area.	Registered Social Landlords which no longer meet Governance and Viability standards of the UK regulator For profit, shared ownership or joint-ventures between Registered Social Landlords and non-registered entities	  

[13] Definition aligns to Section 51 paragraph 1 of the Housing Association Act 1985 "housing association" definition

[14] Social Rent – Involves homes that are provided by local authorities and housing associations. Rent levels are around 50-60% of market rents for the local area and rent increases are limited by Government. This usually results in a more secure, long-term tenancy than private renting

[15] A scheme open to a broader range of household incomes than social rent and involves homes provided by local authorities and Housing Associations with controls that ensure rents charged are no higher than 80% of local market rent. This scheme is also sometimes known as Intermediate Rent.

[16] A scheme which allows applicants to purchase a share of a property (between 25% and 75%) from a Housing Association, paying an affordable rent on the part still owned by the Housing Association. An individual's eligibility to access shared ownership housing is subject to certain criteria and conditions including household income cap

[17] A scheme where housing, support and sometimes care services are provided to help people to live as independently as possible in the community. Examples include care, nursing, and sheltered housing

3.5. Process for Asset Evaluation and Selection

The proceeds or an equivalent amount from issuances under this Framework will be allocated to finance or re-finance, in whole or in part, assets in the Green and Social Eligible Portfolios (each Portfolio comprising one or more Eligible Asset(s), an Eligible Portfolio or Eligible Asset Portfolio).

Assets may be included in the Green or Social Eligible Portfolios to the extent that they were originated or re-financed up to 36 months prior to their inclusion in the Green or Social Eligible Portfolios (the "look back period"). The Eligible Portfolios do not include any assets that are stated as exclusions in the Group's External Sector Statement.

Commercial Banking assets will only be eligible if they are equal to or greater than £5 million.

The Sustainable Bond Committee will consider assets for inclusion in the Eligible Asset Portfolios by reference to the eligibility criteria set out in Section 3.4 and the Group's Environmental, Social and Governance Risk Management Criteria set out in Section 2.4.

The Committee, chaired by the Group Treasurer or deputy, will meet on an annual basis at a minimum, or more frequently as required, and comprises of senior delegates including but not limited to: Group Corporate Treasury, Group Sustainable Business, Group Environmental Sustainability, Risk, Finance Sustainability Reporting, Legal, Conduct Compliance, and Operational Risk, Divisional Reps, and Portfolio Analytics.

The Sustainable Bond Committee has oversight responsibilities for:

- The internal approval of Eligible Asset inclusions, as outlined by Use of Proceeds and taking into consideration the exclusions criteria (See Section 3.4)
- The management of the allocation of proceeds over the lifetime of any bond issued under this Framework, ensuring they are only used for the financing or refinancing of Eligible Assets
- Tracking developments in the Green, Social and Sustainable financing market and considering applicable updates to the Framework and the criteria for Eligible Asset(s)
- Reviewing unallocated Eligible Assets available for any potential new issuances
- Review of the annual Eligible Asset Allocation and Impact report

3.6. Management of Proceeds

Proceeds from the Green and Social bonds issued under the Framework will be managed on a portfolio basis with the expectation that assets in the Eligible Portfolios will always be equal to or greater than proceeds from issuance under the Framework. Upon issuance, Lloyds Banking Group will allocate an amount equal to the net proceeds from the notes to finance or re-finance Eligible Assets.

The Group will ensure any outstanding proceeds will be allocated to the relevant Eligible Portfolio in line with the above-mentioned relevant Eligible Asset Definitions and the Evaluation and Selection Process. Eligible Green and Social Assets may be loans directly financed or re-financed by the issuing entity or indirectly via one of the issuing entity's subsidiaries.

The Group will maintain a database of Eligible Assets and the Sustainable Bond Committee will review and approve allocations of proceeds from the issue of Green and Social bonds under this Framework to Eligible Assets.

3.6.1. Declassification

If the Committee becomes aware that any asset(s) no longer meets the relevant Eligible Asset Definitions or has matured, we will remove the loan from the Eligible Portfolio.

If we are unable at any time to allocate the proceeds from a bond to Eligible Assets, for example if note proceeds exceed the Eligible Asset portfolio, we will invest any surplus proceeds in cash or short-term liquid investments until additional Eligible Assets are available.

3.7. Reporting

LBG will provide a report on the use of proceeds and the impact of the use of those proceeds in accordance with the Framework on an annual basis until maturity of the instrument(s) issued under the Framework, in adherence to the ICMA Green Bond Principles and Social Bond Principles. This report will be publicly shared through the Lloyds Banking Group Fixed Income Investor webpage.

On a best-effort basis, LBG aims to align its reporting with the approach described in "the ICMA Harmonised Framework for Impact Reporting (2023).[18]

[18] https://www.icmagroup.org/sustainable-finance/impact-reporting/green-projects/

3.7.1. Allocation Reporting

The allocation report will publicly disclose at a minimum:

- The size of the Eligible Green and Social Portfolios by number of loans and balances, split by category
- The total amount of proceeds raised through bond issuance and allocated to the Eligible Asset Portfolios
- The balance of unallocated proceeds, if any

3.7.2. Impact Reporting

In addition to allocation of proceeds, metrics relevant to each allocated Eligible Asset category will also be reported.

For the Eligible Green Asset categories, we will publish at a minimum the annual carbon emissions avoided[19] (tCO_2 equivalent). This will be calculated as the average estimated carbon intensity of the Eligible Assets, using the Group methodology as set out in Sustainability Report against a comparable benchmark. Where CO_2 emissions figures are reported, the GHG accounting methodology and assumptions will be referenced.

For the Eligible Social Asset category, we will report at a minimum the number of social housing companies supported by our lending.

3.8. External Review

3.8.1. Second Party Opinion

The Group has appointed Sustainalytics to provide an independent, pre-issuance Second Party Opinion (SPO) for this Sustainable Bond Framework. The SPO confirms alignment of the Framework to the ICMA Principles, which supports recommendations by the FCA. The Second Party Opinion can be found through the Group's Fixed Income Investor webpage.

3.8.2. Reporting Assurance

The Group has requested limited assurance services from a reputable external independent auditor on an annual basis. The service will provide limited assurance to annual allocation and impact reporting of bond proceeds issued under this

[19] For green assets in construction (e.g. renewables or housebuilding/property development), Lloyds will either forecast avoided emissions or will provide a count of projects/balance in construction. For some lower volume/balance green asset classes Lloyds may provide volume/balance by asset type rather than avoided emissions.

Framework. The assurance report will be published through the Group's Fixed Income Investor webpage.

4. Disclaimer

The Group notes that there is currently no global framework or taxonomy, or consistently applied legal or regulatory definition, as to what constitutes an 'ESG' (Environmental, Social, or Governance), 'Green', 'Social', 'Sustainable' or equivalent labelled product, or as to what precise attributes are required for a particular product, investment, or asset to be defined as 'ESG', 'Green', 'Social', Sustainable, or with an equivalent label, nor can any assurance be given that such a clear global definition or consensus will develop over time.

The Group is providing this Framework to assist its investors, customers, potential customers, and other third parties regarding Group's own current position in view of the possibility of different interpretations of these terms, as they develop over time.

Any information contained or referred to herein, in relation to any actual or potential ESG objective, issue, or consideration is not intended to be relied upon for the classification purposes of the EU Sustainable Finance Disclosures Regulation, EU Taxonomy Regulation, or equivalent classification regimes (Classification Regimes).

While the Group has obtained information from sources considered to be reliable, the Group provides no representation that any third party ESG information or data is accurate or complete, or that it has (itself or via a third party) taken any steps to verify such information or data. Accordingly, the Group does not accept any liability whatsoever for any direct, indirect, or consequential loss arising from any actions or inactions undertaken in reliance on third party information or any other content contained herein or in relation to determinations made under the Classification Regimes by investors, users, and other relevant persons. Any opinions or views of third parties expressed in this document are those of the third parties identified, and not of the Group, its affiliates, directors, officers, employees or agents. By incorporating or referring to opinions and views of third parties, the Group is not, in any way, endorsing or supporting such opinions or views. Investors, users, and other relevant persons are reminded that differences in interpretation are possible. Different persons (including third party data providers, investors, and other financial institutions) may apply different interpretations, standards, and criteria, including through use of internal methodologies, and arrive at different conclusions. Investors, users, and other relevant persons are advised to obtain their own independent financial, legal, regulatory, tax or other advice as necessary to make their own investment decision as to whether a product, investment or asset meets their ESG needs, including ESG performance, ESG alignment, and alignment to or compliance with any regulatory regime (including, without limitation, the Classification Regimes).

No offer of securities or investments

The information, statements and disclosure herein do not constitute a public offer under any applicable legislation, an offer to sell or solicitation of any offer to buy any securities or financial instruments, or any advice or recommendation with respect to such securities or other financial instruments.

This Framework, the information, statements, and disclosure included in this Framework are not formally part of any offering documents and are not contractually binding. The Framework is not intended to form part of any communication of any offering issued under this Framework and it is not intended to be an advertisement for the purposes of the UK Prospectus Regulation and investors should not make any investment decisions based on the information included in this Framework. This Framework and the information contained within it, has been prepared on the following basis: (i) this document and its contents are not externally audited; (ii) all material contained in this document is subject to change without notice; (iii) the material in this document does not constitute any investment, accounting, legal, regulatory or tax advice (iv) estimates expressed in this document should be regarded as indicative, and for illustrative purposes only; and (v) this document has been prepared using models, methodologies and data which are subject to certain limitations (as explained further below).

The data contained in this document reflects best estimates at the relevant time. The models, methodologies and data used in information in this document, including in relation to the setting of the Group's emissions targets, net-zero transition strategy, climate scenario analysis and transition plan, are subject to certain limitations. These include (i) that they are subject to future risks and uncertainties which may change over time, (ii) for external data, or methodologies and models developed by a third party, they could be subject to adjustment which is beyond the Group's control; (iii) the quality of data can vary, which may impact the outputs of models and methodologies; (iv) in respect of climate-related models, methodologies and data in particular, are not of the same standard as those available for other financial information, nor subject to the same standards, benchmarks or standardised accounting principles, and historical data may not be an accurate indicator of the future trajectory of climate change impacts. Moreover, measurement technologies and analytical methodologies are in constant development; there is a lack of international coordination on data and methodology standards, and there exists future uncertainty, which includes (amongst others) developing global and regional laws, regulations and policies and evolving classification frameworks and climate science knowledge and data. Where the Group has used the methodology and tools developed by a third party, the application of the methodology (or consequences of its application) shall not be interpreted as conflicting with any legal or contractual obligations and such legal or contractual obligations shall take precedence over the application of the methodology. Where the Group has used underlying data provided or sourced by a third party, the use of the data shall not be interpreted as conflicting with any legal or contractual obligations and such legal or contractual obligations shall take precedence over the use of the data. Further development of reporting or other standards could impact the metrics, data and targets contained in this document. From one reporting period to another, direct comparisons of each statement of information or data may not always be possible, and information may be updated from time to time.

No liability

While reasonable care has been taken in preparing this document, neither the Group nor any of its affiliates, directors, officers, employees or agents make any representation or warranty as to its quality, accuracy or completeness, and they accept no responsibility or liability for the contents of this material, including any errors of fact, omission or opinion expressed.

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and section 27A of the US Securities Act of 1933, as amended, with respect to the business, strategy, plans and/or results of Lloyds Banking Group plc together with its subsidiaries (the Group) and its current goals and expectations. Statements that are not historical or current facts, including statements about the Group's or its directors' and/or management's beliefs and expectations, are forward-looking statements. Words such as, without limitation, 'believes', 'achieves', 'anticipates', 'estimates', 'expects', 'targets', 'should', 'intends', 'aims', 'projects', 'plans', 'potential', 'will', 'would', 'could', 'considered', 'likely', 'may', 'seek', 'estimate', 'probability', 'goal', 'objective', 'deliver', 'endeavour', 'prospects', 'optimistic' and similar expressions or variations on these expressions are intended to identify forward-looking statements. These statements concern or may affect future matters, including the Group's ESG targets and/or commitments; statements of plans, objectives or goals of the Group or its management and other statements that are not historical fact and statements of assumptions underlying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend upon circumstances that will or may occur in the future. There are inherent risks and uncertainties associated with achieving future emissions targets and implementing net-zero transition strategies and plans in a complex, interdependent, and continually evolving global landscape. The Group therefore reserves the right to adjust, amend, or adapt its metrics and targets in response to unforeseen circumstances or changes in external factors and dependencies which impact the feasibility of achieving the stated targets.

Lloyds Banking Group plc may also make or disclose written and/or oral forward-looking statements in other written materials and in oral statements made by the directors, officers or employees of Lloyds Banking Group plc to third parties, including financial analysts. Except as required by any applicable law or regulation, the forward-looking statements contained in this document are made as of today's date, and the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document whether as a result of new information, future events or otherwise.