

Annual General Meeting

Amanda Mackenzie, Chair of the Responsible Business Committee, Lloyds Banking Group
Thursday 16th May 2024

Thank you Charlie.

Good morning everyone.

Today I am pleased to expand on the progress we're making on our Responsible Business agenda.

We are becoming more purpose-driven as we transform our business and, by focusing on helping Britain prosper, we will deliver higher shareholder returns alongside lasting, positive impact for colleagues, customers and communities.

We are connected to almost every sector and community in the UK. It's a unique responsibility and privilege to serve the UK as we do. We are committed to helping address some of the UK's biggest challenges, making sure we do so responsibly. These are big aspirations, often years in the making. In reality, success comes from the support we offer our customers, colleagues and communities every day.

Just this week, Charlie visited the LAR Housing Trust project in Ruchill, about 4 miles up the road from us all this morning, where we're supporting LAR with funding as they transform an old paint factory into modern, genuinely affordable housing for 18-25 year olds. Breathing new life into this old factory will give young people a safe and secure home, as they step into adulthood and start to build their careers in and around Glasgow.

As we've heard from Charlie, as the first major UK bank to lend to a *Community Development Financial Institution* is a great example of our purpose in action. Through our *Community Investment Enterprise Fund* we're aiming to support 800 small businesses in under-served areas that have previously missed out on mainstream lending. Take a small builder who lost out on a project because

they couldn't access the funds to cover up-front material costs. These are loans which will have a real impact on local entrepreneurs and their communities.

Across our business, we're doing an immense amount to support the UK's housing sector. We've seen an extraordinary response from our colleagues to our Crisis charity partnership. Through fundraising, we have raised over £1.6 million for Crisis programmes and more than 300 colleagues have volunteered for them. This has continued into the work of our four Group charitable Foundations. In West Lothian, through our Bank of Scotland Foundation, we've supported the Open Door Accommodation Project, who provide care and support for people who have experienced homelessness or have been socially excluded. And in Suffolk, our Lloyds Bank Foundation for England and Wales has supported the team at the PHOEBE Centre who address the complex needs faced by migrant women coming to the UK in search of a better life. Just a couple of examples of the amazing work our Group charitable Foundations support and we're proud to share that since 1985, we have donated over £789m to our Foundations.

None of this would be possible without first looking after our own people. We have continued to consider the impact of the cost of living on our colleagues and to provide them with greater certainty we announced a two-year pay deal, plus a further December payment for around 44,000 colleagues. This means from August 2022 to April '25, colleagues at lower grades will have received pay rises and additional payments, worth around 35% of their salaries. The Responsible Business Committee also receive regular updates on colleague engagement and we continued to listen to – and learn from – their feedback, unlocking the changes we need to transform our business.

In line with our focus on building an inclusive society, as we heard from Robin, we've set ourselves deliberately stretching targets to improve representation at senior levels. And I'm pleased to share that we have seen an increase in Black, Asian and Minority Ethnic representation in senior roles this

year. At the end of 2023, Black, Asian or minority ethnic colleagues held 11.3 per cent of our senior manager roles, up from 10.2 per cent in 2022.

Beyond the work we're doing in our own organisation, last year, we expanded our work with black-owned businesses and we engaged more than 5,000 Black entrepreneurs with over 20,000 hours of support from Group colleagues.

In 2023, we also achieved all of the FTSE Women Leaders' recommendations two years ahead of their 2025 target; reaching at least 40 per cent women on the Board, at least 40 per cent women in executive leadership roles and at least one woman in the four key roles on the Board.

Last year, we announced a goal to double the representation of colleagues with a disability in senior roles to 12 per cent by 2025. Setting this target has encouraged disclosure from our colleagues, and I'm so pleased to say that by the end of 2023, we had already reached that target, so we're looking at how to build on our ambition in this space.

Turning to environmental sustainability, last year I talked through how we're using our scale and reach to help accelerate the transition to net zero. We are making strong progress and, since 2022, we have provided £29 billion of sustainable finance to support the transition to a low carbon economy. Since 2022, we have also provided £7.5 billion in mortgage lending for EPC A- and B- rated properties. And following last year's acquisition of Tusker, we now finance 1 in 8 ultra-low emissions vehicles on UK roads today.

In February, we published three, new, sector targets; Road Passenger Transport, Commercial and Residential Real Estate, and Agriculture. As you should expect, we are challenging ourselves to run our own business more sustainably and have launched new operational emissions pledges to be zero waste, and water neutral, by 2030. In March, we announced a 10-year Power Purchase Agreement, providing our estate with clean, renewable energy. An important step in reducing the emissions from

our own operations. Through this Agreement, we will purchase 50GWh of clean electricity each year – the equivalent of powering 14,000 UK homes.

We are determined about achieving our ambitions and supporting the transition of the wider UK economy. We are honest with ourselves, though, that the UK's transition is not yet happening at the pace or scale that net zero by 2050 demands. We cannot reach it without significant progress in policy development, technology and behaviour change, but we mustn't let things outside of our control be a barrier to our focus and action.

And we cannot neglect nature either. We are enhancing our understanding of it - and its role in supporting the transition. In March, we became the first Founding Business Partner of Projects for Nature. As part of our partnership, we have invested £250,000 to three projects carefully selected by Defra and the Environment Agency to help address *national nature recovery priorities*. We will be working alongside the National Trust, the Knepp Wildland Foundation, and the West Cumbria Rivers Trust to restore nature and enhance biodiversity through these three local projects.

Helping Britain Prosper is what drives us. Makes us different. It defines how we will grow our business profitably for customers, colleagues and communities.

As you have heard from Robin and Charlie, we've made significant progress this year. I would like to thank them both for their leadership – and all of our Group colleagues - for their passion and energy as we work to build a more sustainable and inclusive society. Everyone wants to see a Britain which prospers, and we are resolute in helping that happen now - and in the decades ahead.

Thank you.

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